

SEGMENTAL REVIEW

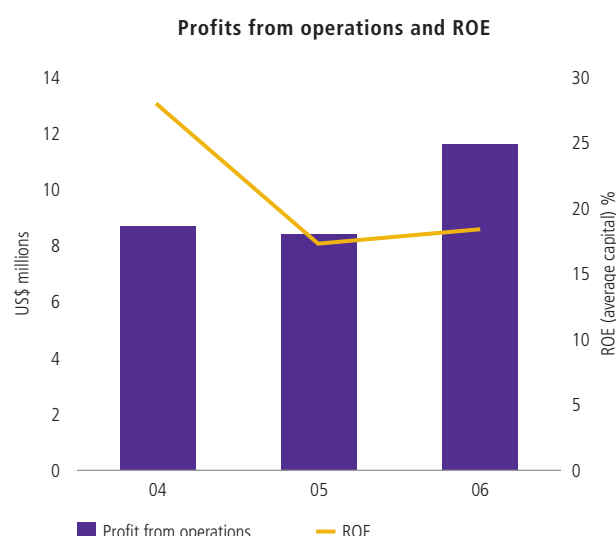
GROUP INVESTMENTS

Performance for the year

	2006 US\$m	2005 US\$m
Revenue and other income	22,6	15,9
Profit from operations	11,6	8,4
Closing capital employed	77,1	48,6
Return on equity before taxation (%)	18,4	17,3

Overview and operational review of Group Investments

Group Investments comprises largely of Brait's strategic non-private equity managed interest in Bayport, Capital Alliance Finance and the newly established independent joint venture mezzanine fund management business. It also incorporates the group's central treasury operations.



Bayport Overview

Bayport is a group of micro-lending and financial services businesses with established operations in Ghana, Uganda and Zambia. It is currently also developing a niche opportunity in South Africa. Established in 2002 by industry professionals together with capital provided by Brait, Bayport has developed from a start-up operation to a well managed and established business, generating attractive risk-adjusted returns.

Following the initial performance of Bayport and given its potential growth opportunities, Brait provided additional capital to Bayport in a blend of equity and interest-bearing debt financing. As Brait is the largest debt financier of Bayport, it has voting control of the business.

At year-end, Brait has invested US\$9,9 million in Bayport in a blend of equity and interest-bearing debt financing and in addition thereto, has committed a further US\$6,8 million of debt which is available for draw down by Bayport.

Bayport has developed a unique model for each of the jurisdictions in which it has established operations and has developed invaluable

relationships with local partners, each of whom has an equity interest in the local operation. Bayport's experience in the financial markets in which the African businesses operate, demonstrates the commercial potential for developing micro-lending and financial services offerings to lower-income earning employees, on a sustainable basis, throughout the African continent.

Bayport on an ongoing basis identifies and evaluates new markets and jurisdictions in which it believes opportunities for expansion and development exist. As and when such opportunities arise, Bayport establishes projects with a view to fine-tuning the specific business model and cementing relationships with local partners and other stakeholders. Once such projects have demonstrated the ability to produce Bayport's targeted risk-adjusted returns, Bayport will deploy a meaningful quantum of its own capital into the operation and will in addition, seek to maximise leverage from local financial institutions.

Bayport is structured by centrally managing a pool of funds at the Bayport holding company level and allocating these funds judiciously across a portfolio of various micro-lending and financial services businesses operating throughout the African continent.

Brait's interests in Bayport are held through Bayport Holdings Limited. Bayport Holdings has an interest in Bayport Management Limited, through which the African businesses are conducted and Bayport Holdings (South Africa) (Pty) Ltd, a South African entity through which the South African businesses are conducted.

During the year Brait completed the sale of a portion of its equity in Bayport Holdings to strategic co-investors. In addition, Brait and the minority shareholders in each of the African and South African businesses sold a portion of their interests to the Adobe Group, an investment group controlled by Sir Samuel Esson Jonah, a pre-eminent businessman and non-executive director and president of AngloGold Ashanti Limited. He is a director of the African and South African businesses and is actively involved in the strategy and operations of Bayport.

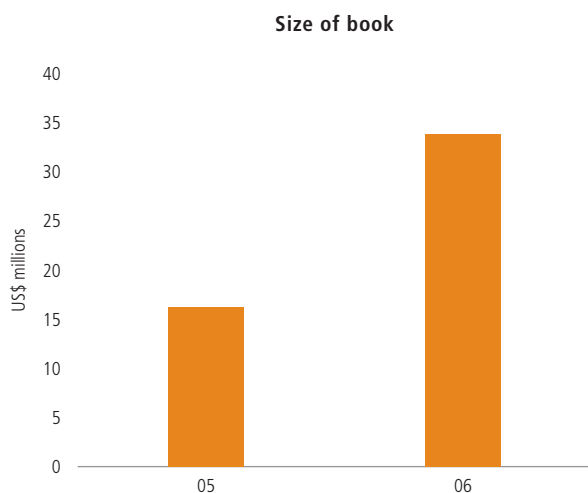
Pursuant to the sale to the strategic co-investors and to Adobe, Brait effectively owns 41,66% of each of the African and South African businesses. Through arrangements with the strategic co-investors, Brait controls 53,41% of the voting rights, resulting in the consolidation of Bayport's results, into Brait.

Financial results and commentary

The year under review saw significant continued growth in Bayport's business. Through additional funding from Brait as well as from funding provided by financial institutions in the jurisdictions in which the African businesses have a presence, Bayport has grown its loan book by 109% from US\$16,2 million to US\$33,8 million. At the same time bad debts written off have been well controlled and equate to 3,5% of the loan book at year-end. The provision at year-end for bad and doubtful debts equates to 4,5% of the loan book. As the loan book matures and grows to an optimal size, the bad debts written off should tend towards the level of the provision. The organisational infrastructure in the African business is now considered to be optimal for the jurisdictions in which it operates. Pre-tax earnings were US\$6,4 million for the year, which represents an increase of 276% over the US\$1,7 million earned in the previous year. With average capital employed during the year of US\$8,2 million, return on equity increased

SEGMENTAL REVIEW

GROUP INVESTMENTS CONTINUED



to 40,0% from 28,1% in the previous year. Brait's share of Bayport's earnings for the year plus its interest on loan advances was US\$3,3 million, 77% up from US\$1,9 million in the prior year.

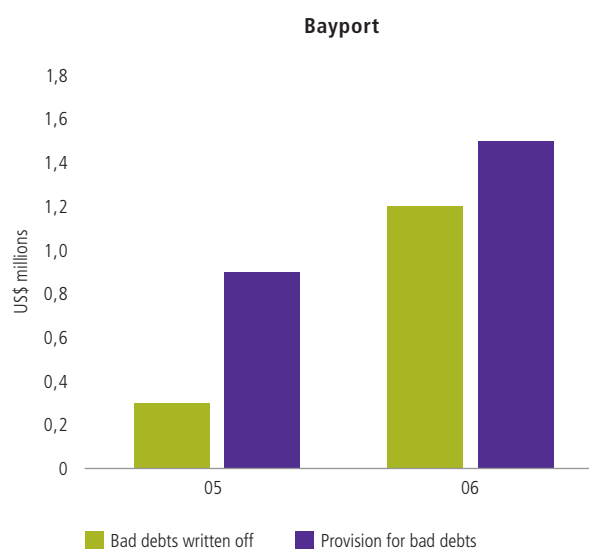
Prospects

Brait is pleased with the development made by Bayport and its prospects. With an experienced and capable management team, a sound business model, a stable and fully developed infrastructure and strong demand for its products, Bayport aims to be a truly African micro-lending and financial services organisation. Bayport is well positioned to become an even greater contributor to Brait's earnings in future.

Capital Alliance Finance

The group has a 50% joint venture interest in Capital Alliance Finance ("CAF") with a carry value R17,3 million, represented primarily by a loan advance. CAF operates in South Africa and provides affordable loan products to the lower income market and credit accessibility to its clients. CAF's historical target market is typically formal income earners, who were not considered "bankable" by the formal retail banking sector and are generally employees of the government and private sector.

CAF's micro-lending business remained profitable for the year and generated surplus cash. In line with its strategy, business volumes were maintained at existing levels to allow the cash generated by the business to be applied in the repayment of shareholder loans.



During the year under review, the National Credit Regulations were introduced in the newly promulgated National Credit Act to replace the Usury Act and the Credit Agreements Act. The new regulations have been designed to fix interest rates, to regulate administration and monthly service fees and prohibit reckless lending. Initial indications are that the new regulations will have a material impact on the entire industry which could lead to a consolidation within the industry. CAF is in the process of assessing the impact that the regulations will have on its operations and strategy.

Mezzanine Partners (Proprietary) Limited

In November 2005, the group established an independent mezzanine fund management business. Mezzanine Partners, a joint venture between Brait South Africa Limited, Old Mutual Asset Managers and its executive management, is South Africa's first independent mezzanine fund manager. At year-end, the fund had committed capital of US\$45 million. It concluded its maiden investment subsequent to year-end.

Financial results and commentary

Earnings from the group's strategic investments have increased by 38% to US\$11,6 million from US\$8,4 million with Bayport continuing to be the largest single contributor with the balance coming from CAF and treasury operations. Return on average capital employed of US\$62,9 million was 18% compared with 17% in the prior year.