

SUSTAINABILITY REPORT

Introduction

Brait's approach to corporate sustainability is to create long-term shareowner value by embracing opportunities and managing the risks derived from economic, social and environmental developments. Brait views sustainable development as an essential component in the growth and improvement of the group in all its operations. In light of this, it strives to find a balance between economic objectives, social upliftment and environmental responsibility ("triple bottom line"), in recognition of the financial and reputational benefits of integrating sustainability into sound business practice.

Brait is pleased to present the group's third consecutive annual sustainability report. The aim of this report is to demonstrate to stakeholders the group's continued commitment to operate a sustainable company, whilst respecting all three aspects of the triple bottom line. This report covers the activities of the Brait group, during the 2006 reporting period.

The report follows a similar format used for the two previous reports, and draws on the framework of the internationally accepted Global Reporting Initiative (GRI) Sustainability Guidelines (2002), as well as the criteria of the JSE Limited's (JSE) Socially Responsible Investment (SRI) Index, as guides for sustainability reporting on the triple bottom line. These criteria have been used for guidance only, with this report focusing on issues that are specifically material to the business of Brait. Sustainability is not an isolated undertaking removed from day-to-day business activities, and as such, this report should be read in conjunction with the rest of the annual report to gain a full overview of the group's activities.

As a financial services company, the group's contribution to promoting sustainable development relates largely to its ability to make a positive impact on social upliftment, and economic development. The group has thus taken the strategic decision to focus its sustainability activities on addressing the challenges that are most material to its business, namely the responsible provision of its financing, lending and funds management activities (taking into account both social and environmental indirect impacts), the roll-out of its BEE initiatives, the promotion of its CSI motto of "better opportunities through education", and the implementation and maintenance of sound employment practices. Brait nevertheless recognises the importance of the natural environment, and the minimisation of both the direct and indirect environmental activities of its business.

With the increased focus on sustainability, worldwide, Brait has benchmarked itself against the criteria of the JSE Socially Responsible Investment (SRI) Index, launched in May 2004. This index aims to promote and enhance good corporate sustainability practices, in South Africa, by using a set of predetermined criteria to assess and measure companies' triple bottom line performance. Participation in the JSE SRI Index is voluntary and limited to the 160 companies listed in the FTSE/JSE All Share Index. Brait has participated in this process, for the third consecutive year, and is proud to be one of the 58 companies included in the JSE SRI Index for 2006.

Interaction with our stakeholder groups is fundamental to the sustainability process. Brait looks forward to engaging with all its stakeholders on the issues raised in the report, and encourages feedback to advance the company's approach to sustainability development and management, in an effort to continually improve in these key areas.

The framework for reporting on the triple bottom line, in this report, is as follows:

Stakeholders	–	Economic performance
Social responsibility	–	Social performance
Employee report	–	Social performance/occupational health and safety
Environmental	–	Environmental performance

Stakeholders

Brait recognises the importance of building and cementing long-term reciprocal relationships with our stakeholders and views this as integral to the success of our business. Our direct stakeholders are shareowners, clients, investors, employees, suppliers, government and regulators, whilst our indirect stakeholders include the communities in which we operate encompassing the education fraternity which serves as a source of future employees of the group. All our stakeholders play a key role in the sustained success of Brait's business and we regularly engage and consult with them. Brait is committed to creating wealth and adding value for all our stakeholders, and further strengthening our relationship with them.

Shareowners and providers of capital

Shareowners are our providers of capital and their key performance measures are the achievement of superior long-term sustainable growth in earnings and dividends, and the consistent demonstration of exceptional returns on shareowners' equity. The past year has seen the group meet and exceed these performance measures with a significant increase in earnings, and the declaration of a total dividend of 18,24 US cents per share to shareowners. ROE on a performance scorecard basis improved to 45,9%, exceeding our target of 20%. The group's risk exposure has been conservatively managed and the long-term nature of our private equity business and the good standing of our client franchise are still intact.

Clients

We view our clients as partners and work hand in hand with them in the creation of shared value. They are key to the long-term sustainability of our business. Our approach and objectives fit those of our clients. In fostering long-term and mutually beneficial relationships with them, we go the extra mile and respond quickly and innovatively to their needs. Clients appreciate our integrated multi-disciplinary service offering, and our enthusiasm to co-invest with them in support of our advice and ideas.

Investors

We have an obligation to our investors to deliver superior returns and, as a result, our ability to find and convert opportunities into financial reward provides our investors in funds under management with a balance of risk/return profile with consistent and sustainable returns and earnings that they are unlikely to achieve themselves, or within our peer group. Brait has committed itself to stringent standards of reporting transparency and disclosure. This practice is followed not only for shareowners, but also at client and investor levels. Investors in our private equity funds receive regular, transparent and comprehensive reporting disclosure in regard to their investments. They are represented on advisory boards and are party to the investment strategy with regard to these funds. All investments are fully discussed with our investors at bi-annual meetings. The trust and confidence of our investors in our private equity team is reflected by the historic record of growth in Brait's funds under management and their ongoing participation in Brait's new fund offerings.

Employees

The intellectual capital of Brait's employees form the foundation, and is the key driver behind the success of the group. Recognition of our employees performance is aligned with the performance of the group. We are focused on the development of our pool of talented people and are committed to education and training to improve and extend their skills. Recruitment and retention of good people is important to the group, and our human capital base is stable. Employees are treated with respect and are key partners to the business.

Regulators and other industry bodies

The group engages proactively in the regulatory process and pursues opportunities to interact with various regulators. It engages with all three stock exchanges, on which the group's shares are listed.

Brait is a full member of the Southern African Venture Capital and Private Equity Association (SAVCA). The main objective of SAVCA is the promotion of the venture capital and private equity industry in

southern Africa. Over the past five years, Brait has been actively involved with SAVCA, and has played an integral role in a number of its key initiatives. Brait is represented on SAVCA's board of directors, its executive committee, as well as on a number of project sub-committees. The group also engages with the Micro Finance Regulatory Council (MFRC) and the Securities Regulation Panel (SRP).

Government and public sector officials

During the period under review, Brait has engaged with the South African Deputy Minister of Finance, who has been most supportive in terms of the group's efforts to expose international investors to senior policymakers in government. We have further engaged with the Department of Public Enterprise, the Department of Trade and Industry, and other relevant government sectors pertinent to an investor company's business.

Suppliers

Brait is committed to furthering black economic empowerment, and has procedures in place to substantially increase the company's procurement from black-owned (shareholding), and black-staffed enterprises. Suppliers are required to submit their employer and employee profiles and employment equity strategies. The group is also dedicated to sourcing suppliers with appropriate environmental policies in place (re-cycling, environmentally-friendly products, etc).

Communities and social interest groups

Brait is committed to assisting less fortunate people in the communities in which we operate, and to developing human capital. We recognise that we have a contribution to make in uplifting these communities. This is primarily facilitated through the activities of the Brait Foundation, which has a chief objective to promote, nurture and develop intellectual capital in commercial activities in these communities and to work in conjunction with academic institutions, including the granting of educational bursaries for employment equity candidates.

SUSTAINABILITY REPORT CONTINUED

Below is a table setting out methods of engagement with each stakeholder group:

Stakeholders	Methods of engagement
Shareowners and providers of capital Shareowners are our providers of capital and their key performance measures are the achievement of superior long-term sustainable growth in earnings and dividends, and the consistent demonstration of exceptional returns on shareowners' equity.	• Media releases • Corporate website: www.brait.com • The Stock Exchange News Service (SENS) • Annual and interim results • Presentations and investor visits • Annual general meeting • The annual report • Analyst briefings, including results presentations • Conference calls
Clients (including Fund Investors) Creating lasting and mutually beneficial relationships with our customers with the creation of shared value, and an obligation to deliver superior returns to our investors.	• Advertising and marketing • Corporate website • Electronic, telephonic and telefax communication • Corporate hospitality • Client seminars • Daily economic research reports • Quarterly, monthly and weekly Fund reports • Distribution through the M&A Network Inc. • Investor memorandums • Investor visits • Educational seminars • Industry surveys
Employees Creating a positive, supportive, healthy and diversity-friendly working environment.	• The intranet • Electronic and verbal communication • Internal newsletters • Wellness at work programme • Training and development • Emerging Fund Manager programme • Employment equity and diversity • Staff share schemes • Paid maternity leave • Health and safety (Regular on-site eye assessments, sponsored flu vaccinations) • Study loan scheme • Annual appraisal/employee satisfaction surveys
Regulators and other industry bodies Brait actively engages with the various stock exchanges on which it is listed, and other statutory authorities to ensure that the interests of the group, its shareholders and customers are properly represented in all policy-making and regulatory processes in the development of financial services markets.	• Electronic, telephonic and telefax communication • Attend road shows and presentations • Meetings • Forums • Board representation
Government Through the executive management, Brait engages with government by interacting with key personnel within various government departments relevant to the business of the group.	• One-on-one consultations between staff and key government personnel • Economic briefings • Public-Private Partnerships
Suppliers We view our suppliers as business partners and are committed to aligning with reputable suppliers, and assisting with supplier transformation.	• Electronic, telephonic and telefax communication • One-on-one consultations between relevant staff and suppliers
Communities Brait is committed to assisting less fortunate people in the communities in which we operate and to developing human capital.	• The Brait Foundation

A number of important challenges have emerged from stakeholder feedback:

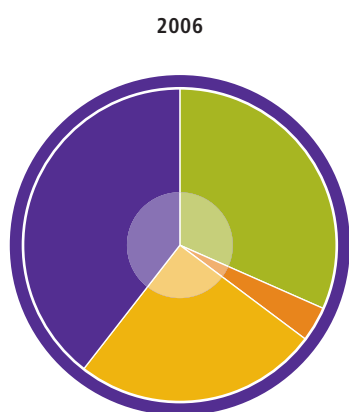
- To raise awareness about the Corporate Social Investment initiatives run by the Brait Foundation.
- To achieve diversity at all levels throughout the organisation, particularly within senior management.
- To actively communicate the group's BEE implementation status to ensure awareness of the group's initiatives amongst stakeholders.

GROUP VALUE ADDED STATEMENT

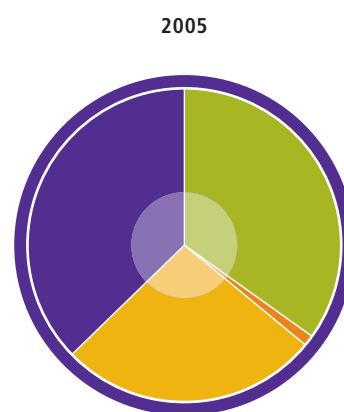
for the year ended 31 March	2006 US\$m	%	As restated 2005 US\$m	%
Value added				
Fees, investment returns, interest and other revenues <i>(note 1)</i>	101,2		79,4	
Cost of services	(23,7)		(25,2)	
Wealth created	77,5		54,2	
Distribution of wealth				
Employees				
Salaries, wages and other benefits	24,5	32	18,9	35
Governments – national and regional				
Taxation and duties	2,8	4	0,6	1
Shareowners				
Dividends	19,6	25	14,5	27
Retentions for reinvestment				
Retained earnings and depreciation	30,6	39	20,2	37
	77,5	100	54,2	100

Note 1. Interest is included net of interest expense

Distribution of wealth



- Employees, 32%
- Governments – national and regional, 4%
- Shareowners, 25%
- Retentions for reinvestment, 39%



- Employees, 35%
- Governments – national and regional, 1%
- Shareowners, 27%
- Retentions for reinvestment, 37%

SHARE ANALYSIS

Distribution of shareowners at 31 March 2006

	Shareowners		Shares held	
	Number	%	Number	%
Range of shareowning				
1 to 10 000	3 531	88,1	5 705 038	5,2
10 001 to 50 000	294	7,3	7 019 132	6,4
50 001 to 100 000	54	1,3	4 013 828	3,6
more than 100 000	131	3,3	93 749 323	84,8
	4 010	100,0	110 487 321	100,0

The analysis of shareownings above includes the underlying beneficial shareowners in nominee companies.

Shareowner spread

To the best knowledge of the directors and after reasonable enquiry, as at 31 March 2006, the spread of shareowners was as follows:

Public	3 992	99,6	94 375 333	85,4
Non-public	18	0,4	16 111 988	14,6
Directors and associates	14	0,3	7 107 103	6,4
Share trusts	4	0,1	9 004 885	8,2
	4 010	100,0	110 487 321	100,0

Category/classification of shareowners

Banks	45	1,1	8 683 519	7,9
Close corporations	97	2,4	451 766	0,4
Endowment fund	18	0,5	522 105	0,5
Individuals	3 048	76,0	10 515 041	9,5
Insurance company	18	0,4	3 004 043	2,7
Investment company	4	0,1	10 492 565	9,5
Mutual fund	88	2,2	19 943 124	18,0
Nominees and trusts	381	9,5	14 797 855	13,4
Other corporations	78	2,0	5 853 683	5,3
Pension fund	49	1,2	8 400 553	7,6
Private companies	171	4,3	15 618 128	14,1
Public companies	9	0,2	3 200 054	2,9
Share trust	4	0,1	9 004 885	8,2
	4 010	100,0	110 487 321	100,0

Major shareowners

According to the company's share register, the following are the ten largest shareowners as at 31 March 2006:

	Shares held	
	Number	%
Stanlib Group (for and on behalf of clients)	8 322 891	7,5
The Brait Executive Share Purchase Scheme	6 877 552	6,2
Public Investment Commissioner	5 833 254	5,3
Investec Group (for and on behalf of clients)	5 470 722	5,0
Securitas Services Limited	5 344 560	4,8
The Thierry Dalais Family Trust	5 248 408	4,8
Ball Family Trust	5 097 375	4,6
Battersea Services Limited	3 916 938	3,5
Drocheda Limited	3 000 000	2,7
Sanlam Group (for and on behalf of clients)	2 978 332	2,7
Total	52 090 032	47,1

Performance on the JSE Limited*

for the year ended 31 March

	2006	2005	2004	2003	2002	2001	2000
Price performance							
Traded prices							
(South African cents per share)							
– year-end closing price	2 500	1 170	730	650	860	1 145	2 200
– high	2 630	1 250	850	1 170	1 590	2 200	3 975
– low	1 170	676	560	650	845	1 145	1 790
– weighted average price							
per share traded	1 785	892	662	921	1 331	1 605	2 628
Price-earnings ratio (on closing price)	7,5	4,9	165,7	(4,4)	3,4	5,2	8,3
Volume performance							
Number of shares in issue ('000)	110 487	102 256	102 256	93 483	93 483	93 483	93 483
Volume of shares traded ('000)	56 222	29 717	37 567	22 773	26 758	25 034	37 298
Number of transactions	9 575	3 166	2 071	1 897	3 333	5 268	10 068
Volume traded as % of average							
shares in issue	51	29	37	24	29	27	40
Number of shareholders							
(at 31 March)	4 010	2 872	2 692	2 574	3 108	2 184	2 696
Value performance							
Value of shares traded							
– ZAR'm	1 081	265	249	192	367	394	980
– US\$m	169	42	40	24	32	49	150
Market capitalisation							
at 31 March (m)							
– ZAR'm	2 762	1 196	746	608	804	1 070	2 057
– US\$m	447	190	119	77	71	134	315
Yield							
Earnings yield (%)	12,8	20,3	0,6	(23,0)	12,4	19,2	12,0
Dividend yield (%)	4,6	7,3	2,8^	3,3^	7,5	5,2	3,4

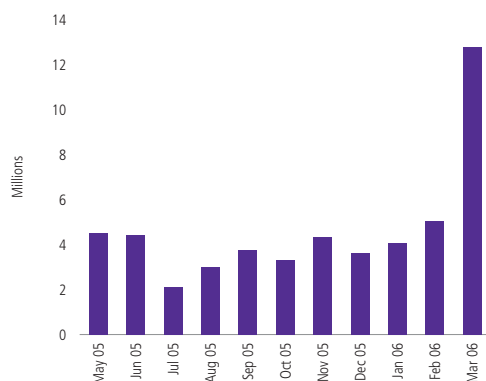
Liquidity rating of securities

Brait's shares have a class one maximum liquidity rating on the JSE Limited

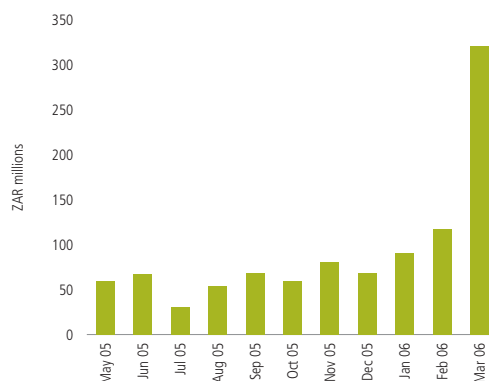
* The performance on the JSE Limited has been analysed as this is the most liquid exchange on which Brait's shares trade.

^ Excluding special dividends

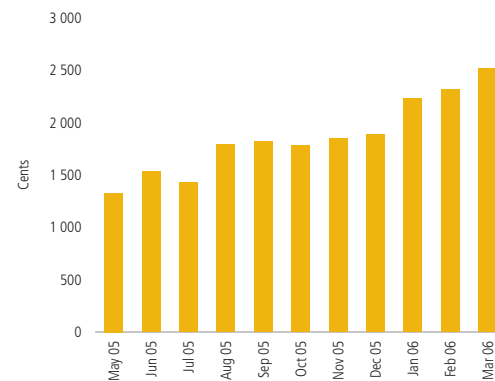
Volume traded



Value traded



Average price



SOCIAL RESPONSIBILITY

The Brait Foundation was established in July 2000, as a partnership between the group and its employees. The Foundation's objective is to provide better opportunities to previously disadvantaged communities in South Africa, through education. It is resourced via financial contributions from the group's business units, staff and fundraising initiatives, but its main strength lies in the commitment of its members who, together with Brait staff, volunteer their time, energy and expertise to manage, monitor and assist the various projects undertaken by the Foundation.

As an organisation that recognises and promotes excellence, drive and entrepreneurial spirit, Brait seeks to foster individuals whose ability, commitment to learning and determination to overcome barriers can be an example to their peers and the wider community. The Brait Foundation is proud to be associated with individuals, organisations, institutions and projects which share the same passion shown by Brait and its staff members.

Moletsane Secondary School

Moletsane School, located in Soweto, was established in 1972 and graduated into a fully fledged senior secondary school in 1976. Moletsane currently has 1 330 learners enrolled, supported by 37 educators and three administrative officers. During recent years the Brait Foundation has developed a strong partnership with Moletsane and has set up a number of successful programmes in conjunction with the school.

The Foundation has over the past five years, assisted Moletsane by upgrading school buildings and facilities, and implementing various learning programmes which have assisted and encouraged both learners and teachers alike. This is reflected in the marked improvement in Moletsane's matric results over the past few years.

2001: 46% pass rate
2002: 86,4% pass rate with 35 distinctions
2003: 93,4% pass rate with 22 distinctions
2004: 91% pass rate (the best Gr 12 results in the Soweto area)
2005: 80% pass rate with four distinctions

Moletsane is now much admired, within the Soweto school community, for the improvement of its matric results as well as for the enormous commitment it shows to the continuing education and upliftment of both its teachers and pupils.

Projects, achievements, milestones, awards:

- Brait annually sponsors seven teams from Moletsane to participate in the JSE/Liberty Life Investment Schools Challenge. The competition involves learners from grades 10 and 11 managing listed equity investment portfolios on the JSE, and is aimed at introducing learners to the workings of the stock market and the principles of equity investment. Brait staff mentor the pupils, on a voluntary basis, sharing their extensive investment experience. Moletsane has taken the competition by storm, having three teams placed in the top 10 in the past three years, and emerging as winners in the 2005 competition. The Foundation was attracted to this project because of the educational benefits to the participating learners and their classmates. Moletsane has reported improved results in commercial subjects, since the introduction of the competition at the school.

- Brait has sponsored the upgrade of the library facilities at the school and in partnership with READ (a literacy focused NGO), has managed to ensure that the library is now fully functional. It has become a vibrant, integral part of the school. The Foundation continues to fund the purchase of books and provides ongoing training to school staff members to ensure the sustainability of the library. Once a year, Brait staff are encouraged to donate books, which are sorted, covered, catalogued and presented to the library. The Foundation is also responsible for the supply and upkeep of computers to the school and the sponsoring of a part-time computer teacher.
- Through the Brait Foundation a number of career guidance initiatives have been implemented. These include career and subject choice workshops (run by PACE), together with school outings to businesses and places of interest in various sectors of the economy (the latter organised by Brait Foundation members). The Foundation has also set up the "PACE" software programme at Moletsane in order to assist pupils with decisions regarding subject choices and careers.
- In 2003, Brait and Moletsane participated in the first Cell C "Take a Girl Child to Work Day". Brait has continued to support this programme, hosting girls from Moletsane each year, and endorses Cell C's initiative to "deepen the thinking of the girl child with regard to their infinite roles in society, enhance her self-esteem, inspire and motivate her to reach her full potential and through exposure to diverse careers and positive role models assist her to prepare for the world of work". Supporting this kind of programme ties in with the Foundation's motto of *"better opportunities through education"*.
- Other projects initiated at Moletsane, by Brait, include the introduction of the Activate Mindset Programme. Activate, a channel of the Mindset Network, offers a complete learning plan via satellite television with multimedia support. The channel is aimed at supporting teachers and learners with the new FET curriculum. Moletsane is able to access Activate via DStv channel 82. The daily broadcasts are supported by print supplements provided via the Sunday Times.
- The Foundation introduced the "Entrepreneurs on the Move" project to the school. The aim of this project is to introduce and encourage entrepreneurship amongst students and school leavers. It is focused on business development, mentorship, an entrepreneurship project, job creation and skills development. This programme is currently being successfully run by the school's economics teacher.
- Towards the end of 2005, the Brait Foundation working together with "Habitat for Humanity" started building a school hall at Moletsane. The hall is able to seat up to 1 200 pupils and is expected to become central to the working of the school. Chairs for the hall were purchased from personal donations received from Brait's staff. The new hall will enable the school to hold assemblies, host functions, public speaking events etc, and can also be used as extra classroom space, as required.

- The school hall project was a great innovator towards team-building initiatives within the group. Staff volunteers had the opportunity to be involved in physically helping to build the hall at Moletsane, in Soweto. Brait staff worked side-by-side with Moletsane teachers digging, pushing wheelbarrows, filling building foundations, wielding pickaxes, laying bricks and generally assisting the contractors with whatever manual labour required.

The new Moletsane school hall was officially opened by the Honourable Minister of Education, Ms Naledi Pandor, on 22 May 2006, when it was announced that Moletsane would now form part of the Education Department's "Dinaledi" ("Star") initiative – a proud moment for all involved.

Thuthuka Bursary Fund

Brait is a proud sponsor of the Thuthuka Trust initiative, developed by the South African Institute of Chartered Accountants (SAICA), to fund aspirant students from previously disadvantaged communities who are studying towards becoming chartered accountants. A significant number of Brait's professional staff are chartered accountants, and share SAICA's vision of increasing the number of chartered accountants from previously disadvantaged backgrounds. In the true spirit of partnership, Brait not only provides funding, but also involves its staff members in mentoring the bursary students.

PUSH

PUSH is registered as a non-profitable community based organisation with the Department of Social Development. Its approach is to mobilise schools and communities to work together, in partnership, to address key risk factors like HIV/Aids/STI and tuberculosis, early pregnancy and behaviour change and to eliminate some of the problems around stigma, discrimination and denial, to increase prevention awareness. The Foundation decided that HIV/Aids was one of the areas on which it needed to increase its focus and activities and, thus, aligned with PUSH on an HIV/Aids programme. Together, the Foundation and PUSH created an opportunity for Moletsane to receive the necessary teaching and education to build awareness, train, treat and monitor interventions to combat the epidemic, through regular workshops and question and answer sessions.

MaAfrika Tikkun

The Foundation made a further commitment to the fight against HIV/Aids, during August 2005, when it decided to support the Aids Educational Centres being set up by MaAfrika Tikkun in the Orange Farm, and Diepsloot, informal settlements. The HIV/Aids caregivers project, managed by MaAfrika Tikkun, encourages members of the community to train as caregivers to provide home-based care to patients who are bedridden and infected by the HIV virus, along with additional support for the family. The caregivers are trained in counselling (grief, depression) and data collection, collecting information directly from the community. This enables government and NGOs to effectively identify the community's needs, to be able to provide essential services and proactively manage vulnerable families and infected patients.

Endeavour

Given the extremely high level of unemployment in South Africa the Brait Foundation realised that the development of entrepreneurs was an area of high importance. In light of this, it decided to support a

programme called Endeavour. This programme was set up in the USA in 1997 with the express intention of encouraging entrepreneurship in developing nations. Having achieved initial success in Argentina and Chile, Endeavour SA was launched in 2004.

Each year, approximately 40 entrepreneurs are identified. Interviews and panel discussions are held between the candidates and the Endeavour Board members (Brait is represented on the board by Mr John Gnodde), following which two or three entrepreneurs are selected. Endeavour then offers assistance, advice and demand-driven services to these carefully chosen entrepreneurs, ensuring that their initial ideas expand into major growth and employment benefits.

During the initial stages of entrepreneur selection, senior Brait employees assist a number of the candidates in compiling their presentations. This programme is re-evaluated on an annual basis.

Gordon Institute of Business Science (GIBS)

At the end of 2004, the Brait Foundation decided to fund the fees for a previously disadvantaged student to attend the Gordon Institute of Business Science's MBA programme over a period of two years. The Foundation wanted to foster the idea of excellence in education and GIBS seemed a natural choice given the close links between Brait and GIBS.

After a rigorous selection process conducted by both institutions, one full scholarship and two partial scholarships were awarded.

The scholarships formed a three way relationship between the Brait Foundation, the students and GIBS and close contact is maintained between the parties. The awarding of this scholarship will be re-evaluated at the end of 2006.

Rally to Read

Rally To Read, a joint venture between The Financial Mail, McCarthy Motor Holdings and the READ Educational Trust, has been supporting rural education since 1998, and has had a direct influence on the lives of more than 100 000 school children at 345 remote, rural schools of South Africa. Full sponsorship costs ZAR17 000, of which ZAR11 000 buys books, and ZAR6 000 funds teacher training. Annually, during weekends in May, convoys of off-road vehicles depart from main cities across the country to deliver books and other teaching materials to some of the country's most neglected schools. The project allows for the sponsors to personally deliver portable libraries and other teaching aids to remote schools during The Rally weekend. On arrival at the school, Rally participants meet and interact with the learners and teachers who benefit from the books and subsequent professional development, provided for three years by the READ Educational Trust. Sponsors return to the same set of schools for three consecutive years and can witness the progression of the teachers and learners. The Brait Foundation's objective to assist impoverished communities with educational initiatives, and to enhance the learning experience for young South Africans, is met in supporting this project. Foundation members take part in Rally to Read, annually, with the end goal of improving the reading and writing skills of hundreds of learners. During May 2006, three Brait teams participated in this project, reporting that it was one of the highlights of the year.

SOCIAL RESPONSIBILITY CONTINUED

Student Sponsorship Programme (SSP)

In keeping with the Brait Foundation's theme of investment in education, the Foundation currently provides financial sponsorship for three students from previously disadvantaged backgrounds to attend Roedean School SA, in Johannesburg. The sponsorship continues until the students matriculate (the girls are currently in grades 9 and 10). In addition to financial sponsorship, each student has a mentor from the Brait Foundation, who monitors the students' performance and offers the girls general support and encouragement.

Cell C Take a Girl Child to Work Day

Cell C launched its Take a Girl Child to Work Day project in 2003 in the hope of breaking down the stereotyping of women as having a role in the home and not necessarily in the workplace. The Brait Foundation is proud to have participated in this inspirational day since its inception, and 2006 will be the fourth consecutive year Brait is involved in this worthy project. The Johannesburg offices will host 20 girl learners from Moletsane Secondary School in Soweto, and an additional 20 girl learners from Tlakula High School in Kwa-Thema, Springs (spread across grades 10 to 12). This day is also open to all Brait staff with daughters in these grades.

It is an extremely motivating day for both the girl learners and the Brait employees, and provides the girls with the opportunity of entering a formal office environment, enabling them to see first hand the variety of roles available to them in a financial services institution. It is a day during which they are encouraged to be all that they can be, and dream of being.

Girls and Boys Town South Africa

Nelson Mandela endorsed his support for Boys Town in 1996, praising the work done by Mr Joe Araujo, executive director (and former pupil) of an organisation which has built a reputation for supporting young boys from disadvantaged backgrounds. The organisation has since extended its much-needed activities to include support for both boys and girls across the racial spectrum. The Brait Foundation identified a role it could provide in mentoring children from this background, and sponsors one child within the guidelines prescribed by Girls and Boys Town.

The LEAP Science and Maths School C.T.

The LEAP Science and Maths School was established to provide intensive tuition in mathematics and science to promising learners from disadvantaged communities in and around Cape Town. Given the desperate need for maths and science graduates in South Africa, the Brait Foundation decided to support this initiative through financial assistance and via mentorship of the learners.

The Twilight Children's Shelter

The Twilight Children's Shelter for abused and homeless children was founded in the early 1980's to help the growing masses of street children from Hillbrow and surrounding areas in Johannesburg. It is a non-profit organisation dedicated to assisting inner city kids, by providing a place of safety, offering shelter, food, clothing, education and protection from the extremely volatile situation on the streets. The shelter provides medical attention, support groups in the form of social workers, skills training and clothing to approximately 70 boys aged eight years up to 20 years. The boys are encouraged to attend school and careworkers assist with their homework in the afternoons. The

Brait Foundation has sponsored the education and uniforms of four boys, enabling them to attend Sparrows Schools. The Foundation has also donated two computers to the shelter, and Brait has supported the shelter's pottery workshop by purchasing pottery artefacts made by the Twilight Children for the Private Equity investor visits. An annual drive of the sale of Christmas cards, designed by the Twilight Children, is also extended throughout Brait.

We would like to extend our gratitude to all our staff for their contributions and participation in the various projects, and we hope to continue to make a difference to the individuals and communities we assist, as well as to our staff through their involvement with the Brait Foundation.

Corporate social investment – funding allocation

Brait's Corporate Social Investment (CSI) expenditure is funded by the annual allocation of not less than half a percent of prior year attributable earnings from the entire group's operations.

The full amount allocated during 2006 was managed by The Brait Foundation, and committed to programmes in terms of section 13 of the Financial Sector Charter.

EMPLOYEE REPORT

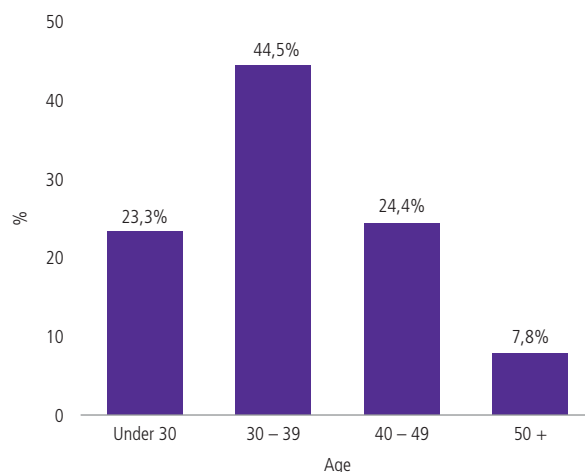
Human resources approach

Our people are our greatest asset. The continued success of the group's business is dependent on the ability of the leadership to sustain individual excellence within a framework of outcome-oriented teamwork. Competitive, innovative and personalised remuneration, together with progressive incentive and profit sharing schemes serve to reward excellence. Accountability and productivity are encouraged and sustained via an environment characterised by trust and mutual respect.

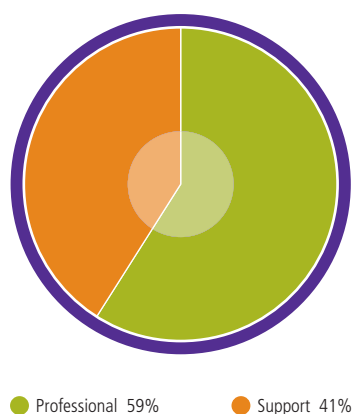
Our celebration of individual differences supports creative and alternative thinking while a spirit of free mindedness is fostered within an environment that is devoid of formal, traditional corporate hierarchy. A flat, integrated organisational structure facilitates communication between all levels, allowing for a free flow of thought thereby fostering unfettered maneuverability in response to client needs.

Operational guidelines replace formal policy to allow for individualism, and open communication facilitates the understanding of team dynamics and individual strengths. Brait is a lean organisation staffed by a relatively small group of highly qualified, young and energetic individuals who are driven by challenge, achievement, accountability and high work ethics. Brait believes its employees are the driving force behind its reputation, image and results.

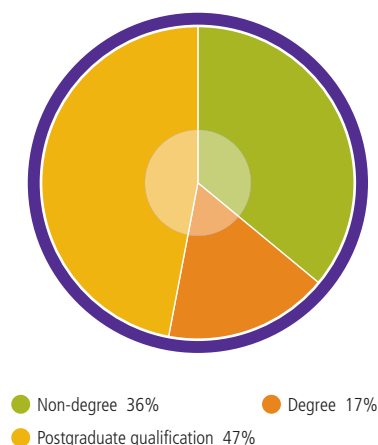
Age distribution



Ratio of professional staff to support staff at 31 March 2006



Staff qualifications distribution



Professional staff	Number of employees
CA(SA)	21
Other Master's level qualifications	5
	26

EMPLOYEE REPORT CONTINUED

Human capital development

Mentorship and coaching initiatives will always be the cornerstone of manpower development within Brait. Learning and development is a core part of Brait's human capital strategy, with two main objectives:

- To grant each employee the opportunity to achieve his or her potential in pursuit of organisational objectives; and
- To provide a challenging work environment and opportunities for personal growth.

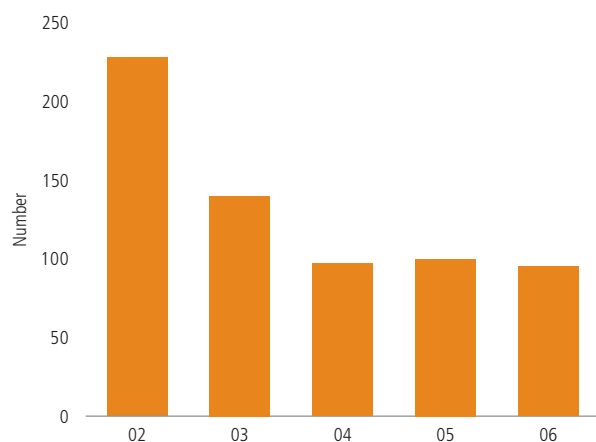
This strategy serves to facilitate the effective transfer of essential areas of knowledge to Brait's future executives whilst allowing for development of character, values and individualised career development. Opportunities exist for staff to develop broad business skills ranging from financial analysis and valuations, to business and people management, as well as investor relations. Brait's emphasis on this form of development has resulted in the formation of closely-knit multi-cultural teams joined by strong relationships and commonality of purpose. Standards of performance are clearly understood and team members promote and reinforce the consistent and ethical application thereof. Through the introduction of structured and customised Trainee Emerging Manager and employee development programmes, efforts are made to develop the potential of existing staff and provide a future channel of potential managerial and senior staff resources for different areas of the business.

Staff are encouraged to continually improve on their levels of skill and personal development. The amount expended on skills development, during the period under review, was ZAR470 000. In support of this, training and educational programmes are regarded as essential components of the group's investment in human capital. A closed bursary scheme is available to all staff, and an amount of ZAR212 000 has currently been utilised through this scheme.

Brait closed bursary scheme	Number of employees
Certificates/Diplomas	1
Degrees	2
Postgraduate degrees	5
	8

Effective communication throughout the organisation is vital to sustain manpower strategies and serves to develop a culture of openness, honesty and trust.

Group headcount at 31 March 2006



Transformation and diversity in South Africa

Brait's human resource structure continues to focus on the strategy of recruiting and retaining the best individuals from South Africa's diverse population base. Recruitment standards are high and leadership is measured on the recruitment, development and retention of intellectual talent.

There has been strong progress towards the realisation of equity objectives. Despite a progressive reduction in employee numbers, Employment Equity targets established in the 2001 Employment Equity report have been exceeded during this financial year.

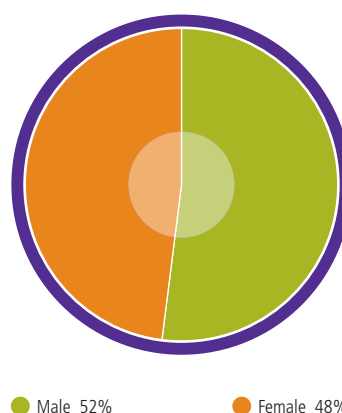
Workforce demographics show a progression over the past four-year period which reflects the overall objective and intent of Brait, that workforce demographics must, more closely, reflect the demographics of the economically active South African population as a whole. This trend will continue as objectives are consistently met.

A fully representative Employment Equity committee ensures regular workforce analysis to monitor the achievement of defined numerical targets and to ensure fair and equitable employment practices.

Transformation continues to be driven on several fronts including social investment, black economic empowerment initiatives, corporate social investment and employment equity initiatives.

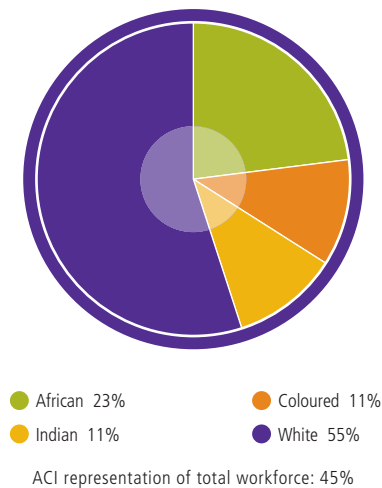
Although Brait has progressed well with regard to its transformation process, female representation at senior and executive levels remains a priority. Overall, females represent 48% of the total group workforce, however, improvement is required with regard to representation at senior levels. Strategies have been put in place that are aimed at the identification of professional female talent in the marketplace, and the Private Equity division has appointed a female director this year.

Group gender representation at 31 March 2006

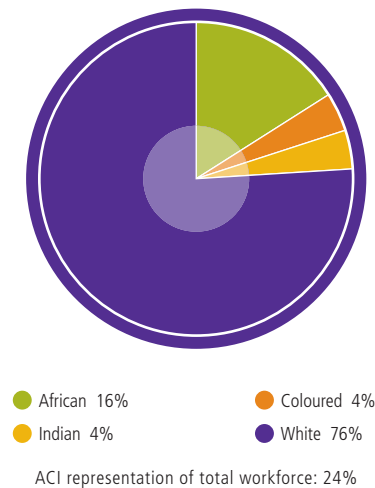


Group equity representation

at 31 March 2006



at 31 March 2003



Changes in workforce demographics are reflected when comparing the period ended 31 March 2003 to the current period under review, ending 31 March 2006, as shown above:

Financial Sector Charter in South Africa

The Financial Sector Charter ("charter"), as applicable from January 2004, sets out the commitments of organisations in the financial services sector to achieving the ideals of transformation and empowerment in South African society. The charter provides the framework for promoting black economic empowerment and Brait has made considerable progress in meeting this objective. Brait, as a party to the charter, is committed to the aims and the full achievement of all applicable requirements, with an internal objective to surpass the charter targets, wherever possible.

Performance measurement in respect of the Financial Sector Charter Scorecard is fully operational. Achievements to date in respect of ownership and control, corporate social investment and procurement clearly indicate that the group is on track to achieve the 2008 targets established by the charter.

Employee well-being

Brait's most valued asset remains its people and the optimisation of their abilities, skills and talents is paramount. An employee wellness programme provides individuals with support mechanisms necessary to cope with trauma, stress and health, including HIV/Aids and other difficult life situations. The programme provides professional, confidential counselling and advisory services, via a 24-hour helpline, and is available to all staff and their immediate family members.

Regular well-being programmes are run in-house to ensure the optimisation of health with the more popular programmes being eyesight tests and annual flu vaccinations.

HIV/Aids

Brait recognises that the scope of the HIV/Aids pandemic in South and Southern Africa is such that it is likely to have a significant impact on the national economy. The board acknowledges the impact that HIV/Aids may have on its workforce, and is committed to creating and maintaining a safe working environment for all employees, and undertakes to deal with HIV-infected employees and/or employees with Aids in the same way as with employees suffering from any other life-threatening disease. This is done with due consideration for all stakeholders, whilst addressing the issue in a positive, supportive and non-discriminatory manner.

Brait continues to commit its full support and co-operation through an HIV/Aids policy designed to assist management and employees deal with HIV/Aids issues in the workplace. Strategies will be formulated this year to assess the impact of HIV/Aids on the business and to develop plans to mitigate the adverse effect that HIV/Aids will have on the people and business of Brait.

The group HIV/Aids policy was reviewed in November 2005. The policy provides for voluntary HIV testing, confidentiality and the privacy of those who are HIV-positive and/or suffering with Aids, HIV/Aids education programmes as well as the management, care and counselling of HIV/Aids employees.

Brait currently makes use of an Employee Wellness Programme (EWP) with regard to HIV/Aids. This programme offers a comprehensive prevention and support approach which includes, inter alia, care and support strategies, pre- and post-test counselling, bereavement and loss counselling. Brait employees and their immediate family members have access to telephonic counselling services and up to three face-to-face counselling services.

The EWP provides a specialist network of trauma counsellors throughout South Africa who have specific training and experience in the management of trauma. Any individual either self-referred or referred by a supervisor, will be offered individual trauma counselling.

EMPLOYEE REPORT CONTINUED

By early 2007, Brait would like to roll out the voluntary HIV/Aids testing programme, supervised and managed by our employee wellness provider. This programme will incorporate the following:

- HIV/Aids education and awareness training for employees, managers and HR consultants;
- Support for managers and HR consultants to deal with disclosure, HIV/Aids support and incapacity management;
- Voluntary counselling, testing and referral into the various disease management programmes offered by three medical aids;
- Support for employees who are infected with or affected by HIV/Aids;
- One of the crucial components of a comprehensive HIV/Aids strategy is the "Know your Status" campaign. Whilst employees can be tested by their private medical doctors or at other facilities, only a limited number of people make use of this opportunity. To deal with this problem of participation on-site "Know your Status" programmes will be implemented;
- Ongoing coaching and mentoring to managers, supervisors as well as to peer educators; and
- Programme management as part of a comprehensive HIV programme.

This HIV/Aids programme will ensure adherence to the Code of Good Practice on Key Aspects of HIV and Aids and Employment issued in terms of the Employment Equity Act No 55 of 1998 and the Schedule on HIV testing issued in terms of the National Policy of Health Act No 116 of 1990, and promotes the principles as contained in the ILO Code of Practice on HIV/Aids and the World of Work.

Occupational health and safety

Employee health and safety in the workplace remains a group priority, and is reviewed and monitored by the health and safety committee on a regular basis. The health and safety representative, appointed in terms of South Africa's Occupational Health and Safety Act (OHASA), conducts regular workplace safety investigations via daily, weekly and monthly site inspections of the various different components of the Johannesburg offices. Potential health hazards, and any related safety or risk issues highlighted are reported and resolved immediately. High-risk matters are reported to line management for follow-up remedial action and, if necessary, are escalated further. The facilities manager is responsible to ensure that all business units comply with their occupational health and safety.

In addition, three members of staff have been trained as first aid officers and are available to deal with any day-to-day emergencies. There were no work-related accidents or incidents reported over the past year and, consequently no related man-hours lost.

Remuneration and benefits

The purpose of the group's remuneration and reward strategy is to attract, retain and motivate employees. Brait's ability to inspire and retain staff through the joint establishment of outcomes-based reward structures and participative remuneration assessment, continues to differentiate the group. Guaranteed remuneration is reviewed once a year to ensure that employees who contribute to the success of the group are remunerated competitively. Guaranteed remuneration consists of a basic salary, company contributions to a retirement fund, group life and disability insurance, and a flexible portion that can be allocated to various benefits, such as a car allowance, and medical aid contributions. Employees may, once a year during the annual review, elect to have higher levels of group life cover, or increase their retirement funding contributions.

A focused, hands-on management style allows for the formulation of personalised remuneration design. Individualised variable reward structures allow for centred performance targets against which achievement can be monitored monthly.

Performance management ensures the alignment of individual and corporate strategy. Informal performance assessment takes place weekly with formal structures taking place annually.

A remuneration committee comprising executive and non-executive representation provides the Brait board with assurance that the directors, senior executives and staff of Brait are fairly rewarded for their individual contributions to the group's performance and demonstrates to stakeholders that such remuneration and reward is set by an independent committee of the board. Remuneration is surveyed annually to ensure the company is ahead of industry practices and trends.

Share incentive schemes align the interests of staff and stakeholders and instill a sense of ownership amongst participants.

ENVIRONMENTAL

Brait operates in many different regions, some of which have critical resource bases, which need to be wisely used if they are to provide sustainable support for development. This is particularly applicable in the group's African operations. It has become increasingly important for organisations worldwide to participate in conserving the environment. All companies, to a varying extent, have an impact on environmental resources and therefore need to develop strategies to measure and monitor their impact, and implement systems to ensure that these resources are used in a responsible manner.

The board recognises that, as a financial services organisation, Brait's environmental impacts are lower than those of other industries, but that environmental risk may arise indirectly from the environmental impact of the actions of its suppliers, clients, staff, business partners and investment companies. Its strategy and objectives, in terms of the environment, are based on the premise of ensuring a better life for all the group's stakeholders and future generations and, in doing so, ensuring that none of the group's activities have a detrimental effect on the environment. The group undertakes to conduct its business activities in a manner that minimises or eliminates negative impacts, and maximises positive impacts of an environmental or socio-economic nature.

The board has committed to ensuring that Brait, and those parties over whom it has influence, set appropriate standards to deal specifically with environmental challenges and the subsequent measures required to reduce any negative impact on the environment.

Due to the significance of the group's commitment to the environment, the group chief executive, assumes direct responsibility for ensuring that the group policies in place are appropriate and will lead to the achievement and maintenance of, as a minimum, the benchmark practice in all jurisdictions in which the Brait group operates.

The environmental steering committee, chaired by the group chief executive, is mandated to assume responsibility for environmental risks across all aspects of the group's operations and to provide the board of directors with assurance that the group policies and standards in place are appropriate. The committee meets at least twice a year, and their brief incorporates the following areas of responsibility:

- Identifying all critical environmental issues and risks;
- Setting minimum standards for the group;
- Reviewing standards against best industry practice;
- Implementing the group's environmental policy;
- Monitoring the company's use of natural resources;
- The development of indicators to assess progress against recognised standards;
- Measuring environmental performance in each of the group's operations; and
- Reporting to the board.

Achievement against objectives

Objectives set for the 2006 financial year	Performance against objectives
• Approval of targets for the reduction of energy and water usage.	• Targets approved to reduce the electricity and water consumption at the Johannesburg office premises by 15% over a three-year period.
• Continued measurement, and monitoring of energy and water consumption.	• Accurate consumption figures are available up until the sale of land and buildings (October 2005). As a tenant, subsequent to this date, we have been unable to obtain exact consumption figures specific to our business, however, our facilities department are addressing this issue with the landlord, and investigating various solutions to obtain accurate measurements in the future.
• Further initiatives to reduce direct environmental impacts.	• Redesign of Johannesburg office premises to consolidate and reduce the required space to accommodate the same number of employees, resulting in more effective utilisation (and reduction) of electricity consumption. Comparison between annual figures for 2004 and 2005 (adjusted to accommodate missing readings for Nov and Dec 2005 – post sale of building) reflect that the target for reduction in water consumption was met, whilst the anticipated energy saving from this initiative will only reflect during 2006.
• Enhanced management of indirect environmental impacts.	• Increased focus on procurement of suppliers who are both BEE compliant and offer environmentally-friendly solutions (i.e. waste paper collection for re-cycling).

ENVIRONMENTAL CONTINUED

Core objectives for the 2007 financial year:

- Focus on reducing the use of paper, encouraging electronic communication;
- Increasing the percentage of paper recycled;
- Implementing an accurate monitoring system to measure use of water and energy resources.

References in this report to targets, measurements, consumption and utilisation of resources and materials refer to the Johannesburg offices of Brait.

Direct environmental impacts

The facilities division of Brait manages Brait's internal direct environmental impacts (energy saving, recycling, etc), and also some of Brait's indirect environmental impacts (via procurement). The responsibility for the environmental management of the Johannesburg offices rests with the facilities manager. The division is mandated to eliminate, minimise or control at source any impact the company's activities might have on the environment by applying appropriate proactive and remedial measures to foster environmentally sustainable solutions.

The following internal areas of direct impact use, are managed, monitored and measured:

- Energy
- Water
- Materials
- Emissions, effluents and waste.

Energy and water usage

Brait used 2004 as the year for collecting accurate baseline information to be used as a starting point from which to set preliminary targets for reducing consumption over the coming years. These targets will be reviewed and, if required, revised annually as the quality of management information continues to improve.

Targets were set, during 2005, to reduce electricity and water consumption by 15% over a three-year period. Notwithstanding the difficulties in obtaining accurate consumption readings since becoming a tenant at the end of 2005, comparison of the annual water consumption figures (2004: 2005), adjusted to accommodate the missing readings for November and December 2005, reflect a reduction in excess of the target, whilst the adjusted electricity consumption figures (2004: 2005) reflect a 2% increase. The expected lowering of energy consumption, as a result of the reduction and re-design of office space to facilitate more effective utilisation of electricity (completed in November 2005), and the resultant electricity saving, is only expected to reflect during 2006.

The board has reviewed the company's use of natural resources, and has decided not to include these results (annual comparable data on utilisation of resources) in this report. This information, however, is available to any interested stakeholder on request.

Materials

Brait utilised 350 boxes/1 750 reams of paper during the period under review, and continues to encourage electronic communication with its stakeholders. Waste paper is separated for recycling, shredded on-site and collected by companies involved in the recycling of paper.

The majority of laser toner cartridges supplied to Brait are recycled cartridges which, once empty, are returned to the supplier for further recycling until the cartridges are no longer viable.

Redundant office furniture, equipment, carpets and computers are either sold second-hand to staff via an internal 'bid/offer' auction or donated to institutions as approved by the board.

Emissions, discharges and waste

As a financial institution, the group is a service provider and the measuring and monitoring of emissions to the air is not material or significant to the business of Brait. Every effort is made to reduce vehicle emissions, by regularly maintaining and servicing the company fleet of three cars, as prescribed by the manufacturers of the respective vehicles. The group does not operate any trucks or heavy-duty vehicles in its fleet.

There is a full-time onsite service operator servicing the air-conditioning units in the building. The current air-conditioning system emits ozone depletion gasses (R22 and 134A), however, disposal to the atmosphere is minimised by the recovery, reclamation and recycling of the refrigerant gas as per SABS standards, during regular maintenance procedures conducted by the supplier. In addition, air-conditioners are programmed for energy saving to only operate during normal business hours.

The group produces an insignificant amount of water discharges as it is a provider of financial products and services, and not a producer or manufacturer of resources or goods. Water is primarily used for consumption and ablution facilities.

The collection and disposal of waste is contracted to a third party for safe disposal. A daily waste disposal service removes waste from the building, in accordance with the safety regulations of (ISO 14000). The ISO 14000 standards are a series of international voluntary standards on environmental management. The group does not transport, store or trade in hazardous waste, nor recycle or reclaim waste materials, nor own any waste disposal sites.

There were no uncontrolled releases, discharges or spills of any kind, during the period under review.

Biodiversity

Brait has no significant impact on biodiversity through land occupation, as the group currently occupies (under various lease agreements) existing offices worldwide.

Indirect environmental impacts

The Brait group recognises that as a financial services institution its most significant environmental risk may arise indirectly from the environmental impact of third parties such as its clients, investors and business partners. Indirect risks have the potential to cause financial losses and reputational damage.

Clients, investors and business partners

Brait addresses the indirect environmental impact of its investor, and investee companies, with a stringent set of guidelines designed specifically for the Private Equity Funds under the management and administration of the group. Brait, as the fund manager, requires that its activities and those of the investee companies in which the funds

have or will have an investment, comply with all applicable environmental laws and regulations of the host country and any other countries in which the investee companies may have an operation. In addition, the World Bank/IFC safeguard policies and guidelines are used, in the environmental impact assessment process. Where the environmental risk is considered to be material, a detailed risk assessment and mitigation is required, which would typically entail environmental impact studies undertaken by suitably qualified, independent assessors.

Illovo Property Owners' Association

Due to the sale of the Johannesburg office premises (including the land and buildings), by the group during the period under review, Brait is no longer directly represented in the Illovo Property Owners' Association, but is represented on the board of the Illovo Boulevard Management District via their landlord's representative. This association addresses, inter alia, the environmental impact of its members and neighbours on its direct surroundings.

Procurement and supply chain

The facilities manager continues to source suppliers who meet certain specified minimum environmental requirements, by practising their in-house environmental policies, re-cycling, utilising environmentally-friendly products, etc, and to promote black economic empowerment through the supply chain. Brait is in the process of modifying the procurement guidelines to include key environmental and social aspects in the evaluation processes, and procurement questionnaires will be updated to stimulate greater environmental responsibility.

Compliance

The group has not incurred any fines or penalties for non-conformance or non-compliance with environmental regulations during the period under review.

The Brait group constantly strives to improve on its sustainability and non-financial reporting, on an ongoing basis. In light of this, we value any feedback, recommendations and/or suggestions regarding content that would add to the value of future reports, from our stakeholders.

Please feel free to contact us with your comments and suggestions on Brait's sustainability reporting as follows:

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GRI INDEX

The following table provides a summary of Brait's reporting against the criteria of the Global Reporting Initiatives Sustainability Reporting Guidelines (www.globalreporting.org). Brait is utilising the GRI indicators as a basis for sustainability reporting for the third time, and aims to continue to improve and widen the scope of its reporting.

	GRI element	Page	Report section/Additional comment
1.	Vision and strategy		
1.1	Vision and strategy	1, 48	The business of Brait, Sustainability report – Introduction
1.2	CEO statement	6 – 8	Group Chief Executive's Report
2.	Profile		
2.1	Name of organisation	–	Inside Cover
2.2	Major products and services	2	Profile
2.3	Operational structure	2	Group activities
2.4	Organisational structure	2	Group activities
2.5	Geographic locations	2, 82, 83	Profile and geographical segments
2.6	Nature of ownership/legal form	52	Sustainability report – Share analysis
2.7	Nature of markets served	2	Profile
2.8	Scale of reporting organisations	80 – 83	Business and geographical segmental reports
2.9	List of stakeholders	48, 49	Sustainability report – Stakeholders
2.10	Contact information	63, 112	Administration and sustainability report
2.11	Reporting period	75	Introduction to financial statements
2.12	Date of previous report	–	March 2005
2.13	Boundaries of report	48	Sustainability report – Introduction
2.14	Significant changes	102	Notes to AFS – Note 36
2.15	Basis for reporting	48	Sustainability report – Introduction
2.16	Restatements of information statements	105	Notes to AFS – Note 40
2.17	Decisions not to apply GRI principles	48	Sustainability report – Introduction
2.18	Criteria/definitions	48	Sustainability report – Introduction
2.19	Significant changes in measurement	–	None
2.20	Assurance	–	None at present
2.21	Independent assurance	–	None at present
2.22	Additional information	–	None
3.	Management systems		
3.1	Governance structure	35 – 39	Corporate governance
3.2	Independence, non-executive directors	35 – 41	Board profile and corporate governance
3.3	Board member expertise	40, 41	Board profile
3.4	Board level processes	35 – 39	Corporate governance
3.5	Executive compensation	42 – 45	Remuneration report
3.6	Organisational structure	35 – 39	Corporate governance
3.7	Mission and value statements	1	The business of Brait
3.8	Shareowner communication engagement	48 – 50	Sustainability report – Stakeholders methods of engagement
3.9 – 3.12	Identification of major stakeholders	48 – 50	Sustainability report – Stakeholders
3.13	Precautionary approach	–	Not reported on
3.14	Externally developed charters, principles, initiatives	8, 35, 59, 64, 65	CEO statement, Corporate governance, GRI Index Sustainability report – Employee
3.15	Principal memberships	–	Not reported on
3.16	Managing upstream and downstream impacts	59	Financial Sector Charter procurement
3.17	Managing indirect impacts	48, 61 – 63	Sustainability report – Introduction and environmental
3.18	Decisions regarding location and changes in operation	6 – 8	CEO report
3.19	Sustainability programmes and procedures	–	Not reported on
3.20	Certification status	–	Not currently measured
4.	Economic		
EC1	Net sales	80 – 83	Business and geographical segmental reports
EC2	Geographic breakdown of markets	80 – 83	Business and geographical segmental reports
EC3	Cost of goods, materials and services	51	Group value added statement
EC4	Contracts paid in accordance with agreed terms	12 – 16	Financial commentary

	GRI element	Page	Report section/Additional comment
4.	Economic		
EC5	Payroll and benefits	42 – 45, 88 57 – 60	Remuneration report, Notes to AFS – Note 3 Sustainability report – Employees
EC6	Distribution to providers of capital	51	Group value added statement
EC7	Retained earnings	51, 79	Group value added statement, statement of changes in equity
EC8	Taxes paid	51, 89	Group value added statement, Notes to AFS – Note 6
EC9	Subsidies received	–	None
EC10	Donations to community, civil society and other groups	54 – 56	Sustainability report – Social responsibility
5.	Environment		
EN1	Materials used	62	Sustainability report – environmental
EN2	Waste from external sources	62	Sustainability report – environmental
EN3	Direct energy use	62	Sustainability report – environmental
EN4	Indirect energy use	62	Sustainability report – environmental
EN5	Total water use	62	Sustainability report – environmental
EN6	Land in biodiversity-rich habitats	62	Sustainability report – environmental
EN7	Major impacts on biodiversity	62	Sustainability report – environmental
EN8	Greenhouse gas emissions	62	Sustainability report – environmental
EN9	Ozone-depleting substances	62	Sustainability report – environmental
EN10	Air emissions	62	Sustainability report – environmental
EN11	Total amount of waste	62	Sustainability report – environmental
EN12	Discharges to water	–	Not applicable
EN13	Significant spills of chemicals, oils and fuels	–	Not applicable
EN14	Impact of products and services	–	Not applicable
EN15	Reclaimable product	–	Not applicable
EN16	Incidents of fines	63	Sustainability report – environmental compliance
6.	Social		
LA1	Breakdown of workforce	57 – 59	Sustainability report – Employees
LA2	Employment creation	57 – 59	Sustainability report – Employees
LA3	Trade union representation	–	Not applicable
LA4	Labour relations	57 – 59	Sustainability report – Employees
LA5	Recording of occupational accidents and diseases	60	Sustainability report – Employees
LA6	Health and safety committees	35, 60	Corporate governance, sustainability report – Employees
LA7	Injury and absentee rates	–	Not reported on
LA8	HIV/Aids	59 – 60	Sustainability report – Employees
LA9	Training	57 – 59	Sustainability report – Employees
LA10	Equal opportunity	35, 58	Corporate governance, sustainability report – Employees
LA11	Diversity	57 – 59	Sustainability report – Employees
HR1	Human rights policies	–	The principles of freedom of association, and the acknowledgment of human rights, form the cornerstone of Brait's interaction with its stakeholders and are, accordingly, embodied in the Group's value system and culture.
HR2	Human rights and investment/procurement	–	
HR3	Human rights and supply chain	–	
HR4	Non-discrimination	–	
HR5	Freedom of association	–	
HR6	Child labour	–	
HR7	Forced labour	–	Sustainability report – Social responsibility
SO1	Community	54 – 56	
SO2	Bribery and corruption	35	
SO3	Political contributions	35	
PR1	Customer health and safety	–	
PR2	Products and services	–	
PR3	Respect for privacy	–	Not reported on

GROUP STATISTICS

Financial definitions

Attributable earnings

Earnings attributable to shareowners' funds.

Average shareholders' funds

Average of the shareowners' funds at the beginning and end of the financial year.

Closing price

The closing market price of a Brait share on the Johannesburg Stock Exchange at the group's financial year-end.

Dividend cover

Diluted earnings per share divided by the total dividend per share.

Dividend yield

Dividend per share expressed as a percentage of the closing share price per share.

Earnings per employee

Attributable earnings divided by the average number of employees in service during the year.

Earnings per share

Basic

Attributable earnings divided by the weighted average number of shares in issue, less the number of treasury shares, expressed in cents.

Diluted

Attributable earnings adjusted by the after tax effect of any changes in income and expenses that would result from the issue of shares from dilutive instruments. The resultant earnings are divided by the weighted average number of shares in issue, including all dilutive instruments, excluding the number of treasury shares, expressed in cents.

Earnings yield

Basic earnings per share expressed as a percentage of the closing price per share.

Net asset value per share

Shareowners' funds divided by the number of shares in issue less the number of treasury shares, expressed in cents.

Price earnings ratio

The closing price per share divided by the basic earnings per share.

Return on equity

Movement in NAV (after adding back dividends) expressed as a percentage of average NAV.

Return on shareowners' funds

Attributable earnings expressed as a percentage of average shareowners' funds (after adjusting for dividends).

Return on total assets

Attributable earnings expressed as a percentage of average total assets.

Shareowners' funds

Share capital, share premium and all reserves. Share capital and premium has been reduced by shares held in treasury.

Treasury shares

Brait S.A. shares held by the company and/or its subsidiaries.

Weighted average shares in issue

The pro-forma number of shares in issue at the beginning of the year, plus shares issued during the year, less treasury shares acquired during the year, weighted on a time basis for the period during which they have participated in the income of the group.

GROUP STATISTICS

Three-year review ⁽¹⁾

	2006 US\$m	2005 US\$m	2004 US\$m
Share statistics			
Shares			
In issue (total) (m)	110,5	102,3	102,3
Weighted average			
– Basic (m)	90,6	89,3	89,5
– Diluted (m)	103,0	97,7	93,7
Earnings per share			
Headline (cents)			
– Basic	45,8	38,0	5,1
– Diluted	40,3	34,7	4,9
Attributable (cents)			
– Basic	51,9	38,0	0,7
– Diluted	45,6	34,7	0,6
Dividends (cents)	18,24	13,75	35,80
– interim (declared)	7,85	3,50	–
– final (proposed)	10,39	10,25	3,30
– special (paid)	–	–	32,50
Dividend cover (times)	2,5	2,5	n/a
Dividend yield* (%)	4,7	7,3	2,8
Net asset value per share (cents)	155,7	130,3	99,2
Key ratios			
Return on shareowners' funds (%)	32,1	32,3	0,5
Return on total assets (%)	19,5	21,9	0,4
Return on equity (after adding back dividends) (%)	45,9	32,0	15,8
Price earnings ratio (historical)	7,5	4,9	165,7
Earnings/(loss) yield (%)	13,3	20,3	0,6
Other statistics			
Number of employees at year-end	95,0	103,0	100,0
Earnings per employee (US\$ 000)*	494,7	329,0	–
Total assets	299,6	182,7	127,5
Shareowners' funds	158,0	115,1	88,8
Average shareowners' funds	136,6	101,9	98,8
Specialised Funds assets under management	511,8	64,7	30,8
Private Equity committed funds	979,7	759,3	654,5
Attributable earnings	47,0	33,9	0,6

⁽¹⁾ In 2003/04 the group was reorganised and restructured following the discontinuation of banking operations. Any comparison of the results prior to this date would not be meaningful in the context of the current group operations. Accordingly no information has been disclosed prior to 2004.

- Excluding special dividends

GROUP BALANCE SHEETS

Three-year review

	2006 US\$m	2005 US\$m	2004 US\$m
ASSETS			
Non-current assets	153,1	118,9	75,8
Goodwill	2,5	—	—
Property and equipment	1,9	1,3	8,5
Investments in associates and other	11,6	11,1	5,2
Private equity investments	113,3	80,5	44,3
Specialised funds investments	18,0	19,9	15,3
Term loans	3,0	3,6	—
Deferred tax assets	2,8	2,5	2,5
Current assets	146,5	55,6	51,7
Private equity investments	1,8	2,2	1,1
Other current investments	16,0	—	—
Trading investments	—	—	6,7
Loans and advances	37,9	25,7	14,5
Accounts receivable	6,9	9,9	14,4
Cash and cash equivalents	83,9	17,8	15,0
Non-current assets held for sale	—	8,2	—
Total assets	299,6	182,7	127,5
EQUITIES AND LIABILITIES			
Equity and reserves			
Share capital and premium	36,0	66,6	70,6
Legal reserve	2,6	2,6	2,6
Foreign currency translation reserve	(29,4)	(30,1)	(30,6)
Retained reserves	138,9	72,0	43,7
Equity reserves	3,5	2,6	2,5
Minority interest	6,4	1,4	—
Total equity	158,0	115,1	88,8
LIABILITIES			
Non-current liabilities	99,2	28,9	1,1
Deferred tax liabilities	—	—	1,1
Redeemable preference shares	72,9	—	—
Non-current borrowings	26,3	28,9	—
Current liabilities	42,4	38,7	37,6
Accounts payable	15,4	15,1	17,2
Provisions	7,0	3,5	4,2
Liabilities directly associated with non-current assets held for sale	—	13,2	—
Current borrowings	18,9	5,9	16,2
Taxation	1,1	1,0	—
Total liabilities	141,6	67,6	38,7
Total equity and liabilities	299,6	182,7	127,5

GROUP INCOME STATEMENTS

Three-year review

	2006 US\$m	2005 US\$m	2004 US\$m
Revenue	44,5	45,0	28,8
Other income	49,3	32,8	18,1
Total income	93,8	77,8	46,9
Profit from operations	52,9	48,5	21,3
– Private Equity	39,1	38,8	11,4
– Corporate Finance	0,9	0,1	0,3
– Specialised Funds	1,3	1,2	0,9
– Group Investments	11,6	8,4	8,7
Finance cost	(2,4)	(2,5)	(6,3)
Capital items	1,9	(11,2)	(11,3)
Profit before taxation	52,4	34,8	3,7
Taxation	(2,7)	(0,5)	(1,0)
Profit after taxation from continuing operations	49,7	34,3	2,7
Discontinued operations	–	–	(2,1)
Minority interest	(2,7)	(0,4)	–
Attributable earnings	47,0	33,9	0,6

RULING EXCHANGE RATES

Average rate – ZAR/USD	6,3979	6,2503	7,1541
Closing rate – ZAR/USD	6,1765	6,2395	6,2925