



BRAIT S.A. [CA1 and 32]

*Incorporated under the law of Luxembourg and registered with the [CA1 and 32]
Luxembourg Register of Commerce and Companies under the legal form of a société anonyme
under number RCS Luxembourg B-13861
Listed in Luxembourg and South Africa*

Circular to shareholders

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN ANY DOUBT ABOUT ITS CONTENTS, YOU SHOULD IMMEDIATELY CONSULT A DULY AUTHORISED FINANCIAL ADVISOR.

Certain capitalised terms are defined the first time they appear in this Circular, although definitions may be repeated more than once for ease of reference. Refer to Part 4 (Glossary of Defined Terms) for definitions of other capitalised terms and for certain legal and technical terms used in this Circular (some of which are also defined in other sections of this Circular). [CA1 and 32]

The current board of directors of Brait S.A. ("Brait"), whose names are set out in Part 2 (Corporate Information), collectively and individually, accept full responsibility for the accuracy of the information contained in this Circular, and certify that, to the best of their knowledge and belief, there are no facts that have been omitted that would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by law, the Rules and Regulations of the LuxSE, the relevant JSE Limited Listings Requirements ("Listings Requirements") for secondary listed companies and the South African Companies Act, No. 61 of 1973 ("South African Companies Act").

This Circular incorporates listing particulars and is issued in compliance with the Rules and Regulations of the LuxSE and the JSE Listings Requirements, for the purpose of providing information to the public with regard to the Company.

Brait is not registered as a company or an external company under the South African Companies Act 61 of 1973 and it is, accordingly, prohibited from making an offer to the South African public in terms of section 143(2) of the South African Companies Act, unless exempted from such prohibition. Accordingly, Brait has applied for and has been granted an exemption by the South African Registrar of Companies in terms of section 143(2) of the South African Companies Act, a notice of which exemption has been published on the website of the South African Companies and Intellectual Property Registration Office under notice number 201137.

Further, a copy of this Circular has been registered as a prospectus by the South African Registrar of Companies, in compliance with section 145, as read together with 155(1), of the South African Companies Act.

Issue date of this Circular: 18 April 2011

**Financial Advisor, Mandated Lead Debt
Arranger and Advisor, Underwriter and
Transaction Sponsor**



Auditors to Brait

Deloitte.

Registrar and Transfer Agent

Computershare

**International Counsel and
LuxSE Listing Agent**

MPartners

Reporting Accountants

Deloitte.

Corporate Finance Division
Deloitte & Touche

Co Debt Underwriter



Attorneys – South Africa



**Domiciliary Agent, Registrar
and Transfer Agent**

EXPERTA

Circular to shareholders

(incorporating a prospectus for purposes of listing new shares on the Euro MTF market operated by the LuxSE and a prospectus in terms of the South African Companies Act)

relating to, amongst other things:

- a fully underwritten renounceable rights offer by Brait to the Brait Shareholders (on the terms and subject to the conditions set out in this Circular) of 356 961 963 New Brait Shares at an issue price of ZAR16.50 (EUR 1.72) each (“Offer Price”) in the ratio of 3 New Brait Shares for every 1 Brait Share held (“the Rights Offer”), in terms of which each Qualifying Shareholder will be issued an appropriate number of Rights (taking into account the ratio mentioned above), each of which: (i) will be listed on an Exchange; (ii) will be renounceable; (iii) will be capable of being traded on an Exchange during the Rights Offer Period and (iv) if exercised during the Rights Offer Period, will entitle the holder thereof to subscribe for 1 New Brait Share at the Offer Price; [CA 18(a) and 20(b)]
- the listing on both the Euro MTF market operated by the LuxSE and on the JSE of a maximum of 356 961 963 Rights and 356 961 963 New Brait Shares to be issued pursuant to the Rights Offer;
- the underwriting of the Rights Offer by Titan Nominees (Proprietary) Limited (“Titan”), the Brait South Africa Investment Team (“the Investment Team”) and Rand Merchant Bank, a division of FirstRand Bank Limited (“RMB”) (“the Underwriting”);
- the potential private placement of Brait Shares with the Investment Team subsequent to the closing of the Rights Offer. If the Investment Team has not acquired its desired 18% shareholding in Brait (taking into account the number of Brait Shares subscribed for by the Investment Team during the Rights Offer Period and pursuant to the discharge of their Underwriting commitment), then the Investment Team will have the right to subscribe at the Offer Price for a maximum number of 110 000 000 Brait Shares, less the number of Brait Shares acquired during the Rights Offer or pursuant to the discharge of their Underwriting commitment (“the Investment Team Placement”);
- the potential private placement of Brait Shares with Titan subsequent to the closing of the Rights Offer and the Investment Team Placement, if any. If Titan has not acquired its desired 33.33% shareholding in Brait (taking into account the number of Brait Shares subscribed for by Titan during the Rights Offer Period and pursuant to the discharge of its Underwriting commitment), then Titan will first use its reasonable commercial endeavours to purchase Brait Shares in the open market with the intention of reaching its target shareholding of up to a 33.33% shareholding in Brait. To the extent that Titan does not attain its target shareholding within three months after the close of the Rights Offer, Titan will have the right to subscribe for a sufficient number of Brait Shares at a subscription price of ZAR18.00 (EUR 1.87) per Share in order to bring it up to its 33.33% target shareholding in Brait, subject to the condition that the maximum number of Brait Shares to be issued to Titan in terms of this placement is 55 000 000 Brait Shares (“the Titan Placement”);
- the listing on both the Euro MTF market operated by the LuxSE and on the JSE of a maximum of 165 000 000 Brait Shares to be issued pursuant to the Investment Team Placement and the Titan Placement (“the Placements”);
- the acquisition by Brait, through a wholly-owned subsidiary, of: (i) 24.6% of the issued ordinary share capital of Pepkor Holdings Limited (“Pepkor”) (excluding treasury shares); (ii) preference shares in a special purpose vehicle (“Pepkor SPV”) which will provide Brait with an additional effective 10.3% leveraged interest in Pepkor and (iii) 49.9% of the issued ordinary share capital of, together with shareholder loans of ZAR221.2 million, against Premier Group Limited (“Premier”) (“the Acquisitions”);
- the restructure of Brait in terms of which it will become a European Company, resulting from a merger with a newly incorporated Malta subsidiary (“New Malta Sub”), and the subsequent transfer of the registered office address from Luxembourg to Malta (“the Restructure”); and
- an internal reorganisation of the Brait executive management, Board and business unit structures as well as operating cost reduction initiatives which will be implemented to align with the Company’s new business structure and strategic focus (“the Reorganisation”),

collectively “the Transactions”.

No person has been authorised to give any information or to make any representations, other than those contained in this Circular, in connection with the issue and/or sale of the New Brait Shares and, if given or made, such information or representations must not be relied upon as having been authorised by Brait. Neither the delivery of this Circular nor any sale, subscription or issue made or implemented in terms of or in connection with this Circular shall, under any circumstances, create any impression that the information herein is correct as of any time subsequent to the date hereof.

The Existing Shares are admitted on the official list of the LuxSE and admitted to trading on the Euro MTF market and the JSE. Application has been made to the LuxSE and the JSE Limited for the Rights and the New Brait Shares to be admitted to trading on the Euro MTF market operated by the LuxSE (primary listing) and the JSE (secondary listing). It is expected that admission to trading will become effective and that trading in the Rights on the Euro MTF market and the JSE will commence at 9:00 a.m. on Friday, 13 May 2011. [CA 23]

This Circular has been prepared on the assumption that the ordinary and special resolutions proposed in the Notice of General Meeting forming part of this Circular will be passed at the Extraordinary General Meeting of Brait Shareholders to be held on Wednesday, 4 May 2011.

The distribution of this document and the Form of Instruction, and the issue and/or transfer of the Rights and New Brait Shares into jurisdictions other than Luxembourg and South Africa may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of any such jurisdiction. Hence no person receiving a copy of this document and/or a Form of Instruction in any territory other than Luxembourg and South Africa may treat the same as constituting an invitation or offer to him nor should he in any event exercise or attempt to exercise any Rights pursuant to the Rights Offer unless, in the relevant territory, such an invitation or offer could lawfully be made to him, without contravention of any registration or other legal requirements. In such circumstances, this document and the Form of Instruction, if applicable, are to be treated as sent for information only and should not be copied or redistributed.

Neither this Circular nor a Form of Instruction will be sent to Brait Shareholders with registered addresses or who are resident in any of the Restricted Territories nor to their respective agents or intermediaries, except where the Company and the Underwriters are satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction. The Rights attributable to Brait Shareholders with registered addresses or who are resident in any of the jurisdictions named in the definition of Restricted Territories will instead be delivered to the Luxembourg Transfer Secretaries and the South African Transfer Secretaries who will act as nominee for the said Brait Shareholders. The respective Transfer Secretaries will, to the extent that a premium can be realised over the costs associated with the sale, sell the Rights on the LuxSE (in the case of the Luxembourg Transfer Secretaries) and on the JSE (in the case of the South African Transfer Secretaries) on a best endeavours basis on behalf and for the benefit of the relevant Brait Shareholders and will remit the proceeds to the said Shareholders. The Brait Shareholders with registered addresses or who are resident in any of the Restricted Territories will not be entitled to accept the Rights Offer.

The New Brait Shares and the Rights have not been and will not be registered under the US Securities Act or under any relevant securities laws of any state or other jurisdiction of the United States and, accordingly, may not be offered, sold, pledged, taken up, exercised, resold, transferred or delivered, directly or indirectly, except pursuant to an applicable exemption from or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws.

Accordingly, Brait Shareholders with registered addresses in, or who are resident or located in, the United States, may not participate in the Rights Offer unless an exemption from the registration requirements of the US Securities Act is available. Subject to certain exceptions, neither this document nor the Form of Instruction constitutes or will constitute or form any part of an offer or an invitation to apply for or an offer or an invitation to acquire any New Brait Shares in the United States. Subject to certain exceptions, neither this document nor a Form of Instruction will be sent to any Brait Shareholder having a registered address in the United States.

Subject to certain exceptions, Rights or renunciations thereof sent from or post-marked in the United States will be deemed to be invalid and all persons acquiring New Brait Shares and wishing to hold such New Brait Shares in registered form must provide an address for registration of the New Brait Shares outside the United States. Subject to certain exceptions, any person who acquires any New Brait Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this document or the Rights, taking up their entitlement or accepting delivery of the New Brait Shares, that they are not, and that at the time of acquiring the New Brait Shares they will not be, in the United States or acting on a non-discretionary basis for a person located within the United States.

The EUR : ZAR Exchange Rate as quoted on Bloomberg in Luxembourg at 12:00 p.m. on 11 April 2011, being the last practicable date before finalisation of this Circular, was EUR 0.1040/ZAR. The Euro amounts indicated in this Circular in respect of the ZAR16.50 Offer Price and the ZAR18.00 Titan Placement subscription price are based on the aforementioned EUR : ZAR Exchange Rate. These Euro amounts are included for informational purposes only and payments of the Offer Price must be made in either ZAR or EUR as stated in this Circular.

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Copies of this Circular may be obtained free of charge from the offices of the sub-registrar, listing and paying agent at the address set out in Part 2 of this Circular as well as on Brait's website (www.Brait.com).

Part 1 Important information

1. ABOUT THIS CIRCULAR

This Circular has been produced in connection with the Transactions and the admission of the Rights and the New Brait Shares to trading on the Euro MTF market and the JSE. In making any investment decision regarding the Transactions, prospective investors must rely on their own examination of the Company, including the merits and risks involved in an investment in the Company.

Prospective investors should rely only on the information contained in this Circular. The Company has not authorised any other person to provide prospective investors with any information or to make any representations in connection with the Transactions. If anyone provides prospective investors with any information or makes any representations, such information or representations should not be relied upon. Prospective investors should assume that the information appearing in this Circular is accurate only as of the date on the front cover of this Circular, regardless of the time of delivery of this Circular or of any future offer, issue, subscription or sale of the Rights and/or the New Brait Shares. The business, financial condition, results of operations and prospects of the Company could have changed since that date. The Company expressly disclaims any duty to update this Circular, except as required by applicable law. A supplement to this Circular will be issued should events between the date of this Circular and the admission of the Rights and the New Brait Shares to trading on the Euro MTF market and JSE require significant changes to be made to the substance of this Circular or if required by either of the Exchanges.

The Company makes no representation to prospective investors as to the legality of an investment in the New Brait Shares and prospective investors should not construe anything in this Circular as legal, business or tax advice. Prospective investors should consult their own advisors as to the legal, tax, business, financial and related aspects of an investment in the New Brait Shares.

2. FORWARD-LOOKING STATEMENTS

This Circular includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “intends”, “considers”, “expects”, “seeks”, “target”, “strategy”, “objective”, “aim”, “continue”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this Circular and include statements regarding the intentions, beliefs or current expectations of the Company concerning, among other things, the investment objective and investment policy, financing strategies, investment performance, results of operations, financial condition, liquidity, prospects and dividend payments and policy of the Company and the markets in which they, directly and indirectly, will invest and the resources available to them. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The actual investment performance of the Company, its results of operations, financial condition, liquidity, dividend payments and the development of its financing strategies and the operation of the markets in which it is, directly or indirectly, invested and the actual resources available to them, may differ materially from the impression created by the forward-looking statements contained in this Circular. In addition, even if the investment performance, results of operations, financial condition, liquidity and dividend payments of the Company, the development of the financing strategies and the operation of the markets in which they are, directly or indirectly, invested are consistent with the forward-looking statements contained in this Circular, those results or developments or markets or resources may not be indicative of results or developments or markets or resources in subsequent periods. Important factors that may cause these differences include, but are not limited to, the risk factors set forth in Part 17 of this Circular (“Risk Factors”), changes in economic conditions generally, legislative/regulatory changes, changes in taxation regimes, the Company’s ability to invest the cash on its balance sheet in suitable investments or in a suitable manner on a timely basis, the cost and availability of capital for future investments, the availability and cost of suitable financing, the continued provision of services by the Company and the ability of the Company to attract and retain suitably qualified personnel.

Prospective investors are advised to read this Circular in its entirety and, in particular, the section entitled “Risk Factors” for a further discussion of the factors that could affect the future performance of the Company. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Circular may not occur.

These forward-looking statements speak only as at the date of this Circular. Subject to its legal and regulatory obligations, the Company expressly disclaims any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

The Company qualifies all of its forward-looking statements by these cautionary statements.

3. CERTAIN DEFINED TERMS

Certain capitalised terms are defined the first time they appear in this Circular, although definitions may be repeated more than once for ease of reference. See also Part 4 (Glossary of Defined Terms) for definitions of other capitalised terms and for certain legal and technical terms used in this Circular (some of which are also defined in other sections of this Circular).

4. NO INCORPORATION OF WEBSITES

The contents of any websites of the Company do not form part of this Circular.

5. PRESENTATION OF FINANCIAL INFORMATION

Unless otherwise indicated, the financial information in this Circular has been prepared in accordance with International Financial Reporting Standards (“IFRS”) that may differ materially from Luxembourg generally accepted accounting principles.

The Company’s *pro forma* unaudited financial statements for the 6 months ended 30 September 2010, including the notes thereto (the “Unaudited *Pro Forma* Consolidated Financial Information”) set out in Annexure 3 to this Circular, were prepared to illustrate the effect of the Acquisitions, the Restructure and the Rights Offer on the balance sheet and Statement of Comprehensive Income as if the Acquisitions, the Restructure and the Rights Offer had taken place on 30 September 2010 for balance sheet purposes, and on 1 April 2010 for Statement of Comprehensive Income purposes. The Unaudited *Pro Forma* Consolidated Financial Information was prepared on the basis of the Company’s accounting policies and on the basis described in the notes thereto, and has been prepared for illustrative purposes only. The Unaudited *Pro Forma* Consolidated Financial Information included elsewhere in this Circular was prepared in accordance with IFRS.

Part 2 Corporate information [CA 4]

Directors [CA 2(a) and 34]

P J Moleketi, J A Gnodde, A C Ball, B I Childs,
H R W Troskie, J E Bodoni, R J Koch, S J P Weber,
S Sithole, A Rosenzweig, C S Seabrooke, C Keogh

Capital Partners Group Holdings Limited

C/O DTOS, 10th Floor, Raffles Tower
19 Cybercity, Ebene
Mauritius
Tel: +230 213 6909
Fax: +230 213 6913

Financial advisor, mandated lead debt arranger and advisor, underwriter and transaction sponsor

Rand Merchant Bank
1 Merchant Place
Corner Fredman Drive and Rivonia Road
Sandton, 2196, South Africa
Tel: +27 11 282 8000
Fax: +27 11 282 8008

International Counsel and LuxSE Listing Agent

M Partners
56, rue Charles Martel
L-2134 Luxembourg
Member of Maitland Legal
Tel: +352 263 868
Fax: +352 263 868 66

Registrar and Transfer Agent [CA 1 and 32]

South Africa
Computershare Investor Services (Pty) Limited
70 Marshall Street, Johannesburg, 2001
South Africa
(PO Box 61051, Marshalltown, 2107)
Tel: +27 11 370 5000
Fax: +27 11 668 5200

Domiciliary Agent, Registrar and Transfer Agent

Luxembourg
Experta Luxembourg S.A.
42, rue de la Vallée
L-2661 Luxembourg
Tel: +352 269 255 3297
Fax: +352 269 255 3642

Registered Office of Brait [CA 1 and 32]

42, rue de la Vallée
L-2661 Luxembourg
Tel: +352 269 255 3297
Fax: +352 269 255 3642

Brait South Africa Limited

9 Fricker Road, Illovo Boulevard, Illovo
Sandton, 2196
South Africa
Tel: +27 11 507 1000
Fax: +27 11 507 1522

Auditors to Brait [CA 3]

Deloitte S.A.
560, rue de Neudorf
L-2220 Luxembourg
Tel: +352 451 452 693
Fax: +352 451 452 666

Attorneys – South Africa

Cliffe Dekker Hofmeyr Inc.
1 Protea Place, Sandton, Johannesburg, 2196
South Africa
Tel: +27 11 562 1000
Fax: +27 11 562 1111

Reporting Accountants

Deloitte & Touche
Deloitte Place, Building 8
The Woodlands, 20 Woodlands Drive
Woodmead, 2052, South Africa
Tel: +27 11 806 5673
Fax: +27 11 806 5222

Co-debt underwriter

The Standard Bank of South Africa Limited
3 Simmonds Street, Johannesburg, 2001
(PO Box 61344, Marshalltown, 2107)
Tel: +27 11 636 9111
Fax: +27 11 636 4207

Part 3 Executive summary

1. INTRODUCTION

Brait Shareholders were advised in an announcement released on SENS and published on the website of the LuxSE on Wednesday, 2 March 2011 and published in the South African press on Thursday, 3 March 2011 that the Company had commenced a reorganisation and restructuring process.

As part of the continued growth strategy of the Company and in order to continue to benefit from the extensive investment experience of its investment team while raising capital in a more efficient manner, the Board proposes a new business model in terms of which Brait will raise capital, from time to time, in the public equity capital markets and invest this capital directly into predominantly privately owned companies located primarily in South Africa.

In this regard, Brait intends to conduct a fully underwritten, renounceable rights offer (“Rights Offer”) with a view to raising ZAR5.9 billion. The Rights Offer will consist of the issue and listing of a maximum of 356 961 963 New Brait Shares as more fully described below.

In order to provide certainty regarding the outcome of the Rights Offer, Titan, the Investment Team and RMB have entered into an underwriting agreement with the Company.

To the extent that the members of the Investment Team and Titan do not achieve their respective target shareholdings of 18.00% and 33.33% of Brait’s issued share capital through the Rights Offer and the Underwriting, they will have the right to subscribe for additional Shares (“the Placements”).

In addition, Brait intends to:

- (i) use part of the Rights Offer proceeds to acquire, through a wholly-owned subsidiary, 24.6% of Pepkor’s issued ordinary share capital (excluding treasury shares) and to obtain a further effective 10.3% leveraged interest in Pepkor’s issued ordinary share capital through the acquisition of preference shares in a special purpose vehicle;
- (ii) use part of the Rights Offer proceeds to acquire, through a wholly-owned subsidiary, 49.9% of the issued ordinary share capital of, together with shareholder loans of ZAR221.2 million against, Premier (the acquisitions in (i) and (ii), collectively, hereinafter referred to as the “Acquisitions”);
- (iii) undertake a restructuring of the Company whereby Brait will become a European Company, resulting from a merger with a Malta subsidiary and the subsequent transfer of the registered office of the holding company from Luxembourg to Malta (the “Restructure”); and
- (iv) reorganise the executive management, Board and business unit structures and implement operating cost reduction initiatives to complement the Company’s new business structure and strategic focus (the “Reorganisation”).

The purpose of this Circular is to advise Brait Shareholders of the details of the Rights Offer, the Placements, the Acquisitions, the Restructure and the Reorganisation of the Company.

2. ACQUISITION OF PEPKOR AND PREMIER

The Directors believe that it is critical that the proposed capital raising under the new business model be underpinned by the immediate acquisition of high quality, anchor investments. The two initial investments identified are Pepkor and Premier.

The Acquisitions will be funded through the Rights Offer and potentially the Placements.

Pepkor Acquisition and Pepkor Pref Share Acquisition

Brait, through its wholly-owned subsidiary Capital Partners Group Holding Limited (“CPGHL”), will acquire 24.6% of the issued ordinary share capital of Pepkor (excluding treasury shares) for a total acquisition price of ZAR4.178 billion. The acquisition price, based on an equity valuation of ZAR17 billion, adjusted for interest payable from 31 March 2011 until the payment date, will be settled in cash, provided that the aggregate subscription price will be reduced in the event of certain distributions to Pepkor shareholders before closing. The ZAR17 billion Pepkor equity valuation (and an enterprise value of ZAR16.8 billion), is based on a sustainable EBITDA of ZAR2.261 billion, which equates to an EBITDA multiple of 7.4.

Brait will also, through CPGHL, subscribe for preference shares in Pepkor SPV for an amount of ZAR671 million. Pepkor SPV will, through the acquisition of shares in Pepkor, provide the Company with an additional effective 10.3% leveraged interest in Pepkor through a 42% economic participation in Pepkor SPV.

The Pepkor Acquisition and the Pepkor Pref Share Acquisition will, *inter alia*, be conditional on the conclusion of the Rights Offer. The terms of the Pepkor SPV debt funding for purposes of subscribing for Shares in Pepkor have been agreed with RMB and other funders.

Premier Acquisition

Brait, through CPGHL, will also acquire 49.9% of the issued ordinary share capital of Premier, together with shareholder loans of ZAR221.2 million from Brait IV, AJL Trust and Ernest Trust for a total purchase consideration of ZAR1.070 billion based on an equity valuation for Premier of ZAR1.7 billion to be settled in cash.

The aggregate acquisition price payable to the Premier Selling Shareholders will be settled in cash and will be reduced by the amount of any distribution that Premier may make to the Premier Selling Shareholders.

The ZAR1.7 billion Premier equity valuation (and an enterprise valuation of ZAR2.629 billion) is based on a sustainable EBITDA of ZAR410 million which equates to an EBITDA multiple of 6.4. The Premier Acquisition will, *inter alia*, be conditional on the conclusion of the Rights Offer.

3. RIGHTS OFFER AND THE PLACEMENTS

The Rights Offer will consist of a fully underwritten renounceable rights offer by Brait to Brait Shareholders of 356 961 963 New Brait Shares at the Offer Price, in the ratio of 3 New Brait Shares for every 1 Brait Share held, in terms of which each Qualifying Shareholder will be issued an appropriate number of Rights (taking into account the ratio mentioned above), each of which: (i) will be listed on an Exchange; (ii) will be renounceable; (iii) will be capable of being traded on an Exchange during the Rights Offer Period and (iv) if exercised during the Rights Offer Period, will entitle the holder thereof to subscribe for 1 New Brait Share at the Offer Price. The Rights Offer will be fully underwritten by Titan, the Investment Team and RMB.

It is the intention of the Investment Team to acquire a shareholding in Brait of up to 18% of Brait's issued share capital, post the Rights Offer and Placements.

Subsequent to the closing of the Rights Offer, if the Investment Team has not acquired its desired 18% shareholding in Brait, then the Investment Team will have the right to subscribe at the Offer Price for a maximum number of 1 10 000 000 Brait Shares less the number of Brait Shares acquired by the Investment Team during the Rights Offer or pursuant to the discharge of their Underwriting commitment. **[CA 20(b)]**

Funding for the Investment Team will be provided through the contribution of an estimated ZAR300 million of the Investment Team's own capital, plus debt funding at market-related lending rates facilitated by Brait through a special purpose vehicle. The funding, the terms of which have been sourced from RMB and other funders, will be advanced through a bridging facility to CPGHL, will be of such amount that total funding will be provided at an initial average debt to equity ratio of 4:1, or better.

It is the intention of Titan to acquire a shareholding in Brait of up to 33.33% of Brait's issued share capital, post the Rights Offer and Placements.

Subsequent to the closing of the Rights Offer and Investment Team Placement, if Titan has not acquired its desired 33.33% shareholding in the Company, then Titan will use its reasonable commercial endeavours to purchase Brait Shares in the open market with the intention of reaching its target shareholding of up to 33.33%. To the extent that Titan does not attain its target shareholding within three months after the close of the Rights Offer then Titan will have the right to subscribe for a sufficient number of Brait Shares at a subscription price of ZAR18.00 (EUR 1.87) per Brait Share in order to bring it up to its 33.33% target shareholding, subject to the condition that the maximum number of Brait Shares to be issued to Titan in terms of the Titan Placement is 55 000 000 Brait Shares. **[CA 20(b)]**

The following scenarios have, *inter alia*, been considered by the Directors as possible estimates of the Shares to be taken up by Titan and the Investment Team under both the Rights Offer and the Placements:

	Scenario 1*	Scenario 2	Scenario 3
	Base case	Low case	High case
Current Brait issued share capital	118 987 321	118 987 321	118 987 321
New Brait Shares (3:1)	356 961 963	356 961 963	356 961 963
Shares issued under Placements	30 303 030	–	104 186 543
Post Transactions Brait Shares	506 252 314	475 949 284	580 135 827
Shareholding (number of shares)			
Titan (33.33%)	168 750 771	158 649 761	193 378 609
Investment Team (18.00%)	91 125 417	85 670 871	104 424 449

Note: * As the most likely outcome of the Transactions, Scenario 1 represents the basis followed in compilation of the *Pro forma* Statements of Financial Position and Comprehensive Income.

This assumes: (i) Titan will have acquired its desired 33.33% shareholding in Brait after completion of the Rights Offer and (ii) that the Investment Team will need to acquire Shares worth ZAR500 million (30.3 million Shares) after the Rights Offer and pursuant to the Investment Team Placement to achieve their target 18.00% shareholding in Brait.

4. CURRENT PROSPECTS

It is the opinion of the Directors that, following the Transactions, Brait will be well-positioned to leverage its competitive strengths and investment platform to facilitate sustainable long-term growth and value creation for Brait Shareholders.

The primary drivers of this growth will be through organic growth in the underlying investments in Pepkor and Premier, and through the acquisition of meaningful shareholdings in primarily private companies located primarily in South Africa that meet Brait's investment criteria.

Brait is constantly identifying and evaluating new investment opportunities and there is currently a strong near and mid-term pipeline of potential acquisitions undergoing such evaluation.

Part 4 Glossary of defined terms

In this Circular, unless the context otherwise requires, the following words and expressions have the meanings set out opposite them:

“Acquisitions”	collectively, the Pepkor Acquisition, the Pepkor Pref Share Acquisition and the Premier Acquisition;
“AJL Trust”	the trustees for the time being of the AJL Trust, a South African trust registered under Master’s reference IT1030/06;
“Applicant”	a holder of Rights who exercises such Rights to subscribe for New Brait Shares in terms of the Rights Offer;
“Auction”	the auction of Rights which have not been exercised during the Rights Offer Period to be held on the LuxSE on or about Wednesday, 29 June 2011 and at which auction the Underwriters will discharge their obligations in terms of the Underwriting Agreement;
“Auditors”	Deloitte S.A., registration number B67895, a company incorporated in Luxembourg;
“Board”	the board of directors of Brait;
“Brait III”	collectively, South African Private Equity Fund III L.P. and South African Private Equity Trust III;
“Brait III Sale Agreements”	collectively, the sale of shares agreements entered into between Titan on the one hand and each of CAL and South African Private Equity Trust III, in terms of which CAL and South African Private Equity Trust III will, before implementation of the Pepkor Acquisition, sell their entire respective equity interests in Pepkor to Titan;
“Brait IV”	collectively, BSAL; Brait IV Facility Trust, Brait IV SA Partnership Co-Investment Trust; Brait IV, L.P. Co-Investment Trust; Brait IV Investment, L.P. and Brait IV SA Partnership;
“Brait IV Facility Trust”	the trustees for the time being of the Brait IV Facility Trust, a South African trust registered under Master’s reference IT4275/07;
“Brait IV Investment, L.P.”	Brait IV Investment, L.P., an exempted limited partnership established in accordance with the laws of the Cayman Islands, acting through its General Partner, SAPEF GP Limited, company number WK-84040, a company duly incorporated under the laws of the Cayman Islands;
“Brait IV, L.P. Co-Investment Trust”	Securitas Services Limited, registration number 6000, a limited liability private company duly incorporated in the Republic of the Marshall Islands, in its capacity as trustee of Brait IV, L.P. Co-Investment Trust, a trust established in accordance with the laws of Cayman Islands;
“Brait IV SA Partnership”	Brait IV SA Partnership, an <i>en commandite</i> partnership formed in accordance with the laws of South Africa, acting through its General Partner, Brait Private Equity GP (IV) (Proprietary) Limited, registration number 2004/031310/07, a limited liability private company duly incorporated under the laws of South Africa;
“Brait IV SA Partnership Co-Investment Trust”	the trustees, from time to time, of Brait IV SA Partnership Co-Investment Trust, a South African trust registered under Master’s reference IT8412/07;
“Brait Dividend Policy”	the Brait dividend policy as set out more fully in Part 14 to this Circular;
“Brait Group” or “Group”	comprises Brait and all its subsidiaries which include Brait Malta Limited, CPGHL and BSAL;
“Brait Malta”	Brait Malta Limited, registration number C49644, a private limited liability company incorporated in accordance with the laws of Malta and with its registered office address at Level 1 Cornerline, Dun Karm Street, Birkirkara BKR 9039, Malta;
“Brait Private Equity”	the Private Equity Funds management business of Brait;

“Brait Share” or “Share”	a fully paid-up ordinary share with no par value in the share capital of Brait;
“Brait Shareholder” or “Shareholder”	a holder of one or more Brait Shares;
“Braitec”	Brait Technology and Innovation Fund I, a South African trust registered under Master’s reference IT4637/99;
“BSAL”	Brait South Africa Limited, registration number 1960/003893/06, a public limited liability company duly incorporated in accordance with the laws of South Africa;
“CAL”	Capital Africa Limited, company number 21031/4821, a company duly incorporated in Mauritius and a wholly-owned subsidiary of the South African Private Equity Fund III L.P.;
“Certificated Shareholders”	holders of Certificated Shares;
“Certificated Shares”	Brait Shares which are not dematerialised, title to which is represented by share certificates;
“Circular”	this document, dated 18 April 2011, including the notice of First Brait EGM, the form of proxy and the annexures hereto;
“Clearstream”	Clearstream Banking, société anonyme, a limited liability company incorporated under the laws of Luxembourg or any successor thereto;
“Common Monetary Area”	the Common Monetary Area comprising South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“Company” or “Brait”	Brait S.A. incorporated under Luxembourg law and registered with the Luxembourg Register of Commerce and Companies currently under the name Brait S.A. and the legal form of a <i>société anonyme</i> under number RCS B-13861;
“CPGHL”	Capital Partners Group Holdings Limited, a wholly-owned Brait subsidiary company registered by continuation in the Republic of Mauritius on 12 January 2006 with registered office address at 10th Floor, Raffles Tower, 19 Cybercity, Ebene, Mauritius, C/o DTOS Limited;
“CPGHL Investment Team”	the Mauritius-based investment team responsible for all CPGHL investments, comprising the persons set out in section 3 of Part 12 (Management and Corporate Governance) of this Circular;
“CPS”	cents per share as stated in the lawful currency of South Africa;
“CSDP”	a central securities depository participant, accepted as a participant in terms of the Securities Services Act;
“Dematerialised Shareholders”	holders of Dematerialised Shares;
“Dematerialised Shares”	Brait Shares which: (i) have been dematerialised; (ii) are no longer evidenced by physical share certificates and (iii) have been incorporated into the Strate system (in respect of Shares admitted to trading on the JSE) or either the Clearstream or Euroclear systems (in respect of Shares admitted to trading on the Euro MTF market);
“Directors”	the directors of Brait;
“Ernest Trust”	the trustees for the time being of the Ernest Trust, a South African trust registered under Master’s reference number IT3071/94;
“EUR” or “Euro”	the lawful currency of the European Union;
“EUR Account”	<p>Account name: Brait Societe Anonyme</p> <p>Bank: Dexia Banque Internationale a Luxembourg</p> <p>Branch: Luxembourg</p> <p>Account: Dexia BIL EUR Current Account</p> <p>Account number: 7 – 104/1680/700</p> <p>Swift code: BILLLULL</p> <p>IBAN: LU95 0027 1041 6807 0000;</p>
“Euro MTF market”	the Multilateral Trading Facility (as defined in the Markets in Financial Instruments Directive) operated by the LuxSE;

“Euroclear”	Euroclear Bank S.A./N.V., as operator of the Euroclear system, Luxembourg;
“European Commission”	the executive body of the European Union which is responsible for proposing legislation and implementing decisions;
“European Company”	a European public limited liability company (<i>Societas Europaea</i>) incorporated in terms of European Council Regulation No. 2157/2001;
“European Union”	the economic and political confederation of European nations which share a common foreign and security policy and co-operate on justice and home affairs as created on 1 November 1993 by the Treaty on European Union (formerly known as the Maastricht Treaty);
“Exchanges”	collectively, the LuxSE and the JSE and an “Exchange” will mean each or either of the Exchanges, as the context requires;
“Existing Shares” or “Existing Brait Shares”	the existing Brait Shares in issue as at the Luxembourg Record Date;
“Financial Cluster”	collectively, all the business units of Brait as at the date of this Circular, which will be accounted for as portfolio companies on the implementation of the Reorganisation, as more fully described in Part 13 (Internal Reorganisation) of this Circular;
“First Brait EGM”	the extraordinary general meeting of Brait Shareholders to be convened at 10:00 a.m. at 42, rue de la Vallée, L-2661 Luxembourg on Wednesday, 4 May 2011;
“Form of Proxy”	the form of proxy accompanying this Circular for use in connection with the First Brait EGM;
“Form of Instruction”	a form of instruction to be sent to Certificated Shareholders, in respect of the Rights issued to Certificated Shareholders, in terms of which Certificated Shareholders will be entitled to indicate whether they wish to exercise, sell or renounce all or a portion of their Rights, pursuant to the Rights Offer;
“Investment Advisory Agreement and Investment Sub-advisory Agreement”	collectively, the: (i) investment advisory agreement entered into, or to be entered into, between Brait and CPGHL, in terms of which CPGHL will be mandated to perform certain activities that will include identifying, evaluating and recommending potential investment opportunities to the Board and (ii) the Sub-Advisory Agreement entered into or to be entered into between CPGHL and BSAL in terms of which BSAL will be mandated to perform certain activities that will include identifying, evaluating and recommending potential investment opportunities to the CPGHL Investment Team and the CPGHL board of directors;
“Investment Team” or “Brait South Africa Investment Team”	as at the date of this Circular, means collectively, those persons set out in section 4 of Part 12 (Management and Corporate Governance) of this Circular, as approved by the Company who will acquire Brait Shares pursuant to: (i) the Rights Offer; (ii) their respective Underwriting obligations and/or (iii) the Investment Team Placement by utilising, <i>inter alia</i> , the funding more fully described in sections 1 and 2 of Part 8 (Investment Team Shareholding and New Anchor Shareholder) of this Circular, it being recorded that the Investment Team may be extended to include additional persons who are employees and/or directors of Brait, BSAL and/or their respective group companies and/or any other persons involved in the investment activities of Brait, BSAL and/or their respective group companies, as nominated and/or approved by the Board from time to time;
“Investment Team Placement”	the potential private placement of Brait Shares to the Investment Team as more fully described in Part 20 (Rights Offer and Private Placement Details) of this Circular;
“IPO”	Initial Public Offering;
“JSE”	the securities exchange, licensed under the Securities Services Act, operated by JSE Limited registration number 2005/022939/06, a public company duly incorporated in accordance with the laws of South Africa;
“Listings Requirements”	the JSE Limited Listings Requirements, as amended from time to time;
“Luxembourg”	the Grand Duchy of Luxembourg;

“Luxembourg Record Date”	5.00 p.m. on Thursday, 12 May 2011, being the date on which Brait Shareholders whose Brait Shares are listed on the Euro MTF market are required to be recorded in Brait’s register in Luxembourg in order to be issued with Rights pursuant to the Rights Offer;
“Luxembourg Transfer Secretaries”	Experta Luxembourg S.A., registration number B29597, a public company duly incorporated in Luxembourg;
“LuxSE”	the Luxembourg Stock Exchange;
“Merger Plan”	the plan to merge the New Malta Sub with Brait and the terms on which the new merged entity, in the form of a European Company, will be created;
“NAV”	net asset value;
“New Malta Sub”	BM plc, a public limited liability company, registration number C52076, incorporated in accordance with the laws of Malta and with its registered office address at Level 1 Cornerline, Dun Karm Street, Birkirkara BKR 9039, Malta;
“New Brait Shares”	the new Brait Shares which the Company will issue pursuant to the Rights Offer;
“Offer Price”	ZAR16.50 (EUR 1.72) per New Brait Share based on the adjusted tangible NAV of Brait as at 30 September 2010;
“Overseas Shareholders”	Qualifying Shareholders with registered addresses in, or who are citizens, residents or nationals of, jurisdictions outside Luxembourg and South Africa;
“Participant”	a central securities depository participant with direct or indirect access to a Clearstream or Euroclear account;
“Pepkor”	Pepkor Holdings Limited, registration number 2003/020009/06, a public company duly incorporated in accordance with the laws of South Africa;
“Pepkor Acquisition”	the subscription by CPGHL for shares that will comprise 24.6% of the issued ordinary share capital of Pepkor (excluding treasury shares), in terms of the Pepkor Subscription Agreement, as more fully described in Part 10 (Use of Proceeds and Details of Acquisitions) of this Circular;
“Pepkor Pref Share Acquisition”	the subscription by CPGHL for preference shares in Pepkor SPV, pursuant to which Brait will acquire an additional effective 10.3% leveraged interest in Pepkor, as more fully described in Part 10 (Use of Proceeds and Details of Acquisitions) of this Circular;
“Pepkor SPV”	Newsshelf 1093 (Proprietary) Limited, registration number 2010/018630/07, a limited liability company duly incorporated in accordance with the laws of South Africa;
“Pepkor Subscription Agreement”	the subscription agreement entered into between Pepkor and CPGHL, in terms of which CPGHL will subscribe for shares that will comprise 24.6% of the issued ordinary share capital of Pepkor (excluding treasury shares);
“Placements”	collectively, the potential Investment Team Placement and Titan Placement;
“Premier”	Premier Group (Proprietary) Limited, registration number 2007/016008/07, a private company duly incorporated in accordance with the laws of South Africa;
“Premier Acquisition”	the acquisition by the Company, through CPGHL, of 49.9% of the issued ordinary share capital of, together with shareholder loans of ZAR221.2 million against, Premier, in terms of the Premier Sale Agreements, as more fully described in Part 10 (Use of Proceeds and Details of Acquisitions) of this Circular;
“Premier Sale Agreements”	collectively, the sale and purchase agreements entered into between, <i>inter alia</i> , CPGHL and each of the Premier Selling Shareholders in terms of which the Company will, through CPGHL, purchase 49.9% of the issued ordinary share capital of, together with shareholder loans of ZAR221.2 million against, Premier;
“Premier Selling Shareholders”	Brait IV, AJL Trust and Ernest Trust;
“Qualifying JSE Shareholders”	Shareholders whose Brait Shares are listed on the JSE (save for (subject to certain exceptions) persons with a registered address or located or resident in a Restricted Territory) and are recorded in Brait’s sub-register in Johannesburg as at the South African Record Date;

“Qualifying LuxSE Shareholders”	Shareholders whose Brait Shares are listed on the LuxSE (save for (subject to certain exceptions) persons with a registered address or located or resident in a Restricted Territory) and are recorded in Brait’s register of members in Luxembourg as at the Luxembourg Record Date;
“Qualifying Shareholders”	the Qualifying JSE Shareholders and the Qualifying LuxSE Shareholders;
“Record Date”	the South African Record Date in respect of Qualifying JSE Shareholders and/or the Luxembourg Record Date in respect of Qualifying LuxSE Shareholders, as the case may be;
“Reorganisation”	the internal reorganisation of the Brait executive management, Board and business unit structures as well as operating cost reduction initiatives so as to align them with the Company’s new business structure and strategic focus;
“Restricted Territories”	the United States, Australia, Canada, Japan and Namibia and any other jurisdiction where the extension or making of the Rights Offer would be unlawful or in contravention of certain regulations;
“Restructure”	the restructure of Brait in terms of which it will become a European Company, resulting from a merger with Brait Malta, and the subsequent transfer of the registered office address from Luxembourg to Malta;
“Right” or “Rights”	a renounceable nil paid right to be issued in dematerialised form, which will entitle an Applicant to subscribe for a New Brait Share pursuant to the Rights Offer;
“Rights Offer”	the renounceable Rights Offer to Qualifying Shareholders of a maximum of 356 961 963 New Brait Shares at the Offer Price in the ratio of 3 New Brait Shares for every 1 Brait Share held on the Record Date, as more fully described in Part 20 (Rights Offer and Private Placement Details) of this Circular;
“Rights Offer Period”	the period commencing on Friday, 13 May 2011 (being the date on which the Rights will list on the Exchanges) and ending on Friday, 24 June 2011 (being the last date on which the holders of Rights can exercise such Rights);
“RCS”	the Luxembourg Register of Trade and Commerce;
“RMB”	Rand Merchant Bank, a division of FirstRand Bank Limited, registration number 1929/001225/06, a public company incorporated in accordance with the laws of South Africa;
“Second Brait EGM”	the extraordinary general meeting of Brait Shareholders to be convened on or about 29 July 2011 pursuant to a notice which will be sent out to Brait Shareholders at a later stage, at which meeting Brait Shareholders will be asked to approve the Merger Plan and Brait’s revised Articles of Incorporation, as more fully described in Part 11 (Brait Group Restructure) of this Circular;
“Securities Services Act”	the South African Securities Services Act, 2004 (Act 36 of 2004), as amended;
“SENS”	the stock exchange news service of the JSE;
“South Africa”	the Republic of South Africa;
“South African Companies Act”	the South African Companies Act, No. 61 of 1973;
“South African Private Equity Fund III L.P.”	South African Private Equity Fund III, L.P., an exempted limited partnership established in accordance with the laws of the Cayman Islands, the general partner of which is SAPEF GP Limited, a company incorporated in the Cayman Islands, with registration number WK 84040;
“South African Private Equity Trust III”	Brait Capital Partners Trustees (Proprietary) Limited, registration number 98/10776/07, a limited liability private company duly incorporated in South Africa, in its capacity as the trustee of South African Private Equity Trust III, a South African trust registered under Master’s reference IT9960/98;
“South African Record Date”	5.00 p.m. on Friday, 20 May 2011, being the date on which Brait Shareholders whose Brait Shares are listed on the JSE are required to be recorded in Brait’s sub-register in Johannesburg in order to be issued with Rights pursuant to the Rights Offer;

“South African Transfer Secretaries”	Computershare Investor Services (Proprietary) Limited, registration number 2004/003647/07, a limited liability private company duly incorporated in accordance with the laws of South Africa;
“Strate”	Strate Limited, registration number 1998/022242/06, a public company incorporated in South Africa and registered as a central securities depository in terms of the Securities Services Act;
“Third Brait EGM”	the extraordinary general meeting of Brait Shareholders to be convened on or about 11 October 2011 pursuant to a notice which will be sent out to Brait Shareholders at a later stage, at which meeting Brait Shareholders will be asked to approve the Transfer Proposal and a new set of Memorandum and Articles of Association for the Company, as more fully described in Part 11 (Brait Group Restructure) of this Circular;
“Titan”	Titan Nominees (Proprietary) Limited, registration number 1978/003570/07, a company incorporated in accordance with the laws of South Africa, being a party related to Dr Christo Wiese;
“Titan Placement”	the potential private placement of Brait Shares to Titan as more fully described in Part 20 (Rights Offer and Private Placement Details) of this Circular;
“Transactions”	collectively, the Rights Offer, the Placements, the Acquisitions, the Restructure and the Reorganisation;
“Transfer Proposal”	the proposal to transfer the registered office address of Brait, subsequent to its conversion into a European Company, from Luxembourg to Malta;
“Underwriters”	collectively, as at the date of this Circular, Titan, the Investment Team and RMB;
“Underwriting”	the underwriting commitments of each Underwriter in terms of the Underwriting Agreement;
“Underwriting Agreement”	the underwriting agreement entered into between Brait and the Underwriters in terms of which the Underwriters agreed to underwrite the Rights Offer, as more fully described in Part 20 (Rights Offer and Private Placement Details) of this Circular;
“USD”	the lawful currency of the United States;
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
“US Securities Act”	the US Securities Act of 1933, as amended;
“ZAR” or “Rand” or “R”	the lawful currency of South Africa;
“ZAR Account”	Account name: Brait Societe Anonyme Bank details: First National Bank Account number: 62304959234 Branch name: Global transactional services Branch code: 255005 Swift code: FIRNZAJJ;
“1915 Law”	the Luxembourg law of 10 August 1915 on commercial companies (as amended); and
“1929 Holding Company”	a holding company incorporated in Luxembourg and which is organised as a <i>société anonyme</i> under the 1915 Law and the Luxembourg law of 31 July 1929 (as abolished).

Part 5 Expected timetable of principal events

2011

Circular posted to Brait Shareholders on	Monday, 18 April
Completed forms of proxy to be returned by 10:00 a.m. on	Monday, 2 May
Brait Extraordinary General Meeting (“EGM”) to be held at 10:00 a.m. at 42, rue de la Vallée, L-2661 Luxembourg on	Wednesday, 4 May
Finalisation date on	Wednesday, 4 May
Results of the EGM and finalisation announcement released on SENS and the LuxSE website on	Wednesday, 4 May
Results of the EGM and finalisation announcement published in the South African press on	Thursday, 5 May
Last day to trade in Shares on the Exchanges for Brait Shareholders to be eligible to participate in the Rights Offer on	Thursday, 12 May
Rights issued to Brait Shareholders (see below when Qualifying LuxSE Shareholders and Qualifying JSE Shareholders are credited with the Rights) on	Friday, 13 May
Opening Date of Rights Offer for Brait Shareholders on	Friday, 13 May
First listing date of the Rights on the Exchanges on	Friday, 13 May
Brait Shareholders trading on the Exchanges commence trading their Rights at 9.00 a.m. and Brait Shareholders on the Luxembourg register are credited with and can exercise their Rights on	Friday, 13 May
Form of Instruction posted to Qualifying LuxSE Shareholders that hold Certificated Shares on	Friday, 13 May
Existing Shares trade ex-Rights on the Exchanges on	Friday, 13 May
Record Date for Brait Shareholders holding their Shares on the South African sub-register on	Friday, 20 May
Brait Shareholders on the South African sub-register will have their broker or CSDP accounts credited with their Rights and subsequently can exercise their Rights on	Monday, 23 May
Form of Instruction posted to Qualifying JSE Shareholders that hold Certificated Shares on	Monday, 23 May
Last day to trade in Rights for Brait Shareholders trading on Exchanges on	Friday, 17 June
Record date and Closing date for acceptances under Rights Offer on the Exchanges at 12:00 on	Friday, 24 June
Auction of unexercised Rights on LuxSE on	Wednesday, 29 June
Issue of a maximum of 356 961 963 New Brait Shares to Brait Shareholders on	Monday, 4 July
To the extent required a maximum number of 110 000 000 Brait Shares (“Investment Team Placement Shares”) to be issued to the Investment Team in terms of the Investment Team Placement on	Monday, 4 July
Listing of New Brait Shares and Investment Team Placement Shares on the Exchanges on	Monday, 4 July
New Brait Shares credited to Brait Shareholders’ broker or Participant accounts and share certificates posted to Certificated Shareholders (for shareholders holding their Shares on the Luxembourg register) (see note 7) by no later than	Monday, 4 July
New Brait Shares credited to Brait Shareholders’ broker or CSDP accounts and share certificates posted to Certificated Shareholders (for shareholders holding their Shares on the South African sub-register) (see note 7) by no later than	Monday, 4 July

Results of the Rights Offer released on SENS and the LuxSE website on	Monday, 4 July
Results of the Rights Offer published in the South African press on	Tuesday, 5 July
To the extent required a maximum number of 55 000 000 Brait Shares (“Titan Placement Shares”) to be issued to Titan in terms of the Titan Placement on	Monday, 3 October
Listing of Titan Placement Shares on the Exchanges on	Monday, 3 October

Notes:

1. Shareholders may not apply for any excess New Brait Shares.
2. Shares may not be transferred between the Luxembourg register and the South African sub-register between Thursday, 12 May 2011 and Friday, 20 May 2011.
3. Rights and Brait Shares are transferable between the Luxembourg register and the South African sub-register, save as set out in note 2 above and note 5 below.
4. Share certificates may not be dematerialised or rematerialised between Thursday, 12 May 2011 and Friday, 20 May 2011, both days inclusive.
5. Rights may not be transferred between the Luxembourg register and South African sub-register after Friday, 17 June 2011, save for purposes of the Auction.
6. CSDP’s or brokers (in respect of Qualifying JSE Shareholders) or Participants (in respect of Qualifying LuxSE Shareholders) must effect payment in respect of Dematerialised Shareholders on a delivery versus payment basis.
7. New Brait Shares will only be issued pursuant to the Rights Offer on Monday, 4 July 2011. Accordingly, Brait Shareholders will not be able to trade in their New Brait Shares until Monday, 4 July 2011.
8. Monday, 25 April 2011 is a public holiday in South Africa and Luxembourg.
9. Friday, 22 April 2011, Wednesday, 27 April 2011, Monday, 2 May 2011, Wednesday, 18 May 2011 and Thursday, 16 June 2011 are public holidays in South Africa.
10. Thursday, 2 June 2011, Monday, 13 June 2011, Thursday, 23 June 2011 and Monday, 15 August 2011 are public holidays in Luxembourg.
11. The Euro MTF market will be closed on Friday, 22 April 2011, due to a banking holiday in Luxembourg.

Part 6 Overview, rationale for the Transactions and prospects [CA 6(i) and 7]

1. OVERVIEW [CA 7 and 36]

As part of the continued growth strategy of the Company and in order to continue leveraging its extensive investment experience while raising capital in the most efficient manner, the Board proposes a new business model in terms of which Brait will raise capital, from time to time, in the public equity capital markets and invest this capital directly into primarily privately owned companies located primarily in South Africa.

This restructuring of the business will be implemented through the following transactions:

- the raising of ZAR5.9 billion through a fully underwritten rights offer to Brait Shareholders;
- the Placements after the Rights Offer, should the Placements be required by either Titan or the Investment Team;
- the acquisition (through CPGHL) of 24.6% of the issued ordinary share capital of Pepkor (excluding treasury shares) for a total acquisition price of ZAR4.178 billion;
- investing a further ZAR671 million in Pepkor SPV through preference shares providing Brait with an additional effective leveraged exposure of 10.3% in Pepkor;
- the acquisition (through CPGHL) of a 49.9% equity interest in Premier (together with shareholder loans of ZAR221.2 million against Premier) for ZAR1.070 billion from the Premier Selling Shareholders;
- the restructuring of the organisational structure of the Company through the proposed conversion of Brait into a European Company and the migration of Brait from Luxembourg to Malta. Post the Restructure, Brait will have its registered office in Malta. Brait will retain its primary listing on the LuxSE and its secondary listing on the JSE; and
- an internal reorganisation of the Brait executive management, Board and business unit structures as well as operating cost reduction initiatives will be implemented to align with the Company's new business structure and strategic focus.

Investor funds will be replaced with shareholder capital, thereby transforming the Brait business model to being NAV-based. The NAV underpin will be the portfolio valuation of the underlying investments.

2. RATIONALE FOR THE TRANSACTIONS [CA 7 and 36]

2.1 Investment rationale

Historically Brait has operated as a fund management business with the majority of its activities focused around private equity. Under this business model, it raised funds through the traditional private equity market, whereby each new fund was raised with a very specific mandate, including draw-down stipulations, defined fund life, and agreed mandatory investment requirements.

The Board believes that, going forward, there is an opportunity to maintain and build on the existing strengths of the private equity model while, for the first time, tapping into the strategic benefits of raising funds from the public equity markets through a listed vehicle. The Board believes that the benefits of this initiative will be further enhanced by bringing Dr Christo Wiese (through Titan) into the shareholder base, as an anchor shareholder and by appointing him as a non-executive director of Brait. The Board believe that Dr Wiese's considerable experience as a highly successful entrepreneur in the South African business environment will bring synergies and additional expertise to complement the Investment Team. Dr Wiese has also committed to underwrite a substantial portion of the Rights Offer.

This initiative is further enhanced by making significant investments in Pepkor and Premier, two market leading businesses that will be the initial anchor investments.

The Directors believe that the Transactions are in the interests of Brait Shareholders for the following reasons:

- provides for Brait's leading private equity fund return profile to be replicated for the direct benefit of Brait Shareholders;
- Brait Shareholders will be given access to privately owned, market-leading, growth-orientated businesses such as Pepkor and Premier;

- no management fees or capital participation will be payable on Brait Shareholders' capital contribution;
- capital raising cycles should be significantly shortened, thereby ensuring that the Investment Team remains focused on the deployment and active management of capital;
- public equity markets should provide a more permanent form of capital, which would allow for greater flexibility in the investment holding period, with associated strategic benefits as the shareholder of reference;
- ability and flexibility to build industry platforms around existing investments with potentially higher resultant returns;
- greater flexibility with respect to entry and exit points on investee companies; and
- the Investment Team's interests will be better aligned with shareholders through its facilitated acquisition of up to 18% of Brait's issued share capital and the unwinding of existing long-term incentive schemes.

Brait will leverage its extensive and proven investment experience and depth of operational expertise for the benefit of its Shareholders, by itself becoming a direct shareholder in market leading businesses.

2.2 Group restructure and internal reorganisation

An internal reorganisation of the Brait executive management, Board and business unit structures, as well as operating cost reduction initiatives will be implemented (subject to following the required procedures) to align with the Company's new business structure and strategic focus. Key among these changes include:

- the Board will take the format of a European style investment vehicle which is made up exclusively of non-executive directors that oversee the Company investment management function as the *de facto* investment committee;
- Antony Ball resigned as the Chief Executive Officer ("CEO") of Brait from the date of the detailed terms announcement on 2 March 2011. He will remain on the Board as a non-executive director and he will retain his Brait IV commitments and responsibilities;
- John Gnodde assumed executive leadership of Brait from the date of the detailed terms announcement on 2 March 2011. He will also serve as the CEO of BSAL, which will enter into investment advisory agreements with other Group companies. John Gnodde and Sam Sithole, Brait's Financial Director, will resign as executive directors of Brait in line with the new non-executive board of directors format to be adopted pursuant to the Reorganisation;
- in addition to Dr Wiese joining the Board, additional changes to the directorate are being proposed (see Part 12: Management and Corporate Governance) arising from the transfer of the registered office of the holding company to Malta and to further strengthen the Board's international investment expertise;
- all the current Brait fund management business units will now be treated as portfolio companies and accounted for as financial assets fair valued through the Statement of Comprehensive Income. This is in line with NAV growth being the key valuation metric for the Company going forward;
- operating costs will be reduced across the Company due to the merger of various units and functions; and
- all the Company's share incentive schemes will be early vested and discontinued as a result of the implementation of the Transactions.

3. CURRENT PROSPECTS

It is the opinion of the Directors that, following the Transactions, Brait will be well-positioned to leverage its competitive strengths and investment platform to facilitate sustainable long-term growth and value creation for Brait Shareholders.

The primary drivers of this growth will be through organic growth in the underlying investments in Pepkor and Premier, and through the acquisition of meaningful shareholdings in primarily privately owned companies located primarily in South Africa that meet Brait's investment criteria.

Brait is constantly identifying and evaluating new investment opportunities and there is currently a strong near and mid-term pipeline of potential acquisitions undergoing such evaluation. **[CA 6(i)]**

Part 7 Rights Offer and Placements

1. SUMMARY

The Rights Offer will consist of the listing of a maximum of 356 961 963 New Brait Shares to be issued at the Offer Price in the ratio of 3 New Brait Shares for every 1 Brait Share held, in terms of which each Qualifying Shareholder will be issued an appropriate number of Rights (taking into account the ratio mentioned above), each of which: (i) will be listed on an Exchange; (ii) will be renounceable, (iii) will be capable of being traded on an Exchange during the Rights Offer Period and (iv) if exercised during the Rights Offer Period, will entitle the holder thereof to subscribe for 1 New Brait Share at the Offer Price.

[CA 20(b)]

The Rights Offer will be fully underwritten by the Underwriters.

It is the intention of the Investment Team to acquire a shareholding in Brait of up to 18% of the issued share capital in Brait (post the Rights Offer and Placements). The intention is that this will be achieved partly through the Underwriting of the Rights Offer. Subsequent to the closing of the Rights Offer, if the Investment Team has not acquired its desired 18% shareholding in Brait, then the Investment Team will have the right to subscribe for a maximum number of 110 000 000 Brait Shares, less the number of Brait Shares acquired by the Investment Team during the Rights Offer or pursuant to the discharge of their Underwriting commitment. **[CA 20(b)]**

Funding for the shareholding will be through the contribution of the Investment Team's own capital resources plus borrowings facilitated by Brait on an initial average debt to equity ratio of 4:1 or better. The borrowings will be secured from RMB and other funders through a bridging facility provided to the Investment Team members at market-related terms. Please refer to Annexure 12 on the Directors' Report on this matter.

It is the intention of Titan to acquire 33.33% of the issued share capital in Brait (post the Rights Offer and Placements). The intention is that this will be achieved partly through the Underwriting of the Rights Offer. Subsequent to the closing of the Rights Offer and Investment Team Placement, if Titan has not acquired its desired 33.33% shareholding in Brait, it will first use its reasonable commercial endeavours to purchase Brait Shares in the open market with the intention of reaching its target shareholding of up to a 33.33% shareholding in Brait. To the extent that Titan does not attain its target shareholding within three months after the close of the Rights Offer, Titan will have the right to subscribe for a sufficient number of Brait Shares at a subscription price of ZAR18.00 (EUR 1.87) per Share in order to bring it up to its 33.33% target shareholding in Brait, subject to the condition that the maximum number of Brait Shares to be issued to Titan in terms of this placement is 55 000 000 Brait Shares.

The following scenarios have been considered by the Directors as possible estimates of the Shares to be taken up by Titan and the Investment Team under both the Rights Offer and the Placements (if any):

	Scenario 1⁽¹⁾	Scenario 2	Scenario 3
	Base case	Low case	High case
Current Brait issued share capital	118 987 321	118 987 321	118 987 321
New Brait Shares (3:1)	356 961 963	356 961 963	356 961 963
Shares issued under Placements	30 303 030	–	104 186 543
Post Transactions Brait Shares	506 252 314	475 949 284	580 135 827
Shareholding (number of shares)			
Titan (33.33%)	168 750 771	158 649 761	193 378 609
Investment Team (18.00%)	91 125 417	85 670 871	104 424 449

Note:

⁽¹⁾ As the most likely outcome of the Transactions, Scenario 1 represents the basis followed in compilation of the *Pro forma* Statements of Financial Position and Comprehensive Income.

This assumes: (i) Titan will have acquired its desired 33.33% shareholding in Brait after completion of the Rights Offer and (ii) that the Investment Team will need to acquire Shares worth ZAR500 million (30.3 million Shares) after the Rights Offer and pursuant to the Investment Team Placement to achieve their target 18.00% shareholding in Brait.

Brait employees are free to trade Brait Shares after the opening of the Rights Offer on 13 May 2011.

2. RIGHTS OFFER SALIENT FEATURES

Rights Offer (assuming nil Placement)

Number of Existing Brait Shares	118 987 321
Rights Offer ratio	3 for 1
Number of Rights to be issued	356 961 963
Number of New Brait Shares to be issued	356 961 963
Total number of Brait Shares in issue post Rights Offer	475 949 284
Rights Offer price at <i>pro forma</i> NAV	ZAR16.50 (EUR 1.72)
Total estimated Rights Offer value	ZAR5 889 872 390
Underwriting	Fully underwritten
Exchanges	LuxSE and JSE

3. RIGHTS OFFER PRICE [CA 20(b)]

The Rights Offer Price of ZAR16.50 (EUR 1.72) per New Brait Share is based on the estimated adjusted tangible Brait *pro forma* NAV per share as at 30 September 2010 of ZAR16.84 as shown below. Brait's business model will change from being a fund management business with annuity income streams to an investment business underpinned by the valuation of the underlying portfolio assets. As a result, the Directors are of the opinion that a NAV per share basis is the most tangible and verifiable basis.

	Total (ZAR million)	Per share (cents)
Closing NAV (as per 30 September 2010)	1 549.1	1 331.0
Revaluation of Pepkor and Premier assets	110.1	94.7
Valuation of Asset Management units into Financial Cluster	387.7	333.0
Dividend: December 2010	(86.6)	(74.4)
	1 960.3	1 684.3
Broken down as follows:		
Treasury – cash	184.3	158.4
Treasury – investment in business unit products	207.2	178.0
Treasury – non-current liabilities	(568.2)	(488.2)
Treasury – net other liabilities	(13.5)	(11.7)
DGB	183.6	157.7
Financial Cluster – listed investments	78.9	67.8
Financial Cluster – unlisted proprietary investments	208.4	179.1
Financial Cluster – fund unlisted investments in Brait III and IV	1 291.9	1 110.0
Financial Cluster – Asset Management Units	387.7	333.2
<i>Pro forma</i> NAV	1 960.3	1 684.3
Notes:		(‘000)
Shares in issue 30 September 2010 – used for NAV calculation		116 388
Share incentive vestings October – December 2010		267
Net Treasury shares on hand		2 332
Total shares in issue at date of offer		118 987

4. UNDERTAKINGS OF SUPPORT FOR THE TRANSACTIONS

At the last practicable date, Brait Shareholders representing 68 313 607 Brait Shares or 57.41% of the issued share capital as at the date of this Circular have signed commitments of support for the Transactions.

5. CONDITIONS PRECEDENT

The implementation of the Rights Offer is subject to the following conditions precedent being fulfilled or waived by Brait, as the case may be, by Wednesday, 4 May 2011 or such later date as may be determined by the Board:

- the passing of the necessary resolutions by Brait Shareholders required to implement the Transactions;
- the Underwriting Agreement becoming unconditional in accordance with its terms (save insofar as it is conditional on the Rights Offer opening);
- approvals by the LuxSE and JSE of the listing of the Rights and the New Brait Shares;
- the Pepkor Pref Share Acquisition (or the subordinated bridge facility by CPGHL to Pepkor SPV as described in paragraph 3.2 of Part 10 of this Circular) and the Premier Sale Agreements becoming unconditional (save insofar as they are conditional on the Rights Offer being implemented and obtaining approval from the Competition Authorities, to the extent required); and
- the Pepkor Subscription Agreement becoming unconditional, save insofar as it is conditional on:
 - the shares that are the subject matter of the Titan Purchase Agreements (as described in Part 10 of this Circular) being transferred into the name of Titan; and
 - the Pepkor SPV Subscription Agreement (as described in Part 10 of this Circular) becoming unconditional (save insofar as it is conditional on the Pepkor Subscription Agreement becoming unconditional).

Part 8 Investment Team shareholding and new anchor shareholder

1. INVESTMENT TEAM SHAREHOLDING [CA 8(d)]

The Company's current business model has direct contribution of capital by the Investment Team, alongside the investors, into the private equity funds which attract capital participation.

In order to ensure alignment of the Investment Team's interests with that of Brait Shareholders, the Investment Team will acquire a direct equity interest in the Company of up to 18% of the issued share capital of Brait (post the Rights Offer and Placements).

This shareholding will be achieved partly through the Underwriting of the Rights Offer and, if required, partly through the Placements.

Borrowings for the Investment Team, at an initial average debt to equity ratio of 4:1, or better, will be facilitated on market-related terms by CPGHL, Brait's wholly-owned subsidiary, through a bridging facility from RMB and other funders. This is described in greater detail in paragraph 2 below.

Full details of the Investment Team are provided in paragraph 4 of Part 12 of this Circular. Full details of the Underwriting are provided in paragraph 2 of Part 20 of this Circular.

2. INVESTMENT TEAM FUNDING

The Investment Team borrowings will be facilitated through a ZAR1.2 billion bridging facility from RMB and other funders that will be arranged through CPGHL. The borrowings to the Investment Team will be priced on market-related terms at 3 months' JIBAR plus 3.50% for an initial 5-year term that is renewable for another 5 years at the option of the Board. The funding interest will be rolled up and repaid from dividends or refinanced where appropriate.

The Investment Team will contribute an estimated ZAR300 million of own funds in order to access the debt facility and achieve an initial average debt to equity ratio of 4:1, or better. Please refer to Annexure 12 for the Directors' Report on this matter.

2.1 Financial assistance provisions

The Directors have taken legal advice in relation to the question as to whether the above lending arrangement to be given by RMB and other funders through CPGHL would in any way constitute financial assistance under the relevant laws in any of the relevant jurisdictions, namely Luxembourg (for the period prior to the migration of Brait to Malta, as set out in Part 11), Malta, Mauritius and South Africa and will take the required steps to ensure that any such financial assistance is legally compliant.

Luxembourg

The Board is taking the view that the Investment Team funding arrangement set out above will constitute indirect financial assistance under the laws of Luxembourg. The Company will therefore strictly comply with Luxembourg law to ensure that the said financial assistance will be permissible. To that effect, the financial assistance is subject to the prior approval of the extraordinary general meeting of shareholders as contemplated in resolution 1.1 to be proposed at the First Brait EGM (as set out in the Notice of Meeting forming part of this Circular). In the same resolution a report prepared by the Board needs to be approved by shareholders. A copy of the said report is attached hereto as Annexure 12.

Further, given that certain Directors will benefit from the indirect financial assistance, a special report from the Luxembourg auditor of the Company is required. The said report needs to be provided at the First Brait EGM and considered for purposes of deciding whether or not to approve the financial assistance. A copy of the said report is attached hereto as Annexure 13.

Malta

The Board has been advised that on the basis that the granting of financial assistance has been duly approved in accordance with Luxembourg law at the Brait level, such approval will be effective for purposes of Malta law when the Company transfers its registered office to Malta.

The proposed funding arrangement will also be considered as financial assistance at the level of Brait Malta. The Board and shareholders of Brait Malta will take all measures to ensure that the granting of financial assistance is duly approved in accordance with Maltese law.

Mauritius

There are no special requirements with regards to debt funding to directors or employees in Mauritius apart from the fact that the debt funding must be done on an arm's length basis. The Directors therefore believe that all regulatory provisions have been complied with in Mauritius.

South Africa

There are no applicable special requirements with regards to debt funding to directors or employees in South Africa as there are no guarantees or pledges that will be provided by BSAL to RMB and other funders in relation to the bridging facility to CPGHL from RMB and other funders. The Directors therefore believe that all regulatory provisions have been complied with in South Africa.

3. TITAN AS A NEW ANCHOR SHAREHOLDER IN BRAIT

It is the intention of Titan to acquire a shareholding in Brait of up to 33.33% of the issued share capital of Brait (post the Rights Offer and Placements).

The intention is that this shareholding will be achieved partly through the Underwriting of the Rights Offer. Subsequent to the closing of the Rights Offer and Investment Team Placement, if Titan has not acquired its desired 33.33% shareholding in the Company through the Transaction, then Titan will use its reasonable commercial endeavours to purchase Brait Shares in the open market with the intention of reaching its target shareholding of up to 33.33%. To the extent that Titan does not attain its target shareholding within three months after the close of the Rights Offer then Titan will have the right in terms of the Titan Placement to subscribe for a sufficient number of Brait Shares at a subscription price of ZAR18.00 (EUR 1.87) per Brait Share in order to bring it up to its 33.33% target shareholding, subject to the condition that the maximum number of Brait Shares to be issued to Titan pursuant to the Titan Placement is 55 000 000 Brait Shares.

Part 9 Long-term debt facilities

1. INTRODUCTION

The Board has reviewed the current debt facilities for the Company to ensure that the funding complements the new business model and growth strategy by putting in place an efficient capital structure. The Company will aim for a moderately leveraged balance sheet as the underlying portfolio companies will have the option to leverage their own balance sheets in line with own sustainable earnings and cash flows.

As part of the Transactions, the Company will utilise the proceeds of the Rights Offer and Placements to redeem its current ZAR450 million redeemable preference shares. Further, a 5-year debt facility has been arranged through RMB and other funders to fund a portion of the Company's investment programme – this is a separate facility to the RMB ZAR1.2 billion bridge facility used to finance the Investment Team loan which is repaid within seven days from the Rights Offer proceeds.

2. ZAR450 MILLION REDEEMABLE PREFERENCE SHARES

The existing facilities will be redeemed from the proceeds of the Rights Offer and Placements. BSAL is currently the issuer of these shares and they have the following terms:

- 450 000 cumulative redeemable preferences shares issued at ZAR0.01 per share and a ZAR999.99 premium
- Facility starting date: 1 July 2010
- Facility end date: 31 July 2015
- Coupon rate: 85% of prime
- Redemption dates: 31 July 2013 ZAR90 million
31 July 2014 ZAR90 million
31 July 2015 ZAR270 million
- Early redemption penalties: No penalties if redeemed from shareholder capital contribution

3. ZAR1.75 BILLION DEBT FACILITY

The Company will, through its wholly-owned subsidiary CPGHL, arrange a ZAR1.75 billion debt facility to fund its investment plans. ZAR1.250 billion of the facility will be immediately drawn down at the conclusion of the Transactions.

The key terms and conditions of the facility will be as follows:

- 5-year term;
- Interest rate of 3 months' JIBAR plus 3.40% – 3.80%;
- 1.4% underwriting fees and nil arrangement fees;
- 1.25% commitment fee on undrawn facility; and
- Pledging of the Company's balance sheet as security.

4. OTHER BORROWING FACILITIES

The Company currently has ZAR150 million overdraft facilities to fund its working capital requirements. This facility will be assessed on an ongoing basis to ensure optimal use of leverage and liquidity for the Company.

Part 10 Use of proceeds and details of the Acquisitions [CA 36]

1. USE OF PROCEEDS OF THE RIGHTS OFFER AND PLACEMENTS

Part of the proceeds raised through the Rights Offer and, if applicable, the Placements will be used to fund the Acquisitions. In addition, the Rights Offer and Placements proceeds will also be used to redeem the current BSAL preference shares as shown below:

Proceeds reconciliation:

	(ZAR millions)	(ZAR millions)
Net Opening Cash Position as at 30 September 2010		184.3
Add: Estimated proceeds from sale of: Pepkor		850.9
Premier		59.2
Estimated Rights and Placement Proceeds <i>less</i> transaction costs	6 329.9	
<i>Less:</i> Pepkor Acquisition	(4 848.6)	
<i>Less:</i> Premier Acquisition	(1 069.5)	
<i>Less:</i> Net cash utilisation related to Debt facilities	(421.9)	
Net Cash Outflow from Rights Offer, Acquisitions and Debt facilities		(10.1)
Other Proceeds		33.9
Brait Net Cash Position		1 118.2

2. POST-TRANSACTIONS NAV ANALYSIS

Post the Transactions, the composition of Brait's NAV will be as follows:

	NAV (ZAR millions)
Treasury – cash	1118.2
Treasury – investments in business units	207.2
Treasury – non-current liabilities	(118.2)
Treasury – net other liabilities	(12.4)
DGB	183.6
Pepkor	4 848.6
Premier	1 069.5
Financial Cluster – listed investments	78.9
Financial Cluster – unlisted proprietary investments	208.4
Financial Cluster – fund unlisted investments in Brait III and IV	383.4
Financial Cluster – Asset Management Units	387.7
Total NAV	8 354.9

3. PEPKOR TRANSACTIONS

3.1 Pepkor Acquisition

Pepkor Subscription Agreement

In terms of the Pepkor Subscription Agreement:

- CPGHL shall subscribe for, and Pepkor shall allot and issue to CPGHL, 82 543 954 ordinary Pepkor shares that will comprise 24.6% of Pepkor's entire issued share capital (excluding treasury shares);
- the aggregate subscription price payable by CPGHL to Pepkor for such shares shall be based on an equity valuation of ZAR17 billion, adjusted for interest payable from 31 March 2011 until the payment date, and will be settled in cash, provided that the aggregate subscription price will be reduced in the event of certain distributions to Pepkor shareholders before closing; and
- no additional amounts will be paid by CPGHL to Pepkor for goodwill or items of a similar nature.

The Pepkor Subscription Agreement is subject to the following conditions precedent:

- Pepkor’s board of directors and shareholders passing (and where necessary registering or filing with the South African Companies and Intellectual Property Registration Office or its successor body) resolutions:
 - creating sufficient shares in Pepkor’s authorised share capital for the purposes of the Pepkor Acquisition;
 - duly approving the issue and allotment of Pepkor shares pursuant to the Pepkor Acquisition;
- the shares that are the subject matter of the Titan Purchase Agreements (as described below) being transferred into the name of Titan;
- the Pepkor SPV Subscription Agreement (as described below) becoming unconditional (save insofar as such agreement is conditional on the Pepkor Subscription Agreement becoming unconditional); and
- to the extent required, the Exchange Control authorities of the South African Reserve Bank granting approval for the subscription envisaged in the Pepkor Subscription Agreement, provided that if such approval is granted conditionally or on terms, such conditions and terms are acceptable to CPGHL.

Ancillary transactions to the Pepkor Acquisition

Titan has entered into:

- the Brait III Sale Agreements; and
- sale of shares agreements with each of: (i) Old Mutual Life Assurance Company (South Africa) Limited; (ii) the Medu Capital Fund I and (iii) the J&J Pepkor Empowerment Trust,

(collectively, the “Titan Purchase Agreements”), in terms of which Titan, subject to Competition Commission approval, will acquire a further 77 273 611 shares in Pepkor.

Further, Pepkor will also enter into a subscription agreement with Pepkor SPV (“Pepkor SPV Subscription Agreement”), in terms of which Pepkor SPV will subscribe for, and Pepkor shall allot and issue to Pepkor SPV, ordinary Pepkor shares that will comprise 24.6% (excluding treasury shares) of Pepkor’s issued share capital.

The Pepkor Subscription Agreement and the Pepkor SPV Subscription Agreement will be: (i) inter-conditional and will be implemented contemporaneously and (ii) subject to the condition precedent that the shares that are the subject matter of the Titan Purchase Agreements are transferred into the name of Titan.

Salient terms of the Pepkor Acquisition

Pepkor Acquisition

Issuer	Pepkor
Subscriber	Brait, through CPGHL
Type of shares to be subscribed for by CPGHL	Ordinary shares
Total number of ordinary shares being subscribed for	82 543 954
Aggregate subscription price payable by CPGHL	ZAR4.178 billion

3.2 Pepkor Pref Share Acquisition

In terms of the Pepkor Pref Share Acquisition:

- CPGHL shall subscribe for preference shares in Pepkor SPV, which preference shares will comprise 42% of the entire issued preference share capital of Pepkor SPV; and
- the aggregate subscription price payable by CPGHL to Pepkor SPV for such preference shares shall be ZAR671 million.

As referred to in 3.1 above, Pepkor SPV will enter into the Pepkor SPV Subscription Agreement with Pepkor, in terms of which Pepkor SPV will acquire ordinary Pepkor shares that will comprise 24.6% of Pepkor's issued share capital (excluding treasury shares). In the circumstances, the preference shares to be acquired by CPGHL in Pepkor SPV will give Brait an effective additional 10.3% leveraged interest in Pepkor.

CPGHL and Pepkor SPV have not yet entered into a written preference share subscription agreement that will govern the terms and conditions of the Pepkor Pref Share Acquisition. It is envisaged that any preference share subscription agreement to be entered into between CPGHL and Pepkor SPV will be conditional on, *inter alia*, the Rights Offer being successfully implemented.

The funding requirements of Pepkor SPV for purposes of subscribing for shares in Pepkor will be funded by way of debt facilities provided by RMB and other funders.

The funding will initially be made available by way of a bridge facility by RMB and other funders and a subordinated bridge facility by CPGHL and other funders, which subordinated bridge facility will be refinanced through the subscription of preference shares by CPGHL in Pepkor SPV pursuant to the Pepkor Pref Share Acquisition.

Salient terms of the Pepkor Pref Share Acquisition

Pepkor Pref Share Acquisition

Status of preference share subscription agreement	Agreement between CPGHL and Pepkor SPV in the process of being concluded
Issuer	Pepkor SPV
Subscriber	Brait, through CPGHL
Type of Shares	Preference shares
Total percentage of issued preference share capital being subscribed for	42%
Aggregate subscription price payable by CPGHL	ZAR671 million
Leveraged shareholding in Pepkor to be acquired by CPGHL through its holding of preference shares in Pepkor SPV	10.3%

Antony Ball and John Gnodde have investment interests in Brait III as is normal for their roles in the fund, and will accordingly be entitled to certain capital receipts upon disposal of the Brait III interest in Pepkor, pursuant to the implementation of the Brait III Sale Agreements. Other than the above, no other promoter or director of Brait has or had any beneficial interest, direct or indirect, in the Pepkor Acquisition or the Pepkor Pref Share Acquisition. **[CA 8(d) and 17]**

No amount or benefit has been given in any form to any promoter of the Pepkor Acquisition or the Pepkor Pref Share Acquisition in the past three years, and nor will any amount or benefit be given to any promoter on or after conclusion of the Transactions. **[CA 13]**

4. PREMIER ACQUISITION

In terms of the Premier Sale Agreements:

- CPGHL will acquire from the Premier Selling Shareholders 49.9% of the entire issued share capital of Premier, together with shareholder loans of ZAR221.2 million against Premier ("Premier Sale Interest"); and
- the aggregate purchase price ("Aggregate Premier Purchase Price") payable by CPGHL to the Premier Selling Shareholders for the Premier Sale Interest will be ZAR1.07 billion and will be settled in cash, provided that the purchase price payable to each Premier Selling Shareholder will be reduced by the amount of any distribution that Premier may make to each such Premier Selling Shareholder prior to the implementation of the relevant Premier Sale Agreements.

As at the date of this Circular, the Premier Sale Interest is held by the Premier Selling Shareholders in the proportions set out in the table below:

Vendor name	Premier shareholding to be sold to Brait	Amount to be paid by CPGHL (ZAR million)		
		Equity	Shareholder loans	Total
Brait IV	42.5%	722.3	192.4	914.7
AJL Trust	3.7%	63.0	14.4	77.4
Ernest Trust	3.7%	63.0	14.4	77.4

Each Premier Sale Agreement is subject to the following conditions precedent:

- the Rights Offer being successfully implemented;
- the Competition Authorities having issued a positive advisory opinion in respect of the sales envisaged in each such Premier Sale Agreement or, in the event that a negative advisory opinion is issued, such sale being unconditionally approved by the competition authorities in terms of the South African Competition Act, No. 89 of 1998, or conditionally approved on terms and conditions which each of Premier, CPGHL and the relevant Premier Selling Shareholder confirms in writing to the others to be acceptable to it;
- Premier's lenders consenting in writing to the sales envisaged in the Premier Sale Agreements, provided that if such consent is granted conditionally or on terms, such conditions and terms are acceptable to CPGHL; and
- to the extent required, the Exchange Control authorities of the South African Reserve Bank granting approval for the sales envisaged in the Premier Sale Agreements, provided that if such approval is granted conditionally or on terms, such conditions and terms are acceptable to CPGHL.

In terms of the Premier Sale Agreements:

- no additional amounts will be paid by CPGHL for goodwill or items of a similar nature;
- none of the Premier Selling Shareholders have guaranteed the book debts or other assets of Premier, but limited warranties in respect of the shares being sold have been given to CPGHL; and
- there is no liability for accrued taxation that requires settlement.

Premier will not become a subsidiary of Brait as a result of the Premier Acquisition.

Antony Ball and John Gnodde have investment interests in Brait IV as is normal for their roles in the fund, and will accordingly be entitled to certain capital receipts upon disposal of the Brait IV interest in Premier, pursuant to the Premier Sale Agreements. Other than the above, no other promoter or director of Brait has or had any beneficial interest, direct or indirect, in the Premier Acquisition. **[CA 17]**

No amount or benefit has been given in any form to any promoter of the Premier Acquisition of the 49.9% shareholding in Premier in the past three years, and nor will any amount or benefit be given to any promoter on or after conclusion of the Transactions. **[CA 13]**

The Premier Sale Interest will be transferred into the name of CPGHL upon implementation of the Premier Sale Agreements.

Salient terms of the Premier Acquisition

Premier Acquisition

Vendors/Sellers	Brait IV, AJL Trust and Ernest Trust
Purchaser	Brait, through CPGHL
Type of shares being acquired	Ordinary shares in Premier's ordinary share capital
Aggregate number of shares being acquired	199 600
Total Shareholder loan claims being acquired	ZAR221.2 million
Aggregate purchase price payable by CPGHL for Premier shares and shareholder loan claims	ZAR1 069 513 690

5. FUTURE PLANNED ACQUISITIONS

Post the Transactions, it is anticipated that Brait will have between ZAR1 billion and ZAR2 billion of cash (exact amounts will depend on whether either or both of the Placements are implemented).

The intention is to make further investments within 12 to 18 months post the Transactions of between ZAR1 billion to ZAR2 billion. In addition, the available funds will also be used to drive the investment strategy within the existing and new portfolio of investments.

Part 11 Brait Group Restructure [CA 6(d) and 33]

1. BACKGROUND AND RATIONALE FOR THE RESTRUCTURE

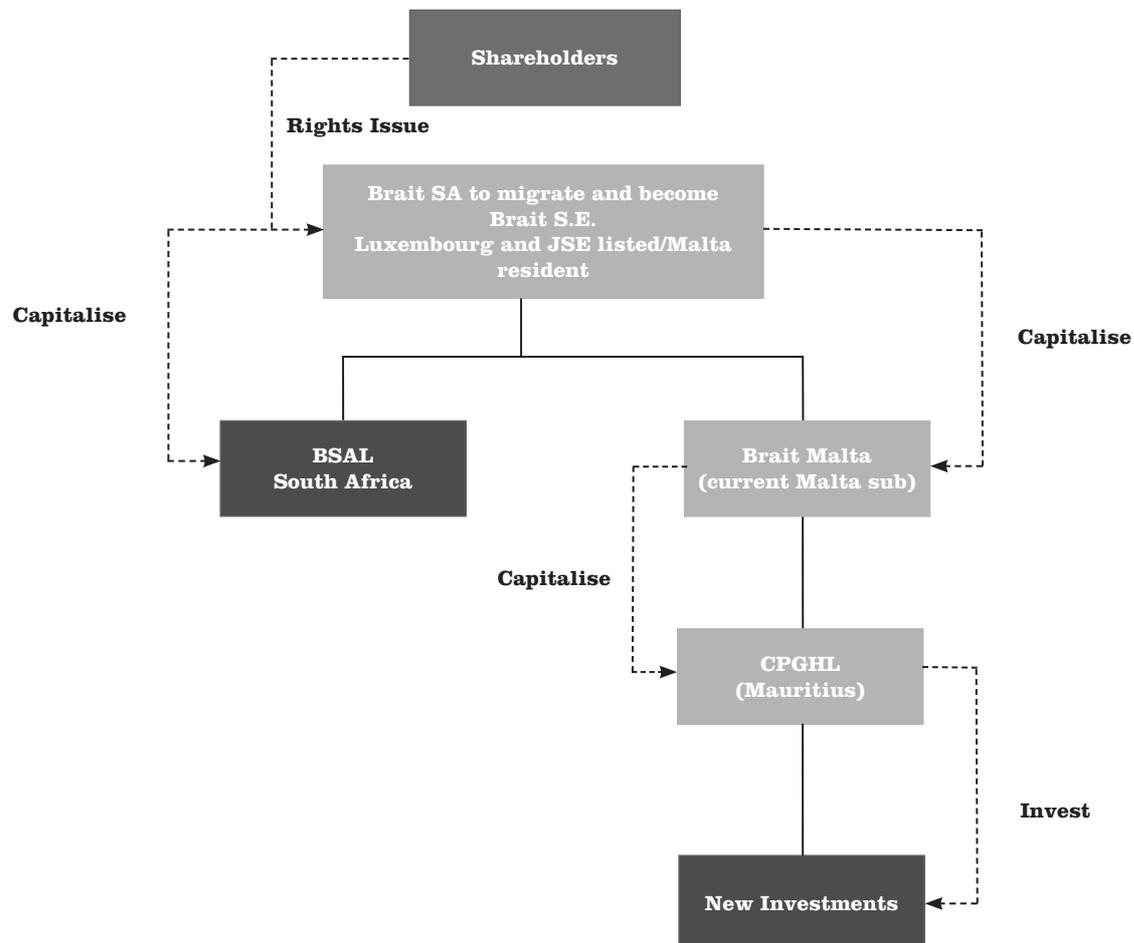
With its move towards being a listed investment vehicle, Brait has taken steps to ensure that there is certainty and efficiency with respect to its corporate structure. This has necessitated the proposed migration from Luxembourg to Malta.

Brait was incorporated in Luxembourg on 5 May 1976 as a 1929 Holding Company and is listed on the LuxSE and JSE. On 13 December 2006, Luxembourg abolished all laws relating to the 1929 Holding Company dispensation following the European Commission's decision on the incompatibility of the 1929 Holding Company with the Laws of the European Union. This change will result in a number of inefficiencies with regards to the current Luxembourg corporate structure and hence the migration to Malta. **[CA 1,6(a) and 32]**

On 1 January 2011 Brait converted, by operation of law, from a 1929 Holding Company to a normal, fully taxable, Luxembourg holding company normally referred to as a *Société de Participation Financière* or *SOPARFI*.

2. RESTRUCTURE DETAILS AND STEPS

Below is a diagrammatical illustration of the Restructure (all subsidiaries are wholly-owned by Brait):



A summary of the key outcomes of the Restructure is as follows:

- Brait (currently Brait S.A.) will become a European Company (“Brait S.E”) with a tax residence in Malta following a series of corporate steps that are detailed in 4 below;
- Brait will retain its primary listing on the LuxSE and its secondary listing on the JSE throughout the proposed migration from Luxembourg into Malta;
- Brait will receive dividends from Brait Malta that, under current rules, will not result in further Malta income tax in the hands of Brait. Profit distributions by Brait S.E. will, under current rules, not be liable to imposition of dividend withholding tax in Malta;
- the net capital raised by Brait will be applied to capitalise Brait Malta, which will in turn be used to capitalise CPGHL to enable it to acquire investments;
- Exchange Control approval has been obtained (see Part 15 of this Circular) for the Company Restructure, including maintaining the exemption from foreign inward status for both the New Brait Shares and the Existing Shares. Funds raised by the Rights Offer will be maintained in a SARB Rand restricted account to ensure that investments are acquired in South Africa;
- the Board will change its composition to reflect the change in the Company’s strategy and migration to Malta. Refer to Part 12 (Management and Corporate Governance) for full details on the proposed Board and Board changes thereto; and
- pursuant to Brait’s conversion to an investment vehicle, the Brait Board will essentially become the independent investment committee for the Group and will be entirely non-executive.

3. THE BOARD

The Transactions will change Brait from an operating company specialising in alternative asset management to a focused investment vehicle. As a result, the function of the Board will change from overseeing strategic operating decisions to that of making investment decisions. The Board will make the following key changes:

- the Board will be composed of entirely non-executive directors and will have the independent investment committee function for the Group for final approvals of all the investment-related decisions. As a result, the Board will be composed of entirely non-executive directors;
- the Board will make the final decisions on the acquisition, disposal and investment management issues;
- the Group investments will be made through its wholly-owned subsidiary CPGHL. CPGHL will have its own investment management team and board of directors that will have delegated authority on certain activities from the Board, including identifying, evaluating and recommending to the Board for final approval any potential investment opportunities;
- CPGHL will in turn enter into a sub-advisory agreement with BSAL, which currently employs the Brait South Africa Investment Team. BSAL will perform certain investment activities, based on the mandate given by the CPGHL Investment Team and the Board. BSAL will report to the CPGHL Investment Team and CPGHL board of directors, which in turn reports to the Board; and
- the consolidated costs of the advisory teams are expected to be always less than a general benchmark guide of 0.85% of the fair value of assets under management.

4. RESTRUCTURE AND MIGRATION TO MALTA

As explained in 1 above, the Board recommends that, given the abolishment of the Luxembourg law regulating 1929 Holding Companies, it would be materially beneficial to Brait and the Brait Shareholders for Brait to move its domicile from Luxembourg to Malta. In order to achieve this objective, Brait will convert from a *société anonyme* to a European Company and following such conversion, migrate to Malta. A series of steps will need to be taken to convert Brait into a European Company and then to migrate it to Malta. These steps are briefly summarised below:

4.1 Formation of a European Company

Following the advice given to the Board by Brait’s legal advisors, the Board came to the view that the best and most efficient way to convert Brait into a European Company is to merge Brait with one of its Malta subsidiaries, namely New Malta Sub.

On 1 March 2011, a duly mandated reorganisation sub-committee of the Board (the “Committee”) and the board of directors of the New Malta Sub each approved the plan to merge the New Malta Sub with Brait and the terms on which the new merged entity, in the form of a European Company, will be created (“Merger Plan”). A copy of the Merger Plan is attached hereto marked Annexure 14. Shareholders should note that the Articles of Incorporation are not annexed to the version of the

Merger Plan annexed to this Circular as Annexure 14. The said Articles of Incorporation have been made available for inspection at the registered office of Brait from 15 March 2011. The conversion of Brait into a European Company (pursuant to the merger) is not likely to have any impact on either the shareholders or the creditors of Brait.

In this regard, the following documents were made available (and continue to be available) for inspection by the Brait Shareholders at the registered office of Brait on 15 March 2011:

- the Merger Plan;
- the Articles of Incorporation of the new European Company;
- annual accounts and annual reports of Brait for its last 3 financial years; and
- accounting statement for Brait, being its unaudited balance sheet as at 1 January 2011.

The Merger Plan and the Articles of Incorporation of the new European Company were also published in the Luxembourg Mémorial C (“Mémorial C”) and on the website of the Registry of Companies in Malta (“ROC”) on 15 March 2011.

4.2 Extraordinary General Meetings of Brait and New Malta Sub

It is expected that on or about 20 April 2011 an extraordinary general meeting of the shareholders of New Malta Sub will be held at which the shareholders of New Malta Sub are meant to approve the terms of the Merger Plan as well as the Articles of Incorporation of the new European Company. The certified extract of the extraordinary resolutions adopted at this meeting of shareholders (“Malta Resolutions”) is expected to be published by the ROC on or about 28 April 2011. The ROC can only issue a pre-completion certificate (“Pre-Completion Certificate”) after a minimum period of three months has elapsed from the date on which the Merger Plan was published by it.

It is anticipated that on 29 July 2011 the Second Brait EGM will take place before a Luxembourg notary at which the Brait Shareholders will be required to approve the Merger Plan and amended Articles of Incorporation of the European Company. The notice to the Second Brait EGM will be sent to Brait Shareholders in due course.

The Second Brait EGM can only take place after the ROC has issued the Pre-Completion Certificate. Thereafter Brait will apply to a Luxembourg notary to issue a certificate confirming that all pre-merger acts and formalities have been completed.

4.3 Registration of Brait as a European Company

It is anticipated that on or about 3 August 2011 Brait will be registered as a European Company with the Luxembourg RCS. As a result of the merger, the formation of the European Company will take effect on the date of registration of the European Company with the RCS.

4.4 Migration of the European Company to Malta

The Committee met on 28 March 2011 to prepare and approve the draft proposal for the transfer of Brait to Malta (“Transfer Proposal”). A copy of the draft Transfer Proposal is attached hereto marked Annexure 15.

The Transfer Proposal will be published with the RCS and in the Mémorial C and will be made available for inspection (together with a directors’ report setting out the legal and economic reasons for the migration).

A draft version of the Transfer Proposal is attached as Annexure 15 solely for shareholder information purposes. The final version of the Transfer Proposal will be sent to shareholders as part of the convening notice for the Third Brait EGM where shareholders will be asked to approve the Transfer Proposal.

It is expected that on 11 October 2011 the Third Brait EGM will be held in the presence of a Luxembourg notary at which Brait Shareholders will be requested to approve the Transfer Proposal, including a new set of Memorandum and Articles of Association for the European Company. Due to statutory requirements, the Third Brait EGM may not be held less than two months after the publication of the Transfer Proposal. The notice to the Third Brait EGM will be sent to Brait Shareholders in due course.

It is anticipated that the transfer of Brait to Malta will take effect on or about 18 October 2011 when Brait, as a European Company, is registered with the ROC. Once the registration of Brait in Malta has taken place, Brait will be de-registered in Luxembourg on or about 21 October 2011.

5. SUMMARY OF TIMING OF KEY MIGRATION EVENTS

In summary, the following steps occurred or need to occur on or about the following dates in order for Brait's conversion into a European Company and subsequent migration to Malta to become effective:

Event	2011
Approval of the Merger Plan by the Committee and the directors of New Malta Sub completed on	Tuesday, 1 March
Publication of the Merger Plan in the Mémorial C and with the ROC completed on	Tuesday, 15 March
Approval of the draft Transfer Proposal by the Committee completed on	Monday, 28 March
Extraordinary meeting of shareholders of New Malta Sub to approve Merger Plan and Articles of Incorporation of the European Company on	Wednesday, 20 April
Second Brait EGM to approve Merger Plan and Articles of Incorporation of the European Company on	Friday, 29 July
Application to register Brait as a European Company in Luxembourg on	Wednesday, 3 August
The merger and the formation of the European Company takes effect on	Wednesday, 3 August
Publication of the Transfer Proposal with the RCS on	Tuesday, 11 October
Third Brait EGM to approve Transfer Proposal on	Tuesday, 11 October
Registration of Brait as a European Company in Malta on	Tuesday, 18 October
De-registration of Brait as a European Company in Luxembourg on	Friday, 21 October

Part 12 Management and Corporate Governance [CA 2(a) and 34]

1. CHANGES TO THE EXISTING BRAIT BOARD

The Transactions will result in Brait changing from being an operational, fund management business to a focused investment vehicle. The major function of the Board becomes the identification, evaluation and execution of potential investment mandates, besides its normal governance and risk management responsibilities. This function essentially means the Board's primary responsibility and function becomes that of an independent investment committee. In order to achieve this purpose, the following changes to the Board have been made, will be made or are recommended, as the case may be:

- the Board will take the format of a European style investment vehicle which is made up exclusively of non-executive directors that oversee the Company investment management function as the *de facto* investment committee;
- Antony Ball resigned as the Chief Executive Officer ("CEO") of Brait with effect from 2 March 2011 when the detailed terms announcement was released to the market. He will remain on the Board as a non-executive director and he will retain his Brait IV commitments and responsibilities;
- John Gnodde assumed executive leadership of Brait from 2 March 2011. He will also serve as the CEO of BSAL, which will enter into investment advisory agreements with other Group companies. John will resign as executive director of Brait on 4 May 2011 in line with the new non-executive board of directors format;
- Sam Sithole will resign as Financial Director of Brait SA with effect from 4 May 2011 and will no longer be a member of the Board. He will become the Financial Director of BSAL;
- the Board would like to recommend the appointment of Dr Christo Wiese as a non-executive director of Brait with effect from 4 May 2011;
- Brett Childs, executive director of Brait and member of the CPGHL Investment Team, will resign as a member of the Board from 4 May 2011. CPGHL will become the main investment holding company for the Company;
- J E Bodoni and A Rosenzweig will resign from the Board from 4 May 2011;
- S J P Weber will remain on the Board as a non-executive director from 4 May 2011; and
- the Board plans to announce the appointment of a Malta based director as well as another international director within the next six months.

The existing Brait board is set out in Part 2 of this Circular.

Full details of the proposed Brait board of directors, incorporating the changes outlined above are set out below:

2. PROPOSED BRAIT BOARD

Name, age and nationality	Business address	Function/ Occupation	Date of appointment as director
Phillip Jabulani Moleketi (53) South African	9 Fricker Road Illovo Boulevard Illovo, Sandton, 2196	Non-Executive Chairman	7 September 2009
Dr Christo Wiese (69) South African	36 Stellenberg Road Parow Industria Cape Town, 7493	Non-Executive	4 May 2011
Antony Charles Ball (52) South African	9 Fricker Road Illovo Boulevard Illovo, Sandton, 2196	Non-Executive	29 July 1998
Richard John Koch (60) British	Rua Dr. Silverstre Falcao 15 1 Posterior 8800-412 Tavia Portugal	Non-Executive	29 July 1998

Name, age and nationality	Business address	Function/ Occupation	Date of appointment as director
Hermanus Roelof Willem Troskie (40) Dutch	56 rue Charles Martel L-2134 Luxembourg	Non-Executive	27 July 2005
Christopher Stefan Seabrooke (58) South African	9 Fricker Road Illovo Boulevard Illovo, Sandton, 2196	Non-Executive	19 June 2009
Colin Keogh (57) British	Discovery House Whiting Road Norwich, Norfolk NR4 6EJ United Kingdom	Non-Executive	28 July 2010
Serge Joseph Pierre Weber (47) Luxembourgish	3 rue Pletzer L-8080 Bertrange Luxembourg	Non-Executive	28 May 2001

2.1 Curriculum Vitae of the proposed Board

Phillip Jabulani Moleketi is the Non-Executive Chairman of Brait. He obtained the following qualifications: Advanced Management Program (Harvard Business School in Boston), MSc (Financial Economics), Post-graduate diploma in Economic Principles. He was Deputy Minister of Finance (South Africa) from 2004 to 2008. During his tenure as Deputy Minister of Finance he was: (i) chairperson of the Public Investment Corporation; (ii) chairperson of Harith Fund Management Company, which invests in infrastructure projects on the African continent; (iii) a member of the 2010 FIFA Local Organising Committee (LOC) Board and of the Executive Committee of the LOC Board and chairperson of the Finance and Procurement Committee of the LOC Board (iv) the South African Government representative in the annual meeting of the Commonwealth Finance Ministers meetings and the South African Customs Union ministerial meetings; and (v) the alternative governor of the IMF representing South Africa. He was Gauteng Provincial MEC of Finance and Economic Affairs from 1994 to 2004, during which time he was the founding member of Blue IQ which included the Gautrain project. He was responsible for setting up Gauteng Shared Services from concept to actual operation. He was a member of the National Executive Committee of the ANC from 1997 to 2007.

Dr Christo Wiese Dr C H Wiese joined Pep Stores as Executive director in 1967. Seven years later he left Pep Stores to practice at the Cape Bar. He rejoined Pepkor and has been executive chairman of Pepkor since 1981. He is chairman of Shoprite Holdings. He is also the chairman of Tradehold Ltd, Invicta Holdings Ltd and Tulca (Pty) Ltd (trading as Mango). He also serves on the Boards of PSG Group, Primedia Group and Luna Group. Dr Wiese holds the following qualifications: BA LLB, DCom (hc).

Antony Charles Ball is a co-founder of Brait's Private Equity business and has the following qualifications: BCom (Hons), MPhil (Oxon), CA(SA). To date, he has acted in various leadership capacities in Brait and as its Chief Executive Officer from 1 October 2006 until 2 March 2011. He has led and played a significant role in the raising and governance of the Company's principal private equity funds. He has been responsible for numerous of the Company's private equity investments and has represented Brait on the boards of over 18 private and public companies. Prior to joining Brait, he was a partner at Deloitte & Touche, where he co-founded The Strategy Group.

Richard John Koch was formerly a consultant with the Boston Consulting Group, and a partner of Bain & Company, and a founder of The LEK Partnership (now L.E.K. Consulting). He has advised many blue-chip global corporations, is a successful private equity investor on his own account, and has written several best-selling business books, including *The 80/20 Principle*, which has sold over three-quarters of a million copies, world-wide. He has the following qualifications: MA (Oxon), MBA (Wharton).

Hermanus Roelof Willem Troskie is the Managing Partner of M Partners, the Luxembourg law firm in the Maitland network of law firms. He has obtained the following qualifications: BJuris, LLB, LLM. He specialises in the area of international corporate structuring and financing for European investment structures. His practice also includes the listing of companies and investment funds. Mr Troskie is a non-executive director of a number of public and private companies and investment funds. He is a Solicitor of the Senior Courts of England and Wales and a member of the Luxembourg Bar.

Christopher Stefan Seabrooke has been on the boards of over twenty stock exchange-listed companies. He is currently CEO of Sabvest Ltd, Chairman of Metrofile Holdings Ltd, Deputy Chairman of Massmart Holdings Ltd and a director of Datatec Ltd and Net1 UEPS Technologies Inc. He is also a director of a number of unlisted companies including Mineworkers Investment Company (Pty) Ltd and Transaction Capital (Pty) Ltd. He is a former Chairman of The South African State Theatre and former Deputy Chairman of the founding board of The National Arts Council. He has the following qualifications: BCom, BAcc, MBA, FCMA, and is a member of The South African Institute of Directors.

Colin Keogh was appointed as Non-Executive Director of Virgin Money Holdings UK Ltd in January 2010. Prior to that he spent most of his working life at Close Brothers Group plc, the UK-listed investment banking group. He was CEO of Close Brothers Corporate Finance and then CEO of Close Asset Management before becoming Group CEO in 2002. He has the following qualifications: ATII degree, MA, MBA (Insead).

Serge Joseph Pierre Weber is a director of TRAXYS Europe SA, part of the TRAXYS SA Group, a joint venture created in 2003 between the Luxembourg-based ARCELOR Group and the Belgian-based UMICORE Group and he is Chief Financial Offer of TRAXYS Europe and the Group Controller for the TRAXYS Group, a leading metals and minerals marketing and trading group operating worldwide. He obtained the following qualifications: Business Diploma (ESSEC Business School, Paris).

3. CPGHL INVESTMENT TEAM

The CPGHL Investment Team will consist of the following individuals:

Brett Ivor Childs joined Brait in 2004 as executive chairman of its Mauritian operation. He has the following qualifications: BCom (Hons), CA(SA). He joined New Africa Technology Holdings (Pty) Ltd, the information technology arm of New Africa Investments Ltd, in 1998 as Finance Director. Post completion of training with Deloitte & Touche in 1987, he co-founded a small reinsurance consultancy business providing investigative and audit services to the London re-insurance industry.

Dhanraj Boodhoo joined Brait in 2001 and sits on the board of numerous companies with global operations. He is qualified as an FCCA (UK) and holds a BSc (Hons) from the LSE. He has wide international experience in financial services gained in commerce as well as the fields of audit and taxation, Business Process Outsourcing, fund management and the global business sector. At present he is an executive director of Brait Group of companies in Mauritius.

4. BRAIT SOUTH AFRICA INVESTMENT TEAM

The senior executive members of the Investment Team will initially comprise the following individuals:

John Gnodde	Sean Dougherty	Rolf Hartmann
Samuel Sithole	Dennis Mack	Alastair Walker
Bruce MacRobert	Bruce Baisley	Mark Parsons

John Gnodde assumed the role of CEO of BSAL on 2 March 2011. He joined Brait in 1995 and was until recently the CEO of Brait Private Equity as well as a principal for Brait III and IV. He has a BCom qualification obtained from the University of Cape Town. John has been responsible for numerous investments in consumer products, construction, pharmaceutical manufacture, beverages, resources, media, mobile telecommunications, and recruitment outsourcing, amongst others. He represented Brait on the boards of over 22 private and public companies. John has managed Brait I, II and III and led the fundraising and investment programme for Brait IV. Prior to joining Brait, he served in the investment banking division of Goldman Sachs International in London.

Samuel Sithole assumed the role of Financial Director of BSAL on 2 March 2011 and has the following qualifications: BAcc (Hons), CA(SA), ACA, CA(Z), Programme for Leadership Development (Harvard Business School). He is responsible for providing strategic direction for BSAL on all financial-related matters, including reporting and systems integrity; treasury and cash Management; tax strategy; compliance and corporate governance matters as well as overseeing the investor relations programme. Prior to joining Brait, he was a Deloitte & Touche Partner for six years, commencing in Harare (two years) and then Johannesburg (four years), eventually leaving Deloitte as the Group Leader for the Johannesburg financial services audit practice. He served in the financial services division of Deloitte & Touche UK, based in London, between September 1999 and February 2002. He was Awarded the Duff Award of Merit by the Institute of Chartered Accountants in Zimbabwe for passing the final qualifying examination in 1998 as the overall best student as well as passing both parts of the examination with honours.

Bruce MacRobert is a director of Brait's private equity business and a principal of the Investment Team. Bruce joined Brait in 1997 and has been responsible for investments in media and industrial services. Bruce, a Chartered Accountant, qualified at Deloitte before working in the investment banking division of Deutsche Morgan Grenfell in London and at Investec. He gained operational experience as a divisional chief executive officer of a manufacturing business. Bruce is a graduate of the University of Cape Town and the University of South Africa where he completed degrees in commerce and accounting, respectively.

Sean Dougherty is a director of Brait's private equity business and a principal of the Investment Team. Sean joined Brait in 1997 and has been responsible for investments in consumer products. He previously worked at Euromoney Publications in London. Sean, a CFA charterholder, is a graduate of the University of Cape Town and the University of Johannesburg where he completed degrees in economics and law, respectively.

Dennis Mack is a director of Brait's private equity business and a principal of the Investment Team. Dennis joined Brait in 2001 and has been responsible for investments in payment services, industrial services and manufacturing. Dennis, a Chartered Accountant, previously worked at Arthur Andersen in London and Marriott Merchant Bank, after qualifying at Deloitte. Dennis is a graduate of the University of Natal where he completed degrees in commerce and accounting.

Bruce Baisley is a director of Brait's private equity business and a principal of the Investment Team. He joined Brait in 2001 where his responsibilities include investments in industrial services. Bruce, a Chartered Accountant, previously worked at JP Morgan in London, after qualifying at Deloitte. Bruce is a graduate of the University of Natal and the University of South Africa where he completed degrees in commerce and accounting.

Rolf Hartmann is a director of Brait's private equity business. Rolf joined Brait in 2003 and his responsibilities include investments in tourism, consumer products and outsourcing. Rolf, a Chartered Accountant, previously worked at Insinger de Beaufort corporate finance in London, after qualifying at Deloitte and undertaking a short-term secondment to the New York office. Rolf is a graduate of the University of the Witwatersrand, where he completed degrees in commerce and accounting.

Alastair Walker is a director of Brait's private equity business and joined Brait in 2007 where his responsibilities include investments in media and manufacturing. Previously, Alastair was a member of the corporate finance department of Anglo American Plc, and prior to that he worked for Deloitte in London. Alastair, a Chartered Accountant, qualified at Deloitte, and is a graduate of the University of the Witwatersrand, where he completed degrees in commerce and accounting.

Mark Parsons is CFO of Brait's private equity business. He joined Brait in 2009, having been a partner at Deloitte in the financial services audit division. Previously he worked at Commerzbank AG. Mark qualified at Deloitte as a Chartered Accountant and is also a member of the Chartered Institute of Management Accountants. He is a graduate of the University of South Africa, where he completed degrees in commerce and accounting.

5. BORROWING POWERS, QUALIFICATIONS, TERMS OF OFFICE, APPOINTMENT AND REMUNERATION

Set out in Annexure 8 to this Circular are extracts of the relevant provisions of the Company's Articles of Incorporation regarding: **[CA 2(b), 2(c) and 2(e)]**

- the qualification, appointment, terms of office and remuneration of directors;
- the borrowing powers exercisable by the directors, which may be varied by an amendment to the Company's Articles of Incorporation;
- powers enabling directors to vote on a proposal, arrangement or contract in which they are materially interested and to vote in respect of remuneration to themselves or any member of the board of directors; and
- retirement of directors by rotation.

The directors' borrowing powers have never been exceeded and there are no restrictions on the borrowing powers.

6. CURRENT DIRECTORS' INTERESTS

The number, description and value of marketable securities in Brait held by or on behalf of Brait directors as at the date of this Circular are as follows:

Name of director	Total number of Brait Shares held	Total number of options held
Antony Ball	4 165 225	–
Brett Childs	47 500	50 000
John Gnodde	1 344 152	–
Richard Koch	295 700	–
Herman Troskie	50 000	–
Chris Seabrooke	600 000	–
Sam Sithole	96 454	–
Serge Weber	50 000	–

In addition, as part of the unwind of the long-term incentive plan schemes set out in Part 13, treasury shares or cash will be issued to the equivalent value of the ZAR entitlements for the directors listed below as at the date of the Circular:

Name of director	Value as at 31 March 2010 (ZAR'000)	Share Scheme Entitlements as at date of Circular (ZAR'000)
Antony Ball	9 182.9	13 981.1
Sam Sithole	15 302.9	21 703.3
	24 485.8	35 684.4

No marketable securities in Brait other than those indicated above are held by or on behalf of a Brait director.

The total remuneration received or due and receivable by all directors and executive officers of the Company and any related bodies corporate for the completed financial year of the Company (being 31 March 2010), was as follows: **[CA 2(c)]**

For the year ended 31 March 2010	Fees and expenses as directors (ZAR'000)	Cash salary (ZAR'000)	Performance bonus (ZAR'000)	Other benefits (note 1) (ZAR'000)	Other benefits (note 2) (ZAR'000)	2010 Total (ZAR'000)
Executives						
A C Ball	–	3 692.1	3 000.0	257.9	–	6 950.0
J A Gnodde	–	3 517.1	3 474.7	343.7	–	7 335.5
S Sithole	–	2 371.2	1 953.0	232.8	–	4 557.0
B I Childs	94.2	–	–	–	549.3	643.5
S J P Weber	94.2	–	–	–	470.8	565.0
	188.4	9 580.4	8 427.7	834.4	1 020.1	20 051.0
Non-executives						
P J Moleketi (Note 3)	94.2	–	–	–	623.2	717.4
M E King (Note 4)	94.2	–	–	–	594.1	688.3
R J Koch	94.2	–	–	–	736.8	831.0
A M Rosenzweig	94.2	–	–	–	558.7	652.9
P A B Beecroft	94.2	–	–	–	558.7	652.9
C S Seabrooke (Note 5)	94.2	–	–	–	628.1	722.3
J E Bodoni	94.2	–	–	–	–	94.2
H R W Troskie (Note 6)	94.2	–	–	–	502.2	596.4
P L Wilmot (Note 7)	94.2	–	–	–	65.3	159.5
	847.8	–	–	–	4 267.1	5 114.9
Total	1 036.2	9 580.4	8 427.7	834.4	5 287.2	25 165.9

Notes:

1. Other benefits represent provident fund contributions, motor vehicle allowances, medical aid and Company life cover.
2. Other services represent time spent by the directors in the management and/or day-to-day.
3. Mr Moleketi was appointed a non-executive director and Chairman of Brait on 7 September 2009. His remuneration is in respect of the period from that date until the financial year-end.
4. Mr King retired as a director and non-executive Chairman of the Company on 7 September 2009. His remuneration is in respect of the period from the beginning of the financial year to this date.
5. Mr Seabrooke was appointed a director of the Company on 19 June 2009. His remuneration is in respect of the period from that date to the end of the financial year.
6. Mr Troskie also serves as director in other companies within the Brait Group. Mr Troskie is the managing partner of M Partners who act as Luxembourg legal counsel to the Company in the Transactions. The Company will pay M Partners a fee for their representation.
7. Mr Wilmot resigned as a director of the Company on 19 June 2009. His remuneration is in respect of the period from the beginning of the financial year to this date.

No fees are or have been paid or accrued as payable to a third party *in lieu* of directors' fees.

There will be no variation of the remuneration receivable by any of the directors of Brait as a consequence of the Transactions.

There are no outstanding loans granted or any guarantees provided by Brait to or for the benefit of its founders or members of its administrative, Management or supervisory bodies, except for the debt funding which has been discussed above.

Part 13 Internal Reorganisation

The Transactions will necessitate an internal reorganisation of Brait as discussed below:

1. PROPOSED NEW BRAIT OPERATIONAL STRUCTURE

Brait will be organised into the following major units:

1.1 Treasury and Debt

This function will take on more significance under the new model as a result of the scale of the capital raising as well as the introduction of the new debt facility. Due to the potential delay between raising the capital and deploying it into investments, there will be a greater need to enlarge the Company's treasury skills.

1.2 Financial Cluster

Brait will become an investment business which is driven by the fair valuation of its underlying portfolio investments. In this regard, all the current Brait business units, such as, the Public Markets' CMT and Brait Solutions, the Proprietary Investment programme, Brait's interest in Alternative Equity Partners (the fund of private equity funds), Mezzanine Partners, Medu Capital and investments in Brait III and IV will be accounted for as portfolio companies under the Financial Cluster. The implications for this are as follows:

- these asset businesses will be carried at fair value through Statement of Comprehensive Income;
- the businesses will be run as self-sustaining entities with their expenses being absorbed in the fair valued Financial Cluster; and
- Brait's current investments in Braitec, Brait III and Brait IV will also be classified under the Financial Cluster.

1.3 Group investments

The investment strategy for the Company is to initially acquire three to six core portfolio investments in the higher growth sectors which have potential to be developed into platforms in their respective markets. Pepkor and Premier have been identified as the initial two anchor investments. As noted above, there are plans to acquire a third investment within 12 – 18 months following the Transactions.

2. TERMINATION OF SHARE INCENTIVE SCHEMES

At the time of this Circular the Group had the following four long-term incentive plan and/or share incentive schemes in operation:

- Brait Share Incentive Scheme ("BSIS");
- Brait Management Share Scheme 2005 ("BMSS");
- Brait Executive Share Scheme ("BESS"); and
- Brait South Africa Scheme 2011,

collectively "the Schemes".

In terms of the Schemes in existence, the estimated final distribution for the Schemes as at 13 January 2011 is ZAR61 137 158. The distribution will be settled either through an allocation of the Company's treasury shares, which stood at 2 332 160 as at 13 January 2011, or in cash.

3. COSTS AND STAFF CHANGES

The change in the business model from an operating alternative asset management company to an investment vehicle will necessitate cost and staff adjustments. Proposed changes to the annual cost structure will be as follows:

New Brait cost base including Financial Cluster shared costs

	Notes	31 March 2010 (ZAR million)
Total fund management expenses		228.1
<i>Less:</i> Staff redundancies	1	(33.2)
Costs attributed to Financial Cluster	2	(50.6)
Reduction in operating costs	3	(44.3)
New Brait cost base		100.0
<i>Less:</i> Costs recovered from new Financial Cluster		(75.0)
The costs reflected in the Brait Statement of Comprehensive Income	4	<u>25.0</u>

Notes:

1. Staff redundancies mainly as a result of merging the corporate and private equity back offices, as well transfer of certain staff into the new Financial Cluster. Direct overall staff complement will reduce from 97 to 45.
2. These costs include the salaries and performance fees for business units which will now be reported under the Financial Cluster as Fair Value Through Statement of Comprehensive Income.
3. Operating costs reductions include rent, computer costs, advertising, etc as due to the merger of the back offices and transfer of other costs to the self-contained businesses under the Financial Cluster.
4. The New Brait cost base will comprise the consolidated operating costs of the advisory teams and is expected to be always less than the general benchmark of 0.85% of the fair value of assets under management.

3.1 Financial Reporting Changes

The Transactions will result in a number of financial reporting changes which are further illustrated in the *pro forma* financial statements below. Key changes include:

- the key operating performance measures for the Company will be its total NAV and NAV per share measures, due to Brait becoming an investment vehicle rather than an operational alternative asset fund management business;
- all the investments will be held at fair value through Statement of Comprehensive Income according to IAS 39 and IFRS 9: Financial Instruments. None of its investment assets will be classified as joint ventures, associates or subsidiaries;
- Brait's interest in its Public Markets business units, Medu Capital, Alternative Equity Partners and Mezzanine Partners will be accounted for as financial assets which are fair valued through Statement of Comprehensive Income; and
- the Brait Statement of Comprehensive Income will mostly comprise staff compensation and office-related expenses for the CPGHL Investment Team and the Brait South Africa Investment Team in line with the new strategic focus of the Group.

Part 14 Dividends and dividend policy

1. DIVIDENDS

A summary of the dividends declared by Brait in respect of Brait Shares since 31 March 2008 is set out below:

In respect of years:	Net dividend paid year ended 31 March (ZAR millions)	Dividend per ordinary share (cents)
2008	175.2	150.34
2009	192.7	178.90
2010	195.5	179.54

2. DIVIDEND POLICY [CA 8(c) and 37(e)]

As a consequence of Brait's new business model, its dividend policy will change. Dividends will be considered annually when the results for each year are published. The extent of any dividends will be determined relative to net operating cash flows and to the payments received on the realisation of loans and investments from time to time and which cash flows are not earmarked for new projects or required for liquidity.

Brait's ability to pay any dividends will depend upon its receiving dividends or other distributions or payments from the portfolio companies (which will be under no obligation to pay dividends or make any other distributions to Brait).

Brait envisages paying a minimum of 50% of its cash investment income net of its operating and interest expenses for that year, by way of dividend.

To the extent that significant surplus cash becomes available at a future date from one of the underlying equity investments, or through disposal of such investments, the Directors will consider the potential for the distribution of such surplus cash by way of special dividend. This will be considered in the context of available investment opportunities.

The Luxembourg Transfer Secretaries implement dividend payments due to: (i) Certificated Shareholders, registered on the Luxembourg share register, by either electronic fund transfer or cheque and (ii) Dematerialised Shareholders, holding their Brait Shares via the Luxembourg share register, by electronic payment to the applicable common depository (being BGL BNP Paribas for Clearstream and BCEE for Euroclear) who ensures delivery of the funds into the applicable Clearstream or Euroclear accounts.

PART 15 Exchange Control

1. SOUTH AFRICAN EXCHANGE CONTROL

1.1 South African Reserve Bank approval of the Transactions

In addition to approval of this Circular, confirmation of approval has been requested and received from the Exchange Control Department of the South African Reserve Bank (“the SARB”) for the Transactions. This approval was given on, *inter alia*, the following terms and conditions:

- (a) the Rights Offer will take place on both the LuxSE and the JSE;
- (b) the Rights Offer will be open to both South African residents and non-residents;
- (c) the total proceeds raised from local investors on the JSE will be invested in South Africa;
- (d) New Brait Shares issued to local Brait Shareholders will be maintained on the JSE register;
- (e) any funds advanced by RMB to BSAL will not put them in an over-borrowed position and that the funds invested into South Africa be regarded as foreign direct investment, and thus exempt from the 1:1 ratio, as it is Brait’s stated intention to be long-term investors in South Africa;
- (f) New Brait Shares held on the JSE register will not be regarded as a foreign asset and will thus not form part of the limits imposed on institutional shareholders. This (the domestic status of the Brait Shares) is consistent with the Exchange Control approvals granted to Brait in 1998, the conditions of which have been complied with by Brait since then; and
- (g) to ensure the local status of the investments and proceeds, RMB will, in its capacity as an Authorised Dealer (as defined in the Exchange Control Regulations, 1961, published in terms of section 9 of the Currency and Exchanges Act (No. 9 of 1933), manage the funds raised on a basis similar to the “Restricted Rand Account” concept (i.e. the funds raised will not be physically transferred abroad to the issuer Company, but will be kept in a Rand account in RMB’s books in the name of Brait). RMB will also conclude manual balance of payment reporting, if so required, to record the cash flows.

1.2 General Exchange Control summary

The following summary describes for information purposes only certain Exchange Control consequences of acquiring and disposing of Brait Shares. Investors should consult their own advisors as to the Exchange Control consequences of acquiring and disposing of Brait Shares.

1.2.1 Exchange Controls and Other Limitations Affecting Brait Shareholders

Currency and shares are not freely transferable from South Africa to any jurisdiction falling outside the geographical borders of South Africa, other than jurisdictions falling within the Common Monetary Area, and must be dealt with in terms of the South African Exchange Control Regulations as described below. The South African Exchange Control Regulations also regulate the acquisition by former residents and non-residents of the New Brait Shares to be listed on the JSE sub-register.

Applicants who are resident outside the Common Monetary Area should seek advice as to whether any governmental and/or other legal consent is required and/or whether any other formality must be observed to enable an application to be made in response to the Rights Offer.

The following summary is intended as a guide and is therefore not comprehensive. If investors are in any doubt regarding South African Exchange Control Regulations, they should consult their professional advisor.

1.2.2 Emigrants from the Common Monetary Area

In respect of the New Brait Shares to be listed on the JSE sub-register pursuant to the Rights Offer:

- a former resident of the Common Monetary Area who has emigrated from South Africa may use emigrant blocked funds to acquire any such New Brait Shares;
- all payments in respect of subscriptions for or purchases of New Brait Shares (to be listed on the JSE sub-register) by an emigrant using blocked funds must be made through an Authorised Dealer in foreign exchange controlling the blocked assets;

- share certificates issued in respect of New Brait Shares (subsequent to the issue of the New Brait Shares, it being recorded that the New Brait Shares will initially be issued in dematerialised form) acquired pursuant to the Rights Offer with emigrant blocked funds will be credited to their blocked share accounts at the CSDP controlling their blocked portfolios;
- Shares subsequently re-materialised and issued in certificated form will be endorsed “Non-Resident” and will be sent to the Authorised Dealer in foreign exchange through whom the payment was made; and
- if applicable, refund monies payable in respect of unsuccessful applications or partly successful applications for New Brait Shares, as the case may be, emanating from emigrant blocked accounts, will be returned to the Authorised Dealer through whom the payments were made in foreign exchange, for credit to such Applicants’ blocked accounts.

The CSDP or broker through whom the Company’s Shareholders have dematerialised their Shares is responsible for ensuring adherence to the South African Exchange Control Regulations.

1.2.3 Applicants Resident outside the Common Monetary Area

In respect of the New Brait Shares to be listed on the JSE sub-register pursuant to the Rights Offer:

- a person who is not resident in the Common Monetary Area, including an emigrant not using emigrant blocked funds, should obtain advice as to whether any governmental and/or other legal consent is required and/or whether any other formality must be observed to acquire any such New Brait Shares;
- in the case of a Dematerialised Shareholder, all New Brait Shares issued will be credited directly to such Dematerialised Shareholder’s non-resident share account held by his duly appointed CSDP. The CSDP or broker through whom the Company’s Shareholders have dematerialised their shares will ensure that they adhere to the South African Exchange Control Regulations; and
- applicants resident outside the Common Monetary Area should note that, where shares are subsequently re-materialised and issued in certificated form, such share certificates will be endorsed “Non-Resident” in terms of the South African Exchange Control Regulations.

1.2.4 Investments in South African Companies

A non-resident investor may invest freely in ordinary shares in a South African company, provided that such transactions are concluded at arm’s length, at fair market-related prices and are financed in an approved manner. In this regard, such financing must be in the form of the introduction of foreign currency, Rand from a Non-Resident account or in terms of approved local borrowings that comply with Exchange Control Regulations. The creation of any loan account between a resident and a non-resident would require prior Exchange Control approval.

Acquisitions of shares or assets of South African companies by non-South African purchasers are not generally subject to review by the South African Reserve Bank when the consideration is in cash, but may require SARB review in certain circumstances, including when the consideration is equity in a non-South African company or when the acquisition is financed by a loan from a South African lender.

Any foreign investor may also sell shares in a South African company and transfer the proceeds out of South Africa without restriction, provided that such transactions are concluded at arm’s length and at market-related prices.

1.2.5 Dividends [CA 8(c) and 37(c)]

Ordinary dividends declared to non-resident Shareholders are not subject to approval by the SARB and are freely transferable to non-resident Shareholders by publicly listed companies. The transfer of funds abroad in respect of the declaration of a dividend *in specie* or special dividend by a publicly listed company requires prior SARB approval.

1.2.6 Interest

Interest on foreign loans is freely transferable abroad, provided that the introduction of the loans received prior SARB approval.

1.2.7 Voting Rights

There are no limitations imposed by South African law or by the Company’s memorandum and articles of association on the rights of non-South African Brait Shareholders to vote the Brait Shares.

Part 16 Taxation

1. INTRODUCTION

The following statements on taxation are based on advice received by the Board regarding the law and practice in force in Luxembourg, Malta and South Africa at the date of this Circular. Brait is currently tax resident in Luxembourg and is therefore subject to Luxembourg tax. Post the Restructure, Brait will become tax resident in Malta and will therefore be subject to Malta tax, and will no longer be subject to Luxembourg tax.

The following summaries are only intended as a brief and general guide to the main aspects of income tax rules in the relevant country. It is not intended to provide specific advice and no action should be taken or omitted to be taken in reliance upon it. Investors are urged to seek professional tax advice in respect of the New Brait Shares, including the acquisition, holding and disposal as well as any income or gains derived therefrom or made on their disposal.

The summaries are based on an interpretation of the relevant tax legislation as known to the Board at the date of this Circular. Brait Shareholders are reminded that tax laws and their interpretation may change from time to time.

1.1 Luxembourg – Taxation of the Company and Brait Shareholders

Income Tax

Luxembourg resident companies are defined for tax purposes as companies that have either their registered office or their place of central administration in Luxembourg. As a Luxembourg tax resident, the Company is subject to income tax on its world-wide income.

Dividends received by the Company from its subsidiaries will be exempt from Luxembourg income tax where they are derived from a shareholding that:

1. is in a company that is any of the following:
 - (a) a fully taxable company resident in Luxembourg; or
 - (b) a resident in an EU Member State and covered by the EU Parent Subsidiary Directive; or
 - (c) subject to taxation corresponding to the Luxembourg corporate income tax;
2. at the time of distribution has been held for a period of 12 months or that the Company undertakes to hold for that period;
3. either consists of at least 10% of the issued nominal share capital of the underlying entity or had an acquisition price of at least EUR 1.2 million.

Where the exemption does not apply, 50% of the dividends received by the Company are exempt from corporate income tax, provided that they are received from qualifying EU subsidiaries or from companies resident in treaty countries and subject to a tax comparable to the Luxembourg corporate income tax.

Capital gains are included in the taxable base for purposes of income tax. Capital gains realised by the Company on the disposal of a shareholding are exempt from income tax where that shareholding has the same characteristics as described above in relation to dividend income, except that:

- (i) the acquisition price, if relevant, must be at least EUR 6 million; and
- (ii) it must have been held for a period of 12 months at the time of the disposal or, if part of the participation is sold within the 12-month period, the balance must continue, for the balance of that period, to be in excess of 10% or to have an acquisition price in excess of EUR 6 million.

Dividend withholding tax

Dividends paid by the Company are generally subject to Luxembourg withholding tax of 15%. Dividend distributions do not attract withholding tax in certain situations, including where:

1. the distribution is made to:
 - (a) another fully taxable company resident in Luxembourg;
 - (b) a company resident in an EU Member State;
 - (c) a company resident in a State with which Luxembourg has a double tax treaty;
 - (d) a Swiss resident taxable company; and

2. the beneficiary has held or commits to hold for an uninterrupted period of at least 12 months a participation in the distributing company of at least 10% or with an acquisition price of at least EUR 1.2 million.

Distributions of capital may under certain circumstances be subject to withholding tax.

Net wealth tax

Net wealth tax applies at a rate of 0.5% to the net asset value of a Luxembourg resident company at the end of a calendar year. A shareholding held by the Company will not be subject to net wealth tax where that shareholding has the same characteristics as described above in relation to exempt dividend income, except that there is no 12-month holding period requirement as stated above.

Exposure of non-residents to Luxembourg taxation on the sale of the Company's shares

Generally, non-resident persons may dispose of shares in the Company without incurring Luxembourg tax. However, where a person who is regarded as a substantial shareholder, disposes of their shareholding within six months of acquisition, the gain may be liable to tax in Luxembourg.

1.2 Malta – Taxation of the Company and Brait Shareholders

Income Tax

Once the Company becomes a Malta tax resident, it will be subject to Malta income tax on its world-wide income.

The information below is based on the following assumptions:

- (i) The shareholders of the Company are all persons who are **not resident in Malta** and who are:
 - (a) not owned or controlled by, whether directly or indirectly, nor act on behalf of an individual or individuals who are ordinarily resident and domiciled in Malta; and
 - (b) not engaged in trade or business in Malta through a permanent establishment situated in Malta.
- (ii) The Company does not own immovable property situated in Malta, or any rights over such property, whether directly or indirectly.
- (iii) The Company (or its direct underlying company incorporated and registered in Malta, as applicable) holds at least 10% of the 'equity' shares of its respective direct underlying companies (i.e.: a 'participating holding') and which 'equity' shares confer a right in favour of the Company (or its direct underlying company incorporated or registered in Malta) to any two of the following 'equity holding' criteria:
 - (a) a right to votes; or
 - (b) a right to profits available for distribution; or
 - (c) a right to assets available for distribution on a winding up of the company.
- (iv) The business interests of the Company and its subsidiaries and sub-subsidiaries are all situated outside of Malta.
- (v) The Company as well as its subsidiaries and sub-subsidiaries each have the following attributes:
 - (a) a separate legal personality distinct from that of its shareholders;
 - (b) capital divided into, and represented by, shares;
 - (c) the shareholders' liability is limited to the amount, if any, unpaid on the shares respectively held by each of the shareholders; or
 - (d) the ability to distribute profits in favour of their respective shareholders.
- (vi) None of the Company's subsidiaries and sub-subsidiaries has more than 50% of its income derived from passive interest or royalties.

Malta Participation Exemption on qualifying dividends and capital gains

Subject to the above assumptions, any income or gains derived by a company registered in Malta from a 'participating holding' or from the transfer of such holding, should be exempt from Malta income tax in terms of a 'participation exemption'.

The application of the said 'participation exemption' in respect of dividend income is conditional on *any one* of the following conditions being satisfied by the body of persons in which the 'participating holding' is held:

- (a) it is resident or incorporated in a country or territory which forms part of the European Union; or
- (b) it is subject to any foreign tax of at least 15%; or
- (c) it does not have more than 50% of its income derived from 'passive interest or royalties.

Should none of the above criteria (a) to (c) be met, it would nonetheless be possible for the 'participation exemption' to apply if and to the extent that the body of persons in which the 'participating holding' is held satisfies **all** of the following additional conditions:

- (d) the holding in the said body of persons is not a portfolio investment;
- (e) the said body of persons shall not derive more than 50% of its income from portfolio investments; and
- (f) the said body of persons or the income which it derives from passive interest or royalties would have been subject to tax at a rate of not less than 5%.

Capital transfer duty

Generally, a transfer of 'marketable securities', attracts capital transfer duty at the rate of 2% (5%, if the Company's assets consist primarily of, directly or indirectly, immovable property or any right over such property) on the higher of the consideration paid or the market value of the securities, unless exempted from the imposition of capital transfer duty in terms of a determination issued by the (Malta) Commissioner of Inland Revenue. Such a determination may be procured on the basis that the Company (and/or its related party, as applicable) shall, whether directly or indirectly, carry on business or have business interests to the extent of more than 90% outside Malta.

Net wealth tax

There is no wealth tax in Malta.

Dividend withholding tax

In view of the application in Malta of a full imputation tax system, there is no dividend withholding tax imposed on a distribution of profits by a Malta company.

Exposure of non-residents to Malta taxation on the sale of the Company's shares

Generally, non-resident persons may dispose of shares in the Company without incurring Malta income tax.

1.3 South Africa – Taxation of the Company and Brait Shareholders

South African taxation

This summary of certain material South African income tax consequences only deals with purchasers of Shares that are SA Holders and Non-SA Holders, as defined below, and that will hold the Shares as capital assets. As used herein the term "SA Holder" means a "shareholder" who is: (i) a natural person ordinarily resident in South Africa; (ii) a natural person not ordinarily resident in South Africa but whose physical presence in South Africa exceeds certain thresholds or (iii) a person, other than a natural person, which is incorporated, established or formed in South Africa or which has its place of effective management in South Africa. The term does not include a non-natural person incorporated, established or formed in South Africa, if that person is deemed to be exclusively the resident of another country for purposes of the application of any agreement entered into between South Africa and that other country for the avoidance of double taxation. The term "Non-SA Holders" therefore means a "shareholder" other than a "SA Holder". In general, a "shareholder" means the registered shareholder in respect of a share or, where some person other than the registered shareholder is entitled to all or part of the benefit of the rights of participation in the profits, income or capital attaching to that share, that other person to the extent of that entitlement.

The following paragraphs contain a general summary of South African tax implications. The tax analysis is therefore as recorded in paragraph 1 above not comprehensive or determinative and should not be regarded as tax advice given by the Company or any of its advisors to the Rights Issue.

Income Tax

Generally, a company is a South African tax resident company if it is either incorporated in South Africa or has its place of effective management in South Africa. South African tax resident companies are taxed on their world-wide income.

Brait is not a South African tax resident company.

Dividends

Currently, any amounts distributed by a South African company to its shareholders, including amounts distributed by a company to acquire, cancel or redeem its own shares, are generally considered to be dividends, except to the extent that the distribution represents a reduction in the company's contributed tax capital ("CTC"). CTC, in its basic form, comprises amounts received or accrued by a company as consideration for the issue of its shares. This would therefore typically be share capital and share premium (excluding any portion thereof which comprises capitalised reserves). The new definition of "dividend" provides that any amount transferred or applied by a company for the benefit of any shareholder by virtue of any share held by that shareholder in that company, whether by way of a distribution, or as consideration for the acquisition of any share in that company constitutes a dividend. The new "dividend" definition has four exclusions. Firstly, amounts resulting in a reduction of CTC (as described above) will not constitute a dividend. Secondly, a dividend will not include capitalisation awards. Thirdly, an open market purchase by a listed company of its own shares on the exchange operated by the JSE will not constitute a dividend. Fourthly, dividends will not include redemptions of a participatory interest in a foreign collective investment scheme.

Any dividends paid by Brait to SA Holders will in terms of the current provisions of section 10(1)(k)(ii)(bb) constitute exempt foreign dividends and will as such be exempt from South African income tax in the SA Holders' hands.

Secondary Tax on Companies

Under current law, the South African companies will be subject to a tax known as Secondary Tax on Companies ("STC") on the net amount of any dividends declared by it. The STC rate is currently 10%.

Brait is not subject to STC, as it is not a South African tax resident company.

Proposed Dividend Tax

The STC regime is set to be replaced with a new Dividends Tax ("DWT") regime, which will constitute a withholding tax imposed at a shareholder level. The new DWT legislation has been enacted, but will only become effective from April 2012.

DWT will be imposed in respect of any dividend paid by a company on or after the effective date referred to above, and will be levied at a rate of 10%. This rate may be reduced under the provisions of certain Double Tax Agreements. In addition, the DWT legislation includes a number of exemptions, including exemptions for onshore inter-company dividends and dividends paid to certain exempt entities.

Taxation of capital gains and losses

South African resident shareholders – individuals

A disposal of Shares by an individual shareholder who is resident in South Africa for tax purposes may give rise to a gain (or loss) for the purposes of CGT. The capital gain (or loss) on disposal of the Shares is equal to the difference between the disposal proceeds and the base cost. A shareholder's base cost in the Shares will generally be the consideration paid for those Shares. The base cost in the Shares may be increased by one-third of any interest incurred to finance the cost of acquiring the Shares, and other direct costs incurred in acquiring the Shares, to the extent that such amounts are not otherwise allowable for deduction in the determination of taxable income. A gain on a disposal of Shares, together with other capital gains, less allowable capital losses in a year of assessment, is subject to tax at the individual's marginal tax rate (maximum 40%) to the extent that it exceeds the annual exclusion (ZAR17 500 for the years of assessment ended 28 February 2011 and ZAR20 000 for the year ending 29 February 2012). Only 25% of the net capital gain is included in taxable income, resulting in a maximum effective tax rate on capital gains of 10%. On the death of a taxpayer, there is a deemed disposal of the Shares at market value, unless the Shares are bequeathed to, or in favour of, a surviving spouse. Deemed disposals to a surviving spouse, who is a South African resident, are treated, in practical effect, as taking place at no gain or loss. The annual exclusion where death occurs during the year of assessment ending 29 February 2012 is ZAR200 000. Where a taxpayer emigrates (i.e. gives up his South African tax residence) there will also be a deemed disposal of the Shares at market value and this may trigger CGT.

South African resident shareholders – corporates

A disposal of Shares by a South African resident corporate shareholder may give rise to a capital gain (or loss) for the purposes of taxation of capital gains. The capital gain (or loss) on disposal of the Shares is equal to the difference between the disposal proceeds and the base cost. A shareholder's base cost in the Shares will generally be the consideration paid for the Shares. The base cost in the Shares may be increased by one-third of any interest incurred to finance the cost of acquiring the Shares, and other direct costs incurred in acquiring the Shares, to the extent that such amounts are not otherwise allowable for deduction in the determination of taxable income. A capital gain on a disposal of Shares by a corporate shareholder, together with other capital gains, less allowable losses in a year of assessment, is subject to tax at the normal tax rate for companies (currently 28%). Only 50% of the net capital gain is included in taxable income, resulting in a maximum effective tax rate on capital gains of 14%.

Estate duty

Where a person who is ordinarily resident in South Africa holds Shares at the date of his death, the market value of such Shares will be included in the estate. Estate duty is levied at a flat rate of 20% on the dutiable amount of the deceased estate to the extent that it exceeds ZAR3.5 million per estate. In determining the dutiable amount of an estate, deductions are, *inter alia*, allowed for the value of bequests and property left to a surviving spouse, and estate liabilities, including capital gains tax paid on the deemed disposal of the Shares on date of death. Estate duty is currently under review, given, *inter alia*, the limited revenue that it raises and the administrative burden it creates.

Securities transfer tax

Securities transfer tax ("STT") of 0.25% of the applicable taxable amount is payable in respect of every "transfer" of securities issued by a company incorporated in South Africa. "Transfer" includes any cancellation or redemption of a security, but does not include the issue of a security or any event that does not result in a change in beneficial ownership of a security. A purchase of Shares from or through the agency of a JSE registered broker is subject to STT of 0.25% of the purchase consideration. The STT is payable by the broker, which may recover it from the transferee. Where Shares are not purchased from or through the agency of a broker, but the change in beneficial ownership is effected by a Participant, STT of 0.25% of the greater of the declared purchase consideration or the JSE closing price of Shares on the date of the transaction is payable by the Participant, which may recover it from the transferee.

In any other case of a change in beneficial ownership of Shares, STT of 0,25% of the greater of the declared purchase consideration or the JSE closing price of Shares is payable by the transferee through the broker or Participant, which holds the Shares in custody.

Part 17 Risk factors

1. RISK FACTORS

You should carefully consider the risk factors described below and all other information contained in this Circular before you decide to invest in the Company's Shares. If any of the following risk factors, as well as other risks and uncertainties that are not currently known to the Company or that it currently believes are not material, actually occur, the Company's business, financial condition and results of operations could be materially and adversely affected. Accordingly, the trading price of the Company's ordinary shares could decline, and you may lose part or all of your investment.

1.1 Risks related to Brait's business

1.1.1 Investments may be sold at prices below acquisition cost

There can be no assurance that the Company's investments will not be sold at prices below their acquisition costs. Future performance, market conditions, political environment and macro- and micro-economic conditions are uncertain and may require disposal of an investment at a price below the acquisition cost.

1.1.2 Higher risk inherent in investment in unlisted securities

Brait intends to invest in companies the securities of which may not now and may never be publicly traded or listed on a securities exchange. Companies whose securities are unlisted may not be subject to the same disclosure and other investor protection requirements that are applicable to companies with listed securities. These investments may be difficult to value and to sell or otherwise liquidate, and the risk of investing in such companies is generally much greater than the risk of investing in listed or publicly traded companies.

1.1.3 Brait may invest a portion of its assets in smaller, less established or start-up companies

Investments in such companies may involve greater risks than are generally associated with investments in more established companies. The securities of such companies may be subject to more abrupt and erratic market price movements than larger, more established companies, since trading volumes for their securities are generally quite low. Less established companies tend to have smaller capitalisations and fewer resources and, therefore, are often more vulnerable to financial failure. Such companies also have shorter operating histories on which to judge future performance and may experience start-up related difficulties that are not faced by established companies. The Company has not established any minimum capitalisation or trading history for the companies in which it will invest.

1.1.4 The Company cannot provide assurances that it will be able to choose, make and realise investments in any particular company or portfolio of companies

There can be no assurance that the Company will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the type of companies and Transactions described herein. There can be no assurance that any investor will receive any distribution from the Company. Accordingly, an investment in the Company should only be considered by persons who can afford a loss of their entire investment. Past activities of investment entities associated with the Investment Team, the Company and their affiliates provide no assurance of future success.

1.1.5 The success of Brait's investment strategy will often depend, in part, on the ability of the Company to restructure and effect improvements in the operations of an investment

The activity of identifying and implementing potential operating improvements at the Company's investments entails a high degree of uncertainty. There can be no assurance that the Company will be able to successfully identify and implement such improvements.

1.1.6 Brait may hold non-controlling interests in its investments

The Company may hold a non-controlling interest in certain investments and, therefore, may have a limited ability to protect its position in such investments.

1.1.7 *Brait may invest with third parties, including members of the Investment Team, through consortia of private equity investors, joint ventures or other entities*

Brait may invest with third parties, including members of the Investment Team, through consortia of private equity investors, joint ventures or other entities. Such investments may involve risks in connection with such third-party involvement, including the possibility that a third-party co-venturer may have financial, legal or regulatory difficulties, resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with those of the Company, or may be in a position to take (or block) action in a manner contrary to Brait's investment objectives. In addition, the Company may in certain circumstances be liable for the actions of its third-party co-venturers. In those circumstances where such third parties involve the Investment Team group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements.

1.1.8 *Brait may make investments in restructurings which involve investments that are experiencing or are expected to experience financial difficulties*

These financial difficulties may never be overcome and may cause such investment to become subject to bankruptcy proceedings. Such investments could, in certain circumstances, subject Brait to certain additional potential liabilities which may exceed the value of the Company's original investment therein. For example, under certain circumstances, a lender who has inappropriately exercised control over the management and policies of a debtor may have its claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to Brait and distributions by Brait to investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment or similar transactions under applicable bankruptcy and insolvency laws. Furthermore, investments in restructurings may be adversely affected by statutes relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims.

1.1.9 *By reason of the investment sub-advisory agreement with Brait, certain members of the Investment Team may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities*

The Company will not be able to act upon any such information. Due to these restrictions, Brait may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

1.1.10 *Certain of the Company's investments, especially those in a development phase, may be expected to require additional financing to satisfy their working capital requirements*

The amount of such additional financing needed will depend upon the maturity and objectives of the particular investment. Each such round of financing (whether from Brait or other investors) is typically intended to provide the Company's investments with enough capital to reach the next major corporate milestone. If the funds provided are not sufficient, a company may have to raise additional capital at a price unfavourable to the existing investors, including the Company. In addition, the Company may make additional debt and equity investments or exercise warrants, options or convertible securities that were acquired in the initial investment in such company in order to preserve the Company's proportionate ownership when a subsequent financing is planned, or to protect the Company's investment when such investment's performance does not meet expectations. The availability of capital is generally a function of capital market conditions that are beyond the control of the Company or any investment. There can be no assurance that any of the Company's investments will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source.

1.1.11 *Each investment company's day-to-day operations will be the responsibility of such company's own management team*

Although the Company will be responsible for monitoring the performance of each investment company and intends to invest in companies operated by strong management teams, there can be no assurance that any such company's existing management team, or any successor, will be able to operate the Company's investment in accordance with the Company's plans.

1.1.12 In connection with the financing of certain investments, the Company may employ hedging techniques designed to reduce the risks of adverse movements in interest rates, securities prices and currency exchange rates and may under certain circumstances structure investments using total return swaps or other derivative instruments

While such transactions may reduce certain types of risks, such transactions themselves may entail certain other risks. Thus, while the Company may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices, or currency exchange rates may result in a poorer overall performance for the Company than if it had not entered into such hedging transactions. In the event of an imperfect correlation between a position in a hedged instrument and the investment that it is intended to protect, the desired protection may not be obtained, and the Company may be exposed to risk of loss. In addition, it is not possible to hedge fully or perfectly against any risk, and hedging entails its own costs which will be borne by the Company.

1.1.13 Limited number of investments, concentration of investments and highly competitive market for investment opportunities

The Company may participate in a limited number of investments and, as a consequence, the aggregate return of the Company may be substantially adversely affected by the unfavourable performance of any single investment. In addition, investors have no assurance as to the degree of diversification of the Company's investments. To the extent the Company concentrates investments in a particular issuer or security its investments will become more susceptible to fluctuations in value resulting from adverse economic and business conditions with respect thereto. In addition, the Company may be competing with other investors and corporate buyers for the investments that the Company will make. The activity of identifying, completing and realising attractive private equity investments is highly competitive, and involves a high degree of uncertainty. The Company will be competing for investments with other private equity investors, as well as companies, public equity markets, individuals, financial institutions and other investors. Additional funds with similar objectives may be formed in the future by other unrelated parties. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of investment opportunities available to the Company and adversely affecting the terms upon which investments can be made. There can be no assurance that the Company will be able to locate, consummate and exit investments that satisfy the Company's rate of return objectives or realise upon their values or that it will be able to invest fully its committed capital.

1.1.14 Investments will be managed by the Investment Team

Accordingly, the success of the Company will depend upon the ability of the Investment Team and other individuals employed by the Investment Team to source, select, complete and realise appropriate investments. The Investment Team will be guided by the advisory agreements in its choice of portfolio companies and the structuring of investments with the Board having the final decision. Brait is depending upon the expertise of the senior members of the Investment Team, in providing advice with respect to investments in South Africa and elsewhere in accordance with the advisory and sub-advisory agreements. If the services of the senior members of the Investment Team were lost, then Brait could be adversely affected. There can be no assurance that any members of the Investment Team will continue to be associated with the Company or its affiliates throughout the life of the Company.

1.1.15 Brait's operations could be adversely affected by a failure of Brait's information systems

Any system failure that causes an interruption in service or availability of Brait's systems could adversely affect operations or delay the collection of revenues. Brait's servers may be vulnerable to computer viruses, break-ins and similar disruptions from unauthorised tampering. The occurrence of any of these events could result in interruptions, delays, the loss or corruption of data, or cessations in the availability of systems, all of which could have a material, adverse effect on Brait's business, prospects, financial condition or results of operations.

1.1.16 Brait's business is subject to irregular cash flows

The nature of Brait's business subjects the Company to irregular cash flows. All investments are not realised at set intervals, but are rather specific to each investment. This cash flow profile may result in the Company being unable to pay dividends regularly. Therefore, a strict adherence to a defined dividend policy is not possible.

1.2 Risks related to Brait's industry

1.2.1 *General fluctuations and volatility in the market prices of securities may affect the value of the investments held by the Company*

Instability in the securities markets may also increase the risks inherent in the Company's investments. The ability of the Company's investments to refinance debt securities may depend on their ability to sell new securities in the public high-yield debt market or otherwise or to raise capital in the leveraged finance debt markets, which historically have been cyclical with regard to the availability of financing.

1.3 Risks related to South Africa

1.3.1 *South African Exchange Control restrictions*

South Africa imposes Exchange Control restrictions on all of its residents. These restrictions create a Common Monetary Area consisting of South Africa, the Kingdom of Lesotho, the Kingdom of Swaziland and the Republic of Namibia. Broadly speaking, transactions between South African residents (including the Company's investments) and non-residents are subject to Exchange Control approvals, which limit an investment's ability to raise capital outside the Common Monetary Area. Over the last few years the country has seen significant relaxations in Exchange Control on residents and it was the stated policy of the previous South African Government to abolish exchange controls. Limits of outward foreign investments by South African companies have been lifted and restrictions on the repatriation of foreign dividends by such companies removed. There can be no assurance that the goal of abolishing Exchange Controls will be achieved.

1.3.2 *HIV/Aids*

South Africa has one of the highest HIV infection rates in the world. The exact impact of this on increased mortality rates and employee productivity generally, and therefore on the cost of doing business in South Africa and the potential growth of the economy is unclear, although employee related costs in South Africa are expected to increase as a result of Aids.

The growth rates, operating revenues and net profit of South African portfolio companies could decline if employee-related expenses increase or the productivity, labour supply or the size of the South African population decline.

1.3.3 *Risk of exposure to Africa other than South Africa*

It is likely that some portfolio companies may have exposure to African countries other than South Africa through exports or subsidiaries. Although many African countries have exhibited strong economic growth in recent years, there can be no assurance that this growth will continue, and there are major political, economic, social, tax and regulatory risks applicable to indirect and direct investment exposure to Africa, including: (i) potential price volatility in and relative illiquidity of some securities markets; (ii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation; (iii) certain economic and political risks, including potential Exchange Control Regulations and restrictions on investment and repatriation of capital, the risks of political, economic or social instability and the possibility of expropriation or confiscatory taxation; (iv) the possible imposition of taxes on income and gains recognised with respect to such securities and (v) less developed laws regarding corporate governance, fiduciary duties and the protection of investors. While the Investment Team intends, where deemed appropriate, to manage Brait in a manner that will minimise exposure to the foregoing risks, there can be no assurance that adverse developments with respect to such risks will not adversely affect the assets of Brait that are exposed to such countries.

1.4 Risks related to the offering

1.4.1 *Liquidity risk in Brait shares*

Although Brait Shares are listed on the JSE and LuxSE, there is no guarantee that a more active trading market for the Brait Shares will develop and be sustained after the Offer. If a more active volume traded in the Brait Shares does not develop or is not sustained after the Offer, this could have a material adverse effect on the liquidity and consequently the market price of the Brait Shares. The Offer Price of the New Brait Shares will be determined by the Company and the bookrunner and may not be indicative of the market price of Brait Shares after the offering.

1.4.2 *Liquidity risk in Rights*

Although the Rights will be listed on the JSE and the LuxSE, there is no guarantee that an active trading market for the Rights will develop and be sustained during the period that the Rights will be traded.

1.4.3 *The market price of Brait Shares may prove to be volatile and is subject to fluctuations, including significant decreases*

The market price of Brait Shares could be volatile and subject to significant fluctuations due to a variety of factors, some of which do not relate to the Company's financial performance, including changes in general market conditions, the general performance of the exchanges operated by the JSE and LuxSE, changes in sentiment in the market regarding the Brait Shares (or securities similar to them), regulatory changes affecting the Company's operations, variations in the Company's operating results, business developments of the Company or its competitors, the operating and share price performance of other companies in the industries and markets in which the Company operates, speculation about the Company's business in the press, media or the investment community, or changes in the political, social or economic conditions in South Africa or the surrounding region. Furthermore, the Company's operating results and prospects from time to time may be below the expectations of market analysts and investors. Any of these events could result in a decline in the market price of Brait Shares.

1.4.4 *Brait has a Luxembourg primary listing*

This entails the Company needing to adhere to dual disclosure and regulatory requirements which may or may not coincide exactly. Additionally, this may result in extra costs being borne in order to satisfy the regulatory requirements of the JSE and LuxSE. The need to adhere to two sets of regulatory requirements may also result in implementation delays.

Part 18 Share capital and corporate information

1. COMPANY REGISTRATION

Brait is incorporated under Luxembourg law and registered with the Luxembourg Register of Commerce and Companies under the legal form of a *société anonyme* under number B-13861. Brait S.A. was incorporated on 5 May 1976, under the name of Tolux S.A. The shares of Tolux S.A. were originally admitted to the official list of the LuxSE on 11 July 1980. On 29 July 1998, the Company changed its name into Brait S.A.

2. SHARE CAPITAL [CA 18(b) and 37(b)]

As at the date of this Circular the authorised share capital of the Company is 150 000 000 Brait Shares.

Following the approval by Brait Shareholders at the First Brait EGM the authorised share capital will be amended to comprise 1 500 000 000 Brait Shares.

As at the date of this Circular, the issued share capital of the Company remains unchanged at 118 987 321 Brait Shares. Of this number, 2 332 160 Brait Shares are held in treasury, but will be delivered to participants of the Brait Share Incentive Scheme and the Brait Management Share Scheme 2005 as part of the winding down of these schemes pursuant to the Transactions.

In terms of the Rights Offer, the Company is offering for subscription to Brait Shareholders a total of 356 961 963 New Brait Shares at the Offer Price on the basis of 3 New Brait Shares for every Brait Share held on the relevant Record Date. Upon issue, the New Brait Shares will immediately be fully fungible with the Existing Brait Shares.

Upon completion of the Rights Offer, the issued share capital of the Company will be 475 949 284 Brait Shares.

In terms of the Investment Team Placement, the Company may issue a maximum of 110 000 000 Brait Shares at the Offer Price to the Investment Team to achieve a post-Rights Offer and post-Placement total shareholding in Brait of up to 18% (see the three scenarios under Part 7). This number assumes that Titan has achieved its target shareholding through the Rights Offer Underwriting. Should the Investment Team Placement be concluded in accordance with the “Base case Scenario 1” as reflected in paragraph 3 of Part 3 of this Circular, the issued share capital of the Company will be 506 252 314 Brait Shares.

As at the date of this Circular the total value of the Company’s stated capital account is USD178 480 982 (ZAR448.0 million). Upon completion of the Rights Offer the total value of the Company’s stated capital account will be the USD equivalent of approximately ZAR6 337 872 390. Should the Investment Team Placement be concluded, as per the “Base case Scenario 1” stated above, the total value of the stated capital account will be the USD equivalent of approximately ZAR6 837 872 385.

No Brait Shares will be held in treasury going forward, as the current treasury shares will be used in order to collapse the current Schemes.

Other than the Brait Shares described above, no other class of Brait security exists.

Particulars of alterations to the Company’s share capital over the preceding three years are as follows:
[CA 6(a) (ii)]

- Brait’s issued share capital has increased from USD168 730 982 (ZAR257.4 million) at 1 April 2007 to USD178 480 982 (ZAR448.0 million) at the date of this Circular.

2.1 Summary of any issue or offers of Brait Shares by Brait and its subsidiaries during the preceding three years [CA 6(a)(ii)]

Issues or offers by Brait during the preceding three years:

Date of issue	Number of Brait Shares issued	Issue price (ZAR)	Persons to whom Brait Shares were issued	Reason for issue and use of proceeds
September 2010	896 996	21.04	Open market transactions	Utilisation of Treasury Shares – Operating cash requirements
24 August 2010	8 500 000	19.75	Private Placement under accelerated book build	Unwinding of Sitogo BEE deal

Date of issue	Number of Brait Shares issued	Issue price (ZAR)	Persons to whom Brait Shares were issued	Reason for issue and use of proceeds
1 April 2010 – date of Circular	392 100	22.01	Beneficiaries of Share Schemes	Utilisation of Treasury Shares – Vesting of rights under Share Schemes
1 April 2009 – 31 March 2010	752 821	18.36	Beneficiaries of Share Schemes	Utilisation of Treasury Shares – Vesting of rights under Share Schemes
1 April 2008 – 31 March 2009	34 340	7.19	Beneficiaries of Share Schemes	Utilisation of Treasury Shares – Vesting of rights under Share Schemes
1 April 2007 – 31 March 2008	681 052	14.48	Beneficiaries of Share Schemes	Utilisation of Treasury Shares – Vesting of rights under Share Schemes

The following Brait Share repurchases were concluded by Brait and its subsidiaries during the preceding three years:

Date of repurchase	Number of Brait/ subsidiary shares repurchased	Value (ZAR)	Reason for repurchase
1 April 2010 – date of Circular	48 000	1 167 100	Hedge of Share Scheme entitlements
1 April 2009 – 31 March 2010	–	–	–
1 April 2008 – 31 March 2009	565 057	6 204 260	Hedge of Share Scheme entitlements
1 April 2007 – 31 March 2008	720 390	18 846 734	Hedge of Share Scheme entitlements

2.2 Summary of any consolidations or sub-divisions of Brait Shares during the preceding three years

No share splits or consolidations have taken place in the preceding three years.

3. MAJOR CONTROLLING SHAREHOLDERS

As at 31 December 2010, as far as is known by the Company, the following Brait Shareholders, other than Directors, are directly or indirectly beneficially interested, in 5% or more of the issued Brait Shares:

Name	Total beneficial interest (number of Brait Shares)	Total beneficial interest (percentage held)
Public Investment Corporation Limited	19 565 003	16.44

As at the date of this Circular and following the implementation of the Transactions, no Brait Shareholders hold or will hold more than 50% of Brait's entire issued share capital.

4. WORKING CAPITAL AND MATERIAL CHANGE

The Directors are of the opinion that the working capital available to the Brait Group is sufficient for the Company's present requirements (being at least the next 12 months from the date of this Circular). **[CA 22]**

There has been no material change in the financial or trading position of Brait and its subsidiaries since the end of the last financial period. **[CA 31 and 46]**

Part 19 Additional information

1. MATERIAL CONTRACTS [CA 16(a) and 40]

As at the date of this Circular, Brait and its subsidiaries have entered into the following material contracts:

- the Underwriting Agreement;
- the Brait III Sale Agreements;
- the loan agreement between Pepkor SPV and CPGHL;
- the Investment Advisory Agreement and Investment Sub-advisory Agreement;
- the Pepkor Subscription Agreement; and
- the Premier Sale Agreements.

2. MATERIAL LOANS TO BRAIT AND ITS SUBSIDIARIES FROM THIRD PARTIES [CA 9(a)]

As at the date of this Circular, Brait and its subsidiaries hold the following material loans from third parties:

- ZAR450 million, five-year preference share facility with FirstRand Bank (acting through Rand Merchant Bank) and its nominees and KWJ Investments (Proprietary) Limited. This loan was obtained to fund Brait's growth and future opportunities. The loan is secured by negative pledge over the assets of Brait; and
- ZAR150 million unsecured call overdraft facility with Standard Bank for operational funding requirements. Outstanding balances bear interest at Standard Bank's call overdraft funding rate which varies from time to time and approximates prime.

3. MATERIAL COMMITMENTS, LEASE PAYMENTS AND CONTINGENT LIABILITIES

- Commitments to invest in remaining funds and proprietary investments arising out of normal investing operations – ZAR239.1 million.
- Five-year lease commitment for operating premises, 9 Fricker Road, effective until 30 September 2015 of ZAR6.7 million annually, leaving an outstanding rental commitment of ZAR31.8 million taking into account a fixed 8% annual escalation. **[CA 6(c)]**

4. MATERIAL LOANS RECEIVABLE BY BRAIT AND ITS SUBSIDIARIES [CA 9(b)]

As at the date of this Circular, Brait and its subsidiaries do not have any material loans outstanding, other than its share of investments in underlying investee companies in the normal course of Brait's investment operations.

5. LITIGATION

The Board is not aware of any legal or arbitration proceedings pending or threatened against Brait or any of its subsidiaries which may have a significant effect on their financial position as a whole.

6. SUBSIDIARIES

Information relating to the subsidiaries of Brait is contained in Annexure 9 attached hereto. **[CA 6(a), 6(b) and 6(e)(i)]**

7. EXPENSES RELATING TO THE TRANSACTIONS [CA 15]

Expenses of the Rights Offer, Acquisitions and Restructure	(ZAR'million)
RMB – as financial advisors to the Transactions	18.0
RMB – as underwriter	22.0
South African attorneys – Cliffe Dekker Hofmeyr Inc	3.0
International legal counsel – M Partners	6.0
Independent reporting accountants and auditors – Deloitte	0.3
Printing publishing and distribution costs	1.5
JSE listing and documentation fees	0.5
Marketing expenses	5.5
Transfer secretary – Computershare Investor Services (Proprietary) Limited	0.5
Share issue duties	0.5
Other	2.2
Total	60.0

8. CLEARING AND SETTLEMENT

The Brait Shares have been accepted for clearance and settlement through the facilities of the Clearstream and Euroclear clearing systems under Common Code 001185764 and ISIN: LU0011857645. Brait further participates in the electronic transfer system of the JSE operated by Strate.

The Rights offered to Brait Shareholders in terms of the Rights Offer have been accepted for clearance and settlement through the facilities of the Clearstream and Euroclear clearing systems under Common Code 060871825 and ISIN: LU0608718259.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be obtainable and available for inspection free of charge during normal business hours at the registered office of Brait at 42, rue de la Vallée, L-2661, Luxembourg:

- the Articles of Incorporation of Brait;
- the audited annual consolidated financial statements of Brait for the years ended 31 March 2008, 2009 and 2010, and any future audited annual and unaudited semi-annual consolidated financial statements of Brait;
- the written consent of all professional advisors to the inclusion of their names and any references thereto in this Circular;
- the Underwriting Agreement;
- the Investment Advisory Agreement and Investment Sub-advisory Agreement;
- the Pepkor Subscription Agreement;
- the Premier Sale Agreements;
- the Brait III Sale Agreements;
- the loan agreement between Pepkor SPV and CPGHL;
- the Merger Plan;
- the draft Transfer Proposal;
- the Memorandum and Articles of Association of Brait following its migration to Malta; and
- a signed copy of this Circular.

10. EXPERTS' CONSENTS [CA S151(b)]

The financial advisor, mandated lead debt arranger and advisor, underwriter and transaction sponsor, international counsel and LuxSE listing agent, registrar and transfer agent, domiciliary agent, registrar and transfer agent, co-debt underwriter and attorneys have consented in writing to act in the capacities stated and to their names being included in this Circular and have not withdrawn their consents prior to the publication of this Circular. The reporting accountants and auditors have consented in writing to act in the capacity stated, to their names being included in this Circular and to the inclusion of their report in the form and context in which it appears and have not withdrawn such consent prior to the publication of this Circular.

Part 20 Rights Offer and Private Placements details

1. DETAILED TERMS OF THE RIGHTS OFFER [CA 18(a) and 43(a)]

1.1 Introduction

In order to fund the Acquisitions and future potential investments, Brait is proposing to raise approximately ZAR5.9 billion (before expenses) by way of the Rights Offer, which will be a fully underwritten renounceable rights offer by Brait to the Brait Shareholders of 356 961 963 New Brait Shares.

1.2 Particulars of the Rights Offer

In terms of the Rights Offer, Brait will offer Brait Shareholders and/or their renounees, the right to subscribe for a total of 356 961 963 New Brait Shares at the Offer Price in the ratio of 3 New Brait Shares for every 1 Brait Share held on the relevant Record Date, subject to the terms and conditions set out herein. **[CA 20(b)]**

Each Qualifying Shareholder will be issued an appropriate number of Rights (taking into account the ratio mentioned above), each of which: (i) will be listed on an Exchange; (ii) will be renounceable, (iii) will be capable of being traded on an Exchange during the Rights Offer Period and (iv) if exercised during the Rights Offer Period, will entitle the holder thereof to subscribe for 1 New Brait Share at the Offer Price.

Application has been made to the LuxSE for the Rights to be admitted to the official list of the LuxSE and trading on the Euro MTF market (primary listing) and application has been made to the JSE for the Rights to be listed on the JSE (secondary listing).

It is expected that the Rights will commence trading on the Exchanges on Friday, 13 May 2011.

The Offer Price is payable in full upon acceptance by Certificated Shareholders, or on a delivery versus payment basis by the CSDP, Participant, or broker of Dematerialised Shareholders.

There will be no waiver of Brait Shareholders' statutory pre-emptive subscription rights and, subject to the provisions regarding Restricted Territories, all Qualifying Shareholders will receive the right to subscribe for New Brait Shares in terms of the Rights Offer. Given that there will be no waiver of Brait Shareholders' statutory pre-emptive subscription rights, Luxembourg law requires that all unexercised Rights remaining at the end of the Rights Offer Period be sold in a public auction arranged on the LuxSE. Brait Shareholders will be entitled to claim the proceeds from the public auction, if any. Brait will communicate to the market the split between pre- and post-Auction take up of the Rights.

Qualifying Shareholders who do not exercise their Rights and therefore do not take up their entitlements to New Brait Shares and certain Overseas Shareholders who are not entitled to take up their entitlements to New Brait Shares will have their proportionate shareholdings in the Company diluted by approximately 75%.

Following the completion of the Rights Offer, those Qualifying Shareholders who take up all the New Brait Shares offered to them will have the same proportionate voting and distribution rights as held by them on the relevant Record Date.

Overseas Shareholders or any person (including, without limitation, custodians, nominees and trustees) who have a contractual or other legal obligation to forward this document into a jurisdiction other than Luxembourg and South Africa, should consider 1.8 below.

Application has been made to the LuxSE and the JSE for the New Brait Shares to be admitted to the official list of the LuxSE and trading on the Euro MTF market (primary listing) and the JSE (secondary listing). **[CA 23]**

It is expected that admission to trading on the Exchanges (in respect of the New Brait Shares to be issued pursuant to the Rights Offer) will become effective on Monday, 4 July 2011.

New Brait Shares have full entitlement to any dividends declared after the date of issue in respect of the Company's financial year ending 31 March 2012 and all subsequent financial years.

1.3 Opening and closing dates of the Rights Offer [CA 19 and 44]

The Rights Offer will be open to Brait Shareholders from Friday, 13 May 2011 and will close in Luxembourg and South Africa at 12.00 p.m. on Friday, 24 June 2011 (both dates inclusive) (“Rights Offer Period”).

From the time the Rights are allocated to Brait Shareholders, the Brait Shares will trade *ex* the subscription rights granted by the Rights.

It is expected that the Brait Shares will trade *ex*-Rights on the Exchanges from 09.00 a.m. on Friday, 13 May 2011.

1.4 Issuance of Rights

South African Registered Brait Shareholders

Qualifying JSE Shareholders should note that Rights will only be created in uncertificated form and will be listed on the JSE, in order to afford holders of Certificated Shares similar rights and opportunities as Dematerialised Shareholders, to the extent possible.

The Company is required to maintain a South African sub-register due to South African Exchange Control Regulations and in order to facilitate the administration of Shares listed for trading on the JSE in South Africa. The necessary arrangements are in place to enable Shares to “cross the register” between the LuxSE and the JSE and *vice versa*.

Qualifying JSE Shareholders that hold Certificated Shares will: (i) have their Rights credited to an account in electronic form, which will be administered by the South African Transfer Secretaries on their behalf and (ii) receive a printed Form of Instruction which will outline the procedure to be followed should they wish to sell, renounce or exercise all or any of their Rights, as more fully described in 1.5 below.

Qualifying JSE Shareholders that hold Dematerialised Shares will: (i) have their Rights credited to their custody accounts with their appointed CSDP or broker and (ii) not receive a printed Form of Instruction, but will be advised by their CSDPs or brokers of the procedures to be followed should such Shareholders wish to sell, renounce or exercise all or any of their Rights, as more fully described in 1.5 below.

Luxembourg Registered Brait Shareholders

Qualifying LuxSE Shareholders should note that Rights will only be created in uncertificated form and will be listed on the LuxSE, in order to afford holders of Certificated Shares similar rights and opportunities as Dematerialised Shareholders, to the extent possible.

Qualifying LuxSE Shareholders that hold Certificated Shares will: (i) have their Rights credited to an account in electronic form, which will be administered by the Luxembourg Transfer Secretaries on their behalf and (ii) receive a printed Form of Instruction which will outline the procedure to be followed should they wish to sell, renounce or exercise all or any of their Rights, as more fully described in 1.6 below.

Qualifying LuxSE Shareholders that hold Dematerialised Shares will: (i) have their Rights credited to their custody accounts with their appointed Participant or broker and (ii) not receive a printed Form of Instruction, but will be advised by their Participant's or brokers of the procedures to be followed should such Shareholders wish to sell, renounce or exercise all or any of their Rights, as more fully described in 1.6 below.

1.5 Procedure applicable only to Qualifying JSE Shareholders in respect of exercising, renouncing and/or selling Rights

1.5.1 Certificated Shareholders

1.5.1.1 Exercising Rights

Full details of the procedure for the exercise of Rights (which will amount to an acceptance of the Rights Offer, whether wholly or partially) by Qualifying JSE Shareholders that hold Certificated Shares are contained in the Form of Instruction. The following should be noted:

- (i) all Qualifying JSE Shareholders that hold Certificated Shares wishing to exercise all or any of the Rights allocated to them, must complete the Form of Instruction in accordance with its instructions and lodge it, together with payment of the Offer Price, with the South African Transfer Secretaries during the Rights Offer Period;
- (ii) any exercise of Rights by a Certificated Shareholder will only be regarded as complete: (i) once the South African Transfer Secretaries have received a duly completed Form of Instruction from such Certificated Shareholder indicating

- the number of Rights exercised by such Certificated Shareholder and (ii) once payment of the Offer Price has been made by such Certificated Shareholder in accordance with the payment instructions set out in the Form of Instruction (a brief summary of such payment instructions is set out below);
- (iii) any exercise of Rights will be irrevocable and may not be withdrawn;
- (iv) if the South African Transfer Secretaries do not receive a Form of Instruction from any Certificated Shareholder during the Rights Offer Period, as set out above, the Rights Offer will be deemed to have been declined by such Certificated Shareholder and the Rights allocated to such Certificated Shareholder will be sold at the Auction; and
- (v) all Qualifying JSE Shareholders that hold Certificated Shares that validly exercise any of their Rights and subscribe for New Brait Shares pursuant to the Rights Offer, will receive such New Brait Shares in certificated form.

1.5.1.2 Renunciation or sale of Rights

Qualifying JSE Shareholders that hold Certificated Shares that do not wish to exercise all or any of the Rights allocated to them (as reflected in the Form of Instruction), may sell or renounce all or a portion of their Rights.

Qualifying JSE Shareholders that hold Certificated Shares who wish to sell all or any of the Rights allocated to them (as reflected in the Form of Instruction), must complete the relevant section of the Form of Instruction and return it to the South African Transfer Secretaries in accordance with the instructions contained therein, to be received by no later than 12:00 on Friday, 17 June 2011.

The South African Transfer Secretaries will endeavour to procure the sale of the Rights on the JSE on behalf of such Certificated Shareholders and will remit the proceeds in accordance with the payment instructions reflected in the Form of Instruction, net of brokerage charges and associated expenses. Neither the South African Transfer Secretaries nor Brait nor any broker appointed by either of them will have any obligation or be responsible for any loss or damage whatsoever in relation to or arising out of the timing of such sales, the price obtained or any failure to sell such Rights.

Certificated Shareholders who wish to renounce all or any of the Rights allocated to them (as reflected in the Form of Instruction), should complete the relevant section of the Form of Instruction and return it to the South African Transfer Secretaries in accordance with the instructions contained therein.

1.5.1.3 Payment

Payment of the Offer Price must be made by delivering to the South African Transfer Secretaries, to be received by not later than 12:00 on Friday, 24 June 2011, together with a completed Form of Instruction, a banker's draft drawn down on a South African bank or a bank guaranteed cheque drawn down on a South African bank (in either case crossed and marked "not transferable" and in the case of a cheque, also with the words "or bearer" crossed out) in favour of "Brait S.A.", which bankers draft or cheque must be payable in ZAR.

All banker's drafts or cheques received by the South African Transfer Secretaries by the date and time mentioned above will forthwith be deposited for payment into the ZAR Account.

If the South African Transfer Secretaries do not receive a properly completed Form of Instruction and a cheque/bankers' draft from any Qualifying JSE Shareholder that holds Certificated Shares by 12:00 on Friday, 24 June 2011 or if any cheque or bankers' draft is not honoured on presentation, the Rights Offer will be deemed to have been declined by such Shareholder and the Rights issued to such Shareholder will be sold at the Auction.

1.5.1.4 Share certificates

Share certificates in respect of New Brait Shares will be posted, by registered post, by the South African Transfer Secretaries, at the risk of the Certificated Shareholders concerned, on or about Monday, 4 July 2011. As Brait uses the "certified transfer deeds and other temporary documents of title" procedure approved by the JSE, only "block" certificates will be issued in respect of New Brait Shares.

Shareholders receiving New Brait Shares in certificated format must note that such Shares cannot be sold on the JSE until they have been dematerialised. This could take between one and ten days.

1.5.2 Dematerialised Shareholders

1.5.2.1 Exercise, renunciation or sale of Rights

The CSDP or broker appointed by a Dematerialised Shareholder: (i) will credit such Dematerialised Shareholder's account with the number of Rights that they are entitled to pursuant to the Rights Offer; and (ii) should contact such Dematerialised Shareholder to ascertain:

- whether they wish to exercise all or any of their Rights in terms of the Rights Offer (in which case such CSDP or broker will effect payment of the Offer Price to Brait on a delivery versus payment basis); or
- whether they wish to renounce or sell all or any of their Rights.

If you are not contacted, you should contact your CSDP or broker and furnish them with your instruction. Should a CSDP or broker not obtain instructions from a Dematerialised Shareholder, they are obliged to act in terms of the mandate granted to them by such Dematerialised Shareholder, or if the mandate is silent in this regard, not to exercise the Rights on behalf of such Shareholder.

1.5.2.2 Payment

Your CSDP or broker will effect payment directly on your behalf in respect of Rights exercised, in ZAR, on a delivery versus payment basis.

1.5.2.3 New Brait Shares

Dematerialised Shareholders will have their accounts with their CSDP or broker credited with the New Brait Shares subscribed for in terms of the Rights Offer, on Monday, 4 July 2011.

1.6 Procedure applicable only to Qualifying LuxSE Shareholders in respect of exercising, renouncing and/or selling Rights

1.6.1 Certificated Shareholders

1.6.1.1 Exercising Rights

Full details of the procedure for the exercise of Rights (which will amount to an acceptance of the Rights Offer, whether wholly or partially) by Qualifying LuxSE Shareholders that hold Certificated Shares are contained in the Form of Instruction. The following should be noted:

- (i) all Qualifying LuxSE Shareholders that hold Certificated Shares wishing to exercise all or any of the Rights allocated to them, must complete the Form of Instruction in accordance with its instructions and lodge it, together with payment of the Offer Price, with the Luxembourg Transfer Secretaries during the Rights Offer Period;
- (ii) any exercise of Rights by a Certificated Shareholder will only be regarded as complete: (i) once the Luxembourg Transfer Secretaries have received a duly completed Form of Instruction from such Certificated Shareholder indicating the number of Rights exercised by such Certificated Shareholder and (ii) once payment of the Offer Price has been made by such Certificated Shareholder in accordance with the payment instructions set out in the Form of Instruction (a brief summary of such payment instructions is set out below);
- (iii) any exercise of Rights will be irrevocable and may not be withdrawn;
- (iv) if the Luxembourg Transfer Secretaries do not receive a Form of Instruction from any Certificated Shareholder during the Rights Offer Period, as set out above, the Rights Offer will be deemed to have been declined by such Certificated Shareholder and the Rights allocated to such Certificated Shareholder will be sold at the Auction; and
- (v) all Qualifying LuxSE Shareholders that hold Certificated Shares that validly exercise any of their Rights and subscribe for New Brait Shares pursuant to the Rights Offer, will receive such New Brait Shares in certificated form.

1.6.1.2 Renunciation or sale of Rights

Qualifying LuxSE Shareholders that hold Certificated Shares that do not wish to exercise all or any of the Rights allocated to them (as reflected in the Form of Instruction), may sell or renounce all or a portion of their Rights.

Qualifying LuxSE Shareholders that hold Certificated Shares who wish to sell all or any of the Rights allocated to them (as reflected in the Form of Instruction),

must complete the relevant section of the Form of Instruction and return it to the Luxembourg Transfer Secretaries in accordance with the instructions contained therein, to be received by no later than 12.00 p.m. on Friday, 17 June 2011.

The Luxembourg Transfer Secretaries will endeavour to procure the sale of the Rights on the LuxSE on behalf of such Certificated Shareholders and will remit the proceeds in accordance with the payment instructions reflected in the Form of Instruction, net of brokerage charges and associated expenses. Neither the Luxembourg Transfer Secretaries nor Brait nor any broker appointed by either of them will have any obligation or be responsible for any loss or damage whatsoever in relation to or arising out of the timing of such sales, the price obtained or any failure to sell such Rights.

Certificated Shareholders who wish to renounce all or any of the Rights allocated to them (as reflected in the Form of Instruction), should complete the relevant section of the Form of Instruction and return it to the Luxembourg Transfer Secretaries in accordance with the instructions contained therein, to be received by no later than 12.00 p.m. on Friday, 17 June 2011.

1.6.1.3 Payment

Currency

On exercising any Rights, the Offer Price payable to subscribe for the requisite number of New Brait Shares pursuant to the Rights Offer will be payable in either ZAR or EUR.

The Offer Price will be fixed in EUR immediately prior to the commencement of the Rights Offer, with reference to the EUR/ZAR cross-rate at that time. If there is a fluctuation of 5% or more in that cross-rate during the Rights Offer Period, Brait will have the discretion to reset the EUR price to ensure that the EUR price still equates to the Offer Price of ZAR16.50 per New Brait Share.

Payment terms

The Offer Price must be paid and credited to the ZAR Account or EUR Account as soon as possible and in any event by no later than 12.00 p.m. on Friday, 24 June 2011, being the latest time and date for the exercise of Rights.

1.6.1.4 Share certificates

Share certificates in respect of New Brait Shares will be posted, by registered post, by the Luxembourg Transfer Secretaries, at the risk of the Certificated Shareholders concerned, on or about Monday, 4 July 2011.

Shareholders receiving New Brait Shares in certificated format must note that such Shares cannot be sold on the LuxSE until they have been dematerialised. This could take between one and ten days.

1.6.2 Dematerialised Shareholders

1.6.2.1 Exercise, renunciation or sale of Rights

The Participant or broker appointed by a Dematerialised Shareholder: (i) will credit such Dematerialised Shareholder's account with the number of Rights that they are entitled to pursuant to the Rights Offer and (ii) should contact such Dematerialised Shareholder to ascertain:

- whether they wish to exercise all or any of their Rights in terms of the Rights Offer (in which case such Participant or broker will effect payment of the Offer Price to Brait on a delivery versus payment basis); or
- whether they wish to renounce or sell all or any of their Rights.

If you are not contacted, you should contact your Participant or broker and furnish them with your instruction. Should a Participant or broker not obtain instructions from a Dematerialised Shareholder, they are obliged to act in terms of the mandate granted to them by such Dematerialised Shareholder, or if the mandate is silent in this regard, not to exercise the Rights on behalf of such Shareholder.

1.6.2.2 Payment

Your Participant or broker will effect payment directly on your behalf in respect of Rights exercised, in ZAR or EUR on a delivery versus payment basis.

The Offer Price will be fixed in EUR immediately prior to the commencement of the Rights Offer, with reference to the EUR/ZAR cross-rate at that time. If there is a

fluctuation of 5% or more in that cross-rate during the Rights Offer Period, Brait will have the discretion to reset the EUR price to ensure that the EUR price still equates to the Offer Price of ZAR16.50 per New Brait Share.

1.6.2.3 New Brait Shares

Dematerialised Shareholders will have their accounts with their Participant or broker credited with the New Brait Shares subscribed for in terms of the Rights Offer, on Monday, 4 July 2011.

1.7 Auction of Rights

On or about Wednesday, 29 June 2011, the Rights which remain unexercised at the end of the Rights Offer Period will be sold on the LuxSE pursuant to the Auction.

Announcements confirming the outcome of the Rights Offer and the number of unexercised Rights, which shall be sold in the Auction, will be made on the website of the Company at www.Brait.com and, on the website of the Luxembourg Stock Exchange at www.bourse.lu on Friday 24 June 2011.

The terms on which the Auction will be conducted are contained in Annexure 16 to this Circular.

South African investors who wish to participate in the Auction may have to obtain the necessary Exchange Control approvals in this regard. There will not be an auction on the JSE in respect of unexercised Rights. All unexercised Rights (whether allocated to Brait Shareholders on the South African sub-register or the LuxSE register) will form part of the Auction on the LuxSE.

1.8 Overseas Shareholders

The making of the Rights Offer to persons located or resident in, or who are citizens of, or who have a registered address in countries other than Luxembourg and South Africa, may be affected by the law or regulatory requirements of the relevant jurisdiction. The offer of New Brait Shares under the Rights Offer is not being made into certain territories. Subject to the provisions set out below, Brait Shareholders with a registered address in a Restricted Territory are not being sent this document and are not being made an offer to acquire Rights.

Any Brait Shareholder who is in any doubt as to his position should consult an appropriate professional advisor without delay.

1.8.1 General

Rights will not be offered to Brait Shareholders with registered addresses in, or who are resident in any of the Restricted Territories nor to their respective agents or intermediaries, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction. The Rights attributable to Brait Shareholders with registered addresses or who are resident in any of the jurisdictions named in the definition of Restricted Territories will instead be delivered to the Luxembourg Transfer Secretaries and the South African Transfer Secretaries who will act as nominee for the said Brait Shareholders. The respective Transfer Secretaries will, to the extent that a premium can be realised over the costs associated with the sale, sell the Rights on the LuxSE (in the case of the Luxembourg Transfer Secretaries) and on the JSE (in the case of the South African Transfer Secretaries) on a best endeavours basis on behalf and for the benefit of the relevant Brait Shareholders and will remit the proceeds to the said Shareholders.

No person receiving a copy of this Circular and/or being offered Rights in any territory other than Luxembourg and South Africa may treat the same as constituting an invitation or offer to him nor should he in any event use the Rights unless, in the relevant territory, such an invitation or offer could lawfully be made to him or the Rights could lawfully be used or dealt with, without contravention of any registration or other legal requirements. In such circumstances, this document and the Rights are to be treated as sent for information only and should not be copied or redistributed.

The Company reserves the right, with the consent of the Underwriters, to treat as invalid and will not be bound to issue any New Brait Shares in respect of any acceptance or purported acceptance of the Rights Offer which:

- appears to the Company or its agents to have been executed, effected or despatched from any Restricted Territory unless the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement; or
- in the case of a Certificated Shareholder, entails such Shareholder specifying in its completed Form of Instruction an address for delivery of the share certificates in any Restricted Territory, unless the Company is satisfied that delivering a share certificate to such Restricted Territory would not result in the contravention of any registration or other legal requirement; or

- appears to the Company or its agents to have been executed, effected or despatched in a manner which may involve a breach of laws or regulations of any jurisdiction, or if the Company believes, or its agents believe, that the same may violate applicable legal or regulatory requirements.

Despite any other provision of this document or the Form of Instruction, the Company reserves the right to permit any Brait Shareholder to exercise his or her Rights if the Company in its sole and absolute discretion is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question.

1.8.2 United States

The New Brait Shares and the Rights have not been and will not be registered under the US Securities Act or under any relevant securities laws of any state or other jurisdiction of the United States and, accordingly, may not be offered, sold, pledged, taken up, exercised, resold, transferred or delivered, directly or indirectly, except pursuant to an applicable exemption from or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws.

Accordingly, Brait Shareholders with registered addresses in, or who are resident or located in, the United States, may not participate in the Rights Offer unless an exemption from the registration requirements of the US Securities Act is available.

Subject to certain exceptions, neither this document nor the Form of Instruction constitutes or will constitute or form any part of an offer or an invitation to apply for or an offer or an invitation to acquire any New Brait Shares in the United States.

Subject to certain exceptions, neither this document nor a Form of Instruction will be sent to any Brait Shareholder having a registered address in the United States.

Subject to certain exceptions, Rights or renunciations thereof sent from or post-marked in the United States will be deemed to be invalid and all persons acquiring New Brait Shares and wishing to hold such New Brait Shares in registered form must provide an address for registration of the New Brait Shares outside the United States.

Subject to certain exceptions, any person who acquires any New Brait Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this document or the Rights, taking up their entitlement or accepting delivery of the New Brait Shares, that they are not, and that at the time of acquiring the New Brait Shares they will not be, in the United States or acting on a non-discretionary basis for a person located within the United States.

1.9 Conditions precedent to the Rights Offer

The implementation of the Rights Offer is subject to the following conditions precedent being fulfilled or waived by Brait by Wednesday, 4 May 2011 or such later date as may be determined by the Board:

- passing of the necessary resolutions by Brait Shareholders required to implement the Transactions;
- the Underwriting Agreement becoming unconditional in accordance with its terms (save insofar as it is conditional on the Rights Offer opening);
- approvals by the LuxSE and JSE of the listing of the Rights and the New Brait Shares;
- the Pepkor Pref Share Acquisition (or the subordinated bridge facility by CPGHL to Pepkor SPV as described in paragraph 3.2 of Part 10 of this Circular) and the Premier Sale Agreements becoming unconditional (save insofar as they are conditional on the Rights Offer being implemented and obtaining approval from the Competition Authorities, to the extent required); and
- the Pepkor Subscription Agreement becoming unconditional, save insofar as it is conditional on:
 - the shares that are the subject matter of the Titan Purchase Agreements (as described in Part 10 of this Circular) being transferred into the name of Titan; and
 - the Pepkor SPV Subscription Agreement (as described in Part 10 of this Circular) becoming unconditional (save insofar as it is conditional on the Pepkor Subscription Agreement becoming unconditional).

2. UNDERWRITING OF THE RIGHTS OFFER [CA 14 and 42]

The Underwriters have entered into the Underwriting Agreement, in terms of which the Rights Offer will be underwritten by the Underwriters, as follows:

- the Underwriters will place a joint bid to acquire all the unexercised Rights being sold at the Auction;
- Titan will underwrite the first ZAR2.6 billion worth of Underwriting required. Titan will not receive an underwriting fee for its Underwriting commitment;

- the Investment Team will underwrite the next ZAR1.2 billion worth of Underwriting required after Titan's initial ZAR2.6 billion Underwriting commitment has been discharged in full. In order to meet its Underwriting commitments and shareholding target, the Investment Team will be entering into a loan arrangement whereby it will be borrowing on a debt to equity ratio of 4:1. This loan arrangement will be facilitated by Brait at market-related terms and be secured by the Brait balance sheet. The Investment Team will not receive an underwriting fee for their Underwriting commitment;
- Titan will underwrite the next ZAR1.2 billion worth of Underwriting required after the Investment Team's Underwriting commitment has been discharged in full (bringing Titan's total Underwriting commitment to ZAR3.8 billion). Titan will not receive an underwriting fee for its Underwriting commitment; and
- RMB will underwrite the remaining ZAR900 million worth of Underwriting required after Titan and the Investment Team have discharged their respective Underwriting commitments in full. RMB will receive an underwriting fee in the amount of 2.45% of their underwriting amount of ZAR900 million.

To the extent that target shareholding is satisfied during the Rights Offer, the above order will be subject to change.

The Underwriters have agreed to underwrite the Rights Offer at the Offer Price.

The Directors confirm that they have made due and careful enquiry to confirm that the Underwriters can meet their commitments to underwrite the Rights Offer.

The Underwriters have submitted sworn affidavits that they have the financial resources required to meet their Underwriting commitments.

2.1 Details of the Underwriters [CA 4 and 14]

Name	Occupation	Address
Titan	Private company	36 Stellenberg Road, Parow Industria, Cape Town, South Africa
Brait South Africa Investment Team	Refer to Part 12	9 Fricker Road, Illovo, Sandton, South Africa
Rand Merchant Bank, a division of FirstRand Bank Limited	Investment Bank	1 Merchant Place, Corner Rivonia Road and Fredman Drive, Sandton, South Africa

Details of the directors of FirstRand Bank Limited are as follows:

Executive directors

Sizwe Errol Nxasana (53)
Chief executive officer
BCom, BCompt (Hons), CA(SA)
South African
4 Merchant Place
corner Rivonia Road and
Fredman Drive, Sandton

Sizwe Nxasana started his career at Unilever. In 1989 he established Sizwe & Co, the first black-owned audit practice in KwaZulu-Natal. In 1996 he became the founding partner of Nkonki Sizwe Ntsaluba, the first black-owned national firm of accountants, and was national managing partner until 1998 when he joined Telkom SA as chief executive officer. He held this position until August 2005.

His experience in the financial services industry includes being a non-executive director of NBS Boland Bank from 1995 to 1998, a non-executive director of the Development Bank of Southern Africa from 1995 to 1998 and chairman of Msele-Hoskens Insurance Group from 1994 to 1996. He joined the board of FirstRand Bank Holdings in 2003 and was appointed chief executive officer with effect from January 2006.

In February 2006 he was appointed as an executive director of FirstRand. Sizwe was appointed CEO of FirstRand in January 2010.

FirstRand – committee memberships:

- Audit – *ex officio*
- Risk, Capital Management and Compliance – *ex officio*
- Large Exposures Credit
- Strategic Executive – chairman
- Executive – chairman
- FirstRand Foundation – chairman

Directorships – FirstRand Group:

- First National Bank*
- FirstRand Bank Limited – chief executive officer
- FirstRand EMA Holdings Limited
- FirstRand Investment Holdings (Proprietary) Limited

Executive directors

Sizwe Errol Nxasana (*continued*)

- Momentum Group Limited
 - Rand Merchant Bank* – chairman
- Directorships – External:
- The Banking Association South Africa
- *Divisional board*

Johan Petrus Burger (51)
Financial director, Chief
operating officer
BCom (Hons), CA(SA)
South African
4 Merchant Place
corner Rivonia Road and
Fredman Drive, Sandton

Johan Burger graduated from Rand Afrikaans University in 1983 and qualified as a Chartered Accountant after serving articles with PricewaterhouseCoopers Inc. He joined Rand Merchant Bank in 1986 and was appointed an executive director in 1995. Following the formation of FirstRand in 1998, he was appointed financial director of the FirstRand Banking Group. In January 2009 he was appointed to the FirstRand board as financial director and assumed the additional role of chief operating officer in June 2009.

FirstRand – committee membership:

- Audit – *ex officio*
- Risk, Capital Management and Compliance – *ex officio*
- Large Exposures Credit
- Credit – chairman
- Strategic Executive
- Executive

Directorships – FirstRand Group:

- FirstRand Bank Limited
- FirstRand EMA Holdings Limited
- FirstRand Investment Holdings (Proprietary) Limited
- First National Bank*
- Momentum Group Limited
- Rand Merchant Bank*

**Divisional board*

Deepak Premnarayan (64)
BA Economics (Hons)
Indian
ICS Group A-401, Business Square
Solitaire Corporate Park
Chakala Andheri (East), Mumbai

Deepak Premnarayan started his career as a Management Trainee in 1968 with New India Assurance. He later moved to CitiBank and then Reckitt & Coleman in India, where he spent over ten years in sales, marketing and international business development leadership positions. In the late 1980s when India began its liberalisation process, he chose to pursue entrepreneurial opportunities, which included launching leading international luxury brands in India and exports of high end gems and jewellery.

In 1998, he founded the ICS Group to pursue emerging infrastructure development opportunities in India. ICS was subsequently involved in pioneering projects involving public – private partnerships, prominent among which is the publicly held Noida Toll Bridge Company. He continues to serve as the Chairman of the ICS Group, which now has broadened its interests to include asset Management, property Management and related services, and hospitality.

He is a member of the Managing Committee of the Indian Merchants Chamber (IMC) and also the co-Chair of its India Calling Committee (ICC). He has now been nominated as a Convener for the India – South Africa CEOs Forum. He is the Deputy Chairman for the India-South Africa Commission with Federation of Indian Chamber of Commerce & Industry (FICCI). Until recently, Deepak was also a member of the Confederation of Indian Industry's National Committee for Infrastructure.

Mr Premnarayan acts as FirstRand's mentor in India and is a member of its Advisory Board.

Executive directors

Deepak Premnarayen (*continued*)

Directorships – external

- Triangle Real Estate India Fund LLC (Mauritius)
 - Noida Toll Bridge Company Limited (India)
-

Non-executive directors

Vivian Wade Bartlett (67)
AMP (Harvard), FIBSA
South African
4 Merchant Place
corner Rivonia Road and
Fredman Drive, Sandton

Viv Bartlett started his career with Barclays Bank DCO South Africa, which in 1987 became First National Bank of Southern Africa. After four years of overseas secondments he returned to South Africa in 1972 where where he served as general manager and managing director in various group companies until being appointed as group managing director and chief executive officer of First National Bank of Southern Africa in 1996. In 1998, he was appointed deputy chief executive officer of FirstRand Bank, a position he held until his retirement in 2004.

FirstRand – committee membership:

- Audit
- Large Exposures Credit
- Directors’ Affairs and Governance
- Remuneration

Directorships – FirstRand Group:

- First National Bank*
- FirstRand Bank Limited
- FirstRand STI Holdings Limited
- Makalani Holdings Limited – chairman
- WesBank – chairman*

**Divisional board*

Jurie J H Bester (68)
BSc Eng Elect (Pret), ISMP (Harvard)
South African

Jurie Bester is a seasoned banker with a broad range of experience and expertise in banking and the financial services, risk Management, risk modeling and risk quantification. He was the Head of Risk Management at RMB and Risk and Audit Services of the FirstRand Banking Group from 1997 until he retired from the Group in 2005.

Subsequently he served as Chairman or a Member of a number of risk and audit committees of the FirstRand Banking Group.

FirstRand – committee membership:

- Risk, and Capital Management Committee
- Audit
- Directors’ Affairs and Governance Committee
- Credit
- Remuneration

Directorships – FirstRand Group:

- FirstRand Bank Limited
 - FirstRand EMA Holdings Limited (previously FirstRand Bank Holdings Limited)
-

Leon Crouse (57)
CA(SA)
South African
Remgro Limited, Carpe Diem
Office Park, Quantum Road
Techno Park, Stellenbosch

Leon Crouse studied at the Nelson Mandela Metropolitan University in Port Elizabeth and after obtaining a Certificate in the Theory of Accounting in 1976, he qualified as a Chartered Accountant in 1977. During his professional career of more than 30 years, he gained financial knowledge and experience by lecturing at the University of Stellenbosch and holding various financial management positions in the sectors of telecommunications, luxury goods, chemicals and clothing and textiles.

Non-Executive directors

Leon Crouse (*continued*)

He joined the former Rembrandt Group in 1986 in which year he transferred to Switzerland to hold the position of financial controller of Compagnie Financière Richemont AG and to be part of the team that unbundled the luxury goods business from the Rembrandt Group to form Richemont and list it on the Swiss, Luxembourg and South African Stock Exchanges.

In 1993, as a Rembrandt appointee, he returned to South Africa to become a founder member of the Vodacom Group executive team. Rembrandt, at the time, held a 5% interest in Vodacom. During his nearly 15-year career at Vodacom, he served as general manager finance between 1993 and 1996 and as chief financial officer from 1996 until March 2008. He joined Remgro in April 2008 as designate Director: Group Finance and was appointed to the Remgro board on 18 June 2008.

FirstRand – committee membership:

- Audit
- Risk, Capital Management and Compliance
- Directors’ Affairs and Governance
- Directorships – FirstRand Group
- FirstRand Bank Limited

Directorships – external:

- Remgro Limited
- RMB Holdings Limited
- Total South Africa (Proprietary) Limited
- Dark Fibre Africa (Proprietary) Limited

Roger Jardine (44)
BSc (Physics), MSc (Radiological
Physics)
South African
204 Rivonia Road, Morningside

Roger Jardine was national co-ordinator of science and technology policy in the department of economic planning of the African National Congress from 1992 to 1995. In 1995, he became the director general of the department of arts, culture, science and technology. He was chairman of the board of the CSIR and the Nuclear Energy Corporation between 1999 and 2005. In 1999, Roger joined Kagiso Media Limited as chief executive officer and in 2006 became the chief operating officer of Kagiso Trust Investments.

Roger joined Aveng Limited as chief executive officer on 7 July 2008 and is also a director of Aveng (Africa) Limited, McConnell Dowell Corporation Limited and Trident Steel Holdings (Proprietary) Limited. He was appointed to the boards of FirstRand Bank during 2004 and FirstRand Limited during 2010.

FirstRand – committee membership:

- Large Exposures Credit
- Directors’ Affairs and Governance

Directorships – FirstRand Group:

- FirstRand Bank Limited
- FirstRand EMA Holdings Limited (previously FirstRand Bank Holdings Limited)

Directorships – external:

- Aveng Limited
 - McConnell Dowell Corporation Limited
 - Trident Steel Holdings (Proprietary) Limited
-

Non-Executive directors

Lauritz Lanser Dippenaar (61)
MCom, CA(SA)
South African
4 Merchant Place
corner Rivonia Road and
Fredman Drive, Sandton

Laurie Dippenaar graduated from Pretoria University, qualified as a Chartered Accountant with Aiken & Carter (now KPMG) and spent three years with the Industrial Development Corporation before becoming a co-founder of Rand Consolidated Investments in 1977. Rand Consolidated Investments acquired control of Rand Merchant Bank in 1985 and he became an executive director. He was appointed managing director of Rand Merchant Bank in 1988 which position he held until 1992 when RMB Holdings acquired a controlling interest in Momentum Life Assurers.

He served as executive chairman of that company from 1992 until the formation of FirstRand in 1998. He was appointed as the first chief executive officer of FirstRand and held this position until the end of 2005 when he assumed a non-executive role. He was elected to the position of chairman of FirstRand in November 2008.

FirstRand – committee memberships:

- Directors’ Affairs and Governance
- Remuneration

Directorships – FirstRand Group:

- First National Bank*
- FirstRand EMA Holdings Limited (previously FirstRand Bank Holdings Limited) – chairman
- FirstRand STI Holdings Limited – chairman
- Momentum Group Limited – chairman
- Rand Merchant Bank*
- RMB Asset Management (Proprietary) Limited

Directorships – external:

- RMB Holdings Limited

**Divisional board*

Paul Kenneth Harris (60)
MComm
South African
2 Merchant Place
corner Rivonia Road and
Fredman Drive, Sandton

Paul Harris graduated from the University of Stellenbosch and joined the Industrial Development Corporation in 1974. He was a co-founder of Rand Consolidated Investments in 1977. RCI acquired control of Rand Merchant Bank (“RMB”) in 1985 and he became an executive director. He spent four years in Australia where he founded Australian Gilt Securities (later to become RMB Australia) and returned to South Africa in 1991. In 1992, he became CEO of RMB. Subsequent to the formation of FirstRand, he was appointed CEO of FirstRand Bank Holdings in 1999, a position he held until December 2005 when he was appointed CEO of FirstRand. He retired in December 2009.

FirstRand – committee memberships:

- Directors’ Affairs and Governance
- Directorships – FirstRand Group
- FirstRand Bank Holdings Limited
- Momentum Group Limited
- Rand Merchant Bank*
- RMB Asset Management (Proprietary) Limited

Directorships – External:

- Remgro Limited
- RMB Holdings Limited

**Divisional board*

Non-Executive directors

Nolulamo (Lulu) Gwagwa (51)
BA (Fort Hare), MTRP (Natal)
MSc (*cum laude*) (London)
PhD (London)
South African
Lereko, 2nd Floor
Commerce Square
Rivonia Road, Illovo

Lulu Gwagwa worked as a town planner in the private, public and NGO sectors between 1981 and 1986, whereafter she proceeded to further her studies. In 1992 she joined the University of Natal as a senior lecturer in the Department of Town and Regional Planning. In 1995 she was appointed as a deputy director general in the national Department of Public Works, where she was responsible for the national public works programme and the transformation of the construction industry. From 1998 to 2003 she was the chief executive officer of the Independent Development Trust. She is currently the chief executive officer of Lereko Investments.

FirstRand – committee membership:

- Directors’ Affairs and Governance
- Transformation Monitoring

Directorships – external:

- Development Bank of South Africa Limited
- Massmart Holdings Limited
- Sun International Limited

Patric Maguire Goss (62)
BEcon (Hons), BAccSc (Hons), CA(SA)
South African
Goss & Co. 15 Suffert Street, Pinetown

Pat Goss, after graduating from the University of Stellenbosch, served as President of the Association of Economics and Commerce Students (AIESEC), representing South Africa at The Hague and Basle. He qualified as a Chartered Accountant with Ernst & Young and subsequently joined the Industrial Development Corporation. Most of his active career was spent in Food Retailing and the Hospitality Industry. He has served as a director of various group companies for the past 30 years. A former chairman of the Natal Parks Board, his family interests include Umgazi River Bungalows and other conservation-related activities.

FirstRand – committee memberships:

- Directors’ Affairs and Governance – chairman
- Remuneration – chairman

Directorships – FirstRand Group:

- FirstRand Bank Limited
- Rand Merchant Bank*
- Directorships – external
- RMB Holdings Limited

**Divisional board*

Ethel Matenge-Sebosho (55)
MBA (Brunel), CAIB (SA)
South African
178/180 Beyers Naude Drive, Northcliff

Ethel Matenge-Sebosho started her career in banking with Standard Chartered Bank Botswana Limited from 1973 to 1996, during which time she studied for an MBA from Brunel University of London. She has considerable experience in the banking and financial services, which was acquired in her role as director on the boards of Oikocredit, an international development financial institution based in the Netherlands from 2001 to 2007, Women’s Finance House Botswana from 1989 to 1996, and Botswana Housing Corporation. In November 1996 as General Manager, Housing Institutions in the National Housing Finance Corporation Limited, she was part of the team that pioneered the concept of social housing in South Africa. From April 1998, she has held various management positions in Home Loan Guarantee Company including marketing solutions for housing and housing finance-related problems to new markets in Africa.

Non-Executive directors

Ethel Matenge-Sebosho (*continued*)

FirstRand – committee memberships:

- Audit Directors’ Affairs and Governance
- Directorships – FirstRand Group
- FirstRand Bank Limited
- First National Bank*
- FNB Credit Guarantee
- Advantage Asset Managers (Proprietary) Limited
- Momentum Ability Limited
- Momentum Structured Insurance Limited

Directorships – external:

- Finmark Trust
 - Women’s Development Business
 - Botswana Export Development and Investment Authority
 - Social Entrepreneurship Foundation
-

Paul Nkuna (58)
AMP (Wits Business School)
South African
4 Merchant Place
corner Fredman Drive and
Rivonia Road, Sandton

Paul Nkuna began his career as a teacher before joining the mining industry in 1977. He joined the National Union of Mineworkers in 1984 and later served as treasurer general. He was instrumental in local government negotiations as chairman of the Management committee of the Brakpan Transitional Local Council. He also served in a number of executive structures within local government, including the Gauteng Association of Local Government and the South African Local Government Association. He joined the Mineworkers Investment Company as executive chairman in 1997 and in 2003 became chief executive officer, a position he currently holds.

FirstRand – committee memberships:

- Directors’ Affairs and Governance
- Transformation Monitoring

Directorships – external:

- Tracker (Proprietary) Limited
 - Metrofile Holdings Limited – chairman
 - Primedia Limited – chairman
 - BPSA (Proprietary) Limited
-

Amanda Tandiwe Nzimande (39)
BCom CTA (UCT); CA(SA);
HDip Co Law (Wits)
South African
Unit DG001, Ground Floor
Grosvenor Gate, Hyde Park Lane
Hyde Park

Tandi Nzimande is the chief financial officer at WDB Investment Holdings, the investment vehicle for the WDB Trust. Her role includes overseeing the financial area of WDB Investment Holdings as well as executing Transactions and monitoring of ongoing investment relationships.

She qualified in 1996 as a Chartered Accountant while with KPMG. She was a senior associate in the investment banking division of Deutsche Bank where she spent five years gaining experience in mergers and acquisitions internationally and in South Africa.

FirstRand – committee membership:

- Directors’ Affairs and Governance
- Transformation Monitoring
- Remuneration

Directorships – external:

- Paracon Holdings Limited
- Masana Petroleum Solutions (Proprietary) Limited
- RMB Asset Management (Proprietary) Limited
- Mintbrooke Technologies (Proprietary) Limited
- Maemo Motors (Proprietary) Limited
- Dinatla Investment Holdings (Proprietary) Limited

Non-Executive directors

Amanda Tandiwe Nzimande (*continued*) – WDB Investment Holdings (Proprietary) Limited
– FirstRand STI Holdings Limited (OutSurance)

Kgotso Buni Schoeman (46)
BA Economic, Advanced Financial
Management Diploma
South African
27 Scott Street, Waverley

Kgotso Schoeman is currently the chief executive officer of Kagiso Trust. He has been involved with the trust for over 14 years. He led the team that developed the new strategy of the trust from being a general conduit grant funding agency to a development and implementing agency in the early education and rural finance development fields. He is currently heading negotiations with the provincial education department and the private sector to secure long-term partnership for possible national rollout on a programme to improve rural education. He has considerable experience in programme design and management. He has over the past ten years participated as a team member or led a number of projects including: the Alexandra Renewal Programme, the Local Economic Development Study for the Amajuba Municipality in Newcastle, the Impact Study of the SMME Micro-financing sector around the Tshwane area and the Public Participation Process that led to Robben Island gaining world heritage status.

FirstRand – committee membership:

- Directors' Affairs and Governance
- Transformation Monitoring

Directorships – external:

- Kagiso Trust Investments (Proprietary) Limited
 - Kagiso Enterprises Rural Private Equity Fund (Proprietary) Limited
 - Kagiso Activ Training (Proprietary) Limited
 - Kagiso Trust Consultancy (Proprietary) Limited
-

Ronald Keith (Tim) Store (67)
CA(SA)
South African
4 Merchant Place
corner Fredman Drive and
Rivonia Road, Sandton

Tim Store retired in 2004 from Deloitte, South Africa where he completed his career as chairman of the board of Partners. He founded the firm's Financial Institutions Services Team in 1984. In that capacity, he rendered regulatory, risk management and corporate governance consulting services to Southern African banking institutions, central banks and the World Bank.

He has had an ongoing interest in training in regulatory, governance and risk management topics relating to banks. He has lectured in this capacity to most South African banks. Since 1997 he has convened a course with the University of Johannesburg (formerly RAU) where he holds an honorary professorship.

He is a member of the board of the National Credit Regulator. He was appointed curator for four failed South African Banks during the period 1991 to 2004.

FirstRand – committee membership:

- Audit
- Risk, capital Management and Compliance
- Large Exposure Credit – chairman
- Directors' Affairs and Governance

Directorships – FirstRand Group:

- FirstRand Bank Limited
- Rand Merchant Bank*

**Divisional board*

Non-Executive directors

Benedict James van der Ross (63)
Dip Law (UCT)
South African
4 Merchant Place
corner Fredman Drive and
Rivonia Road, Sandton

Ben van der Ross is a director of companies. He has a diploma in Law from the University of Cape Town and was admitted to the Cape Side Bar as an attorney and conveyancer. He practiced for his own account for 16 years. He became an executive director with the Urban Foundation for five years up to 1990 and thereafter of the Independent Development Trust where he was deputy chief executive officer from 1995 to 1998. He acted as chief executive officer of the South African Rail Commuter Corporation from 2001 to 2003 and as chief executive officer of Business South Africa from 2003 to 2004. He served on the board of The Southern Life Association from 1986 until the formation of the FirstRand Group in 1998.

FirstRand – committee memberships:

- Large Exposures Credit
- Directors’ Affairs and Governance
- Transformation Monitoring
- Remuneration

Directorships – FirstRand Group:

- First National Bank*
- FirstRand Bank Holdings Limited
- Makalani Holdings Limited
- Momentum Medical Scheme Administrators (Proprietary) Limited – chairman
- Momentum Africa Investments (Proprietary) Limited – chairman
- Momentum
- RMB Asset Management (Proprietary) Limited – chairman
- Strategic Real Estate Management (Proprietary) Limited – chairman

Directorships – external:

- Distell Group Limited
- Lewis Group Limited
- Naspers Limited
- Pick n Pay Stores Limited

**Divisional board*

Jan Hendrik van Greuning (57)
DCom (Economics), DCompt
(Accounting Science), CA(SA), CFA
South African
4 Merchant Place
corner Fredman Drive and
Rivonia Road, Sandton

Hennie van Greuning joined the World Bank in 1994 from the South African Reserve Bank where he served as financial manager (1986 – 1989) and Registrar of Banks (1990 – 1994). Prior to this he was a partner with Deloitte, where he spent ten years.

During his World Bank career he worked in the Financial Sector Development department as well as the Europe and Central Asia region before moving to the World Bank Treasury, until his retirement in late 2008. He has worked extensively on financial regulatory, securities accounting and operational risk management issues.

His World Bank publication on International Financial Reporting Standards (IFRS – A Practical Guide) has appeared in five editions and he has co-authored “Analysing Banking Risk” (three editions), “Risk Analysis for Islamic Banks” (first edition November 2007) as well as International Financial Statement Analysis (CFA Institute – November 2008). Some of the books have been translated into more than fifteen languages.

Non-Executive directors

Jan Hendrik van Greuning (<i>continued</i>)	FirstRand – committee memberships: <ul style="list-style-type: none">– Audit – chairman– Risk, Capital Management and compliance– Directors’ Affairs and Governance Directorships – FirstRand Group: <ul style="list-style-type: none">– FirstRand Bank Limited
Matthys Hendrik Visser (56) BCom (Hons) CA(SA) South African Remgro Limited Carpe Diem Office Park Quantum Road, Techno Park Stellenbosch	Thys Visser is a Chartered Accountant who qualified with Arthur Young & Company in Cape Town before joining Rembrandt Group Limited where he held a number of positions, including financial director in 1991 and managing director in 1992. He is currently chief executive officer of Remgro Limited. FirstRand Committee Membership: <ul style="list-style-type: none">– Directors’ Affairs and Governance– Remuneration Directorships – FirstRand Group: <ul style="list-style-type: none">– FirstRand Bank Limited– Directorships – External– Distell Group Limited– Kagiso Trust Investments (Proprietary) Limited– Medi-Clinic Corporation Limited– PG Group (Proprietary) Limited– PGSI Limited– Rainbow Chicken Limited – chairman– Remgro Limited– RMB Holdings Limited– Unilever South Africa Holdings (Proprietary) Limited

3. PRIVATE PLACEMENTS [CA 10, 17, 20(b) and 39]

Application will be made for the admission to the official list and to trading on the Exchanges of a maximum of 165 000 000 Brait Shares, to be issued pursuant to the Placements, further details of which are as follows:

3.1 Investment Team Placement

Subsequent to the closing of the Rights Offer and the Auction, if the Investment Team has not acquired its desired 18% shareholding in Brait (taking into account the number of Brait Shares subscribed for by the Investment Team during the Rights Offer Period and pursuant to the discharge of their Underwriting commitment), then the Investment Team will have the right to subscribe at the Offer Price for a maximum number of 110 000 000 Brait Shares, less the number of Brait Shares acquired by the Investment Team during the Rights Offer or pursuant to the discharge of their Underwriting commitment.

3.2 Titan Placement

Subsequent to the closing of the Rights Offer, the Auction and the Investment Team Placement, if Titan has not acquired its desired 33.33% shareholding in the Company (taking into account the number of Brait Shares subscribed for by Titan during the Rights Offer Period and pursuant to the discharge of its Underwriting commitment), then Titan will use its reasonable commercial endeavours to purchase Brait Shares in the open market with the intention of reaching its target shareholding of up to 33.33%. To the extent that Titan does not attain its target shareholding within three months after the close of the Rights Offer then Titan will have the right to subscribe for a sufficient number of Brait Shares at a subscription price of ZAR18.00 (EUR 1.87) per Brait Share in order to bring it up to its 33.33% target shareholding, subject to the condition that the maximum number of Brait Shares to be issued to Titan in terms of this placement is 55 000 000 Brait Shares.

A waiver of Brait Shareholders’ pre-emptive subscription rights will be sought prior to implementing the Placements.

4. STOCK EXCHANGES

The Board envisages that the Rights issued pursuant to the Rights Offer will be admitted to the official list of the LuxSE and trading on the Euro MTF market at 09.00 a.m. on Friday, 13 May 2011.

The Rights are also expected to be listed on the JSE at 09.00 a.m. on Friday, 13 May 2011.

The Board envisages that the New Brait Shares issued pursuant to the Rights Offer will be admitted to the official list of the LuxSE and trading on the Euro MTF market at 09.00 a.m. on Monday, 4 July 2011.

The New Brait Shares are also expected to be listed on the JSE at 09.00 a.m. on Monday, 4 July 2011.

5. EXPENSES

	(ZAR)
Total amount to be raised in terms of the Rights Offer and Placements before expenses	6 389 872 390
Approximate expenses of the Rights Offer and Placement [CA 15]	60 000 000
Net proceeds arising from the Rights Offer and Placement	6 329 872 390

The expenses of the Rights Offer and Placements are payable by Brait out of the proceeds of the Rights Offer and Placements. The expenses referred to above include the listing fees payable to the LuxSE and the JSE. **[CA 15]**

6. RIGHTS ATTACHING TO THE NEW BRAIT SHARES

The New Brait Shares will rank *pari passu* with the Existing Shares in all respects.

7. APPLICABLE LAW AND JURISDICTION

The New Brait Shares will be governed by Luxembourg law and any dispute or suit relating to the Rights and the New Brait Shares will be subject to the exclusive jurisdiction of the Luxembourg courts.

8. ANTI-MONEY LAUNDERING

Pursuant to the Luxembourg laws of 19 February 1973 (as amended) on the sale of drugs and against drug addiction; 5 April 1993 (as amended) relating to the financial sector; and 12 November 2004 (as amended) relating to the fight against money laundering and against terrorist financing and to the Circular 08/387 of the Luxembourg financial sector supervisory authority (CSSF), certain individuals are obligated to prevent money laundering and the financing of terrorism. These obligations are imposed on professionals who belong to the financial sector, the ambit of which is large and includes, *inter alia*, lawyers, tax advisors, trust and corporate providers.

Luxembourg laws, aimed at preventing money laundering, may require a detailed verification of an investor's identity. By way of example, an individual may be required to produce a copy of a passport or identification card together with evidence of his home address such as a utility bill or bank statement and date of birth. In the case of corporate investors, such measures may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), the names, occupations, dates of birth and resident and business address of all directors.

The Company reserves the right to request such information as is necessary to verify the identity of an investor. In the event of delay or failure by an investor to produce any information required for verification purposes, the Company may refuse to accept an application for or transfer of shares and subscription monies will be returned to the bank account from which they were remitted.

Part 21 Paragraphs of schedule 3 of the South African Companies Act, 61 of 1973 which are not applicable [CA 50]

In accordance with paragraph 50 of Part 4 of Schedule 3 to the South African Companies Act, the following paragraphs of Schedule 3 to the South African Companies Act are not applicable to this Circular: 1(b), 2(d), 5, 6(a)(iv), 6(e)(ii), 6(g), 6(h), 8(a), 11, 12, 18(b), 20(a), 21,24,25(2), 26, 27, 37(a), 38, 43(b), 45, 47 and 48.

SIGNED IN JOHANNESBURG ON 11 APRIL 2011 ON BEHALF OF ALL THE DIRECTORS OF BRAIT S.A. IN TERMS OF POWERS OF ATTORNEY GRANTED BY THEM ON 14 FEBRUARY 2011

Christopher Stefan Seabrooke (*Director*)

Unaudited consolidated historical financial statements of Brait and its subsidiaries for the 6-month period ended 30 September 2010

Salient features

for the six months ended 30 September

Supplementary US\$ information*

Year ended 31 March 2010 US\$m	30 Sept 2009 US\$m	Six months 30 Sept 2010 US\$m		Unaudited six months 30 Sept 2010 ZAR'm	30 Sept 2009 ZAR'm	Audited year ended 31 March 2010 ZAR'm
34.1	15.6	20.7	Profit from operations	154.3	126.2	267.3
23.6	17.2	14.7	Private capital	109.0	139.5	185.6
8.2	1.4	5.9	Public markets	43.8	11.0	64.0
2.3	(3.0)	0.1	Treasury capital	1.5	(24.3)	17.7
(6.6)	(3.3)	(3.6)	Finance costs	(26.9)	(27.2)	(52.1)
0.4	(0.1)	-	Capital items	-	(0.7)	3.1
27.9	12.2	17.1	Profit before taxation	127.4	98.3	218.3
(4.2)	(2.6)	(1.6)	Taxation	(11.7)	(21.0)	(32.7)
23.7	9.6	15.5	Profit for the period/ attributable earnings	115.7	77.3	185.6
PERFORMANCE MEASURES						
Headline earnings per share (cents)						
22.3	9.0	14.5	- Basic	107.4	72.8	174.8
22.1	8.9	14.3	- Diluted	106.6	72.7	173.2
Attributable earnings per share (cents)						
22.3	9.0	14.5	- Basic	107.4	72.8	174.8
22.1	8.9	14.3	- Diluted	106.6	72.7	173.2
23.74	11.85	10.74	Dividends per share (cents)	74.24	89.77	179.54
11.85	11.85	10.74	Interim proposed/paid	74.24	89.77	89.77
11.89	-	-	Final paid	-	-	89.77
176.2	175.1	191.0	Net asset value per share (cents)	1 331.0	1 314.9	1 302.4
13.7	5.5	13.9	Return on equity (%)	16.8	10.6	12.8
FINANCIAL STATISTICS						
301.2	279.6	358.6	Market capitalisation	2 498.7	2 099.5	2 226.3
110.5	110.5	119.0	Shares in issue (m)	119.0	110.5	110.5
Weighted average shares in issue (m)						
106.1	106.1	107.7	- Basic	107.7	106.1	106.1
107.2	106.4	108.5	- Diluted	108.5	106.4	107.2
272.6	253.0	301.4	Closing share price per share (cents)	2 100.0	1 900.0	2 015.0
Rand/US\$ exchange rates						
0.1353	0.1332	0.1435	- Closing	6.9678	7.5086	7.3926
0.1274	0.1231	0.1346	- Average	7.4309	8.1226	7.8740

Company Statements of Comprehensive Income

for the six months ended 30 September

Supplementary US\$ information*

Year ended		Six months		Unaudited six months		Audited year ended
31 March 2010	30 Sept 2009	30 Sept 2010		30 Sept 2010	30 Sept 2009	31 March 2010
US\$m	US\$m	US\$m		ZAR'm	ZAR'm	ZAR'm
27.5	10.4	16.2	Fund Management income	120.4	84.1	216.0
(29.1)	(9.3)	(18.6)	Fund Management expenses	(138.1)	(75.6)	(228.1)
(1.6)	1.1	(2.4)	(Loss)/Profit from Fund Management operations	(17.7)	8.5	(12.1)
36.4	14.0	23.3	Investment income	173.4	113.6	285.4
(1.4)	0.2	(0.5)	Investment expenses	(3.9)	1.4	(11.1)
35.0	14.2	22.8	Profit from investment operations	169.5	115.0	274.3
0.7	0.3	0.3	Income from associates	2.5	2.7	5.1
34.1	15.6	20.7	Profit from operations (Note 4)	154.3	126.2	267.3
(6.6)	(3.3)	(3.6)	Finance costs	(26.9)	(27.2)	(52.1)
0.4	(0.1)	-	Capital items (Note 5)	-	(0.7)	3.1
27.9	12.2	17.1	Profit before taxation	127.4	98.3	218.3
(4.2)	(2.6)	(1.6)	Taxation	(11.7)	(21.0)	(32.7)
23.7	9.6	15.5	Profit for the period/ attributable earnings	115.7	77.3	185.6
			Other comprehensive income			
(18.0)	(14.9)	(6.1)	Net translation adjustments	(42.8)	(112.1)	(133.4)
5.7	(5.3)	9.4	Total comprehensive income/ (loss) for the year	72.9	(34.8)	52.2
23.74	11.85	10.74	Dividends per share (cents)	74.24	89.77	179.54
11.85	11.85	10.74	Interim proposed/paid	74.24	89.77	89.77
11.89	-	-	Final paid	-	-	89.77
22.3	9.0	14.5	Basic attributable earnings per share (cents)	107.4	72.8	174.8
22.1	8.9	14.3	Diluted attributable earnings per share (cents)	106.6	72.7	173.2
22.3	9.0	14.5	Basic headline earnings per share (cents)	107.4	72.8	174.8
22.1	8.9	14.3	Diluted headline earnings per share (cents)	106.6	72.7	173.2

Abridged Company Statements of Financial Position

as at 30 September

Supplementary US\$ information*

Year ended		Six months		Unaudited six months		Audited year ended
31 March 2010	30 Sept 2009	30 Sept 2010		30 Sept 2010	30 Sept 2009	31 March 2010
US\$m	US\$m	US\$m		ZAR'm	ZAR'm	ZAR'm
ASSETS						
247.3	238.9	274.1	Non-current assets	1 910.0	1 793.5	1 828.6
240.2	230.8	271.0	Investments	1 888.6	1 732.9	1 775.5
7.1	8.1	3.1	Other	21.4	60.6	53.1
51.6	56.3	35.9	Current assets	249.8	422.5	381.4
1.8	0.1	0.1	Loans and advances	0.5	0.5	13.4
11.8	9.2	9.3	Accounts receivable and other current assets	65.0	68.8	86.8
38.0	47.0	26.5	Cash and cash equivalents (Note 6)	184.3	353.2	281.2
298.9	295.2	310.0	Total assets	2 159.8	2 216.0	2 210.0
EQUITY AND LIABILITIES						
187.0	185.8	222.4	Equity and reserves	1 549.1	1 395.1	1 382.5
68.3	88.8	79.6	Non-current liabilities	554.8	666.8	505.2
54.8	53.9	64.6	Redeemable preference shares (Note 7)	450.0	405.0	405.0
–	22.8	–	Financial liability (Note 8)	–	170.9	–
13.5	12.1	15.0	Other non-current liabilities	104.8	90.9	100.2
43.6	20.6	8.0	Current liabilities	55.9	154.1	322.3
11.5	13.0	7.5	Accounts payable	52.6	97.9	85.4
6.1	6.1	–	Redeemable preference shares (Note 7)	–	45.0	45.0
24.1	–	–	Financial liability (Note 8)	–	–	178.1
1.9	1.5	0.5	Other	3.3	11.2	13.8
298.9	295.2	310.0	Total equity and liabilities	2 159.8	2 216.0	2 210.0
176.2	175.1	191.0	NAV per ordinary share (cents)	1 331.0	1 314.9	1 302.4

Abridged Company Statements of Changes in Equity

for the six months ended 30 September

	Unaudited six months 30 Sept 2010 ZAR'm	30 Sept 2009 ZAR'm	Audited year ended 31 March 2010 ZAR'm
Balance at beginning of period	1 382.5	1 524.0	1 524.0
Net translation adjustments	(42.8)	(112.1)	(133.4)
Sale of treasury shares	18.9	-	-
Issue of shares – Sitogo unwind	169.6	-	-
Attributable earnings	115.7	77.3	185.6
Share entitlements	0.9	0.9	1.8
Ordinary dividends paid	(95.7)	(95.0)	(195.5)
Balance at end of period	1 549.1	1 395.1	1 382.5

Abridged Company Cash Flow Statements

for the six months ended 30 September

	Unaudited six months 30 Sept 2010 ZAR'm	30 Sept 2009 ZAR'm	Audited year ended 31 March 2010 ZAR'm
Cash flows from:			
Cash (utilised in)/generated by operations	(6.2)	(10.7)	27.9
Dividends received	12.4	3.1	12.7
Interest received	14.7	15.8	17.3
Finance costs and other interest paid	(29.7)	(31.8)	(61.8)
Taxation paid	(4.3)	(5.8)	(19.5)
Changes in working capital	(38.4)	(65.7)	(11.3)
Cash utilised in operating activities	(51.5)	(95.1)	(34.7)
Cash flows generated from investing activities	53.4	195.0	174.2
Cash generated from operating and investing activities	1.9	99.9	139.5
Dividends paid	(95.7)	(95.0)	(195.5)
Cash inflows from financing activities	11.2	2.2	-
Net (decrease)/increase in cash and cash equivalents	(82.6)	7.1	(56.0)
Effects of exchange rate changes on cash and cash equivalents	(14.3)	(84.0)	(92.9)
Cash and cash equivalents at beginning of period	281.2	430.1	430.1
Cash and cash equivalents at end of period	184.3	353.2	281.2

Notes to the Abridged Financial Statements

for the six months ended 30 September

1. BASIS FOR PREPARATION

The financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, on the going concern principle, using the historical cost basis, except where otherwise indicated. The abridged financial statements are presented in accordance with IAS 34 (Interim Financial Reporting). The accounting policies and methods of computation are consistent with those applied in the annual financial statements for the year ended 31 March 2010. The impact of the change in the accounting policy for performance fees on the results for the six months ended 30 September 2009 was not material and amounted to R10.1 million gross and R6.7 million net of incentive fees.

2. PRESENTATION CURRENCY

The Group has two functional currencies: SA Rand (Rand) for its South African operations and US Dollar (US\$) for its international operations. The Group's financial statements are prepared, consistent with the annual financial statements ended 31 March 2010, using Rand as its presentation currency.

3. SUPPLEMENTARY DOLLAR INFORMATION

The statements of financial position and statements of comprehensive income of the Group have also been presented in US\$ for the convenience of non-South African stakeholders in the Group. The supplementary US\$ results have been converted from the rand results using a closing rate of R6.9678 to US\$1.00 (September 2009: R7.5086 and March 2010: R7.3926) for the statements of financial position and an average rate of R7.4309 to US\$1.00 (September 2009: R8.1226 and March 2010: R7.8740) for the statements of comprehensive income.

	Unaudited six months 30 Sept 2010 R'm	30 Sept 2009 R'm	Audited year ended 31 March 2010 R'm
4. PROFIT FROM OPERATIONS INCLUDE:			
Dividends received	12.4	3.1	12.7
Interest income	14.7	15.8	16.8
Foreign currency gains/(losses)	3.1	(71.1)	4.2
Depreciation	(1.7)	(2.2)	(4.0)
Related party transactions:			
– Interest income	–	0.1	–
– Finance cost	(0.1)	(0.2)	–
– Fees paid	(0.7)	(0.5)	(0.7)
– Key management (includes directors' remuneration)	(8.5)	(10.2)	(25.1)
– Other Group directors	–	–	(2.3)
5. CAPITAL ITEMS COMPRISE:			
Net currency hedge loss	–	(7.5)	(7.2)
Fair valuation adjustment to financial liability	–	(2.2)	(12.6)
Fair valuation adjustment to financial asset	–	9.0	22.9
Total capital items	–	(0.7)	3.1
6. CASH AND CASH EQUIVALENTS			
Balances with banks	90.2	126.4	91.8
Overdraft with banks	(57.3)	–	(36.8)
Short-term treasury instruments	151.4	226.8	226.2
	184.3	353.2	281.2

	Unaudited six months 30 Sept 2010 R'm	30 Sept 2009 R'm	Audited year ended 31 March 2010 R'm
7. REDEEMABLE PREFERENCE SHARES	450.0	450.0	450.0
<i>Less: Amounts due within 12 months</i>	-	(45.0)	(45.0)
	450.0	405.0	405.0

Brait South Africa Limited (BSAL) successfully rolled-over the maturity of its R450 million redeemable preference shares at a revised coupon rate of 85% of the prime rate. A total of 450 000 (four hundred and fifty thousand) cumulative redeemable preference shares were issued at a par value of R0.01 and a premium of R999.99 per share. These shares are redeemable in three tranches on 31 July of each year, commencing in 2013 until 2015. BSAL has an option to effect early redemption.

The Group has a variable to fixed interest rate swap contract which effectively fixes the interest rate on R250 million of the above preference shares at 11.72% until 31 October 2010. Hedge accounting is applied to this swap contract.

8. FINANCIAL LIABILITY

Financial instrument – Sitogo Holdings (Proprietary) Limited (“Sitogo”)	-	170.9	178.1
<i>Less: Amounts to be settled within 12 months (disclosed as current financial liabilities)</i>	-	-	(178.1)
	-	170.9	-

Sitogo exercised its put option to Brait for the 26% interest in BSAL. The buy-back by Brait was based on the tangible net asset value of BSAL as at 31 March 2010. Brait elected to settle the net consideration, of R170.5 million, due to Sitogo with an issue of Brait shares. A total of 8.5 million shares were issued and placed under an accelerated book build at an average share price of R19.75 per share. The net proceeds from the placement was R165.5 million, with Brait contributing a further R5 million to settle the cash liability of R170.5 million.

9. RELATED PARTY BALANCES

- Liabilities	-	(204.4)	(200.4)
- Assets	4.2	48.5	44.3

10. INVESTMENTS

Included in investments, are investments in unlisted associates:

- Carrying value	23.6	26.2	21.3
- Directors' valuation	23.6	26.2	21.3

	Unaudited six months 30 Sept 2010 R'm	30 Sept 2009 R'm	Audited year ended 31 March 2010 R'm
11. CONTINGENT LIABILITIES, COMMITMENTS AND SUBORDINATED LOANS			
11.1 Contingencies			
Sureties and guarantees	73.3	5.5	39.8
11.2 Subordinated loans			
	18.5	6.5	23.1
11.3 Commitments			
Commitments to invest in funds and proprietary investments (to be funded primarily through cash from operations, treasury cash and, if necessary, additional debt capital raised)	443.6	231.7	456.5
Other	0.8	0.5	0.8
Rental commitments	35.3	9.3	5.7
- Within one year	7.6	7.4	4.9
- Between one and five years	27.7	1.9	0.8
Total commitments	479.7	241.5	463.0

12. INTEREST-BEARING LIABILITIES

All liabilities are interest bearing except for R159.6 million (2009: R174.4 million) in respect of accounts payable, accruals, provisions and deferred taxation.

**Consolidated historical financial statements of Brait and its subsidiaries
for the years ended 31 March 2010, 2009, 2008, 2007 and 2006 [CA 6(f)]**

Group Statements of Comprehensive Income

Five-year review

	Notes	2010 R'm	2009 R'm	2008 R'm	2007 R'm	2006 R'm
Fund management income	2	216.0	283.2	201.4	279.1	136.5
Fund management expenses	3	(228.1)	(231.9)	(207.9)	(270.5)	(239.7)
(Loss)/Profit from fund management operations		(12.1)	51.3	(6.5)	8.6	(103.2)
Investment income	4	285.4	215.3	314.4	467.6	463.7
Investment expenses	5	(11.1)	(40.9)	(10.2)	(62.5)	(32.9)
Profit from investment operations		274.3	174.4	304.2	405.1	430.8
Profit from operations		267.3	237.3	302.1	438.9	326.9
– Private capital		185.6	75.8	240.7	248.5	250.2
– Corporate finance		–	–	–	–	5.8
– Public markets		64.0	86.6	27.1	43.7	8.3
– Treasury capital		17.7	74.9	34.3	146.7	62.6
Finance cost	6	(52.1)	(59.2)	(53.8)	(45.1)	(15.4)
Capital items	7	3.1	39.1	162.9	(30.4)	23.9
Profit before taxation		218.3	217.2	411.2	363.4	335.4
Taxation	8	(32.7)	(50.6)	(33.3)	(48.6)	(17.3)
Profit from continuing operations		185.6	166.6	377.9	314.8	318.1
Profit from discontinued operations		–	–	15.1	45.1	–
Profit for the year		185.6	166.6	393.0	359.9	318.1
Minority interest		–	–	–	(21.1)	(17.3)
Attributable earnings		185.6	166.6	393.0	338.8	300.8
Attributable earnings per share (cents)						
– Basic	9	174.8	157.0	370.3	330.4	331.9
– Diluted	9	173.2	156.6	367.7	316.9	292.1
Dividends per share (cents)	10	179.54	178.90	150.34	133.34	119.32
– Interim paid		89.77	89.45	59.07	59.40	51.51
– Final proposed/paid		89.77	89.45	91.27	73.94	67.81
Ruling exchange rates						
Average rate – R/US\$		7.8474	8.8587	7.1260	7.0435	6.3979
Closing rate – R/US\$		7.3926	9.5124	8.0922	7.2550	6.1765

Group Statements of Financial Position

Five-year review

	Notes	2010 R'm	2009 R'm	2008 R'm	2007 R'm	2006 R'm
ASSETS						
Non-current assets		1 828.6	1 885.0	1 820.4	1 247.8	978.8
Goodwill		–	–	–	16.7	15.4
Property and equipment	11	12.1	3.7	5.0	19.6	11.7
Investments in associates	12	21.3	27.3	14.0	13.8	38.3
Private capital investments	13	1 595.3	1 653.9	1 459.2	954.7	710.9
Public markets investments	14	158.9	145.5	139.1	123.3	111.2
Financial assets	15	35.6	48.5	192.4	95.8	55.5
Term loans	16	5.4	6.1	10.7	16.7	18.5
Deferred tax asset		–	–	–	7.2	17.3
Current assets		381.4	525.0	563.1	1 074.4	929.1
Financial assets and other current investments	15	36.0	–	–	–	–
Other current investments	17	–	65.4	82.8	80.0	98.8
Loans and advances	18	13.4	0.6	2.3	321.4	234.1
Accounts receivable	19	36.7	28.9	60.3	105.8	20.4
Taxation		14.1	–	–	–	–
Cash and cash equivalents	20	281.2	430.1	417.7	567.2	575.8
Total assets		2 210.0	2 410.0	2 383.5	2 322.2	1 907.9
EQUITIES AND LIABILITIES						
Equity						
Share capital and premium	21	256.2	256.2	256.1	257.4	264.2
Legal reserve	22	48.3	29.1	22.6	19.1	18.4
Foreign currency translation reserve		(19.1)	114.3	85.1	(29.0)	(150.6)
Retained reserves		1 064.1	1 093.2	1 125.6	946.6	780.2
Equity reserve	23	33.0	31.2	29.2	27.6	24.3
Minority interest		–	–	0.2	54.4	39.3
Total equity		1 382.5	1 524.0	1 518.8	1 276.1	975.8
Liabilities						
Non-current liabilities		505.2	692.4	645.1	636.2	612.7
Redeemable preference shares	24	405.0	450.0	450.0	450.0	450.3
Deferred tax liability	25	97.8	70.5	38.9	10.1	–
Financial liability	26	–	168.6	152.9	140.0	92.0
Non-current borrowings	27	2.4	3.3	3.3	36.1	70.4
Current liabilities		322.3	193.6	219.6	409.9	319.4
Accounts payable	28	85.4	94.6	108.1	116.1	102.5
Redeemable preference shares	24	45.0	–	–	–	–
Provisions	29	2.8	26.7	24.3	38.5	35.8
Other current liabilities	26	178.1	–	–	–	–
Current borrowings	30	11.0	67.6	84.8	240.8	174.3
Taxation		–	4.7	2.4	14.5	6.8
Total liabilities		827.5	886.0	864.7	1 046.1	932.1
Total equity and liabilities		2 210.0	2 410.0	2 383.5	2 322.2	1 907.9

Group Statements of Cash Flow

Five-year review

	Notes	2010 R'm	2009 R'm	2008 R'm	2007 R'm	2006 R'm
Cash flows (utilised in)/ generated from operating activities before changes in working capital						
		(23.4)	240.3	25.6	233.7	30.7
Cash generated by operations	33.1	27.9	52.2	30.3	223.3	36.5
Dividends received		12.7	9.4	19.0	52.1	10.9
Interest received		17.3	43.7	62.2	25.6	35.2
Interest paid		(61.8)	(59.2)	(53.8)	(45.1)	(15.4)
Proceeds from disposal of currency hedge		-	299.4	-	-	-
Premium on currency hedge		-	(88.1)	(27.9)	(2.1)	(22.4)
Taxation paid	33.2	(19.5)	(17.1)	(4.2)	(20.1)	(14.1)
Changes in working capital	33.3	(11.3)	10.4	(15.1)	(69.1)	43.5
Cash (utilised in)/generated from operating activities						
		(34.7)	250.7	10.5	164.6	74.2
Cash flows generated from/ (utilised in) investing activities						
		174.2	(114.9)	5.9	27.4	140.8
Acquisition of property and equipment		(12.8)	(2.4)	(1.8)	(14.6)	(6.4)
Proceeds on sale of property and equipment		0.2	1.0	251.9	1.3	73.6
Decrease/(Increase) in investments		186.8	(113.5)	(244.2)	41.4	70.4
Acquisition of subsidiary					3.1	-
Restructuring of subsidiary					(3.8)	-
Loan repaid to associate company		-	-	-		3.2
Dividends paid	33.4	(195.5)	(188.7)	(175.2)	(171.7)	(126.7)
Cash outflows from financing activities						
		-	(4.6)	(43.5)	(33.6)	394.7
Repayment of borrowings		-	(4.3)	7.6	(25.7)	(87.7)
Repurchase of share entitlements		-	-	-	(0.7)	(0.6)
Repurchase of shares		-	(0.1)	(16.8)	(56.1)	-
Proceeds from share scheme shares delivered		-	0.2	4.4	42.4	49.9
Decrease in non-current borrowings		-	(0.4)	(38.7)	6.5	433.1
Net decrease in cash and cash equivalents						
		(56.0)	(57.5)	(202.3)	(13.3)	483.0
Effects of exchange rate changes on cash and cash equivalents		(92.9)	69.9	52.8	4.7	(18.3)
Cash and cash equivalents at beginning of year		430.1	417.7	567.2	575.8	111.1
Cash and cash equivalents at end of year	20	281.2	430.1	417.7	567.2	575.8

Group Statistics

Five-year review

	2010	2009	2008	2007	2006
Share statistics					
Shares					
In issue (total) (m) (Including treasury shares)	110.5	110.5	110.5	110.5	110.5
<i>Weighted average</i>					
– Basic (m)	106.1	106.1	106.1	102.5	90.6
– Diluted (m)	107.2	106.4	106.9	106.9	103.0
Earnings per share					
<i>Headline (cents)</i>					
– Basic	174.8	157.0	253.3	314.1	291.7
– Diluted	173.2	156.6	251.5	301.5	256.7
Attributable (cents)					
– Basic	174.8	157.0	370.3	330.4	331.9
– Diluted	173.2	156.6	367.7	316.9	292.1
Dividends (cents)					
– Interim (paid)	89.77	89.45	59.07	59.40	51.51
– Final (proposed/paid)	89.77	89.45	91.27	73.94	67.81
Dividend cover* (times)	1.0	0.9	2.4	2.4	2.4
Dividend yield* (%)	8.9	17.0	7.1	4.6	4.8
Year-end closing share price (cents)	2 015	1 050	2 125	2 920	2 500
Net asset value per share (cents)	1 302.4	1 436.4	1 431.5	1 208.0	961.6
Key ratios					
Return on total assets (%)	8.0	7.0	16.7	16.0	19.7
Return on equity (%) **	12.8	11.0	28.1	30.1	35.5
Price : Earnings ratio (historical)	11.5	6.7	5.7	8.8	7.5
Earnings yield (%)	8.7	15.0	17.4	11.3	13.3
Other statistics					
Number of employees at year-end	102	116	109	93	95
Attributable earnings per employee (R'000)	1 819.2	1 436.2	3 605.5	3 643.0	3 166.3
Total assets (R'm)	2 210.0	2 410.0	2 383.5	2 322.2	1 907.9
Shareowners' funds (R'm)	1 382.5	1 524.0	1 518.8	1 276.1	975.8
Market capitalisation (R'm)	2 226.3	1 160.1	2 254.6	3 084.6	2 537.0
Average shareowners' funds (R'm)	1 453.2	1 521.4	1 397.5	1 126.0	847.0
Public markets assets under management (R'm)	4 422.2	3 843.8	5 750.0	4 070.8	3 160.9
Private capital committed funds (R'm)	9 167.8	12 143.6	13 406.1	11 448.0	6 636.6
Attributable earnings (R'm)	185.6	166.6	393.0	338.8	300.8

* On attributable earnings.

** The ROE calculation methodology was revised from: change in capital/average capital for the year, to attributable earnings/average capital for the year.

NOTES TO THE GROUP FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

1.1 Basis of presentation

The financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, on the going concern principle, using the historical cost basis, except where otherwise indicated. The abridged financial statements contain the information required per IAS 34 (Interim Financial Reporting).

The accounting policies and methods of computation are consistent with those applied in the annual financial statements for the year ended 31 March 2010. The impact of the change in the accounting policy for performance fees on the results for the six months ended 30 September 2009 was not material and amounted to R10.1 million gross and R6.7 million net of incentive fees.

The Company has two functional currencies: South African Rand ("Rand") for its South African operations and US dollar ("US\$") for its international operations. The Company has prepared its financial statements, consistent with the previous year, using the Rand as its presentation currency.

1.2 Adoption of new and revised standards and interpretations

IFRS/IFRIC	Title and details	Impact
IFRS 2 (amended)	Vesting Conditions and Cancellations The amendments to IFRS 2 clarify that vesting conditions are performance conditions and service conditions only. The amendment also clarify that cancellations of share options by parties other than the entity are to be accounted for in the same way as cancellations by the entity.	The adoption of this standard has not led to any changes in the Company's accounting policies.
IFRS 7	Financial Instruments: Disclosures The amendments to IFRS 7 require enhanced disclosures about fair value measurements and liquidity risk.	The adoption of this standard has led to expanded disclosures regarding the Company's financial instruments. There is no impact on the reported results or financial position of the Company.
IFRS 8	Operating Segments IFRS 8 replaces IAS 14: Segment Reporting. IFRS 8 requires an entity to report financial and descriptive information about its reportable operating segments. Operating segments are components of an entity about which separate financial information is available and that is evaluated regularly by the chief operating decision-maker in deciding how to allocate resources and assessing performance.	The adoption of this standard has had no impact on the reported results or financial position of the Company.
IAS 1 (revised)	Presentation of Financial Statements IAS 1 is comprehensively revised including requiring a statement of comprehensive income.	The adoption of this standard has led to revised disclosures but has had no impact on the reported results or financial position of the Company.
IAS 32 (amended)	Financial Instruments Puttable at Fair value The amendment to IAS 32 requires the classification of certain puttable financial instruments and financial instruments that impose on the issuer an obligation to deliver a <i>pro rata</i> share of the entity only on liquidation as equity. The amendment sets out specific criteria that are to be met to present the instruments as equity together with related disclosure requirements.	The adoption of this standard has not led to any changes in the Company's accounting policies.

2. PRINCIPLES OF CONSOLIDATION

2.1 Business combinations

Business combinations are accounted for in accordance with the underlying nature of the combination. Acquisitions are accounted for using purchase accounting. Where an investment in a subsidiary or associated company is acquired or disposed of during the financial year, its results are included from, or to, the date control became, or ceased to be, effective. Mergers which took place before 31 March 2004, the effective date of IFRS 3: Business Combinations, were accounted for using the uniting of interests method.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) up to 31 March each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any shortfall in the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to profit and loss in the period of acquisition. The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised. Subsequently, any losses applicable to the minority interest in excess of the minority interest are allocated against the interests of the parent.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Company. All intra-company transactions, balances, income and expenses are eliminated on consolidation.

2.3 Goodwill

Goodwill arising on the acquisition of a subsidiary or jointly controlled entity represents the excess of the cost of acquisition over the Company's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired entity and is recognised at date of acquisition.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. The carrying amount of the goodwill is reviewed annually, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Negative goodwill, which represents the excess of the Company's interest in the fair value of the identifiable assets and liabilities acquired over the cost of acquisition, is recognised immediately in profit or loss.

2.4 Associated companies

Associates are those enterprises in which the Company holds a long-term equity interest and over which it has the ability to exercise significant influence, but not control, and are neither subsidiaries nor joint ventures.

Equity accounted income, which is included in the carrying values of the associates, represents the Company's proportionate share of the associates' profit after tax and after accounting for dividends payable by those associates.

Investments in private equity associates are designated as at fair value through profit or loss and accounted for in accordance with IAS 39: Financial Instruments: Recognition and Measurement. Such investments are measured at fair value in accordance with IAS 39, with changes in fair value recognised in profit or loss in the period of the change.

2.5 Joint ventures

A joint venture is a contractual arrangement whereby the Company and other parties undertake an economic activity which is subject to joint control, in which the Company has a long term interest. Joint control is where the strategic, financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

Equity accounted income, which is included in the carrying values of joint ventures, represents the Company's proportionate share of the joint ventures' profit after tax and after accounting for dividends payable by the joint ventures.

2.6 Treasury shares

Ordinary Shares in Brait S.A. held by any subsidiary, the Brait Share Scheme 2005 and Brait Share Incentive Scheme 2005 are classified as treasury shares in the statement of changes in equity.

Treasury shares are not cancelled but treated as a deduction from the issued and weighted average number of shares in issue and the cost price of the shares is presented as a deduction from equity. On the re-issue of the shares to the market the proceeds are credited to reserves.

Dividends received on treasury shares are eliminated on consolidation.

2.7 Segmental reporting

A segment is a distinguishable component of the Company that is engaged in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Company is organised into three business segments for operational and management purposes, namely, Private Capital, Public Markets and Treasury Capital. Brait reports its primary business segment information on this basis and on a secondary basis by geographical locations of operations.

2.8 Use of estimates, judgements and assumptions

In preparing the consolidated financial statements, management is required to exercise its judgement in the process of applying the Company's accounting policies, make estimates, judgements and assumptions that affect reported income, expenses, assets and liabilities and disclosure of contingent assets and liabilities.

Estimates, judgements and assumptions made, predominantly relate to impairment provisions for loans and advances, useful lives, residual values and depreciation methods for property and equipment. Other judgments made relate to classifying financial assets and liabilities into their relevant categories and in the determination of their fair value measurement and disclosure purposes.

A change in accounting estimate is defined as an adjustment to the carrying value of an asset, liability or the amount of the periodic consumption of an asset that results from the new information or new developments. Changes in accounting estimates are recognised in the Statement of Comprehensive Income during the period in which the change is made.

3. TRANSLATION OF FINANCIAL STATEMENTS OF FOREIGN ENTITIES INTO THE PRESENTATION CURRENCY

Assets and liabilities of foreign entities are translated into rand at year-end exchange rates. Capital and reserves are translated at historical rates. Statement of Comprehensive Income items are translated at the average exchange rates for the year.

Translation differences arising from the translation of foreign operations are taken directly to reserves. On disposal of foreign operations, such translation differences are recognised in profit and loss as part of the gain or loss on disposal.

4. FOREIGN CURRENCY ASSETS AND LIABILITIES

In preparing the financial statements of the individual entities, Transactions in currencies other than the entity's functional currency, are recorded at the exchange rates prevailing on the dates of the Transactions. At each statement of financial position date, monetary items denominated in foreign currency are translated at the exchange rates prevailing on the statement of financial position date. Non-monetary items carried at fair value that are denominated in foreign currency are translated at the exchange rates prevailing when the fair value was determined. Non-monetary items that are measured in terms of historical costs in a foreign currency are translated at the closing exchange rate.

5. REVENUE RECOGNITION

5.1 Fund management income

Fund management income comprises income from management fees and performance fees.

5.1.1 Management fees

Management fees are recognised as the services are rendered. The services relate to Brait performing the role of fund manager in its Public Markets business and as manager and general partner in its Private Capital business.

Management fees are charged at an agreed percentage of either the market value of assets under management (Public Markets), or of the value of funds committed to the fund (Private Equity) which is reduced on a sliding scale after a certain period (usually five years) after which the fee becomes based on value of the original cost of the remaining fund investments.

5.1.2 Performance fees

Performance fees on Public Markets products are earned on the out-performance of an agreed rate above the hurdle or preferred rate as agreed with the investors in the funds. Performance fees are recognised monthly based on the fund's month-end valuation at the agreed percentage of the out-performance of the hurdle or preferred rate.

5.1.3 Incremental costs directly attributable to securing an investment management contract

Incremental costs directly attributable to securing an investment management contract, such as placement fees for third party providers, are written-off to profit and loss as they are incurred. This is a prudent approach to the option provided by IAS 18 Appendix 14(b)(iii) which allows for such costs to be recognised as an asset if they are incremental and can be identified separately and measured reliably and it is probable that they will be recovered.

5.2 Investment income

Investment income comprises income from investment appreciation, capital participation, interest and dividend income.

5.2.1 Investment appreciation and capital participation

Investment appreciation and related capital participations are recognised as earned. This relates to the fair value gains on the capital invested by the Company either alongside its investors into Public Markets or Private Equity funds, or invested on its own. The fair value is determined per IAS 32 and IAS 39 on Financial Instruments (see details under Financial Instruments note).

5.2.2 Interest income

Interest income is accrued on a yield to maturity basis by reference to the principal outstanding and the interest rate applicable. In certain instances where the loan is in arrears an assessment is made regarding recoverability of the loan or Company of loans and if necessary the accrual of interest is not recognised in profit and loss.

5.2.3 Dividend income

Dividend income is recognised on the date the entity's right to receive payment is established.

6. TAXATION

Income tax for the year comprises current and deferred tax. Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the statement of financial position date, and any adjustments to tax payable in respect of previous years.

Deferred tax is provided for on the comprehensive basis, using the statement of financial position liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, using tax rates enacted at the statement of financial position date.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available, against which the unused tax losses can be utilised.

7. PROPERTY AND EQUIPMENT

Property and equipment is stated at historical cost less accumulated depreciation and impairments.

Depreciation is provided for on the historical cost, using the straight-line basis, at rates considered appropriate to write the assets down to their expected residual value over their estimated useful lives which are re-assessed at each reporting date. Refer to Note 11.

8. NON-CURRENT ASSETS HELD-FOR-SALE

Non-current assets classified as held-for-sale are measured at the lower of their carrying amount and fair value, less estimated costs to be incurred to sell the asset.

Non-current assets are classified as held-for-sale if their carrying amount will be recovered through a sale Transactions rather than through continuing use. This condition is regarded as having been met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale, within one year from the date of classification.

9. FINANCIAL INSTRUMENTS

Financial instruments include all financial assets, financial liabilities and equity instruments including derivative instruments and certain private equity associates.

Financial assets and financial liabilities, in respect of financial instruments, are recognised on the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument. All Transactions, including regular way purchases and sales, are recognised at fair value on trade date.

9.1 Classification

Financial assets are classified into the following categories:

- financial assets at fair value through profit or loss (FVTPL);
- held-to-maturity investments;
- available-for-sale (AFS) financial assets; and
- loans and receivables.

Currently, the Company has not chosen to classify any investments as 'available-for-sale' or 'held-to-maturity' investments. However, as the classification is investment specific this does not preclude the use of these categories in the future. Should these categories be utilised in the future the appropriate accounting treatment as specified by IAS 39 will be applied.

Financial liabilities are classified into the following categories:

- financial liabilities at FVTPL; and
- other financial liabilities.

9.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, Transactions costs and other premiums or discounts) through the expected life of the financial asset or liability, or, where appropriate, a shorter period.

Interest income or expense is recognised on an effective interest basis for instruments other than those designated as at FVTPL.

9.3 Financial instruments at FVTPL

Financial assets or financial liabilities are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset/liability is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future;
- it is a part of an identified portfolio of financial instruments that the Company manages together and has a recent actual pattern of short-term profit taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset/liability other than a financial asset/liability held for trading may be designated as at FVTPL upon initial recognition if:

- the financial asset forms part of a Company of financial assets, financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk Management or investment strategy, and information about the Companying is provided internally on that basis;
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

The Company designates the majority of its financial asset investments as FVTPL as the Company is managed on a fair value basis. As a result of the BEE Transactions both a financial asset and financial liability have been recognised. In order to reduce the resultant accounting asymmetry both components of the Transactions have been designated at FVTPL. See Notes 15 and 27.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset.

Statement of financial position items carried at fair value include private capital investments, public markets investments, financial assets and other current investments.

9.4 The determination of fair value

The fair values of financial assets and financial liabilities are determined as follows:

- (a) The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted bid market prices. Should a contractual, governmental or other legally enforceable restriction that would impact the value realised on reporting date apply, a discount is taken against the quoted price.
- (b) The Private Capital investments, which include listed and unlisted co-investments and capital participations in the Company's managed funds as well as proprietary investments, are valued at their estimated fair value as determined by the Board at the reporting date. In valuing investments, the directors follow the principles recommended in the International Private Equity and Venture Capital Valuation Guidelines. Fair value represents the amount of which an asset could be exchanged between knowledgeable, willing parties at arm's length. In estimating fair value, the directors use a methodology which is appropriate in light of the nature, facts and circumstances of the investment. Due to the inherent uncertainties in estimating the value of unlisted investments, the directors exercise due caution in applying the various methodologies.

The Company applies a number of methodologies to determine and assess the reasonableness of the fair value, which may include the following:

- (a) Earnings multiple.
- (b) Recent Transactions prices.
- (c) Net asset value.

The primary valuation model utilised for unlisted investments is the Maintainable Earnings Multiple Model. The earnings multiple is calculated using the average of the JSE sector in which peer companies operate and/or the average of direct listed peer companies. Adjustments are made for points of difference between the comparator and the company being valued including nature of operations, type of market exposure, competitive position, quality of management, capital structure and differences between the liquidity of the shares being valued and those on a quoted exchange. The derived multiple is then multiplied by Maintainable Earnings.

Maintainable Earnings are derived as an average of historic and forecasted Earnings Before Interest Tax, Depreciation and Amortisation (EBITDA) adjusted for any non-recurring income or expenditure from the Company's annual financial statements. A discounted cash flow (DCF) valuation is used only as a cross-check of the value estimated for the company under market-based methodologies.

9.5 Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Statement of financial position items include term loan investments, trade and other receivables, loans and advances and cash and bank balances.

9.6 Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each statement of financial position date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For all other financial assets, including finance lease receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganisation.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly only when all legal avenues have been exhausted and there is no possibility of an additional recovery. For all other financial assets considered to be impaired, the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount and subsequent recoveries of amounts previously written off are recognised in profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

9.7 Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

9.8 Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

9.9 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

9.10 Financial guarantee contract liabilities

Financial guarantee contract liabilities are measured initially at their fair values and are subsequently measured at the higher of:

- the amount of the obligation under the contract, as determined in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets;
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

9.11 Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of Transactions costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

9.12 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

9.13 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to market risk. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently measured to their fair value at each statement of financial position date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. Further details of derivative financial instruments are disclosed in Note 15.

9.14 Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss.

10. CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash and cash equivalents comprise cash and balances with banks, and short-term cash deposited with the Brait Multi-Strategy Fund.

11. OFFSETTING

Financial assets and liabilities are off-set and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

12. PROVISIONS

Provisions are recognised when the Company has a present obligation as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reasonably estimated.

13. BORROWING COSTS

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

14. LONG-TERM INCENTIVE PLAN

The Company's long-term incentive plan ("LTIP") for employees is a continuation of the previous staff retention and remuneration policies whereby share appreciation rights were issued under the following equity-settled schemes:

- Brait Share Scheme 2005; and
- Brait Share Incentive Scheme.

The share appreciation rights granted under the above schemes entitle the participant to receiving the appreciation above the grant value as rights are not entitlements to the purchase the shares at strike price on grant date. These rights qualify as share based payments under IFRS 2 (Share-based Payment), and the accounting treatment is explained below.

In November 2008, changes were made by the company to the LTIP scheme's equity settled portion to accommodate a cash bonus that vests over four years and is notionally invested in share appreciation rights. The cash bonus attracts leverage (leverage award) of twice the cash bonus with the total amount ("LTIP award") notionally invested in Brait shares. The following accounting treatment is applied for the share appreciation rights, including the LTIP awards:

14.1 Share-based Payment

The share appreciation rights have a pre-determined vesting profile, which results in lapse of the instrument if the employee resigns or is dismissed before the vesting date.

In accordance with IFRS 2, where the equity instruments do not vest until the employee has completed a specified period of service, it is assumed that the services rendered by the employee, in consideration for the equity instruments, will be received in the future over the vesting period.

The LTIP award referred to above in respect of the cash bonus and twice leverage invested in notional shares is measured at fair value at grant date where the following are taken into account:

- cash bonus and leverage award do not give rise to an employee benefit at the award date as this has a four-year vesting period;
- each year results in a 25% vesting of the cash bonus and in a bonus expense to profit and loss and corresponding liability due to the participant;
- the potential appreciation rights on the LTIP award are measured at fair value for IFRS 2 purposes taking into account the interest paid on the gearing;
- disclosure is therefore made of only the cash bonus award plus any appreciation value on the LTIP award in excess of the both notional gearing and leverage amount; and
- the notional shares do not become the property of the participant at any time, and are merely used as a reference point for the conditional settlement of the LTIP at a future date in a manner similar to payment of a bonus, only that the actual bonus is paid in shares representing the equivalent value of the appreciation gains since grant date.

The share appreciation instruments granted by the Company are measured at fair value at measurement date using a standard option pricing valuation model. The valuation technique is consistent with generally accepted valuation methodologies for pricing financial instruments and incorporates all factors and assumptions knowledgeable and willing market participants would consider in setting the price of the equity instrument.

The grant fair value of the share appreciation rights is amortised to profit and loss over the vesting period of the instrument.

14.2 Employee Benefits for Product Awards

In addition the LTIP scheme involves the following:

- a participant or employee being entitled to a cash bonus which vests over four years;
- Brait advances notional leverage, at prime, of twice the cash bonus to the participant (“leverage award”), provided total leverage for all participants is less than 15% of Brait’s NAV;
- the total amount contributed (“LTIP award”) above is invested in the participant’s business unit products (Private Capital or Public Markets);
- the products do not become the property of the participant at any time, and are merely used as a reference point for the conditional settlement of the LTIP award at a future date in a manner similar to the payment of a bonus; and
- the value of the future conditional payment to the employee is computed with reference to cash which is distributed from the products or notional shares, less the value of the notional leverage (including any notional interest payable on the leverage).

The above scheme is accounted under IAS 19 – Employee Benefits, for the product as the benefits are not equity settled. The following key accounting treatment is followed by the Company in relation to the employee benefits relating to the LTIP awards invested in the product:

- cash bonus and leverage award do not give rise to an employee benefit at the award date as this has a four-year vesting period;
- each year results in a 25% vesting of the cash bonus and in a bonus expense to profit and loss and corresponding liability due to the participant being recorded;
- a remuneration expense and liability is recorded for the portion of the investment returns that relate to the unvested cash bonus. Any returns on the vested cash bonus belong to the participant and is not a remuneration expense to Brait; and
- returns on the leverage portion of the product (participant only paid returns above prime due to the notional interest) are not an employee benefit from Brait (and hence not an expense to Brait) as the participant pays a market-related interest expense on the leverage.

The present value of the LTIP vested benefits which have not been paid out are shown as a liability and these are calculated with reference to:

- the total expected increase in the underlying investment product over the four-year vesting period;
- the total number of employees expected to remain in employment over the four-year vesting period;
- any other assumptions that may adjust the total LTIP award to be paid to each employee as required by paragraph 73 of IAS 19 (Employee Benefits).

15. RELATED PARTY TRANSACTIONS

All related party Transactions are, unless otherwise disclosed, at arm's length and are in the normal course of business. Refer to Notes 1, 2, 3 and 36.

16. RETIREMENT BENEFIT COSTS

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Refer to Note 3.

18. COMPARATIVE FIGURES

Where necessary, comparative figures have been restated to conform with changes in presentation in the current year. Refer to Note 37.

Standards and interpretations applicable to the Company not yet effective

Standards/Interpretation		Effective date
IAS 36	Impairment of Assets – Amendments resulting from April 2009 Annual Improvements to IFRSs. There will be no impact on the reported results or financial position of the Company as a result of the adoption of this standard.	Annual periods commencing on or after 1 January 2010
IAS 39	Financial Instruments: Recognition and Measurement. Amendments resulting from April 2009 Annual Improvements to IFRSs. There will be no impact on the reported results or financial position of the Company as a result of the adoption of this standard.	Annual periods commencing on or after 1 January 2010

NOTES TO THE GROUP FINANCIAL STATEMENTS
for the year ended 31 March

	2010 R'm	2009 R'm	2008 R'm	2007 R'm	2006 R'm
2. FUND MANAGEMENT INCOME	216.0	283.2	201.4	279.1	136.5
Management fees	142.0	166.2	167.9	178.6	117.5
Performance fees	69.4	109.9	23.6	96.1	8.1
Other income	4.6	7.1	9.9	4.4	10.9
Fund management income includes the following related party transactions:					
– Interest and dividends received from BEE partner (Sitogo Holdings)	0.1	0.2	9.9	9.5	6.4
3. FUND MANAGEMENT EXPENSES					
Includes the following:					
Employee costs	125.4	124.7	112.4	127.8	120.9
Retirement funding costs	6.7	7.0	5.8	5.1	4.5
Auditors' remuneration	4.8	5.7	5.1	4.5	3.1
Audit fees	1.9	4.1	3.7	2.8	1.9
Prior year under-provision	0.6	0.4	0.6	0.4	0.6
Other services	2.3	1.2	0.8	1.3	0.6
Directors' emoluments	25.1	29.4	28.3	22.4	31.9
Executive directors					
As directors of Brait S.A.	0.2	0.6	0.6	0.4	0.6
aid by subsidiaries within the Group	19.9	22.8	24.2	19.1	28.8
Non-executive directors					
As directors of Brait S.A.	0.8	2.6	1.1	0.9	0.6
Paid by subsidiaries within the Group	1.2	1.0	1.3	1.2	1.3
Otherwise in connection with the Group	3.0	2.4	1.1	0.8	0.6
Depreciation	4.0	2.0	1.6	5.1	3.8
Movement in provisions	1.6	5.0	6.9	19.8	17.3
Property lease rentals	9.8	7.6	6.5	11.3	7.7
Foreign currency profit	4.2	0.4	–	–	(2.6)
Sale of property and equipment (profit)/loss	(0.2)	0.7	–	2.3	–
Recoveries impairments (reversal)/expense	–	(0.7)	–	–	6.4
Share entitlement expenses (refer Note 33)	1.8	2.0	1.6	3.3	4.5
Professional fees – legal, consulting and management	14.5	11.8	12.4	23.0	9.7
Travel and insurance costs	6.6	6.9	7.8	18.4	11.8
Advertising and marketing costs	6.9	9.9	7.2	8.3	7.6
Communication and computer costs	9.3	12.9	7.4	14.6	10.8
Listing and related costs	0.1	3.4	3.0	3.1	1.3
Other expenses	7.5	3.2	1.9	1.5	1.0
Total fund management expenses	228.1	231.9	207.9	270.5	239.7
Operating expenses include the following related party transactions:					
– Fees paid	0.7	3.8	5.3	10.5	57.6
– Key management (includes directors' remuneration)	25.1	29.4	28.3	22.4	31.9
– Other Group directors	2.3	2.3	11.3	16.8	21.6

	2010	2009	2008	2007	2006
	R'm	R'm	R'm	R'm	R'm
4. INVESTMENT INCOME					
Realised gains/(losses) on financial assets and instruments	116.2	99.9	100.7	80.7	57.2
– Private Capital	113.6	3.2	42.1	30.4	47.3
– Public Markets	(1.0)	–	–	47.3	2.8
– Treasury Capital	3.6	96.7	58.6	3.0	7.1
Net unrealised gains/(losses) on financial assets and instruments	139.7	64.5	142.5	195.4	249.9
– Private Capital	98.9	50.2	183.6	177.1	246.4
– Public Markets	37.3	16.1	6.4	(32.1)	5.7
– Treasury Capital	3.5	(1.8)	(47.5)	50.4	(2.2)
Other investment income	29.5	50.9	71.2	191.5	156.6
– Dividend income	12.7	9.4	19.0	37.1	10.9
– Interest income	16.8	41.5	52.2	154.4	145.7
Total investment income	285.4	215.3	314.4	467.6	463.7
Unrealised gains for Treasury Capital includes a (loss)/profit arising from the effects of exchange rate changes on cash and cash equivalents	(92.9)	69.9	52.8	4.7	(18.3)
5. INVESTMENT EXPENSES	11.1	40.9	10.2	62.5	32.9
– Fund-related expenses	18.5	13.6	14.6	38.2	29.5
– Interest paid	9.7	14.0	0.1	–	–
– Movement in provisions	(17.1)	–	–	–	–
– Loan impairment and other expenses	–	13.3	(4.5)	24.3	3.4
6. FINANCE COSTS					
Interest on shareholder's loan	0.2	0.4	2.5	3.1	7.7
Interest paid other	5.0	4.5	2.4	0.4	7.7
Preference share dividends	46.9	54.3	48.9	41.6	–
Total finance costs	52.1	59.2	53.8	45.1	15.4
Finance costs include the following related party transactions:					
– Interest paid to BEE partner – Sitogo Holdings (Proprietary) Limited	0.1	0.5	2.5	3.1	7.7

	2010 R'm	2009 R'm	2008 R'm	2007 R'm	2006 R'm
7. CAPITAL ITEMS					
7.1 Net currency hedge gain/(cost)	(7.2)	90.3	43.5	(6.4)	(15.4)
The Group made the decision to terminate its policy of hedging its Rand exposure of the net investment in the South African operations (Brait South Africa Limited) into US dollars. The policy change has had no effect on the Group's results for the current year and the results of the previous year. The hedging costs for the current year relate to the residual costs of the call option taken out in October 2008.					
The comparative amount represents the net total arising from the gain on restructuring the group's previous two hedges with a nominal value of US\$61 million (realised gain of R169.8 million) less the R79.5 million premium cost arising on taking up the replacement hedge with a nominal value of R40 million. (Refer Note 15.2.)					
7.2 Fair value adjustment to financial liability	(12.6)	(16.3)	(12.7)	(48.2)	(8.9)
Represents the change in fair value of the financial liability arising from the sale of a 26% share of Brait South Africa Limited. (Refer Note 26.)					
7.3 Fair value adjustment to financial asset	22.9	(34.9)	7.9	22.2	11.7
Represents the change in fair value of the financial asset arising from the equity investment in Sitogo Holdings (Proprietary) Limited. (Refer Note 15.)					
7.4 Profit on disposal of subsidiary and other investments					
Represents the gain on realisation of investment in Bayport and property investments	-	-	124.2	2.0	36.5
Total capital items	3.1	39.1	162.9	(30.4)	23.9

	2010 R'm	2009 R'm	2008 R'm	2007 R'm	2006 R'm
8. TAXATION					
Taxation expense					
<i>Income tax expense</i>					
Luxembourg	-	-	-	-	-
Foreign taxation:					
Current	1.0	16.7	1.1	27.4	14.7
Deferred	27.3	31.6	28.8	20.7	2.6
Total income tax expense	28.3	48.3	29.9	48.1	17.3
<i>Other taxation expense</i>					
Luxembourg	1.1	1.5	1.4	0.5	-
Foreign taxation	3.3	0.8	2.0	-	-
Total taxation expense	32.7	50.6	33.3	48.6	17.3

The Group has reconciled its income tax expense to the income tax rate applicable to the holding company for the year ended 31 March 2010. In the jurisdiction that the holding company is registered, the income tax rate is zero, as other forms of taxation are applied.

9. ATTRIBUTABLE EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

- Attributable earnings	185.6	166.6	393.0	338.8	300.8
The weighted average number of shares is calculated as follows:					
Total number of ordinary shares issued (million)	110.5	110.5	110.5	110.5	110.5
Less: Weighted average number of treasury shares (million)	(4.4)	(4.4)	(4.4)	(8.0)	(19.9)
Weighted average number of ordinary shares for the purposes of basic earnings per share (million)	106.1	106.1	106.1	102.5	90.6
Basic earnings per share (cents)	174.8	157.0	370.3	330.4	331.9
Diluted earnings					
Weighted average number of ordinary shares for the purposes of basic earnings per share (million)	106.1	106.1	106.1	102.5	90.6
<i>Adjusted for the following potential dilution:</i>					
• Share entitlements granted to employees (million)	0.4	0.2	0.7	1.0	1.3
• Share entitlements granted to executive directors (million)	0.7	0.1	0.1	3.4	11.1
Diluted weighted average number of ordinary shares for the purposes of diluted earnings per share (million)	107.2	106.4	106.9	106.9	103.0
Diluted earnings per share (cents)	173.2	156.6	367.7	316.9	292.1

The sale of a 26% share of the Group's South African operations to Sitogo Holdings (Proprietary) Limited is anti-dilutive.

	2010 R'm	2009 R'm	2008 R'm	2007 R'm	2006 R'm
9. ATTRIBUTABLE EARNINGS PER SHARE <i>(continued)</i>					
HEADLINE EARNINGS PER SHARE					
Attributable earnings	185.6	166.6	393.0	338.8	300.8
Headline earnings adjustment					
– Gain on realisation of investment in subsidiary	–	–	(124.2)	1.1	(18.6)
– Gain on realisation of non-current assets held-for-sale	–	–	–	(18.3)	(16.6)
Headline earnings	185.6	166.6	268.8	321.6	265.6
– Discontinued operations	–	–	(15.1)	(45.1)	–
Headline earnings from continuing operations	185.6	166.6	253.7	276.5	265.6
Headline earnings per share from continuing operations (cents)	174.8	157.0	239.1	269.8	291.7
Diluted headline earnings per share from continuing operations (cents)	174.8	156.6	237.4	258.7	256.7
Headline earnings per share (cents)	174.8	157.0	253.3	314.1	291.7
Diluted headline earnings per share (cents)	173.2	156.6	251.5	301.5	256.7
	cents	cents	cents	cents	cents
10. DIVIDENDS PER SHARE	179.54	178.90	150.34	133.34	119.32

– An interim dividend of 89.77 cents per share (11.85 US cents per share for shareowners who receive their dividends in US\$) was proposed and paid by the Board of directors in respect of the interim period ended 30 September 2009.

– The board has proposed a final dividend of 89.77 cents per share (11.89 US cents per share for shareowners who receive their dividends in US\$) for the year ended 31 March 2010.

The shareowners were asked to ratify the interim dividend paid and approve the payment of the final dividend for the year ended 31 March 2010 at the annual general meeting of shareowners held on 28 July 2010 in Luxembourg.

	Land and buildings R'm	Leasehold improve- ments R'm	Furniture and fittings R'm	Motor vehicles R'm	Computer equipment R'm	Total R'm
11. PROPERTY AND EQUIPMENT						
Cost						
2010						
Carrying amount at beginning of year	-	-	4.6	0.5	9.8	14.9
Additions	-	-	8.8	-	4.0	12.8
Disposals	-	-	(1.8)	(0.1)	(0.4)	(2.3)
Translation differences	-	-	(0.1)	-	-	(0.1)
Carrying amount at end of year	-	-	11.5	0.4	13.4	25.3
2009						
Carrying amount at beginning of year	-	-	4.7	0.3	9.5	14.5
Additions	-	-	-	0.3	2.1	2.4
Disposals	-	-	(0.1)	(0.1)	(1.8)	(2.0)
Carrying amount at end of year	-	-	4.6	0.5	9.8	14.9
2008						
Carrying amount at beginning of year	1.5	1.0	9.9	6.1	21.1	39.6
Additions	-	-	0.4	0.1	1.3	1.8
Disposals	(1.5)	(1.0)	(5.6)	(5.9)	(13.0)	(27.0)
Translation differences	-	-	-	-	0.1	0.1
Carrying amount at end of year	-	-	4.7	0.3	9.5	14.5
2007						
Carrying amount at beginning of year	1.3	-	7.1	3.6	18.0	30.0
Additions	0.4	0.9	3.9	3.9	5.5	14.6
Disposals	-	-	(1.0)	(0.4)	(2.3)	(3.7)
Translation differences	(0.2)	0.1	0.1	(1.0)	0.2	(0.8)
Subsidiary now an associate	-	-	(0.2)	-	(0.3)	(0.5)
Carrying amount at end of year	1.5	1.0	9.9	6.1	21.1	39.6
2006						
Carrying amount at beginning of year	-	-	5.3	3.1	14.8	23.2
Additions	1.2	-	1.2	1.2	2.6	6.2
Disposals	-	-	-	(0.8)	-	(0.8)
Translation differences	0.1	-	0.6	0.1	0.6	1.4
Carrying amount at end of year	1.3	-	7.1	3.6	18.0	30.0
Accumulated depreciation						
2010						
Carrying amount at beginning of year	-	-	2.6	0.1	8.5	11.2
Charges for the year	-	-	2.7	0.1	1.2	4.0
Disposals	-	-	(1.7)	(0.1)	(0.1)	(1.9)
Translation differences	-	-	-	-	(0.1)	(0.1)
Carrying amount at end of year	-	-	3.6	0.1	9.5	13.2
2009						
Carrying amount at beginning of year	-	-	2.3	0.1	7.1	9.5
Charges for the year	-	-	0.3	0.1	1.6	2.0
Disposals	-	-	-	(0.1)	(0.2)	(0.3)
Carrying amount at end of year	-	-	2.6	0.1	8.5	11.2

	Land and buildings R'm	Leasehold improve- ments R'm	Furniture and fittings R'm	Motor vehicles R'm	Computer equipment R'm	Total R'm
11. PROPERTY AND EQUIPMENT						
<i>(continued)</i>						
Accumulated depreciation						
<i>(continued)</i>						
2008						
Carrying amount at beginning of year	–	0.4	3.9	1.7	14.0	20.0
Charges for the year	–	–	0.3	–	1.3	1.6
Disposals	–	(0.4)	(1.9)	(1.6)	(8.2)	(12.1)
Carrying amount at end of year	–	–	2.3	0.1	7.1	9.5
2007						
Carrying amount at beginning of year	–	–	3.6	1.2	13.6	18.4
Charges for the year	–	0.3	1.0	1.1	2.2	4.6
Disposals	–	–	(0.7)	(0.5)	(1.8)	(3.0)
Translation differences	–	0.1	–	(0.1)	–	–
Carrying amount at end of year	–	0.4	3.9	1.7	14.0	20.0
2006						
Carrying amount at beginning of year	–	–	2.5	0.6	11.1	14.2
Charges for the year	–	–	1.3	0.6	2.4	4.3
Disposals	–	–	–	–	–	–
Translation differences	–	–	(0.2)	–	0.1	(0.1)
Carrying amount at end of year	–	–	3.6	1.2	13.6	18.4
Carrying value						
– At 31 March 2010	–	–	7.9	0.3	3.9	12.1
– At 31 March 2009	–	–	2.0	0.4	1.3	3.7
– At 31 March 2008	–	–	2.4	0.2	2.4	5.0
– At 31 March 2007	1.5	0.6	6.0	4.4	7.1	19.6
– At 31 March 2006	1.3	–	3.5	2.4	4.4	11.7
Depreciation rates (%)						
Furniture and fittings			10	–	33	
Computer equipment			20	–	50	
Motor vehicles			20	–	25	

	2010 R'm	2009 R'm	2008 R'm	2007 R'm	2006 R'm
12. INVESTMENTS IN ASSOCIATES					
12.1 Carrying values					
Carrying value at the beginning of the year	27.3	14.0	13.8	38.3	35.6
– Currency translation differences	(1.9)	1.7	–	(0.8)	–
– Share of retained earnings	5.1	11.6	4.4	14.8	2.7
– Disposal of investment in associates	(9.2)	–	(4.2)	(30.5)	–
Carrying value of investments in associates	21.3	27.3	14.0	13.8	38.3
12.2 Valuation					
Investments in associates					
– Carrying value	21.3	27.3	14.0	13.8	38.3
– Directors' valuation	21.3	27.3	14.0	49.5	38.3
Directors' valuation of unlisted investments is based on expected return and other relevant factors.					
12.3 Associates					
The following sets out the Group's aggregated amount of associate assets, liabilities, income and expenses:					
Balance sheet					
Assets	144.9	217.9	161.4	16.8	89.6
Liabilities	(91.3)	(172.7)	(142.7)	(13.1)	(87.7)
Net asset value	53.6	45.2	18.7	3.7	1.9
Income statement					
Income	43.3	67.1	46.9	10.5	89.6
Profit for the year	8.4	24.9	10.0	(2.7)	20.5
Group's share of profits of associates	5.1	11.6	4.4	14.8	2.7
13. PRIVATE CAPITAL INVESTMENTS					
Proprietary investments at fair value	557.2	533.0	534.5	410.9	309.4
– Listed	26.9	107.4	164.3	159.2	111.8
– Unlisted	530.3	425.6	370.2	251.7	197.6
Private equity funds investments	1 038.1	1 120.9	924.7	543.8	401.5
	1 595.3	1 653.9	1 459.2	954.7	710.9
14. PUBLIC MARKETS INVESTMENTS					
Unlisted					
Brait Absolute South Africa Fund	28.0	25.2	45.0	112.8	97.6
Lauriston Opportunity Fund	6.5	3.7	6.9	10.5	2.5
Brait Multi-Strategy Fund	89.3	70.2	55.6	–	–
Brait Matrix Fixed Income Fund	35.1	25.2	–	–	–
Brait Ruby Fund	–	21.2	–	–	–
Brait High Alpha Fund	–	–	20.5	–	–
PSGAI Quant Fund	–	–	11.1	–	–
Emerging Managers Funds	–	–	–	–	11.1
Total fair value using underlying market value	158.9	145.5	139.1	123.3	111.2

	2010 R'm	2009 R'm	2008 R'm	2007 R'm	2006 R'm
15. FINANCIAL ASSETS					
Sitogo Holdings (Proprietary) Limited (Sitogo)	36.0	39.8	64.6	56.1	33.4
Less: Amounts to be settled within 12 months (disclosed as current financial assets)	(36.0)	–	–	–	–
	–	39.8	64.6	56.1	33.4
Currency hedge	–	8.7	127.8	39.7	22.1
Other listed investments *	7.5	–	–	–	–
Unlisted investment	28.1	–	–	–	–
	35.6	48.5	192.4	95.8	55.5

* The fair value is based on listed market values.

(1) Sitogo Holdings (Proprietary) Limited

Pursuant to the sale by the Company of a 26% share of its South African subsidiary to Sitogo, the Company subscribed for 32.314% in a special class of equity (A ordinary shares) in Sitogo.

The rights attached to the A ordinary shares are as follows:

- allows for early redemption under certain conditions (refer Note 27);
- includes a contractual obligation to settle in cash;
- it restricts the holder to a maximum return; and
- in the event of a default, or for as long as the loan granted to Sitogo remains outstanding or certain conditions have not been met, the ordinary shareowners have ceded their rights to the holders of the A ordinary shares.

The investment has been recorded as a financial asset as it has given rise to a financial instrument which has been disclosed in terms of IFRS 7: Financial Instruments: Disclosure.

The initial cost of the investment was R17.4 million (US\$2.7 million) and has subsequently been fair valued to R36.0 million (US\$4.8 million) using a discounted cash flow model based on the following assumptions:

- Cost of capital: 14.8%.
- Average prime rate: 11.5%.
- Termination date of 30 July 2010.
- Conservative growth in South African operations NAV: 11.5%.
- Minimal credit risk assumed.

(2) Currency hedge

The Group made the decision to terminate its policy of hedging its Rand exposure of the net investment in the South African operations (Brait South Africa Limited) into US dollars. The policy change has had no effect on the Group's results for the current year and the results of the previous year. The hedging costs for the current year relate to the residual costs of the call option taken out in October 2008.

The notional principal disclosed in the comparative below is the gross value of derivative contracts outstanding at the prior year-end and served only as an indicator of the extent of the Group's derivative activities. The notional principal does not necessarily reflect the amount payable or receivable under a derivative contract.

In the prior year the fair value of a financial instrument represented the present value of the positive or negative cash flows which would have occurred if the rights and obligations arising from that instrument were closed out by the Group in an orderly market-place transaction at year-end.

	2010 R'm	2009 R'm	2008 R'm	2007 R'm	2006 R'm
16. TERM LOANS					
Sitogo Holdings (Pty) Limited	1.1	1.1	1.1	8.7	8.6
This loan is rand denominated, bears interest at South African Prime overdraft rate with fixed quarterly interest payment in arrears. This loan has a six-year term subject to accelerated maturity conditions on the third anniversary date in the event of certain "trigger events".					
Brait S.A. has the right to dispose of the loan at any time during the duration of the loan agreement for the face value of the loan plus accrued interest thereon.					
Other loans	4.3	5.0	9.6	8.0	9.9
Total	5.4	6.1	10.7	16.7	18.5
17. OTHER CURRENT INVESTMENTS					
Investment at fair value:					
Listed*	-	65.4	82.8	80.0	98.8
* The fair value is based on listed market values.					
18. LOANS AND ADVANCES					
Current loans and advances	13.5	0.7	2.5	330.5	244.0
Less: Provision for impairment	(0.1)	(0.1)	(0.2)	(9.1)	(9.9)
Total	13.4	0.6	2.3	321.4	234.1
18.1 Maturity structure					
One year or less	13.4	0.6	2.3	330.5	234.7
Between one and five years	-	-	-	-	9.3
More than five years	13.4	0.6	2.3	330.5	244.0
18.2 Geographical analysis					
South Africa	13.4	0.6	2.3	1.8	70.4
Other African countries	-	-	-	328.7	173.6
	13.4	0.6	2.3	330.5	244.0
19. ACCOUNTS RECEIVABLE					
Client receivables	19.0	16.0	58.6	94.6	18.5
- Clients and other receivables	20.6	17.6	60.2	95.0	22.2
- Provision for impairment	(1.6)	(1.6)	(1.6)	(0.4)	(3.7)
Pre-payments and accrued income	14.0	12.0	0.9	4.4	0.6
Other	3.7	0.9	0.8	6.8	1.3
Total accounts receivable	36.7	28.9	60.3	105.8	20.4

	2010 R'm	2009 R'm	2008 R'm	2007 R'm	2006 R'm
20. CASH AND CASH EQUIVALENTS					
(Overdraft)/Balances with banks	(36.8)	126.5	(39.7)	166.5	227.4
Short-term treasury investments*	318.0	303.6	457.4	400.7	348.4
Total cash and cash equivalents	281.2	430.1	417.7	567.2	575.8

* These funds are invested with Brait Multi-Strategy Fund and can be redeemed within 30 days.

21. SHARE CAPITAL AND PREMIUM

Authorised share capital

The authorised share capital of the company is US\$225 000 000 represented by 150 000 000 shares of no par value (accounting par value of US\$1.50 per share).

Issued share capital	256.2	256.2	256.1	257.4	264.2
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	2010 Total number of shares in issue	2009 Total number of shares in issue	2008 Total number of shares in issue	2007 Total number of shares in issue	2006 Total number of shares in issue
--	--	--	--	--	--

Issued shares

Opening balance	110 487 321	110 487 321	110 487 321	110 487 321	102 255 732
Less: Treasury shares	4 017 245	4 363 978	4 388 817	4 849 479	9 024 663
– Opening balance	4 363 978	4 388 817	4 849 479	9 024 663	22 958 370
– Treasury shares issued	(750 143)	(589 898)	(1 173 914)	(6 214 408)	(13 933 707)
– Treasury shares repurchased	403 410	565 059	713 252	2 039 224	–
Bonus shares issued	–	–	–	–	8 231 589
Shares in issue at 31 March (excluding treasury shares)	106 470 076	106 123 343	106 098 504	105 637 842	101 462 658

Treasury shares comprise:

The Brait Executive Share Purchase Scheme Trust	–	–	555 557	1 055 557	6 877 553
The Brait S.A. Share Incentive Scheme Trust	1 150 521	1 055 944	1 080 784	1 754 698	2 147 110
Shares repurchased	2 866 724	3 308 034	2 752 476	2 039 224	–
	4 017 245	4 363 978	4 388 817	4 849 479	9 024 663

The unissued ordinary shares are under the control of the directors, subject to certain constraints, until the forthcoming annual general meeting.

	2010 R'm	2009 R'm	2008 R'm	2007 R'm	2006 R'm
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22. LEGAL RESERVE

Luxembourg law requires the appropriation of 5% of the prior year's unconsolidated net earnings of Brait S.A. to a legal reserve until such reserve equals 10% of its issued share capital. The legal reserve is not available for distribution, except upon dissolution of Brait S.A. The transfer to the legal reserve is subject to the approval of shareowners.

Opening balance	29.1	22.6	19.1	18.4	18.4
Transfer from retained reserves	19.2	6.5	3.9	0.7	-
Sale of Bayport	-	-	(0.4)	-	-
Balance at end of year	48.3	29.1	22.6	19.1	18.4

23. EQUITY RESERVE

Movement in equity reserve

Opening balance	31.2	29.2	27.6	24.3	18.6
Share entitlement expenses in terms of IFRS 2 (Share-based Payments)	1.8	2.0	1.6	3.3	5.7
Balance at end of year	33.0	31.2	29.2	27.6	24.3

24. REDEEMABLE PREFERENCE SHARES

	450.0	450.0	450.0	450.0	450.3
<i>Less:</i> Amounts due within 12 months (disclosed as current liabilities)	(45.0)	-	-	-	-
	405.0	450.0	450.0	450.0	450.3

Brait South Africa Limited ("BSAL") raised R450 million of preference share capital during the 2006 financial year to provide additional capital to leverage the Group's internal growth strategy. 450 000 (four hundred and fifty thousand) cumulative redeemable preference shares were issued at a par value of R0.01 and a premium of R999.99 per share. These shares carry a dividend of 78% of the South African prime rate of interest and are redeemable in four tranches on 31 July of each year commencing in 2010, as follows:

- 31 July 2010 - R45.0 million.
- 31 July 2011 - R67.5 million.
- 31 July 2012 - R67.5 million.
- 31 July 2013 - R270.0 million.

BSAL is entitled to effect early redemption at any time prior to the specified settlement dates.

In terms of the agreement, there are a number of early redemption events as set out below:

- tangible NAV falls below a specified amount;
- earnings/debt service coverage ratio falls below a certain threshold; and
- the Group has a negative EBIT for any two consecutive years.

None of these events have taken place.

This liability is secured via a guarantee by Brait S.A. and other subsidiaries.

This issue had no significant impact on the earnings per share.

The Group has a variable to fixed interest rate swap contract which effectively fixes the interest rate on R250 million of the above preference shares at 11.72% until 31 October 2010. Hedge accounting is applied to this swap contract.

	2010 R'm	2009 R'm	2008 R'm	2007 R'm	2006 R'm
25. DEFERRED TAX LIABILITY					
25.1 Deferred tax analysis					
Deferred tax liability	103.5	78.1	46.7	57.8	–
Unrealised capital gains tax on investments	103.5	77.6	39.2	57.8	–
Other timing differences	–	0.5	7.5	–	–
Deferred tax asset	(5.7)	(7.6)	(7.8)	(47.7)	–
Estimated taxable losses	–	–	(3.6)	(29.1)	–
Expense provisions	(2.3)	(2.8)	(2.2)	(2.8)	–
Income received in advance	(3.8)	(0.6)	(0.5)	(0.7)	–
Unutilised secondary tax on companies	–	–	(1.5)	(14.4)	–
Other timing differences	0.4	(4.2)	–	(.7)	–
Net deferred tax liability	97.8	70.5	38.9	10.1	–
25.2 Deferred tax reconciliation					
Deferred tax liability at beginning of the year	70.5	38.9	10.1	–	–
Charge to the income statement	27.3	31.6	28.8	10.1	–
Estimated taxable losses	–	3.6	25.5	(29.1)	–
Expense provisions	0.5	(0.6)	0.6	(2.8)	–
Income received in advance	(3.2)	(0.1)	0.2	(0.7)	–
Capital Gains Tax	25.9	34.3	(18.6)	57.9	–
Unutilised Secondary Tax on Companies	–	1.5	12.9	(14.5)	–
Other timing differences	4.1	(7.1)	8.2	(0.7)	–
Net deferred tax liability at the end of the year	97.8	70.5	38.9	10.1	–

The deferred tax asset and liability originated from the same entity.

26. FINANCIAL LIABILITY

Financial instrument – Sitogo Holdings (Proprietary) Limited (Sitogo)	178.1	168.6	152.9	140.0	92.0
Less: Amounts to be settled within 12 months (disclosed as current financial liabilities)	(178.1)	–	–	–	–
	–	168.6	152.9	140.0	92.0

Initial recognition

The sale by the Company of a 26% share of its South African subsidiary to Sitogo has not been recorded as a sale as it did not meet the accounting requirement for recognition as such. Consequently the sale proceeds have been recorded as a financial liability as it has given rise to a financial instrument which has been disclosed in terms of IFRS 7: Financial Instruments: Disclosures, and measured in terms of IAS 39: Financial Instruments: Recognition and Measurement.

The selling price was determined based on the tangible net asset value of the South Africa subsidiary at sale date and additional fair value adjustments thereto.

Subsequent recognition

The fair value adjustment to the liability, which is based on the movement in the tangible net asset value of BSAL from the date of sale until 31 March 2010 equates to R12.6 million for the current year (refer Note 7).

Embedded derivatives

Conditions contained in the transaction provides the various parties with a number of exit alternatives giving rise to various embedded derivatives. These derivatives however, have nominal values attached to them for as long as the fair value of the financial liability equates to the tangible net asset value of the South African subsidiary which is the case at present.

Detailed below is a summary of exit arrangements:

- (i) Three-year call option – *exercise date 30 September 2007*: the call option provided Sitogo with a mechanism, under certain conditions, to sell a portion of its share in the South Africa operation to Brait S.A. to enable Sitogo to settle its liabilities. This option was not exercised on 30 September 2007.
- (ii) Three-year put option – *exercise date 30 September 2007*: the put option provided Brait S.A. (secondary financier) and Old Mutual Asset Managers (primary financier) with a mechanism which, under certain conditions, requires Sitogo to settle its liabilities. This option was not exercised on 30 September 2007.
- (iii) Five-year call option – *exercise date 30 September 2010*: the call option provides Brait S.A., in certain circumstances, with a mechanism to acquire the total equity of Sitogo.
- (iv) Five-year put option – *exercise date 30 September 2010*: the put option provides the ordinary shareholders of Sitogo, subject to certain conditions, with a mechanism for Sitogo to dispose of the total equity in Sitogo to Brait S.A.
- (v) Six-year put option – *exercise date 30 September 2011*: provides the financiers, subject to certain conditions and where the five-year put and call have not been exercised by Brait S.A. or Sitogo, as may be applicable, with a mechanism for Sitogo to sell a portion of its interests in the South African operation to Brait S.A. thereby enabling Sitogo to settle its debt to the financiers.

	2010	2009	2008	2007	2006
	R'm	R'm	R'm	R'm	R'm
27. OTHER NON-CURRENT LIABILITIES					
Unsecured loan					
Sitogo Holdings (Proprietary) Limited	3.3	3.3	3.3	26.8	27.2
Less: Amounts to be settled within					
12 months (refer Note 30)	(3.3)	–	–	–	–
Other	2.4	–	–	9.3	43.2
Total other non-current liabilities	2.4	3.3	3.3	36.1	70.4
This loan is Rand denominated, bears interest at South African Prime overdraft interest rate with fixed quarterly interest payments in arrears and conditional terms of repayment, one of which is that a 50% majority is required by BSAL shareowners in order to fully or partially settle the loan.					
28. ACCOUNTS PAYABLE					
Trade payables	17.2	15.5	12.1	22.0	18.5
Employee costs and benefits	36.4	48.0	65.9	47.1	53.1
Other	31.8	31.1	30.1	47.0	30.9
Total accounts payable	85.4	94.6	108.1	116.1	102.5
29. PROVISIONS					
Fund raising expenses	1.6	–	4.7	19.8	8.6
Private equity rights	0.1	1.1	1.4	7.3	4.9
Commission and other	1.1	25.6	18.2	11.4	22.3
Total provisions	2.8	26.7	24.3	38.5	35.8

	Fund raising expenses	Private equity rights	Commission and other	2010 Total	2009 Total	2008 Total	2007 Total	2006 Total
	R'm	R'm	R'm	R'm	R'm	R'm	R'm	R'm
29. PROVISIONS <i>(continued)</i>								
Movement of provisions								
The movements for the year in the Group's provisions were as follows:								
Balance at beginning of year	-	1.1	25.6	26.7	24.3	38.5	35.8	16.2
Provisions utilised during the year	-	(1.0)	(2.0)	(3.0)	(9.3)	(24.0)	(35.2)	(8.3)
Charge to income statement for the year	1.6	-	(17.1)	(15.5)	9.0	6.9	31.7	28.8
- Current year	1.6	-	-	1.6	9.0	6.1	36.6	30.7
- Amounts released to income statement	-	-	(17.1)	(17.1)	-	0.8	(4.9)	(1.9)
Translation differences	-	-	(5.4)	(5.4)	2.7	2.9	6.2	(0.9)
Balance at end of year	1.6	0.1	1.1	2.8	26.7	24.3	38.5	35.8

All provisions are anticipated to be realised within the next 12 months.

	2010	2009	2008	2007	2006
	R'm	R'm	R'm	R'm	R'm
30. CURRENT BORROWINGS					
Loans from associates	-	-	1.5	3.7	14.2
Current portion of non-current secured liabilities (refer Note 27)	3.3	-	-	8.9	6.2
Preference shares dividend accrual	7.7	8.3	8.5	7.2	-
Other	-	59.3	74.8	221.0	153.9
Total current borrowings	11.0	67.6	84.8	240.8	174.3

31. RETIREMENT CONTRIBUTION PLANS

Most of the Group's employees are members of its defined contribution retirement funds. The Group does not have any defined benefit plans. The majority of the Group's employees also participate in various disability and group life assurance benefits.

	2010 R'm	2009 R'm	2008 R'm	2007 R'm	2006 R'm
32. CONTINGENT LIABILITIES AND COMMITMENTS					
32.1 Contingencies					
Contingencies, sureties and guarantees	39.8	9.5	4.7	1.0	1.2
32.2 Subordinated loans	23.1	8.3	8.4	23.6	32.7
32.3 Commitments					
Commitments to invest in funds and proprietary investments <i>(to be funded primarily from cash from operations and, if necessary, through debt capital raised – refer Note 24)</i>	456.5	277.0	306.1	439.7	215.6
Other	0.8	0.6	5.0	7.6	6.8
– Rental commitments*	5.7	12.7	19.5	25.6	31.5
– Within one year	4.9	7.1	6.6	6.1	6.8
– Between 1 and 5 years	0.8	5.6	12.9	19.5	24.7
	463.0	290.3	330.6	472.9	253.9

* The property rental lease agreements are subject to an 8% annual escalation with an option, at the lessees' discretion, to renew at the end of the 5-year lease term for a further 5 years.

33. CASH FLOW INFORMATION

33.1 Cash generated by operations

Profit for the year	185.6	166.6	393.0	359.9	318.1
<i>Adjustments for:</i>					
Taxation	32.7	50.6	33.3	48.6	17.3
Dividends received	(12.7)	(9.4)	(19.0)	(52.1)	(10.9)
Interest received	(17.3)	(43.7)	(62.2)	(25.6)	(35.2)
Finance costs	52.1	59.2	53.8	45.1	15.4
Interest paid	9.7	–	–	–	–
Depreciation	4.0	2.0	1.6	5.1	3.8
Share entitlement expenses	1.8	2.0	1.6	3.3	4.5
Fair value adjustment of financial liability	12.6	16.3	12.7	48.2	8.3
Fair value adjustment of financial asset	(22.9)	34.9	(7.9)	(22.2)	(255.9)
Net gains on financial assets and instruments	(280.9)	(64.5)	(142.5)	(195.4)	(11.5)
Equity accounted income	(5.1)	(11.6)	(4.4)	–	–
Profit on disposal of subsidiary	–	–	(124.2)	1.1	(18.6)
(Profit)/loss on disposal of property and equipment	(0.2)	0.7	–	(3.1)	(17.9)
Other (recoveries)/impairments	(16.6)	12.6	(1.8)	12.9	6.4
Net currency hedge (income)/cost	7.2	(90.3)	(43.5)	6.4	14.1
Effects of exchange rate changes on cash and cash equivalents	92.9	(69.9)	(52.8)	–	–
Other	(15.0)	(3.3)	(7.4)	(8.9)	(1.4)
Total cash generated by operations	27.9	52.2	30.3	223.3	36.5

	2010 R'm	2009 R'm	2008 R'm	2007 R'm	2006 R'm
33. CASH FLOW INFORMATION					
<i>(continued)</i>					
33.2 Taxation paid					
Taxation balance at beginning of year	(4.7)	(2.4)	(14.5)	(6.7)	(6.2)
Dilution of interest in subsidiary	-	-	13.1	1.4	-
Current tax expense for the year	(2.1)	(15.5)	(2.9)	(27.9)	(14.7)
Secondary Tax on Companies (STC) paid	(3.3)	(3.5)	(1.6)	-	-
Taxation balances at end of year	(14.1)	4.7	2.4	14.5	6.7
Translation differences	4.7	(0.4)	(0.7)	(1.4)	0.1
Total taxation paid	(19.5)	(17.1)	(4.2)	(20.1)	(14.1)
33.3 Change in working capital					
(Decrease)/Increase in accounts payable and provisions	(6.9)	(24.5)	(39.6)	106.5	95.3
(Increase)/Decrease in accounts receivable	(14.9)	32.9	27.7	(80.6)	25.0
Increase/(Decrease) in loans and advances	10.5	2.0	(3.2)	(95.0)	(76.8)
Total change in working capital	(11.3)	10.4	(15.1)	(69.1)	43.5
33.4 Dividends paid					
Dividends paid represent the final dividend for the year ended 31 March 2009 of 89.45 cents per share paid in August 2009 and the interim dividend of 89.77 cents per share paid in December 2009	(195.5)	-	-	-	-
The comparative represents the final dividend for the year ended 31 March 2008 of 91.27 cents per share paid in August 2008 and the interim dividend of 89.45 cents per share paid in December 2008	-	(192.7)			
<i>Less: Shareholders for unclaimed dividends provision at 31 March 2009</i>	-	4.0			
Dividends paid in comparative periods	-	-	(175.2)	(171.7)	(126.7)
Total dividends paid	(195.5)	(188.7)	(175.2)	(171.7)	(126.7)

34. SHARE-BASED PAYMENTS (IFRS 2)

The following information has been provided to disclose the effect of share-based payments on the Group, in terms of the provisions of IFRS 2 to all unvested entitlements granted to participants after 7 November 2002. The weighted average Brait S.A. share price for the year was R17.65 (2009: R15:30).

34.1 Effect on the current year distributable earnings

<i>Income statement</i>					
Share entitlement expense	1.8	2.0	1.6	3.3	4.5

35. RELATED PARTY BALANCES

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group, its associates and joint ventures are disclosed below. Transactions between the Company and its subsidiaries and associates are disclosed in the Companies separate financial statements.

Trading balances

During the year, Group companies entered into the following transactions with related parties who are not members of the Group:

	2010		2009		2008		2007		2006	
	R	R	R	R	R	R	R	R	R	R
Amounts owed by/ (owed to) related parties	Owed by	Owed to	Owed by	Owed to	Owed by	Owed to	Owed by	Owed to	Owed by	Owed to
35.1 Associates	8.3	(22.3)	7.6	(32.4)	9.9	(25.9)	17.5	(16.0)	9.9	(25.9)
35.2 Other										
Sitogo Holdings Proprietary (Limited) (refer Notes 15, 26 and 27 for further detail)	36.0	(178.1)	40.9	(171.9)	65.7	(156.2)	64.6	(166.9)	65.7	(156.2)
35.3 Key management										
(Arising in terms of the Brait Executive Share Incentive and Co-investment schemes)	-	-	-	-	-	(74.8)	1.2	(85.0)	-	(74.8)
	44.3	(200.4)	48.5	(204.3)	75.6	(256.9)	83.3	(267.9)	75.6	(256.9)

Unaudited *pro forma* consolidated statement of comprehensive income and statement of financial position of Brait and its subsidiaries

The unaudited *pro forma* Group statement of financial position at 30 September 2010 and statement of comprehensive income for the six-month period ended 30 September 2010 are set out below. The unaudited *pro forma* Group statement of financial position and statement of comprehensive income have been prepared for illustrative purposes only to provide information on how the Transactions might have impacted on the financial position and results of the Group. Because of their nature, the unaudited *pro forma* Group statement of financial position and statement of comprehensive income may not be a fair reflection of the Group's financial position, nor of its future earnings after implementation of the Transactions.

The unaudited *pro forma* Group statement of financial position and statement of comprehensive income have been prepared using accounting policies that comply with International Financial Reporting Standards and that are consistent with those applied in the published audited consolidated results of Brait for the year ended 31 March 2010.

The directors of Brait are responsible for the compilation, contents and preparation of the unaudited *pro forma* financial information contained in the Circular and for the financial information from which it has been prepared. Their responsibility includes determining that: the unaudited *pro forma* financial information has been properly compiled on the basis stated; the basis is consistent with the accounting policies of Brait; and the *pro forma* adjustments are appropriate for the purposes of the unaudited *pro forma* financial information disclosed in terms of the Listings Requirements.

The unaudited *pro forma* Group statement of financial position and statement of comprehensive income as set out below should be read in conjunction with the report of the independent reporting accountants which is included as Annexure 4 to this Circular:

Group Statement of Financial Position

	Notes	Unaudited 30-Sep-10 Total R'm	Pro forma Adjustments Capital raising R'm	Pro forma Adjustments Acquisitions R'm	Pro forma 30-Sep-10 Total R'm
ASSETS					
Non-current assets		1 910.0			8 629.2
Property and equipment		10.7			10.7
Investments in associates		10.7			10.7
Private capital investments	1, 4	1 720.7	(786.6)	5 918.1	6 852.2
Public markets investments		103			103
Other investments and financial assets	4	64.8		387.7	452.5
Loans and advances	2		1 200.0		1 200.0
Current assets		249.7			1 149.8
Loans and advances		0.5			0.5
Accounts receivable		53.6		(33.9)	19.7
Taxation		11.3			11.3
Cash and cash equivalents	5	184.3	6 818.1	(5 884.2)	1 118.2
Total assets		2 159.8			9 778.9
EQUITY AND LIABILITIES					
Equity and reserves		1 549.1			8 354.9
Share capital and premium	3	444.7	6 329.9		6 774.6
Legal reserve		58.8	1 200.0		1 258.8
Equity reserve		33.9			33.9
Foreign currency translation reserve		(61.9)			(61.9)
Retained reserves	6	1 073.5	(724.1)		349.4
Non-current liabilities		554.8			1 368.2
Borrowings	2	450	800.0		1 250.0
Deferred tax liability	7	102.4	13.4		115.8
Other non-current liabilities		2.4			2.4
Current liabilities		55.9			55.9
Accounts payable	7	52.6			52.6
Provisions		2.2			2.2
Other current liabilities and borrowings		1.1			1.1
Total equity and liabilities		2 159.8			9 778.9
NAV per share (ZAR)		13.31			16.50
Shares in issue (millions)		116.388			506.252

Notes:

1. *Pro forma* adjustments to the Group statement of comprehensive income are calculated on the assumption that the capital raising proceeds were received on 1 April 2010 and that the fair values of acquisitions under the Transactions were the fair values as at 1 April 2010.
2. *Pro forma* adjustments to the Group statement of financial position are calculated on the assumption that the proceeds were received on 30 September 2010 and that the fair values of acquisitions under the Transactions were the fair values as at that date.
3. Titan and the Investment Team are assumed to achieve their target shareholdings of 33.33% and 18.00%, respectively, following a R500 million private placement to the Investment Team.
4. Capital raising proceeds, net of estimated transaction costs, were assumed to pay down senior debt and short-term borrowings.
5. A statutory tax rate of 28% has been applied to the interest adjustment and Capital Gains Tax of 14% to South African source income.
6. No additional dividend payments would have been made to shareholders as a result of the Rights Offer.
7. Estimated transaction costs of R60 million, relating to the Transactions, have been taken into account in determining the financial effects and have been written off against share premium.

Notes to the *pro forma* Group statement of financial position at 30 September 2010

All adjustments to the Group statement of financial position are considered not to be of a continuing nature.

	R'm	
1. Private capital investments		
Proceeds on sale of Brait III stake in Pepkor and Brait IV stake in Premier	910.1	
Carrying value of stakes in Pepkor and Premier at 30 September 2010	(786.6)	
Profit on sale of stakes in Pepkor and Premier	123.5	
Deferred tax	(13.4)	
Adjustment to retained reserves relating to sale of stakes in Pepkor and Premier (Note 6)	110.1	
2. Loans and advances		
Raising of RMB bridging facility	1 200.0	
Loan advance to Investment Team to take up rights	(1 200.0)	
Repayment of RMB Bridging Facility from Rights Offer proceeds	(1 200.0)	
Draw down of RMB Debt facility for investments	1 250.0	
Redemption of preference share liability as at 30 September 2010	(450.0)	
Adjustment to retained reserves relating to arrangement and facility fee costs – R1.250 billion debt facility raised with RMB (A)	(21.9)	
Net proceeds utilised against redemption of existing debt facilities and negotiation of new facility	(421.9)	
Adjustment to retained reserves relating to arrangement and facility fee costs (A)	(21.9)	
3. Proceeds raised by rights issue		
Proceeds of rights issue		
3:1 Rights issue on 118 987 321 issued shares at R16.50 per share	5 889.9	
Investment Team private Placement – 30 303 030 shares at R16.50 per share	500.0	
Transaction costs – capital raising (expensed against share capital/premium)	(60.0)	
Net proceeds raised	6 329.9	
4. Acquisition of stakes in Pepkor, Premier and Financial Cluster		
Acquisition of 24.6% stake in Pepkor	4 177.6	
Acquisition of 49.9% stake in Premier	1 069.5	
Acquisition preference shares in Pepkor SPV	671.0	
Net proceeds utilised to acquire platform stakes	5 918.1	
Fair valuation of Financial Cluster assets (to Retained Income)	387.7	
	R'm	R'm
5. Reconciliation of movement in Cash and cash equivalents		
Cash and cash equivalents reported as at 30 September 2010		184.3
Proceeds on sale of Brait III stake in Pepkor and Brait IV stake in Premier (Note 1)	910.1	
Net proceeds utilised relating to debt facilities (Note 2)	(421.9)	
Net proceeds of rights issue (Note 3)	6 329.9	
Net proceeds raised	6 818.1	
Acquisition of stakes in Pepkor and Premier (Note 4)	(5 918.1)	
Other proceeds	33.9	
Net movement in Cash and cash equivalents as a result of the Transactions	933.9	
<i>Pro forma</i> cash and cash equivalents as at 30 September 2010		1 118.2

	R'm	R'm
6. Reconciliation of movement in Retained reserves		
Retained reserves reported as at 30 September 2010		1 073.5
Profit on sale of stakes in Pepkor and Premier (Note 1)	123.5	
Deferred tax (Note 7)	(13.4)	
	110.1	
Arrangement and facility fee costs net of tax (Note 2)	(21.9)	
Fair valuation of Financial Cluster assets (Note 4)	387.7	
Transfer to NDR for the Investment Team Loan	(1 200)	
	(724.1)	
<i>Pro forma</i> retained reserves at 30 September 2010		349.4
		R'm
7. Reconciliation of movement in deferred tax and accounts payable		
Deferred tax liability reported as at 30 September 2010		102.4
Deferred tax on profit on sale of stakes in Pepkor and Premier (Note 1)		13.4
<i>Pro forma</i> retained reserves at 30 September 2010		115.8

Group Statement of Comprehensive Income

for the six-month period ended 30 September 2010

	Notes	Unaudited Unadjusted R'm	Capital raising R'm	<i>Pro forma</i> Adjustments Acquisitions R'm	<i>Pro forma</i> R'm
Fund management income	8	120.4		(74.1)	46.3
Fund management expenses	8	(138.1)		44.3	(93.8)
(Loss)/Profit from fund management operations		(17.7)			(47.5)
Investment income	1, 8	173.4	183.4	45.8	402.6
Investment expenses		(3.9)			(3.9)
Profit from investment operations		169.5			398.7
Income from associates		2.5			2.5
Profit from operations		154.3			353.7
Finance costs	9	(26.9)	5.0		(21.9)
Profit before taxation		127.4			331.8
Taxation	10	(11.7)		2.9	(8.8)
Profit attributable to equity holders		115.7			323.1
Other comprehensive income					
Net translation adjustments		(42.8)			(42.8)
Total comprehensive income for the year		72.9			280.3

Headline and basic earnings per share numbers have not been calculated on the basis that *pro forma* earnings figures would be misleading and not comparable without the inclusion of fair value adjustments for the acquisitions and funds management units which have been carried at the acquisition prices.

Notes to the *pro forma* Group statement of comprehensive income
for the six-month period ended 30 September 2010

	R'm
8. Fund management operations – not of a continuing nature	
Reversal of Fund management income attributable to Financial Cluster (CMT, Brait Solutions and AEP)	(74.1)
Reversal of Fund management expenses attributable to Financial Cluster (CMT, Brait Solutions, AEP)	44.3
	(29.8)
Dividend in respect of the net profit after tax of CMT and Brait Solutions for the year ended 31 March 2010. For the purpose of determining the <i>pro forma</i> statement of comprehensive income, these dividends were assumed to have been declared post-31 March 2010 and therefore to fall into the <i>pro forma</i> statement of comprehensive income	45.8
Fair value of the investment in the Financial Cluster of R387.7 million recognised in the <i>pro forma</i> statement of financial position (see Note 4) as at 31 March 2010 – Retained Income.	
No fair value movement was recognised for the <i>pro forma</i> six-month period ended 30 September 2010 as it would be misleading and not reliable to determine the fair value movement for the period in retrospect.	–
	45.8
9. Finance charges	
<i>Pro forma</i> reversal of finance charges on R450 million redeemable preference shares and overdraft facility (based on proceeds of the Transactions being received on 1 April 2010) – not of a continuing nature	(26.9)
Effective interest rate amortisation of finance charges on debt facility raised under the Transactions – of a continuing nature	5.0
	(21.9)
10. Taxation	
Capital Gains Tax on sale of Pepkor and Premier stakes	13.4
STC on <i>pro forma</i> dividend income received from Financial Cluster and net dividends on preference share debt facility	(10.3)
South African normal tax on reversal of Financial Cluster operating profit and overdraft interest	(6.9)
	(8.8)

**Independent reporting accountants' limited assurance report on the
unaudited *pro forma* consolidated statement of comprehensive income and
statement of financial position of Brait and its subsidiaries [CA 25]**

The Directors
Brait S.A
42, rue de la Vallée
L-2661, Luxembourg

15 April 2011

Dear Sirs

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE UNAUDITED *PRO FORMA*
FINANCIAL INFORMATION OF BRAIT S.A. ("BRAIT")**

INTRODUCTION

We have performed our limited assurance engagement in respect of the unaudited *pro forma* financial effects and the unaudited *pro forma* consolidated statement of financial position and statement of comprehensive income (collectively, "the *pro forma* financial information") set out in Annexure 3 to the circular to Brait Shareholders ("the circular"), to be dated on or about 18 April 2011 and issued in connection with the Rights Offer, potential private Placement, Pepkor and Premier acquisitions as well as the reorganisation and restructuring of the company that is the subject of the circular of Brait. The *pro forma* financial information has been prepared in accordance with the requirements of the JSE Limited ("JSE") Listings Requirements, for illustrative purposes only, to provide information about how the Transactions might have affected the reported historical financial information presented, had the corporate action been undertaken at the commencement of the period or at the date of the *pro forma* consolidated statement of financial position being reported on.

DIRECTORS' RESPONSIBILITY

The directors of Brait are responsible for the compilation, contents and presentation of the *pro forma* financial information contained in the circular and for the financial information from which it has been prepared. Their responsibility includes determining that: the *pro forma* financial information has been properly compiled on the basis stated; the basis is consistent with the accounting policies of Brait; and the *pro forma* adjustments are appropriate for the purposes of the *pro forma* financial information disclosed in terms of the JSE Listings Requirements.

REPORTING ACCOUNTANTS' RESPONSIBILITY

Our responsibility is to express our limited assurance conclusion on the *pro forma* financial information included in the circular to Brait Shareholders. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements applicable to *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the *Guide on Pro Forma Financial Information* issued by SAICA. This standard requires us to obtain sufficient appropriate evidence on which to base our conclusion. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the *pro forma* financial information, beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

SOURCES OF INFORMATION AND WORK PERFORMED

Our procedures consisted primarily of comparing the unadjusted financial information with the source documents, considering the *pro forma* adjustments in light of the accounting policies of Brait the issuer, considering the evidence supporting the *pro forma* adjustments and discussing the adjusted *pro forma* financial information with the directors of the company in respect of the corporate action that are the subject of the circular.

In arriving at our conclusion, we have relied upon financial information prepared by the directors of Brait and other information from various public, financial and industry sources. While our work performed has involved an analysis of the historical published unaudited financial information and other information

provided to us, our assurance engagement does not constitute an audit or review of any of the underlying financial information conducted in accordance with *International Standards on Auditing or International Standards on Review Engagements* and, accordingly, we do not express an audit or review opinion.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on our examination of the evidence obtained, nothing has come to our attention, which causes us to believe that in terms of Sections 8.17 and 8.30 of the JSE Listings Requirements:

- the *pro forma* financial information has not been properly compiled on the basis stated;
- such basis is inconsistent with the accounting policies of Brait;
- the adjustments are not appropriate for the purposes of the *pro forma* financial information as disclosed.

CONSENT

We consent to the inclusion of this report, which will form part of the circular, to be issued on or about 18 April 2011, in the form and context in which it will appear.

Deloitte & Touche
Registered Auditors
Per Lito Nunes
Partner

Deloitte & Touche
Deloitte Place
The Woodlands
Woodlands Drive
Woodmead
2196

Overview and salient information on Brait [CA 6(a) and 6(b)]

1. INFORMATION ON BRAIT [CA1, 6(a)(i) and 6(b)]

Founded in 1990, Brait is an international investment group that manages third-party capital committed by a combination of international and South African investors. Its business is the raising and management of investment funds classified as Alternative Assets. The current product set includes private equity, mezzanine debt funds and a range of hedge fund solutions. Additionally Brait deploys its capital in proprietary investment programmes in these product areas. These investments are made predominantly in South Africa and its region.

Brait's operations are currently organised into three business units – Private Capital, incorporating all activities in the private equity and debt markets; Public Markets, incorporating all activities in the public or highly traded securities markets; and Treasury Capital, incorporating all activities related to managing the Company's cash and funding requirements.

1.1 Private equity

Private equity refers to private money that is invested in companies that are mostly not publicly traded on a stock exchange or invested as part of buyouts of publicly traded companies with a view to taking them private. The investment is made with the hopes of achieving risk adjusted returns that exceed those possible in the public equity markets. Typical investors in private equity are institutional investors and accredited investors (e.g. public and corporate pension funds, insurance companies, endowment funds, high net worth individuals, etc.) who can commit large sums of money for long periods of time. Because it is not economic for investors to maintain the capacity to structure and monitor the investments in the privately held companies, their interest is held through a private equity fund. The fund is structured as a limited partnership to allow the benefits to maintain their nature when they flow back to the investors (called "**limited partners**"). Brait as the manager of the fund (the "**Manager**") also invests alongside the limited partners or investors and is known as the General Partner of the partnership.

The Investment Team has efficiently and successfully executed a number of highly complex landmark private equity Transactions, including, for example, entrepreneur partnering Transactions such as Pepkor and Net1 in Brait III, buyouts such as Consol in Brait IV, unique public opportunities such as Afgri in Brait III and Buildmax in Brait IV, and buy-and-builds such as Capital Africa Steel in Brait IV. The team actively sources investment opportunities and closely monitors portfolio companies with the objective of investing Brait's capital to prudently drive individual portfolio company growth and thus maximise returns to its investors.

Proprietary investing

Brait's Proprietary Investing business has a team which focuses exclusively on investing its own capital in deals with private equity characteristics which are outside the mandate of the funds. The team will look at Transactions which involve an exposure for Brait of between R5 million and R70 million. While the primary focus is on opportunities in South Africa, investments in Africa will also be pursued in situations where the team believes that returns in excess of those ordinarily available in South Africa can be achieved in countries and situations where the associated risks can be appropriately managed.

In addition to direct investments, the team looks for **Sponsored Fund** opportunities, which effectively involve the sponsorship of investment firms that are able to access investment opportunities to which Brait would not ordinarily be exposed. Brait retains strong, ongoing relationships with these firms. Two current sponsored funds are Medu Capital and Molash.

Fund of Private Equity Funds

Funds of funds are private equity funds that invest in other private equity funds in order to provide investors with a lower risk product through exposure to a large number of vehicles often of different type and regional focus. Brait is the manager of an independent Fund of Private Equity Funds business, Alternative Equity Partners ("**AEP**"). AEP has invested a significant portion of its first fund and manages R630 million.

Mezzanine funds

Established in 2005, Mezzanine Partners (Proprietary) Limited, South Africa's leading independent specialist credit fund manager, is a joint venture between BSAL, Old Mutual Investment Company (South Africa) (Proprietary) Limited and its executive management team.

Mezzanine Partners aims to provide leading South African equity sponsors and management teams with tailor-made term financing solutions that meet their leveraged finance and intermediate capital funding requirements. Typically, investments made by funds managed by Mezzanine Partners will fall into the following overlapping Transactions categories: mergers and acquisitions; leveraged or management buyouts; recapitalisations; middle- to late-stage expansion or growth investments; public-to-private Transactions; black economic empowerment Transactions financings and special situations.

1.2 Public markets

Brait's activities in the public markets are focused on the management of hedge fund products, where Brait is a leading player in the South African hedge fund industry. Brait's hedge funds are investment portfolios that can access a wider range of investment opportunities than traditional long-only portfolios, typically as a result of the hedge fund manager being mandated to use short selling and the expanded use of derivative products in managing the portfolio. The hedge fund manager can use these additional investment tools to hedge out specific risks from the investment portfolio (e.g. risk of capital loss, market risk, etc.) and as the means to gain exposure to the markets. Successful hedge fund management requires an experienced investment management skill set with an integrated focus on risk management.

Since the inception of its hedge fund operations in 2001, Brait has developed significant experience in the management of hedge fund portfolios, pertaining both to underlying funds and fund of hedge funds, and developed a detailed understanding of the requirements of the South African institutional investor when considering alternative investments.

The investment management activities are undertaken within the following two divisional units:

- **Brait Solutions (formerly known as Multi Management (“MMT”))**

Brait Solutions is responsible for managing the fund of hedge fund product range, including the flagship Brait Absolute S.A. Fund. Brait Absolute aims to generate consistent absolute returns with low volatility, regardless of market direction, through investing in an appropriate combination of strategies that balance investment opportunity against risk to capital. Its mandate is to generate a return of cash plus 4% p.a. over rolling 3-year periods, and earn a minimum return equal to or greater than cash over any 12-month period, with volatility limited to less than 5% p.a.

- **Brait Capital Management (“CMT”)**

CMT is responsible for managing a range of single and multi-strategy funds, including the Brait Multi Strategy Fund and the Brait Matrix Fixed Income Fund. The funds are managed by a team of experienced investment professionals, each focused on a specialist niche in the markets, working in a common governance and risk management framework. Brait Multi Strategy Fund is a unique product, with a target return of cash plus 15% p.a. over rolling three-year periods.

Brait invests capital alongside its clients into these products, utilising both product seeding capital and invested treasury capital. The business' industry experience and considerable investment in infrastructure and risk management capabilities has enabled the provision of hedge fund solutions that meet the high standards required by institutional investors.

Income from public markets comprises the following:

- Fees earned from the management of funds, which are significantly influenced by:
 - assets under management;
 - investment performance.

Investment returns generated from the investment of Brait's capital in these products.

Overview and salient information on Pepkor [CA 26 and 47]

Pepkor is a South African based investment holding company managing retail interests in Africa, Australia and Poland. It is focused on the cash retail value market, and through its operating subsidiaries, all strongly positioned in their individual niche markets; it satisfies consumers' basic needs for clothing at affordable prices.

The group consists of seven wholly owned subsidiaries focused on the cash value sector of the retail clothing market. These businesses together operate over 2 800 retail outlets in Africa, Australia and Poland and employ approximately 20 000 people. The seven retailing businesses are:

- Pep is a cash discounter of family clothing, footwear and accessories, textiles and personal goods through 1 541 small format stores located throughout Southern Africa's urban, peri-urban and rural areas. Today Pep is one of South Africa's top three retail names in terms of brand recognition amongst consumers of all income groups. Pep Manufacturing has manufacturing operations situated in the Western Cape allied to the clothing retailer.
- Ackermans is predominantly a cash retail chain selling everyday family fashions and basics of quality at unbeatable prices through the Ackermans, Hang Ten, Jay-Jays, Home Comforts and Ackermans Baby Company trading formats. This group operates through 551 stores located in urban areas across Southern Africa.
- Best & Less is a discount clothing chain providing customers with a value for money shopping experience selling quality goods at affordable prices to customers in the lower end of the middle market. It operates in Australia through 190 stores mostly located in shopping malls.
- Dunns has 279 apparel stores retailing clothing, footwear, blankets and other household items for cash.
- Shoe City is a cash-based value retailer of shoes in the middle to lower market. It operated 94 stores across South Africa, which have now been incorporated into Ackermans.
- Pepco Poland is a cash-based value retailer operating in Poland with 196 stores.
- John Craig is a South African men's outfitter with a higher fashion offering operating through 58 stores.

Pepkor recent financial performance

Summarised statement of comprehensive income

(ZAR'm)	Actual 12 months to June 2010 ⁽¹⁾	Actual 12 months to June 2009 ⁽¹⁾	Actual 12 months to June 2008	Actual 12 months to June 2007
Revenue	20 212.0	18 867.7	16 582.0	14 494.2
<i>% Growth</i>	7.1%	13.8%	14.4%	22.2%
EBITDA	2 036.9	1 754.2	1 804.3	1 530.7
<i>% Margin</i>	10.1%	9.3%	10.9%	10.6%
EBITA	1 411.8	1 363.3	1 403.2	1 233.4
<i>% Growth</i>	3.6%	(2.8%)	13.8%	19.3%
EBT	1 312.8	1 162.4	1 199.6	918.7
<i>% Margin</i>	6.5%	6.2%	7.2%	6.3%
NAV	4 731.0	3 280.2	2 894.4	1 858.6
NTAV	3 369.5	1 878.5	1 452.5	355.2
Net (cash)/debt	(997)	104.9	721.2	1 602.0

Summarised balance sheet

Year ended June (ZAR'm)	Actual June 2010	Actual June 2009	Actual June 2008	Actual June 2007
Fixed assets	1 887	1 609	1 559	1 331
Goodwill	1 361	1 402	1 442	1 503
Net current assets	530	301	617	935
Net (cash)/debt (including marketable securities)	(997.1)	105	721	1 602
Other	233	249	190	(308)
Total shareholders' funds	4 731	3 456	3 087	1 859
<i>% Gearing</i>	(21%)	3.0%	23.4%	86.1%
<i>Net working capital to revenue</i>	2.6%	1.6%	3.7%	6.5%

Pepkor valuation metrics:

ZAR'm

Sustainable EBITDA ⁽²⁾	2 261
Implied EBITDA multiple	7.4
Enterprise value	16 800
Add: Sustainable net cash	200
Equity value	17 000

Note:

⁽¹⁾ The profit for the FYE 2010 and 2009 is after taking into account the normalisation of foreign exchange hedging contracts over that 24-month trading period.

⁽²⁾ Sustainable EBITDA is based on the anticipated average EBITDA for FYE 2011 and 2010.

Overview and salient information on Premier [CA 26 and 47]

Premier is a major South African staple foods manufacturer. Its main activity is the milling, marketing, selling and distribution of branded maize and flour products as well as the branding, marketing, selling and distribution of bread. Premier's leading brands are *Iwisa No. 1* (maize meal), *Snowflake* (flour) and *Blue Ribbon* (bread) and Premier has strong positions in these markets, as follows:

- maize – “*Iwisa No. 1*” is one of the largest super maize brands in South Africa and Premier believes that it has c.20% to 25% market share. Taking into account its other regional super maize brands “*Nyala*”, “*Super Sun*” as well as special maize brand “*Impala*”, Premier believes that is the largest maize producer in the country;
- wheat flour – Premier believes that it has overall market share of c.30%. “*Snowflake*” which is an iconic brand in South Africa, having been produced since 1877, is the category leader in the retail segment; and
- bread – “*Blue Ribbon*” is a major national bread brand which Premier believes to have c.20% to 25% market share. “*BB Bread*”, produced since 1852, is the market leader in KwaZulu-Natal with c.35% to 40% market share in that region.

Premier operates 9 bakeries, 5 wheat mills, 1 maize mill and 16 distribution depots nation-wide, employing over 3 200 people in the manufacturing, distribution and marketing operations. Premier's customers include South African chain retailers and wholesalers, industrial users as well as traders in the informal sector, where historically 60% of Premier bread has been sold. Premier has a strong independent distribution network of 700 bread trucks which reach over 28 000 outlets daily.

Premier recent financial performance

Summarised statement of comprehensive income

Year-end April (ZAR'm)	Audited 2010	Audited 2009
Revenue	5,298.2	5,575.3
<i>% Growth</i>	<i>(5%)</i>	<i>n/a</i>
Operational EBITDA (excluding capital items)	<i>577.3</i>	<i>320.4</i>
<i>% Margin</i>	<i>10.9%</i>	<i>5.7%</i>
Depreciation and amortisation	<i>(69.4)</i>	<i>(66.5)</i>
EBIT	<i>507.9</i>	<i>253.9</i>
<i>% Margin</i>	<i>9.6%</i>	<i>4.6%</i>
Net finance costs	<i>(161.3)</i>	<i>(275.3)</i>
Profit/(Loss) before tax	<i>346.6</i>	<i>(21.4)</i>

Note:

⁽¹⁾ No results prior to 30 April 2009 are presented as Premier was established to effect the buyout of the Premier group and its operating subsidiaries and only consolidated the results of the operations from the date of acquisition on 5 December 2007.

Summarised balance sheet

Year-end April (ZAR'm)	Audited 2010	Audited 2009
Non-current tangible assets	569.1	581.1
Goodwill and intangible assets	907.5	870.6
Other liabilities	(149.7)	(17.8)
Net current assets	51.7	133.4
Net debt	(457.7)	(841.5)
Total shareholders' funds	920.9	725.8

Note:

Net debt excludes shareholder loan claims.

Premier valuation metrics

	ZAR'm
Sustainable EBITDA	410
Implied EBITDA multiple	6.4
Enterprise value	2 629
<i>Less:</i> Sustainable net debt	(929)
Equity value	1 700

Note:

Sustainable EBITDA is based on the average of the audited EBITDA for the year ended 30 April 2010 and the forecast for the current year (the year ending 30 April 2011).

Extracts from the Articles of Incorporation

Object

The Articles provide that the Company's principal object is to carry on the business of a holding company. The objects of the Company are set out fully in Clause 3 of the Articles.

Duration and Dissolution

The Company is incorporated for an unlimited period. The shareholders in general meeting may at any time by extraordinary resolution decide to dissolve the Company.

Voting

Subject to any rights or restrictions as to voting attached to any class of shares, at any general meeting every shareholder shall be entitled to one vote for every share held, provided always that any shares held in treasury by the Company shall not carry the right to vote.

Dividends and distributions [CA 8(c) and 37(e)]

Dividends may be declared by a resolution of the shareholders but shall in no event exceed the amount recommended by the directors. Subject to the rights of persons (if any) entitled to shares with special dividend rights, all dividends will be paid according to the amounts paid-up on the shares in respect of which the dividend is paid.

For so long as the Company has only one class of shares, on a liquidation of the Company the holders of shares are entitled *pari passu* amongst themselves in proportion to their shareholdings and to the amounts paid-up or credited as paid-up on their shares to share in any surplus assets of the Company.

Unclaimed dividends

Any dividends unclaimed may be used for the benefit of the Company until claimed. Any dividend which is still unclaimed 12 years after having become due for payment shall be forfeited and shall revert to the Company.

Register of Shareholders

All shares in the Company shall be registered in the register of shareholders, which shall be kept by the Company or by one or more persons designated therefore by the Company and such register shall contain the name of each holder of ordinary shares, his elected domicile and the number of shares held by him.

In the event that a share is registered in the name of more than one person, the first named holder in the register shall be deemed to be the representative of all other joint holders and shall alone be entitled to receive notices from the Company, unless the joint holders have appointed another joint holder as their common representative.

Variation of rights

If at any time the capital of the Company is divided into different classes of shares, all or any of the rights or privileges attached to any class of shares may be varied or abrogated either with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class, at which, save in case of an adjourned meeting, the quorum requirement shall be of 50% of the shares of the class concerned, by a majority of not less than three-fourths of the votes of such shareholders present or represented by proxy at such meeting.

Alteration of capital

The Company may by resolution of the extraordinary general meeting of shareholders:

- increase its share capital;
- consolidate all or any of its share capital;
- sub-divide its shares into shares of smaller amounts.

Transfer of shares

All transfers of shares shall in the case of Certificated Shares be effected by instrument in writing, in any usual or common form or in any other form acceptable to the directors and shall be signed by or on behalf of the transferor and by the transferee. The Company may however recognize any other evidence it deems fit with respect to the acceptance of the transfer by the transferee. The Articles contain no restrictions on the free transferability of the shares provided that the instrument of transfer is in favour of not more than four transferees and the provisions in the Articles relating to the deposit of instruments of transfer have been complied with.

Qualification, appointment, terms of office and remuneration of directors [CA 2(b) and 2(c)]

- Under the Articles of Incorporation, Brait shall appoint a minimum of three and maximum of fifteen directors from year to year at the Annual General Meeting of shareholders. Directors are not required to hold any qualification shares, and may be re-elected from year to year. No formal retirement age is specified for Directors under the Articles.
- Board members sign individual contracts with Brait under which they are appointed for a term of three years from the date of Annual General Meeting ratifying their appointment. Such individual contracts specify that Directors will be remunerated a fee agreed between Brait and the individual from year to year as reviewed by the Remuneration and Nominations Committee. The Remuneration and Nominations Committee is similarly responsible for reviewing all other remuneration and benefits payable to Directors.

Borrowing powers exercisable by the directors. The borrowing powers may be varied by an amendment to the Articles of Incorporation [CA 2(e)]

The Board of Directors has the widest powers to carry out any acts of Management or of disposition of interest to Brait, except for that which is expressly reserved for the shareholders in general meeting by law or the Articles of Incorporation.

- The Board shall restrict Brait's borrowings such that the aggregate amount of all outstanding monetary liabilities of the Group, being the Company and its subsidiaries, shall not at any time, without the previous consent of the shareholders in Ordinary General Meeting, exceed 150% of the paid-up, issued share capital and equity reserves as reflected in the most recent audited balance sheets and adjusted as necessary for any variation in the issued share capital and reserves since the balance sheet and excluding any sums set aside to meet future taxation. Moneys borrowed for the purpose of repaying, in whole or part, previous outstanding borrowings within ninety days of such borrowing shall not be taken into account as moneys borrowed.

Powers enabling directors to vote on a proposal, arrangement or contract in which they are materially interested and to vote in respect of remuneration to themselves or any member of the board of directors

- Subject to the provisions of law, no Director or intending Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into on behalf of a company in which the Director is in any way directly or indirectly interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to Brait for any profit realised by any such contract or arrangement by reason of the Director holding that office, or of the fiduciary relationship thereby established, provided that the nature of this interest has been declared by him at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into considerations, or at the date of the next meeting held after he became so interested.
- A Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has an interest which (together with any interest of any person connected with him) is to his knowledge a material interest otherwise than by virtue of his interests in shares or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum of a meeting in relation to any resolution on which he is barred from voting.

Retirement of directors by rotation

- Directors' terms of office shall end immediately after the Annual General Meeting in the year, with the directors being eligible for re-election. **[CA 2(b)]**

Information on Brait's subsidiaries [CA 6(b) and 6(e)(i)]

Reserves and issued capital as at 31 March 2010, per latest audited results. The results of the subsidiaries mentioned below were taken into account for purposes of preparing Brait's consolidated accounts, attached as Annexure 2.

Subsidiary name	Brait South Africa Limited	Capital Partners Group Holdings Limited	Brait Malta Limited
	** Information provided as at date of incorporation		
Registered office	9 Fricker Road Illovo Boulevard Illovo, Sandton, 2196	10th Floor, Raffles Tower, 19 Cybercity Ebene, Mauritius, C/o DTOS Ltd	Level 1, Cornerline, Dun Karm Street, Birkirkara, BKR 9039, Malta
Field of activity	Investment Manager	Investment Holding Company	Investment Holding Company
Proportion of capital held	100%	100% held through Brait Malta Limited	100%
Issued capital	Ordinary Shares (R2.00 par value each) 1 648 973	Ordinary shares (US\$1.00 nominal value each) 15 882 851	Ordinary "A" Shares (USD0.01 nominal value each) 159 999
	Cumulative Redeemable "A" Preference Shares (R0.001 each) 394 000	Ordinary "B" Shares (US\$0.01 nominal value each) 1	Cumulative Redeemable "B" Preference Shares (R0.001 each) 4 127 654
	Cumulative Redeemable Variable Rate Preference Shares (R0.01 each) 450 000		
Reserves	Including Equity (ZAR)	Including Equity (US\$)	Including Equity (US\$)
* at 31 March 2010	Distributable reserves (ZAR) 909 310 670	Distributable reserves (US\$) 16 292 487	Distributable reserves (US\$) 1 600
Profit for the year ended 31 March 2010	ZAR187 285 429	US\$25 189 225	US\$ nil
Value in Brait's books (US\$m) as at 31 March 2010	US\$41.1m	US\$104.7m	US\$ nil
Amounts outstanding on paid-up shares	R nil	R nil	R nil
Dividends received in last financial year	R nil	US\$25m	R nil

Subsidiary name	Brait South Africa Limited	Capital Partners Group Holdings Limited	Brait Malta Limited
Amount of debts owed to subsidiary (as at 28 February 2011)	R nil	R nil	R nil
Date and place of incorporation	South Africa; 26 October 1960	Registered by continuation in the Republic of Mauritius on 12 January 2006	Malta; 13 May 2010
Date on which the company became a subsidiary of Brait	30 September 2003	12 January 2006	13 May 2010

** Information provided as at date of incorporation

Price history of Brait Shares on the JSE

	High (cents)	Low (cents)	Close (cents)	Value (ZAR)	Volume (Shares)
Quarterly					
2008					
March	2 620	1 922	2 125	351 664 116	16 587 253
June	2 200	1 970	2 010	176 554 748	8 382 595
September	2 000	1 590	1 790	189 125 854	10 761 207
December	1 820	1 150	1 205	122 324 752	8 895 099
2009					
March	1 285	929	1 050	93 175 547	8 802 890
June	1 600	1 040	1 570	136 320 590	10 349 249
September	1 942	1 569	1 900	207 953 076	12 214 959
December	2 100	1 700	2 100	220 982 038	12 004 541
2010					
March	2 200	1 896	2 015	128 040 983	6 254 609
June	2 360	1 950	2 305	173 085 200	7 967 383
September	2 435	1 975	2 100	396 877 366	19 294 699
December	2 539	2 110	2 420	358 593 606	14 850 283
Monthly					
2009					
November	1 870	1 700	1 793	89 040 431	5 014 954
December	2 100	1 793	2 100	37 240 936	1 941 682
2010					
January	2 200	2 000	2 100	38 792 886	1 825 756
February	2 135	1 896	2 000	28 594 641	1 405 662
March	2 070	1 975	2 015	60 653 456	3 023 191
April	2 170	1 950	2 080	52 085 876	2 558 109
May	2 340	2 079	2 205	65 040 067	2 942 122
June	2 360	2 120	2 305	55 959 257	2 467 152
July	2 435	2 210	2 300	47 025 400	2 042 726
August	2 245	2 030	2 150	68 154 120	3 192 563
September	2 151	1 975	2 100	281 697 846	14 059 410
October	2 500	2 110	2 420	112 066 316	4 788 576
November	2 539	2 363	2 430	168 191 996	6 775 195
December	2 450	2 303	2 420	78 335 294	3 286 512
2011					
January	2 799	2 195	2 290	111 627 286	4 583 167
February	2 365	2 130	2 250	50 152 348	2 215 516

	High (cents)	Low (cents)	Close (cents)	Value (ZAR)	Volume (Shares)
Daily					
2011					
February					
28	2 250	2 150	2 250	2 223 021	100 643
March					
1	2 250	2 167	2 200	1 466 643	66 433
2	2 170	2 000	2 076	115 998 900	5 512 002
3	2 099	1 815	1 870	179 615 500	9 175 885
4	1 875	1 842	1 850	123 426 300	6 671 184
7	1 860	1 766	1 799	13 164 950	730 617
8	1 795	1 748	1 755	8 831 668	502 614
9	1 880	1 784	1 875	98 459 790	5 289 542
10	1 875	1 830	1 860	11 034 440	594 247
11	1 950	1 859	1 900	34 186 840	1 795 499
14	1 925	1 880	1 880	14 970 910	780 818
15	1 890	1 800	1 820	8 534 109	468 309
16	1 900	1 835	1 875	30 242 701	1 617 914
17	1 890	1 861	1 880	8 015 065	426 484
18	1 920	1 881	1 901	8 229 689	433 535
22	1 920	1 891	1 910	5 495 261	287 801
23	1 917	1 905	1 910	36 463 217	1 909 027
24	1 920	1 895	1 900	6 412 579	336 134
25	1 899	1 851	1 851	3 423 172	181 975
28	1 897	1 855	1 870	1 205 697	64 451
29	1 887	1 851	1 868	9 290 987	496 782
30	1 900	1 868	1 875	2 231 073	118 291
31	1 890	1 875	1 875	1 464 169	77 872
April					
1	1 890	1 876	1 890	766 513	40 710
4	1 890	1 855	1 890	763 519	40 585
5	1 890	1 861	1 861	906 669	48 529
6	1 889	1 866	1 880	1 484 571	78 951
7	1 889	1 866	1 880	460 514	24 513
8	1 887	1 880	1 885	1 525 790	80 972
11	1 886	1 875	1 885	3 291 705	174 988

Price history of Brait Shares on the LUXSE

	High (€ cents)	Low (€ cents)	Close (€ cents)
Quarterly			
2008			
March	379	250	261
June	287	251	257
September	262	201	208
December	216	114	127
2009			
March	137	98	112
June	202	111	202
September	257	199	251
December	284	229	284
2010			
March	294	251	274
June	312	263	302
September	315	278	301
December	368	303	365
Monthly			
2009			
November	251	229	238
December	284	242	284
2010			
January	294	268	277
February	282	251	261
March	278	260	274
April	289	267	283
May	308	263	293
June	312	273	302
July	315	295	315
August	304	278	286
September	306	278	301
October	358	303	348
November	365	342	345
December	368	336	365
2011			
January	389	311	317
February	327	303	324

	High (€ cents)	Low (€ cents)	Close (€ cents)
February			
28	324	324	324
March			
1	316	316	316
2	302	302	302
3	265	265	265
4	269	269	269
7	262	262	262
8	254	254	254
9	272	272	272
10	269	269	269
11	276	276	276
14	275	275	275
15	261	261	261
16	266	266	266
17	267	267	267
18	272	272	272
22	278	278	278
23	275	275	275
24	275	275	275
25	275	275	275
28	272	272	272
29	272	272	272
30	275	275	275
31	278	278	278
April			
1	282	282	282
4	282	282	282
5	278	278	278
6	281	281	281
7	280	280	280
8	284	284	284
11	284	284	284

Report of the Board in terms of Luxembourg Financial Assistance Provisions

1. INTRODUCTION

- 1.1** This report is produced pursuant to Article 49-6(1) of the Luxembourg Law on Commercial Companies of 1915 as amended (“1915 Law”) and is to be read together with the special report referred to in paragraph 6 below and which will accompany this report.
- 1.2** This report has been approved by a duly appointed committee of the board of directors of the Company (“Board”) and the directors of the Company have thereby confirmed their responsibility for the transactions that are the subject matter of this report.
- 1.3** The report is produced in the context of:
- 1.3.1** a proposed fully underwritten rights offer of 356 961 963 new shares in the Company in the ratio of 3 new shares for every 1 share already held by shareholders on the relevant record date (“Rights Offer”) and possible subsequent private placements of further shares in the Company, in particular a placement (the “Investment Team Placement”) of shares to the members of the Investment Team – consisting of employees and/or directors of the Company and any other persons involved in the investment activities of the Company to be nominated and/or approved by the Board from time to time (“Investment Team”);
- 1.3.2** the arrangements under which the Investment Team will finance:
- 1.3.2.1** a part of their participation in the Rights Offer, including the underwriting thereof; and
- 1.3.2.2** their subscription for shares in the Company under the Investment Team Placement, with a loan for an initial five-year term, renewable for another five years at the option of the CPGHL directors from an entity, Fleet Holdings Ltd (“FHL”), (company number 53441 C1/GBL, a company duly incorporated in accordance with the laws of the Republic of Mauritius), available for that purpose and wholly owned by the Investment Team, that will have obtained a corresponding loan from Capital Partners Group Holdings Limited (“CPGHL”), being a subsidiary of the Company, (such loans being referred to collectively or individually in this report as the “Investment Team Loan”); and
- 1.3.3** the arrangements under which the members of the Investment Team will each charge all the shares they hold in the Company pursuant to the Rights Offer and the Investment Team Placement and all claims attaching to those shares in favour of FHL which in turn charge the Investment Team Loan and pledged shares to CPGHL as security for FHL’s obligations to CPGHL (“Investment Team Pledge”);
- 1.3.4** prior to the utilisation of the Right Offer proceeds as set out in 1.3.5 and the drawdown of the loans in 1.3.2, the arrangements under which CPGHL will finance the Investment Team Loan out of a short term (being a maximum period of 7 days) South African Rand (“ZAR”) 1.2 billion Bridging Facility from Rand Merchant Bank (“RMB”), being a division of First Rand Bank Limited, (“RMB Bridging Facility”) and will pledge certain of its and the Company’s assets to RMB as security for its obligations under the RMB Bridging Facility (“CPGHL Pledge”); and
- 1.3.5** the arrangements under which the Company will use the proceeds of the Transactions to subscribe for further Class A shares of USD 0.01 each fully paid-up in Brait Malta Limited (Co. Reg. No. C 49644) (“Brait Malta”), a subsidiary of the Company registered in Malta and having its registered office at Level 1, Cornerline, Dun Karm Street, Birkirkara, BKR9039, Malta (the “Brait Malta Subscription”). Brait Malta will utilise the funds received as consideration for the Brait Malta Subscription in order to subscribe for shares of USD1.00 each in CPGHL (the “CPGHL Subscription”).
- 1.4** Further details of the Transactions and the other elements of the restructuring of the Company’s business (of which the Transactions form part) can be found in the Circular to shareholders of the Company to be dated on or around 18 April 2011 (“Circular”), in particular Part 3 and Parts 6 to 13 thereof.

1.5 The Investment Team Loan, the CPGHL Pledge and the Brait Malta Subscription require the approval of the shareholders in a general meeting in accordance Article 49-6(1) of the 1915 Law (“Article 49-6”) as they constitute transactions under which the Company provides indirect financial assistance to a third party with a view to an acquisition of its shares by that third party (hereafter referred to as “Brait Financial Assistance”). This is the report of the Board as required by Article 49-6 to be tabled at the general meeting in order to provide the information that will enable the shareholders to consider, and if appropriate, approve:

1.5.1 the report from the Board;

1.5.2 the Investment Team Loan the CPGHL Pledge and the Brait Malta Subscription; and

1.5.3 the creation of a non-distributable reserve equal to the amount of the Brait Financial Assistance.

2. DESCRIPTION OF THE INVESTMENT TEAM SUBSCRIPTION

2.1 The Investment Team will participate in the proposed capital raising exercise of the Company through one or more of the following:

2.1.1 exercising their subscription rights under the Rights Offer;

2.1.2 underwriting part of the Rights Offer; and

2.1.3 subscribing for shares in the Company under the Investment Team Placement.

2.2 The Investment Team will finance their participation in the capital raising exercise by way of the following arrangements (“Financing Arrangements”):

2.2.1 CPGHL will draw down ZAR1.2 billion under the RMB Bridging Facility and advance that amount as a loan to FHL, an entity wholly owned by the Investment Team. FHL will on-lend that amount to the Investment Team;

2.2.2 CPGHL will have provided the CPGHL Pledge as security for its obligations under, and for the 7-day period of, the RMB Bridging Facility;

2.2.3 the Investment Team will use the advances under the Investment Team Loan, together with their own equity contributions (applying an initial average debt to equity ratio of 4:1, or better), for purposes of their participation in the capital raising exercise;

2.2.4 following the conclusion of the Rights Offer, CPGHL will be capitalised by the Company via the Brait Malta Subscription and the CPGHL Subscription and will utilise these funds to repay the RMB Bridging Facility within a period of no more than 7 days from drawdown.

3. DETAILED CONSIDERATION OF THE CONDITIONS UNDER ARTICLE 49-6

3.1 Fair Market Conditions

3.1.1 The Board is of the view that the Brait Financial Assistance is provided at fair market terms in that:

3.1.2 Interest or other Compensation received by the Company or members of the Company Group

CPGHL will earn interest on the Investment Team Loan at the rate of 3 months Johannesburg Inter Bank Acceptance Rate (“JIBAR”) plus 3.50%, which approximates the prime lending rate.

The overall fairness of the interest charge has been assessed by the directors by taking into account both the intrinsic costs and intrinsic benefits that will flow to the Company as referred to under 3.3 and 3.4 below.

3.1.3 Security provided for the Assistance

The Investment Team will each provide the Investment Team Pledge as security for each of their obligations under the Investment Team Loan. The ZAR1.2 billion debt will be secured by the Investment Team members’ approximately ZAR1.5 billion worth of Brait shares in aggregate which is inclusive of an estimated ZAR300 million in total of the Investment Team’s own contribution. This ensures that the estimated ZAR300 million Investment Team own contribution will be at risk for any adverse Brait share price movements with no further recourse to the Investment Team members.

The overall fairness of the security provided on the Investment Team Loan by each Investment Team member has been assessed by the directors by taking into account both the intrinsic costs and intrinsic benefits that will flow to the Company as referred to under 3.3 and 3.4 below.

3.2 Credit standing of the Counterparties

The credit standing of the individuals is not considered applicable as the security received for the loan to the Investment Team does not extend beyond the pledge of the Brait shares acquired under the initial Rights Offer and subsequent Investment Team Placement.

3.3 Reasons for the Brait Financial Assistance

3.3.1 Historically the Company has operated as a private equity and hedge funds management business. In terms of this business model, it had raised funds with very specific mandates, including draw-down stipulations, defined fund life, and agreed mandatory investment requirements.

3.3.2 The Board believes that going forward, on its private equity business, there is an opportunity to maintain the current existing strengths while, for the first time, tap into the strategic benefits of raising funds from the public equity markets through a listed vehicle. The Board believes that the benefits of this initiative will be enhanced by implementing the Transactions and in particular by ensuring that the Investment Team acquires a significant stake of up to 18% in the Company.

3.3.3 It is the view of the Board that, by providing the Investment Team with financial assistance to acquire up to 18% shareholding in the Company, it will ensure that the Investment Team's interests will be better aligned to shareholders. The Company will leverage its extensive investment experience and depth of operational expertise for the benefit of its shareholders by itself becoming a direct shareholder in market leading businesses.

3.3.4 Further details of the reasons for the Transactions, including the Brait Financial Assistance, can be found in the Circular, in particular Part 3 and Parts 6 to 13 thereof.

3.4 The Interest of the Company in providing the Brait Financial Assistance

3.4.1 An essential component of the Transactions and achieving maximum benefit from them is the committed involvement of the Investment Team. Ensuring that the Investment Team has a significant investment in the Company will contribute significantly to cementing that commitment for an initial five-year term with an option, at the discretion of the CPGHL directors, to renew the facility for another five years.

3.4.2 Acquiring up to 18% interest in the Company as part of the Transactions will involve a significant financial commitment on the part of the Investment Team. While the Investment Team will contribute a significant amount of their own funds in acquiring that interest, it is necessary that they finance the acquisition with financial assistance from the Company.

3.4.3 Thus, the Brait Financial Assistance is required to enable the Investment Team to acquire their up to 18% interest in the Company which will in turn enable the Transactions to be implemented with the resulting benefits described above.

3.5 The Terms of the Brait Financial Assistance

3.5.1 The terms of the Investment Team Loan and the CPGHL Pledge are considered by the Board to be fair and reasonable and in line with fair market conditions after taking into account the points raised under 3.3 and 3.4 above.

3.5.2 The terms of the Investment Team Loan are as follows:

- a loan for R1.2 billion which has an initial five year term with an option, at the discretion of the CPGHL directors, to renew the facility for another five years;
- interest rate on the loan is 3-month JIBAR plus 3.5%, which approximates the prime lending rate;
- the interest on the loan will roll up and it is anticipated that the loan and interest accrued will be serviced from Brait dividends to shareholders and/or realisation of the Brait shares;
- any loan repaid by the Investment Team can be redrawn for acquisition of Brait shares, provided the total drawn capital does not exceed R1.2 billion;

- the proceeds of any realisations of shares by the Investment Team will be applied 100% to the loan and interest accrued and any distributions will be applied 80% to the loan and interest and 20% distributed to the Investment Team subject to the approval of the ratio by the Board or appropriate Board Committee which may in its sole discretion change the ratio depending on the circumstances at the time;
- shares bought with the loan funding and with the Investment Team's own estimated R300 million contribution, which will be at risk in the process, will be pledged to Brait; and
- there are no restrictions on the sale of shares by the Investment Team although the Investment Team Loan has early settlement penalties within the first five years.

3.5.3 The terms of the RMB Bridging Facility to CPGHL utilised to advance the Investment Team Loan are as follows:

- the facility amount is R1.2 billion;
- the term is for 7 days as the Investment Team will re-invest the proceeds from the Investment Team Loan into CPGHL via its participation in the Rights Offer and the Investment Team Placement thus allowing CPGHL to settle the RMB Bridging Facility in full within that 7-day period;
- the repayment schedule is such that the capital drawn down plus interest will be paid on or before the end of the 7 day term;
- the interest rate is 1 month's JIBAR plus 3.4%;
- there are no arrangement or commitment fees;
- security to be provided for the term that the facility is outstanding includes charges in favour of RMB of CPGHL's shares and loan accounts in relation to its current and future underlying investments, as well as charges over its bank accounts and credit balances of CPGHL;
- penalty interest is plus 2%; and
- any other costs will be borne by CPGHL.

3.6 The Risks for the Liquidity and Solvency of the Company

3.6.1 The Board believes that, for the reasons set out below, there are no material liquidity or solvency risks for the Company as a result of the provision of the Brait Financial Assistance.

3.6.2 The amount drawn down under the RMB Bridging Facility and advanced under the Investment Team Loan will be invested back into the Company through the Rights Issue and Investment Team Placement process enabling CPGHL to repay the RMB Bridging Facility within a period of no longer than 7 days.

3.6.3 The interest payment arrangements on the Investment Team Loan do not have a material negative cash impact on CPGHL as the repayment of the interest on the RMB Bridging Facility will be funded by CPGHL either out of the proceeds of the Rights Issue or other cash resources available to it.

3.6.4 The interest accrual on the Investment Team Loan will be set aside as part of the NDR to ensure that the NDR always approximates the total borrowings due on the Investment Team Loan.

3.6.5 The net assets of the Company will exceed the liabilities by R8.3 billion following the Transactions and the Brait Financial Assistance, thus illustrating that the Group is highly solvent.

3.6.6 The Investment Team Pledge provides the Company with a material level of security in respect of the Investment Team's obligations under the Investment Team Loan.

3.6.7 The Board has concluded that, based on the above assessment of the risks and the risk associated with an adverse Brait share price movement together with a potential decrease in the dividend distribution, in the context of the Transactions as a whole, the risks to the Company and CPGHL in relation to the Brait Financial Assistance are at a level that is reasonable and acceptable.

Annexure 3 to the Circular contains an unaudited *pro forma* statement of the financial position and statement of comprehensive income of the Brait group prepared for illustrative purposes only to provide information on how the Transactions might have impacted on the financial position and results of the Brait Group.

4. PRICE AT WHICH INVESTMENT TEAM ACQUIRES SHARES

The Investment Team will acquire their shares, whether through the Rights Offer itself, the underwriting thereof or the Investment Team Placement at the same price, namely ZAR16.50 per share, being the same price as being generally offered under the Rights Offer to all other shareholders of Brait.

5. THE NON-DISTRIBUTABLE RESERVE

5.1 The Brait Financial Assistance does not result in the reduction of the net assets of the Company below the aggregate of its subscribed capital and the non-distributable reserves.

5.2 The Company will create a non-distributable reserve in the amount of the Brait Financial Assistance in the following manner in accordance with Article 49-6(1)(c) of the 1915 Law:

5.2.1 the share capital of the Company will be reduced by an amount of approximately USD168 million (leaving an issued share capital of USD 10 million) and such amount will be transferred to the non-distributable reserve; and

5.2.2 the Company's distributable reserves will be reduced by an amount of approximately USD24 million and such amount will also be transferred to the non-distributable reserve.

6. REPORT OF RÉVISEUR D'ENTREPRISES AGRÉE

Given that Directors of the Company who are members of the Investment Team would benefit from the Brait Financial Assistance, a special report from a *réviseur d'entreprises agréé* (approved statutory auditor) has been prepared in accordance with Article 49-6bis of the 1915 Law and will be presented to the general meeting of shareholders of the Company for purposes of their approval of the Brait Financial Assistance.

7. CONCLUSION

7.1 To the extent that the Brait Financial Assistance amounts to a transaction referred to in Article 49-6(1) of the 1915 Law, the Board is of the view that, based on all of the elements described in this report, the Brait Financial Assistance is fair and reasonable and it is in the interests of the Company that the Brait Financial Assistance be provided on the terms described in this report.

7.2 The Board therefore recommends that the Brait Financial Assistance be approved by the shareholders of the Company in accordance with Article 49-6(1) of the 1915 Law which allows for indirect financial assistance in certain circumstances.

This report has been signed on 11 April 2011 by

Christopher Stefan Seabrooke (*Director*)

duly authorised on behalf of the Directors of the Company



Deloitte S.A.
 560, rue de Neudorf
 L-2220 Luxembourg
 B.P. 1173
 L-1011 Luxembourg
 Tel: +352 451 451
 Fax: +352 451 452 401
 www.deloitte.lu

**INDEPENDENT ASSURANCE REPORT
 PURSUANT TO ARTICLE 49-6 BIS OF THE LUXEMBOURG LAW ON
 COMMERCIAL COMPANIES OF AUGUST 10, 1915 AS AMENDED**

To the Shareholders and Board of Directors of
 Brait S.A.
 42, rue de Vallée
 L-2661 Luxembourg

The Board of Directors is required to submit to the General Meeting for prior approval a written report in terms of transactions that constitute advancing funds, making loans and providing security with a view to the acquisition of its shares by certain members of the Board of Directors. The submission is done in terms of the Luxembourg Law on Commercial Companies of August 10, 1915 as amended Article 49-6.

Pursuant to same Law Article 49-6bis, a special report by a *réviseur d'entreprises agréé* is required to be submitted to this General Meeting for its consideration and we have been appointed by the Board of Directors of Brait S.A. to issue a special report in accordance with Article 49-6bis of the Law of August 10, 1915 on commercial companies ("the Law"), as subsequently amended.

The words and expressions as set out in this report have the same meaning as described in the introduction to the Directors Report, unless the context indicates otherwise.

Board of Directors' responsibility for the written report

The Board of Directors is responsible for the preparation of a written report dealing with the criteria of the Law to the General Meeting pursuant to Article 49-6 (1) of the Law which requires:

- acknowledgement that the transactions will take place under the responsibility of the Board of Directors at fair market conditions, especially with regard to interest received by the Company and with regards to security provided to the Company for such advances;
- confirmation that the credit standing of each counterparty of the transaction has been duly investigated;
- the reasons for the transaction;

- the interest of the Company in entering into such a transaction;
- the conditions on which the transaction is entered into;
- the risks involved in the transaction for the liquidity and solvency of the Company; and
- the price at which the third party is to acquire the shares.

This report shall be filed with the commercial and companies register (Registre de commerce et des sociétés) in accordance with Article 9(1) and published in the Mémorial pursuant to Article 9(3), subparagraph 3. Furthermore the Board of Directors is responsible for ensuring that the aggregate financial assistance granted to third parties shall not result in the reduction of the net assets below the amount specified in paragraphs 1 and 2 of Article 72-1, taking into account also any reduction of the net assets that may have occurred through the acquisition, by the Company or on behalf of the Company, of its own shares in accordance with Article 49-2(1). The Company shall include, among the liabilities in the balance sheet, a reserve, unavailable for distribution, of the amount of the aggregate financial assistance.

Responsibility of the réviseur d'entreprises agréé

Our responsibility is to conclude that, based solely on assertions made by the Board of Directors in response to the criteria of Article 49-6 of the Law of 1915, nothing has come to our attention that causes us to believe that the assertions made by management are not fairly stated in all material respects.

Scope of our review

We performed our procedures in accordance with International Standard on Assurance Engagements (ISAE) 3000 “Assurance Engagements other than Audits or Reviews of Historical Financial Information”.

The procedures performed by us neither constituted an audit or a review of the Company’s financial statements or any part thereof, or an examination of compliance with laws, regulations, or consideration for the Brait Malta Subscription, or other matters. Accordingly, we do not express an opinion, or any other form of assurance, on the Company’s financial statements or any part thereof, nor an opinion, or any other form of assurance, its compliance with laws, regulations, the Brait Malta Subscription or other matters.

Matters that are based on subjective views have been excluded from the scope of this engagement and accordingly we do not make a conclusion on such matters.

We based our procedures on the assertions made by Board of Directors in the Directors Report attached to the Circular. Based on the inherent limitation referred to above, we excluded certain assertions enumerated below from our scope:

<u>Assertion made by management excluded from the scope of this report</u>	<u>Reason for no conclusion by <i>Réviseur d'entreprises agréé</i></u>
<p>The Board of Directors believe that the transaction will take place at fair market conditions, especially with regard to interest received by the Company and with regards to security provided to the Company for such advances.</p>	<p>The fairness of the market conditions, interest received and security provided to the Company is subjective. Accordingly we do not conclude on this matter.</p>
<p>The Board of Directors believe that there are reasons for the transaction.</p>	<p>The reasons for the Transaction are subjective. Accordingly we do not conclude on this matter.</p>
<p>The Board of Directors believe that the Company has an interest entering into the Transaction.</p>	<p>The interest of the Company in entering into the Transaction is subjective. Accordingly we do not conclude on this matter.</p>
<p>The Board of Directors has concluded that based on their assessment of the risks involved, including liquidity and solvency, in relation to the Brait Financial Assistance are in the context of the overall transactions referred to in the Circular, reasonable and acceptable.</p>	<p>The reasonability and acceptability of the risks involved is subjective. Accordingly we do not conclude on this matter.</p>
<p>The assurance that is provided by our procedures should therefore be considered in the light of these limitations on the nature and extent of evidence-gathering procedures performed. A limited assurance engagement is substantially less in scope than reasonable assurance engagement and subsequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in reasonable assurance engagement. Accordingly, we express conclusion in a negative form.</p>	

Procedures performed

- Inspection of the pro-forma Balance Sheet in the Circular to the shareholders.
- Inspection of the Directors' report as attached to the Circular to the shareholders.
- Inspection of the signed loan agreement between CPGHL and Fleet Holding Limited.
- Inspection of the signed loan agreement between Fleet Holding Limited and the Investment Team.
- Inspection of the signed RMB Term Sheet for the bridging facility.

Conclusion

Based on our work described in this report, except those assertions excluded from our scope and noted above, nothing has come to our attention that causes us to believe that Board of Directors' assertions made in the Directors' report, in all material respects, based on the criteria of the Article 49-6 of the Law, are not fairly stated.

This conclusion is subject to the inherent limitations mentioned elsewhere in this independent assurance report as well as the fact that the assessment can be subject to interpretation. Had we performed additional procedures or used other criteria, other matters might have come to our attention and might have changed the results of our review.

This report is provided solely for the purpose of accompanying the Board of Directors report in the presentation to the General Meeting and is not intended to be and should not be used by anyone other than these parties.

For Deloitte S.A., *Cabinet de révision agréé*


Sophie Mitchell, *Réviseur d'entreprises agréé*
Partner



Lize Griffiths
Partner

1 April 2011

MERGER PLAN

(NOTE TO SHAREHOLDERS: IN PARAGRAPH (H) OF THE BELOW MERGER PLAN IT IS STATED THAT THE STATUTES THAT WILL BE APPLICABLE TO BRAIT SUBSEQUENT TO ITS CONVERSION TO AN SE ARE ATTACHED AS ANNEX A TO THE MERGER PLAN. THE SAID STATUTES HAVE BEEN SO ATTACHED TO THE VERSION OF THE MERGER PLAN THAT HAS BEEN PUBLISHED IN LUXEMBOURG AND MALTA FOR REGULATORY PURPOSES. THE SAID STATUTES ARE ALSO AVAILABLE FOR INSPECTION AT THE REGISTERED ADDRESS OF BRAIT. HOWEVER, IT HAS BEEN DECIDED, DUE TO THE LENGTH OF THE SAID STATUTES, THAT THEY WILL IN FACT NOT BE INCLUDED IN THIS CIRCULAR.)

Draft Terms of Merger of:

1. **Brait S.A.**, a *société anonyme* registered under the laws of Luxembourg with its registered address at 42, rue de la Vallée, L-2661 Luxembourg, Luxembourg and registered with the Luxembourg Register of Commerce and Companies under registration number B 13861 (the “**Acquiring Company**”); and
2. **BM p.l.c.**, a public limited liability company registered under the laws of Malta with its registered address at Level 1, Cornerline, Dun Karm Street, Birkirkara, BKR9039, Malta and having registration number C52076 (the “**Company Ceasing to Exist**” and together with the Acquiring Company, the “**Merging Companies**”);

Whereas:

- (i) the Acquiring Company holds all the shares of the Company Ceasing to Exist which confer the right to vote at general meetings;
- (i) the Merging Companies have not been dissolved or declared bankrupt, nor has a suspension of payment been declared with respect to the Merging Companies;
- (iii) none of the Merging Companies have a works council or a trade union that has amongst its members employees of one of the Merging Companies or any of their subsidiaries,

the Merging Companies are proposing that a merger shall take place within the context of Council Regulation (EC) No. 2157/2001 of 8 October, 2001 on the Statute for a European Company (SE) (the “**Regulations**”) and for Luxembourg purposes in accordance with Section XIV of the Luxembourg Law of 10 August 1915 on commercial companies, as amended (the “**1915 Law**”), as a result of which merger:

- all the assets, rights, liabilities and obligations of the Company Ceasing to Exist shall be acquired by the Acquiring Company;
- the Company Ceasing to Exist will cease to exist; and
- the Acquiring Company adopts the form of a *Societas Europaea* (**SE**).

The information to be indicated pursuant to Article 20 of the Regulations and Article 261 of the 1915 Law is as follows:

(a) The name and registered office of each of the Merging Companies together with those proposed for the SE

- (i) The Acquiring Company is a *société anonyme* validly existing and organised under the laws of Luxembourg, registered under the name Brait S.A. and having its registered office at 42, rue de la Vallée, L-2661 Luxembourg, Luxembourg. The Acquiring Company is a company whose shares are listed on the Johannesburg Stock Exchange in South Africa and the Euro MTF Market of the Luxembourg Stock Exchange.
- (ii) The Company Ceasing to Exist is a public limited liability company duly incorporated and validly existing under the laws of Malta, registered under the name BM p.l.c. and having its registered office at Level 1, Cornerline, Dun Karm Street, Birkirkara, BKR9039, Malta.
- (iii) Upon the proposed merger taking place the name of the Acquiring Company shall change to **Brait SE** and its registered office shall be situated at 42, rue de la Vallée, L-2661 Luxembourg, Luxembourg.

(b) The share-exchange ratio and the amount of any compensation

In accordance with Article 31(1) of the Regulations, no information about the exchange ratio of shares is required since the simplified formalities referred in the aforementioned regulation shall be applicable to the merger between the Acquiring Company and the Company Ceasing to Exist.

(c) The terms for the allotment of shares in the SE

In accordance with Article 31(1) of the Regulations no information about the terms for the allotment of shares in the SE is required since the simplified formalities referred in the aforementioned regulation shall be applicable to the merger between the Acquiring Company and the Company Ceasing to Exist.

(d) The date from which the holding of shares in the SE will entitle the holder to share in profits and any special conditions affecting the entitlement

In accordance with Article 31(1) of the Regulations no such information is required since the simplified formalities referred in the aforementioned regulation shall be applicable to the merger between the Acquiring Company and the Company Ceasing to Exist.

(e) The date from which the transactions of the Merging Companies will be treated for accounting purposes as being those of the SE

Irrespective of the effective date of the merger as provided in Article 29(1) of the Regulations, the date on which the operations of the Merging Companies will, for accounting purposes, be treated as being those of the SE is set at 1 April 2011.

(f) The rights conferred by the SE on the holders of shares to which special rights are attached and on the holders of securities other than shares, or the measures proposed concerning them

No special rights and/or measures shall apply to the holders of shares and/or securities in the SE.

(g) Special Rights or advantages

Since the simplified formalities in terms of Article 31(1) of the Regulations apply to the proposed merger, the Merging Companies are not required to appoint independent experts to examine and draft a report on the draft terms of merger. Consequently, no special rights are being granted to experts to act on behalf of the Merging Companies.

Furthermore no special rights are being granted to the directors of the Merging Companies.

(h) Statutes of the SE

The proposed statutes of the SE are attached to these draft terms of merger as **Annex A**.

(i) Procedures for employee participation and description of the likely repercussions of the merger on employment.

Since the Merging Companies do not have any employees, no procedures for employee participation need to be followed, for the purposes of the merger.

(j) Information on the evaluation of the assets and liabilities which are transferred to the Acquiring Company

There are no assets other than cash in the Company Ceasing to Exist. All liabilities of the Company Ceasing to Exist will be settled before the merger becomes effective.

(k) Date of the Merging Companies' accounts used to establish the conditions of the merger.

The date of the interim financial statements of the Acquiring Company used to establish the conditions of the merger is 1 January 2011.

The date of the accounting statement of the Company Ceasing to Exist is 22 February 2011.

(l) Arrangements made for the exercise of the rights of creditors and of any minority shareholders

Since the Acquiring Company will continue to exist as an SE, no special arrangements are required for the exercise of the rights of its creditors and minority shareholders.

At the time of merger, the Company Ceasing to Exist will not have any creditors since all its liabilities will be settled prior to the merger. The sole minority shareholder of the Company Ceasing to Exist (who holds one non-voting and non-participating share) shall, upon the merger taking place, be entitled to subscribe to one share in the SE. Information on such an arrangement may be obtained free of charge at any one of the following addresses:

42, rue de la Vallée
L-2661 Luxembourg
Luxembourg

or

Level 1, Cornerline
Dun Karm Street
Birkirkara, BKR9039
Malta

DRAFT TRANSFER PROPOSAL

(NOTE TO SHAREHOLDERS: THE DRAFT TRANSFER PROPOSAL BELOW IS INCLUDED SOLELY FOR SHAREHOLDER INFORMATION PURPOSES. THE FINAL VERSION HEREOF WILL BE SENT TO SHAREHOLDERS AS PART OF THE CONVENING NOTICE FOR THE THIRD EGM WHERE SHAREHOLDER WILL BE ASKED TO APPROVE IT. GIVEN THAT THE TRANSFER PROPOSAL BELOW IS IN DRAFT FORM, SOME INFORMATION HAS DELIBERATELY NOT BEEN COMPLETED AND SOME INFORMATION IS DELIBERATELY LEFT BETWEEN SQUARE BRACKETS.)

This is a transfer proposal issued by:

Brait S.E., a *Societas Europaea (société européenne)* registered under the laws of Luxembourg with its registered address at 42, rue de la Vallée, L-2661 Luxembourg, Luxembourg and registered with the Luxembourg Register of Commerce and Companies under registration number B 13861 (the “**Company**”).

Whereas:

- (i) The Company was incorporated on 5 May 1976 as a *société anonyme* in accordance with the laws of Luxembourg under the name Tolux S.A.;
- (ii) On 29 July 1998, the Company changed its name into Brait S.A.;
- (iii) On [•] 2011, the Company took the form of a *Societas Europaea* upon completion of the merger by acquisition between Brait S.A. and BM p.l.c, a public limited liability company previously registered under the laws of Malta and having registration number C52076, in accordance with Section 2 of Title II of Council Regulation (EC) No. 2157/2001 of 8 October, 2001 on the Statute for a European Company (SE) (the “**Regulations**”);
- (iv) The Company’s shares are listed on the Johannesburg Stock Exchange in South Africa and on the Euro MTF Market of the Luxembourg Stock Exchange;
- (v) It is proposed that the Company transfers its registered office to Malta (the “**Transfer**”) in accordance with Article 8 of the Regulations and Article 101-1 of the Luxembourg Law of 10 August 1915 on commercial companies, as amended;
- (vi) The Transfer shall not result in the winding up of the Company or in the creation of a new legal person.

The information to be indicated pursuant to Article 8 of the Regulations is as follows:

(a) Current name, registered office and registration number of the SE

The Company is registered under the name Brait S.E. Its registration number is R.C.S. B 13861 and its registered office is situated at 42, rue de la Vallée, L-2661 Luxembourg, Luxembourg.

(b) Proposed registered office of the SE

It is proposed that the registered office is changed to Level 1, Cornerline, Dun Karm Street, Birkirkara, BKR9039, Malta.

(c) The proposed statutes of the SE

The proposed statutes of the SE are attached to this proposal as **Annex A**. There is no intention of changing the name of the Company once it transfers its registered office to Malta.

(d) Any implication on employees’ involvement

Since the Company does not have any employees, no implications will arise with respect to employees’ involvement.

(e) Proposed transfer timetable

- A general meeting of the shareholders of the Company shall take place on [10 October] 2011, being at least two months after publication of this proposal;
- As from [9 September] 2011 until the date of the aforementioned general meeting, the shareholders and creditors of the Company shall be entitled to examine this proposal and the directors’ report relating to the transfer of registered office at the registered office of the Company;
- Once the general meeting of shareholders is held and the transfer is approved, a copy of the minutes will be filed at the registry in Luxembourg and a notary will issue a certificate attesting to the completion of the pre-transfer acts and formalities (the “**Transfer Certificate**”);

- The Transfer Certificate together with other documentary evidence will be submitted to the Registry of Companies in Malta and the Maltese registrar will proceed to register the Company as a Maltese S.E; and
- The Maltese registrar will notify the registry in Luxembourg of the registration of the Company as a Maltese S.E. who will then proceed to de-register the Company from the Luxembourg registry.

(f) Rights provided for the protection of shareholders and/or creditors

Creditors whose claims predate the publication of this transfer proposal may within two months of such publication apply to the judge presiding the chamber of the *Tribunal d'Arondissement* dealing with commercial matters in Luxembourg.

(g) Annexes

Annexes to these draft terms form an integrated part of this proposal.

Terms and conditions of the Auction of unexercised Rights issued by BRAIT S.A.

The following terms and conditions shall apply in respect of a sale (the “**Rights Auction**”) to be performed by the bailiff in charge of the Rights Auction, at the Luxembourg Stock Exchange, 11, avenue de la Porte Neuve, L-2257 Luxembourg, at 10.00 a.m. on Wednesday, 29 June 2011:

1. The Rights Auction shall be in respect of the subscription rights issued by Brait S.A. (the “**Rights**”), a company incorporated under the law of Luxembourg and registered with the Luxembourg Register of Commerce and Companies under the legal form of a société anonyme under number B13.861 with its registered office address at 42, rue de la Vallée, L-2661 Luxembourg (“**Brait**” or the “**Company**”) under the rights offer as more fully described in the Circular dated on or around 18 April 2011 (“**Offering Circular**”) (the “**Rights Offering**”) which remain unexercised, or are deemed to be unexercised as at the closing of the Rights Offer being 12.00 p.m. on Friday, 24 June 2011 (“**Unexercised Rights**”).
2. Each Right entitles its holder to subscribe for one new share in Brait (ISIN: LU0011857645) (the “**New Brait Shares**”) with full dividend entitlement to any dividends to be declared after the date of issue in respect of the Company’s financial year ending 31 March 2012 and all subsequent financial years.
3. Unexercised Rights will be notionally reallocated to successful bidders at the Rights Auction and must be exercised immediately by such person. To be eligible to participate in the Rights Auction an investor must have made arrangements to have the subscription price for the New Brait Shares, being ZAR16.50 per share, available for transfer to the following bank account of the Company:

Account name: Brait Societe Anonyme
Bank: First National Bank
Account number: 62304959234
Branch name: Global transactional services
Branch code: 255005
Swift code: FIRNZAJJ

(the “**Subscription Proceeds Account**”) in accordance with these terms.

4. The precise number of Unexercised Rights to be sold in the Rights Auction shall be determined as soon as possible after 12:00 p.m. on Friday, 24 June 2011 and posted on the website of the Company at www.Brait.com and on the website of the Luxembourg Stock Exchange at www.bourse.lu and to the officiating bailiff on that date.
5. Potential investors and/or their advisors are, for further details, referred to the Offering Circular. Copies of the Offering Circular are available at no cost to investors or potential investors at the registered offices of the Company and the offices of the Luxembourg Stock Exchange, or online at www.Brait.com or www.bourse.lu
6. The Rights Auction is performed at the request of and at the initiative of the Company. A notice in respect of the Rights Auction shall be posted on the website of the Luxembourg Stock Exchange on Friday, 24 June 2011.
7. Unexercised Rights may only be exercised by investors that are legally entitled to acquire shares in the Company.
8. Since Unexercised Rights purchased at the Rights Auction must be exercised immediately, investors wishing to acquire Unexercised Rights in the Rights Auction must instruct a member of the Luxembourg Stock Exchange (a “**LuxSE Member**”) to represent them at the Rights Auction, to purchase Unexercised Rights on their behalf and to complete and sign the exercise notice in respect of the Unexercised Rights purchased. A list of members of the Luxembourg Stock Exchange can be found on at www.bourse.lu
9. The completed and signed exercise notice containing the information necessary for the delivery of the New Brait Shares to be issued must be submitted through the LuxSE Member to the bailiff in charge of the Rights Auction, who will forward them to Experta Luxembourg S.A. (the Company’s Luxembourg Registrar) (“**Experta**”). Experta will in turn liaise with Computershare Investor Services (Pty) Limited (the Company’s South African Registrar) (“**Computershare**”) to arrange for the issue of the New Brait Shares subscribed for.

10. Simultaneously with the acquisition of the Unexercised Rights in the Rights Auction, the exercise notice in relation to the Unexercised Rights purchased in the Rights Auction must be received by the bailiff. The subscription for New Brait Shares pursuant to the acquisition of Unexercised Rights at the Rights Auction shall be subject to the following conditions, namely:
 - (i) the exercise of the Unexercised Rights by the LuxSE Member that acts as the investor's representative at the Rights Auction, such exercise constituting a subscription of the number of New Brait Shares that may be subscribed upon exercise of the Unexercised Rights purchased at the Rights Auction;
 - (ii) the payment of the applicable subscription price for the New Brait Shares into the Subscription Proceeds Account (in accordance with 18 below); and
 - (iii) the payment of the applicable auction price for the Unexercised Rights into the Subscription Proceeds Account (as defined in 11 below).
11. Payment of the auction price of the Unexercised Rights, must be received on or before Thursday, 30 June 2011, at 3.00 p.m. into the Subscription Proceeds Account, failing which the purchaser of such Unexercised Rights shall have no further right to subscribe for the New Brait Shares and the Unexercised Rights shall pass to the underwriters, namely: (i) Titan Nominees (Pty) Ltd; (ii) Rand Merchant Bank, a division of FirstRand Bank Limited and (iii) the Company's designated Investment Team Members as underwriters of the Rights Offering ("**Underwriters**") who shall be obliged to exercise such Unexercised Rights in accordance with their specified proportion in terms of the underwriting agreement entered into between themselves and the Company on or around 1 March 2011. In the event that a transfer within this deadline to the Subscription Proceeds Account proves not to be practicable, the Company may, at its full discretion, specify a new deadline for payment and contact the successful bidder to that effect as and when such reasons become known.
12. The participation at the Rights Auction implies the unconditional acceptance of these terms and conditions of the Rights Auction. The terms and conditions of the Rights Auction are freely available to any interested party at the registered address of the Company or on the Brait website at www.Brait.com
13. The Rights Auction may be, at the discretion of the officiating bailiff, in respect of the entirety of the Unexercised Rights or by way of several sales, provided that all the Unexercised Rights are sold at the Rights Auction.
14. The minimum price for the entirety of the Unexercised Rights offered at the Rights Auction shall be one Euro.
15. Bids may be made by the participants at the Rights Auction, who shall be Members of the Luxembourg Stock Exchange, by verbal indication or unequivocal show of hand or sign of head. The highest bid shall be accepted by the bailiff. If there are several sales, the highest bid per sale shall be accepted by the bailiff always under the proviso that the terms and conditions of sale shall be complied with by the bidder.
16. Any risk in respect of the Unexercised Rights that are sold during the Rights Auction and the New Brait Shares shall be borne exclusively by the purchaser upon exercise of the Rights by the bidder.
17. The New Brait Shares issued upon exercise of Unexercised Rights acquired at the Rights Auction will be issued by Computershare to be credited to the account of the bidder with such financial intermediary through Strate as provided in the exercise notice or, if so instructed, be registered in the Company's Register of Shareholders in the name of the successful bidder, or their proper nominee.
18. Investors who apply to receive their New Brait Shares in either certificated or dematerialised format must arrange that the subscription proceeds are received into the Subscription Proceeds Account on or before Friday, 1 July 2011 at 3.00 p.m. Dematerialised shares will be delivered into Strate as per 17 above and Brait Shareholders who elect to receive their New Brait Shares in certificated form will have their share certificates posted to them on Monday, 4 July 2011.
19. The proceeds of the sale of the Unexercised Rights at the Rights Auction (and not the subscription proceeds received by the Company on the exercise of such Rights) shall, after deduction of the costs and fees relating to the Rights Auction ("**Rights Auction Proceeds**"), be held by the Company in the Subscription Proceeds Account on behalf of the holders of Unexercised Rights for a period of five years. Shareholders entitled to Rights Auction Proceeds will be entitled to claim their *pro rata* portion from the Company and should contact the Company in this respect.
20. If the gross proceeds of the sale of the Unexercised Rights at the Rights Auction shall be less than the costs and fees relating to the Rights Auction, the amount of such costs and fees in excess of the proceeds shall be borne by the Company. In such case no Rights Auction Proceeds shall be held on behalf of shareholders who did not exercise their Rights.



BRAIT S.A.

*Incorporated under the law of Luxembourg and registered with the
Luxembourg Register of Commerce and Companies under the legal form of a société anonyme
under number RCS Luxembourg B-13861
Listed in Luxembourg and South Africa*

Notice is given that an extraordinary general meeting of Brait S.A. will be held at 42, rue de la Vallée, L-2661 Luxembourg, Grand Duchy of Luxembourg at 10.00 a.m. on 4 May 2011 in the presence of a Luxembourg notary to consider and, if thought fit, pass the following resolutions on the basis that the Resolutions set out in items 1 to 4 below will not take effect unless each of such Resolutions has been duly passed.

1. FINANCIAL ASSISTANCE

- 1.1** Subject to the passing of Resolutions 3.1, 3.2, 3.3 and 3.4 below, after considering the special report issued by the Company's approved statutory auditor to shareholders in terms of Article 49-6bis of the 1915 Law, the transactions, details of which are set out in the Circular dated on or around 18 April 2011 ("Circular"), under which the Company may be considered directly or indirectly to advance funds or make loans to provide security with a view to the acquisition of its shares ("Financial Assistance") be approved and the written report on the Financial Assistance presented by the Directors to the shareholders in terms of Article 49-6(1)(b) of the Luxembourg Law of 10 August 1915 on commercial companies ("1915 Law") be approved.
- 1.2** Subject to Resolution 1.1 above taking effect, the Company's issued share capital be reduced by an amount of US\$160 632 883.35 and that the reduced capital amount be allocated to a non-distributable reserve to be created in terms of Article 49-6(1)(c) of the 1915 Law.
- 1.3** Subject to Resolution 1.2 above taking effect, the Company's distributable reserves be reduced by an amount of US\$10 000 000 and that such amount be allocated to the same non-distributable reserve in terms of Article 49-6(1)(c) of the 1915 Law as referred to in Resolution 1.2 above.

2. INCREASE OF AUTHORISED SHARE CAPITAL

For purposes of the Rights Offer and the Private Placements in terms of Resolutions 3.1, 3.2, 3.3 and 3.4 below and subject to the passing of the said resolutions:

- 2.1** The Company's authorised share capital be amended by increasing the number of authorised ordinary shares of no par value from 150 000 000 to 1 500 000 000.

3. DIRECTORS' AUTHORITY TO ISSUE RIGHTS AND SHARES

- 3.1** Subject to the passing of Resolutions 1.1, 1.2, 1.3 and 2.1 above and Resolutions 3.2, 3.3 and 3.4 below, the Directors be generally and unconditionally authorised to exercise all powers of the Company to issue rights ("Rights") to shareholders of the Company in terms of a fully underwritten rights offer ("Rights Offer"), details of which are set out in the Circular and under which a maximum of 356 961 963 new ordinary shares will be offered to shareholders at the price of ZAR16.50 per new ordinary share at a ratio of three new ordinary shares for every one ordinary share held by shareholders at 17.00 p.m. on Thursday, 12 May 2011 in Luxembourg and Friday, 20 May 2011 in South Africa.
- 3.2** Subject to Resolution 3.1 above taking effect and to the passing of Resolutions 3.3 and 3.4 below, subsequent to the Rights Offer and the Auction, the Directors be generally and unconditionally authorised to exercise all powers of the Company to issue in the aggregate a maximum of 356 961 963 new ordinary shares to:

- 3.2.1** shareholders who exercise their rights to subscribe for new ordinary shares in accordance with their Rights;
 - 3.2.2** those persons who purchase the Rights on the Euro MTF Market of the Luxembourg Stock Exchange (“LuxSE”) and/or the securities exchange operated in Johannesburg by JSE Limited (“JSE”) and who then exercise such Rights;
 - 3.2.3** those persons who, subsequent to the closing of the Rights Offer, purchase the Rights on the public auction organised by the LuxSE for the purposes of selling off all unexercised Rights (“Auction”) and who then exercise such Rights.
- 3.3** Subject to Resolution 3.1 above taking effect and to passing of Resolutions 3.2 above and 3.4 below, subsequent to the Rights Offer and the Auction, the Directors be generally and unconditionally authorised to exercise all powers of the Company to issue, without having to respect the pre-emption rights of existing shareholders, up to a maximum number of 110 000 000 new ordinary shares (less the number of new ordinary shares acquired by the Investment Team (as defined hereinafter) during the Rights Offer or pursuant to the discharge of their underwriting commitment) at the price of ZAR16.50 per new ordinary share to those members of the Brait group’s investment team identified in the Circular (“Investment Team”) if the Investment Team has not acquired its desired 18% shareholding in the Company (taking into account the number of new ordinary shares issued to the Investment Team after the Rights Offer Period and pursuant to the discharge of their underwriting commitment) (the “Investment Team Placement”).
- 3.4** Subject to Resolution 3.1 above taking effect, and to passing of Resolutions 3.2 and 3.3 above, subsequent to the Rights Offer, the Auction and the Investment Team Placement, and following the expiry of a period of three months following the Auction, the Directors be generally and unconditionally authorised to exercise all powers of the Company to issue, without having to respect the pre-emption rights of existing shareholders, up to a maximum number of 55 000 000 new ordinary shares at the price of ZAR18.00 per new ordinary share to Titan Nominees (Proprietary) Limited (“Titan”) if Titan has not acquired its desired 33% shareholding in the Company (taking into account the number of new ordinary shares issued to Titan after the Rights Offer Period, pursuant to the discharge of its underwriting commitment and the shares acquired in the 3-month period thereafter).

4. LISTING OF RIGHTS AND SHARES

- 4.1** Subject to Resolution 3.1 above taking effect, all the Rights issued by the Directors in terms of the authority granted in Resolution 3.1 above be listed on the LuxSE and the JSE.
- 4.2** Subject to Resolution 4.1 above taking effect, all the Rights, which remain unexercised at the end of the Rights Offer Period, be sold on the LuxSE by public auction.
- 4.3** Subject to Resolution 4.1 above taking effect, all the new ordinary shares issued by the Directors in terms of the authorities granted in Resolutions 3.2 to 3.4 above be listed on the LuxSE and the JSE.
- 4.4** Subject to Resolutions 4.1, 4.2 and 4.3 above taking effect, any one Director acting alone be and is hereby authorised to sign such documents and do such things as may be necessary or as such Director may, in his sole discretion, deem reasonable or desirable and in the best interests of the Company for the purpose of giving effect to the above resolutions.

5. AMENDMENT OF ARTICLES OF INCORPORATION

- 5.1** Article 3.5 of the Company’s Articles of Incorporation be amended to reflect the change from a 1929 holding company to a normal taxable company, by deleting the following wording at the end of Article 3.5: “, remaining always however within the limits established by the law of July thirty-first nineteen hundred and twenty-nine governing holding companies”.
- 5.2** The Company’s Articles of Incorporation be amended to insert a new Article 5.7 to read as follows: “Any share premium created upon the issue of Ordinary Shares shall constitute a distributable reserve of the Company, the utilisation of which shall be within the absolute discretion of the board of the Company”.
- 5.3** Subject to the passing of Resolution 2.1 above, Article 5.1 of the Company’s Articles of Incorporation be amended by deleting the existing Article 5.1 and replacing it with a new Article 5.1 in the form set out below:

“5.1 The Company has an authorised capital of two hundred and twenty-five million United States Dollars (225 000 000 US\$) divided into one billion five hundred million (1 500 000 000) ordinary shares with no par value in the capital of the Company (“Ordinary Shares”).”

Resolutions 1.1, 1.2, 2.1, 3.1 to 3.4, 5.1, 5.2 and 5.3 are to be proposed as Special Resolutions and Resolutions 1.3 and 4.1 to 4.4 as Ordinary Resolutions. The Special Resolutions require a $\frac{2}{3}$ majority by value of the Ordinary Shares present or represented at the General Meeting. In addition, in order to pass the Special Resolutions a quorum of more than half of the issued Ordinary Shares by value is required to be present or represented at the General Meeting. The Ordinary Resolutions may be passed at the General Meeting by a simple majority representing more than 50 per cent by value of the Ordinary Shares present or represented at the General Meeting. The quorum requirement in relation to the Ordinary Resolutions is at least two Members present or represented at the General Meeting.

In accordance with Luxembourg law, the General Meeting cannot be adjourned if there is no quorum. Accordingly, if at the General Meeting (the "First Meeting") the aforesaid quorum requirement of more than half of the issued Ordinary Shares by value is not present, the Special Resolutions will not be proposed and will, therefore, not be capable of being passed. The Directors may then decide to convene a subsequent General Meeting (the "Second Meeting") to re-consider the Special Resolutions, for which a further notice of meeting will be sent to the Members in accordance with the Articles.

The quorum requirement in relation to all the Resolutions at the Second Meeting will be at least two Members present or represented at the Second Meeting.

If the Special Resolutions are not passed at the First Meeting, they can be passed at the Second Meeting by a simple majority representing more than 50 per cent by value of the Ordinary Shares.

A Form of Proxy is attached.

By order of the Board

18 April 2011

Brait S.A.

Registered Office

42, rue de la Vallée
L-2661 Luxembourg



BRAIT S.A.

*Incorporated under the law of Luxembourg and registered with the Luxembourg Register of Commerce and Companies under the legal form of a société anonyme under number
RCS Luxembourg B-13861.*

Form of proxy

For use at the Extraordinary General Meeting (the "Meeting") to be held in the presence of a Luxembourg notary at 42, rue de la Vallée, L-2661 Luxembourg, Grand Duchy of Luxembourg, at 10.00 a.m. on 4 May 2011 and at any adjournment of such Meeting.

Please read the notice of Meeting and the explanatory notes overleaf before completing this form.

I/We

(Please insert full name in BLOCK CAPITALS)

of

(Please insert full address in BLOCK CAPITALS)

being (a) member(s) of Brait S.A. (the "Company"), hereby appoint the Chairman of the Meeting,

or

(see Note 1)

as my/our proxy, to attend and vote for me/us in terms of my/our Ordinary Shares at the General Meeting of the Company to be held at 42, rue de la Vallée, L-2661 Luxembourg, Grand Duchy of Luxembourg, and at any adjournment of such meeting. I/We direct the proxy to vote in relation to the Resolutions referred to below as follows:

Resolutions	For	Against	Withheld
1.1 Subject to the passing of Resolutions 3.1, 3.2, 3.3 and 3.4, approval of the transactions under which the Company may be considered directly or indirectly to provide Financial Assistance for the acquisition of its shares and the approval of the written report on the Financial Assistance presented by the Directors to the shareholders.			
1.2 Subject to Resolution 1.1 taking effect, approval of the reduction of the Company's issued share capital by an amount of USD160 632 883.35 and that the reduced capital amount be allocated to a non-distributable reserve.			
1.3 Subject to Resolution 1.2 taking effect, approval of the reduction of the Company's distributable reserves by an amount of USD10 000 000 and that such amount be allocated to the same non-distributable reserve as referred to in Resolution 1.2 above.			
2.1 For purposes of the Rights Offer and the Private Placements in terms of Resolutions 3.1, 3.2, 3.3 and 3.4 and subject to the passing of the said resolutions, approval of the amendment of the Company's authorised share capital by increasing the number of authorised ordinary shares of no par value from 150 000 000 to 1 500 000 000.			
3.1 Subject to the passing of Resolutions 1.1, 1.2, 1.3 and 2.1, approval of the granting of authority to the Directors to issue Rights to shareholders of the Company in terms of a fully underwritten Rights Offer, under which a maximum of 356,961,963 new ordinary shares will be offered to shareholders at the price of ZAR16.50 per new ordinary share at a ratio of three new ordinary shares for every one ordinary share held by shareholders at 17.00 p.m. on Thursday, 12 May 2011 in Luxembourg and Friday, 20 May 2011 in South Africa.			
3.2 Subject to Resolution 3.1 taking effect and to the passing of Resolutions 3.3 and 3.4, approval of the granting of authority to the Directors to issue in the aggregate a maximum of 356 961 963 new ordinary shares to: <ul style="list-style-type: none">- shareholders who exercise their rights to subscribe for new ordinary shares in accordance with their Rights;- those persons who purchase the Rights on the Euro MTF Market of the Luxembourg Stock Exchange and/or the securities exchange operated in Johannesburg by JSE Limited and who then exercise such Rights;- those persons who, subsequent to the closing of the Rights Offer, purchase the Rights on the public auction organised by the LuxSE for the purposes of selling off all unexercised Rights and who then exercise such Rights.			
3.3 Subject to Resolution 3.1 taking effect and to the passing of Resolutions 3.2 and 3.4, approval of the granting of authority to the Directors to issue, without having to respect the pre-emption rights of existing shareholders, up to a maximum number of 110 000 000 new ordinary shares at the price of ZAR16.50 per new ordinary share to the Investment Team if the Investment Team has not acquired its desired 18% shareholding in the Company (taking into account the number of new ordinary shares issued to the Investment Team after the Rights Offer Period and pursuant to the discharge of their underwriting commitment).			

Resolutions	For	Against	Withheld
3.4 Subject to Resolution 3.1 taking effect and to the passing of Resolutions 3.2 and 3.3, approval of the granting of authority to the Directors to issue, following the expiry of a period of three months following the LuxSE Auction and without having to respect the pre-emption rights of existing shareholders, up to a maximum number of 55 000 000 new ordinary shares at the price of ZAR18.00 per new ordinary share to Titan Nominees (Proprietary) Limited if Titan has not acquired its desired 33% shareholding in the Company (taking into account the number of new ordinary shares issued to Titan after the Rights Offer Period, pursuant to the discharge of its underwriting commitment and the shares acquired in the 3-month period thereafter).			
4.1 Subject to Resolution 3.1 taking effect, approval of the listing on the LuxSE and the JSE of all the Rights issued by the Directors in terms of the authority granted in Resolution 3.1 above.			
4.2 Subject to Resolution 4.1 taking effect, approval of the selling of all the Rights, which remain unexercised at the end of the Rights Offer Period, on the LuxSE by public auction.			
4.3 Subject to Resolution 4.1 taking effect, approval of the listing on the LuxSE and the JSE of all the new ordinary shares issued by the Directors in terms of the authorities granted in Resolutions 3.2 to 3.4.			
4.4 Subject to Resolutions 4.1, 4.2 and 4.3 taking effect, approval of the granting of authority to any one Director acting alone be to sign such documents and do such things as may be necessary or as such Director may, in his sole discretion, deem reasonable or desirable and in the best interests of the Company for the purpose of giving effect to the above Resolutions.			
5.1 Approval for the amendment of Article 3.5 of the Company's Articles of Incorporation to reflect the change from a 1929 holding company to a normal taxable company.			
5.2 Approval for the amendment of the Company's Articles of Incorporation by inserting a new Article 5.7 making it clear that any share premium in the Company shall be within the absolute discretion of the board of the Company.			
5.3 Subject to the passing or Resolution 2.1, approval for the amendment of Article 5.1 of the Company's Articles of Incorporation by deleting the existing Article 5.1 and replacing it with a new Article 5.1.			

Resolutions 1.1, 1.2, 2.1, 3.1 to 3.4, 5.1, 5.2 and 5.3 are to be proposed as Special Resolutions and Resolutions 1.3 and 4.1 to 4.4 as Ordinary Resolutions. The Special Resolutions require a two-thirds majority by value of the Ordinary Shares present or represented at the General Meeting. In addition, in order to pass the Special Resolutions a quorum of more than half of the issued Ordinary Shares by value is required to be present or represented at the General Meeting. The Ordinary Resolutions may be passed at the General Meeting by a simple majority representing more than 50% by value of the Ordinary Shares. The quorum requirement in relation to the Ordinary Resolutions is at least two Members present or represented at the General Meeting.

In accordance with Luxembourg law, the General Meeting cannot be adjourned if there is no quorum. Accordingly, if at the General Meeting (the "First Meeting") the aforesaid quorum requirement of more than half of the issued Ordinary Shares by value is not present, the Special Resolutions will not be proposed and will, therefore, not be capable of being passed. The Directors may then decide to convene a subsequent General Meeting (the "Second Meeting") to re-consider the Special Resolutions, for which a further notice of meeting will be sent to the Members in accordance with the Articles.

The quorum requirement in relation to all the Resolutions at the Second Meeting will be at least two Members present or represented at the Second Meeting.

If the Special Resolutions are not passed at the First Meeting, they can be passed at the Second Meeting by a simple majority representing more than 50 per cent by value of the Ordinary Shares.

Please indicate below whether or not you intend to be present at the Meeting. This information is sought for administrative purposes only and will not affect your right to attend the Meeting, notwithstanding any indication to the contrary.

I will be attending the Meeting: I will not be attending the Meeting:

Signature

Date

2011

NOTES:

- To appoint as a proxy a person other than the Chairman of the Meeting, insert the full name in the space provided. A proxy need not be a member of the Company.
- In accordance with Articles 7 and 8 of the Company's Articles of Incorporation, ordinary shares can be held as:
 - registered shares (the shareholders' names are included in the Company's share register); or
 - uncertificated shares (the shares are in the name of a nominee or depository of a clearing system (Strate/Euroclear/Clearstream) and the name of the nominee or depository of the clearing system is included in the share register - dematerialised shareholders).
- Any company, being a shareholder, may execute a form of proxy under the hand of a duly authorised officer or may authorise in writing such person as it thinks fit to act as its representative at the Meeting subject to the production to Brait S.A. of such evidence of authority as the Board may require.
- The instrument appointing a proxy, and the written authority of a representative, together with evidence of the authority of the person by whom the proxy is signed (except in the case of a proxy signed by the shareholder), shall be deposited at the registered office of the Company (42, rue de la Vallée, L-2661 Luxembourg, Grand Duchy of Luxembourg) or a transfer office, two clear business days (in the Grand Duchy of Luxembourg or the jurisdiction where the relevant transfer office is located) before the time for the holding of the Meeting or adjourned Meeting (as the case may be) at which the person named in such instrument proposes to vote. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution.
- The Form of Proxy must arrive at the registered office of the Company or the transfer office during normal business hours accompanied by a power of attorney under which it is executed (if applicable) no later than 48 hours before the time set for holding the Meeting.
- The completion of this Form of Proxy will not preclude a registered shareholder from attending and voting at the Meeting in person to the exclusion of any proxy appointed.
- Dematerialised shareholders, who wish to attend the Meeting, or who want their bank or broker (as nominee or depository of the relevant clearing system) to vote on their behalf should contact their bank or broker to establish the correct procedure to attend and vote at the Meeting. The dematerialised shareholders should confirm with their bank or broker what the stipulated date and cut-off time will be. This must be done in terms of the agreement entered into between such shareholder and his bank or broker.