Brait SE
(Registered in Malta as a European Company)
(Registration No. SE1)
Share code: BAT ISIN: LU0011857645
Bond code: WKN: A1Z6XC ISIN: XS1292954812
LEI: 549300VB8GBX4UO7WG59
("Brait", the "Company" or "Group")

AUDITED RESULTS ANNOUNCEMENT
for the year ended 31 March 2018

Performance against targets

	Performance metric	Position at 31 March 2018	
		- Growth rates to 31 March 2018:(1)	
		- for the past six months	(13.7%)
		- for the financial year	(26.2%)
1	NAV CAGR > 15% per year over any 3 year period	- Compound Annual Growth Rates (CAGR) to 31 March 2018:(1)	
		- for the past three years	(9.3%)
		- for the past five years	17.2%
		- for the past seven years	19.5%
2	Dividend Policy: 1% - 2.5% of closing NAV - bonus shares or cash dividend alternative	- FY2018: No dividend has been declared for the current year - (FY2017: 1% of previously reported NAV of R78.15 paid August 2017)	
3	Operating costs: < 0.85% of Brait AUM	- 0.66% of average AUM(3) (FY2017: 0.64%) - 0.58% net after fee income(3) (FY2017: 0.54%)	
4	Minimal cash drag: < 25% of NAV	- 10.7% of NAV (restated FY2017: 8.7%)	
5	Primarily unlisted investments	- Primarily unlisted investments	
6	Demonstrate cash flow within underlying investments	- Strong cash flow conversion across portfolio	

(1) Growth rates based on the audited NAV per share of R57.32 as at 31 March 2018
(2) For FY2018, no cash dividend has been declared as the Board has resolved to reduce debt at the Brait level
(3) Percentages quoted are based on operating expenses for FY2018 of R281m and fee income of R35m.
(FY2017: Operating expenses R401m; fee income R62m). Brait's average AUM for FY2018 is R42.5bn (FY2017: R63bn)

Summary consolidated statement of financial position as at 31 March

Restated Audited 31 March 2016 R'm	Restated Audited 31 March 2017 R'm	Audited 31 March 2018 R'm		Notes	Audited 31 March 2018 EUR'm	Restated Audited 31 March 2017 EUR'm	Restated Audited 31 March 2016 EUR'm
			ASSETS				
73 036	44 408	36 497	Non-current assets		2 501	3 100	4 352
73 036	44 408	36 497	Investments	3	2 501	3 100	4 352
4 599	3 289	2 932	Current assets		201	230	275
245	5	25	Accounts receivable		2	–	15
4 354	3 284	2 907	Cash and cash equivalents	4	199	230	260
77 635	47 697	39 429	Total assets		2 702	3 330	4 627
			EQUITY AND LIABILITIES				
68 042	37 802	27 125	Ordinary shareholders equity and reserves		1 859	2 639	4 055
5 130	4 426	4 482	Share capital and premium	5	470	465	514
8 051	(4 828)	(5 125)	Foreign currency translation reserve		(847)	(748)	(462)
864	864	864	Convertible Bond reserve		57	57	57
53 997	37 340	26 904	Retained earnings		2 179	2 865	3 946
9 551	9 843	12 072	Non-current liabilities		827	687	569
6 621	5 396	5 443	Convertible Bonds	6	373	377	395
1 100	2 669	4 719	Borrowings	7	323	186	65
1 830	1 778	1 910	Other liability	8	131	124	109
42	52	232	Current liabilities		16	4	3
42	52	232	Accounts payables and other liabilities		16	4	3
77 635	47 697	39 429	Total equity and liabilities		2 702	3 330	4 627
520.6	521.0	525.6	Ordinary shares in issue (m)		525.6	521.0	520.6
(18.8)	(34.0)	(52.4)	Treasury shares (m)	5.1	(52.4)	(34.0)	(18.8)
501.8	487.0	473.2	Outstanding shares for NAV calculation (m)		473.2	487.0	501.8
13 560	7 763	5 732	Net asset value per share (cents)		393	542	808

Summary consolidated statement of comprehensive income for the year ended 31 March

Restated Audited 31 March 2017 R'm	Audited 31 March 2018 R'm		Notes	Audited 31 March 2018 EUR'm	Restated Audited 31 March 2017 EUR'm
(15 085)	(9 192)	Investment losses		(605)	(978)
244	287	Interest income		19	16
409	149	Dividend income		10	27
62	35	Fee income		2	4

(319)	(219)	Foreign exchange losses		(14)	(21)
(401)	(281)	Operating expenses		(18)	(26)
(76)	–	Other expenses		–	(5)
(833)	(897)	Finance costs		(59)	(54)
(29)	(28)	Taxation		(2)	(2)
(16 028)	(10 146)	Loss for the year		(667)	(1 039)
		Other comprehensive loss			
(12 879)	(297)	Translation adjustments		(99)	(286)
(28 907)	(10 443)	Total Comprehensive loss for the year		(766)	(1 325)
(3 278)	(2 144)	Loss and Headline loss per share (cents) – basic	9	(141)	(212)
(2 945)	(1 904)	Loss and Headline loss per share (cents) – diluted	9	(125)	(191)

Summary consolidated statement of changes in equity for the year ended 31 March

Restated Audited 31 March 2017 R'm	Audited 31 March 2018 R'm		Audited 31 March 2018 EUR'm	Restated Audited 31 March 2017 EUR'm
69 872	39 580	Ordinary shareholders balance at beginning of year	2 763	4 164
(1 830)	(1 778)	Restatement impact	(124)	(109)
68 042	37 802	Restated ordinary shareholders balance at beginning of year	2 639	4 055
(16 028)	(10 146)	Loss for the year	(667)	(1 039)
(12 879)	(297)	Translation adjustment	(99)	(286)
(704)	(113)	Purchase of treasury shares	(6)	(49)
(629)	(290)	Cash dividend paid	(19)	(42)
–	169	Cash dividend reinvestment	11	–
37 802	27 125	Ordinary shareholders' balance at end of year	1 859	2 639

Summary consolidated statement of cash flows for the year ended 31 March

Restated Audited 31 March 2017 R'm	Audited 31 March 2018 R'm		Notes	Audited 31 March 2018 EUR'm	Restated Audited 31 March 2017 EUR'm
		Cash flows from operating activities:			
300	123	Investment proceeds received		8	21
56	20	Fees received		1	4
65	446	Interest received		29	4
266	–	Dividends received		–	18
(401)	(293)	Operating expenses paid		(19)	(26)
(59)	(10)	Other expenses paid		(1)	(4)
(35)	(37)	Taxation paid		(2)	(2)
192	249	Operating cash flow before investments		16	15
(190)	(1 734)	Purchase of investments		(110)	(12)
2	(1 485)	Net cash (used in)/generated from operating activities		(94)	3
1 784	1 971	Drawdown of Borrowings	7	120	117
–	1 438	Drawdown of third party borrowings	7	90	–
–	(1 461)	Refinance of third party borrowings	7,8	(86)	–
(672)	(348)	Interest paid		(23)	(49)
(71)	(42)	Facility fees paid		(3)	(5)
(167)	(166)	Convertible bond coupon paid		(11)	(11)
(484)	(113)	Net purchase of treasury shares	5	(6)	(33)
(629)	(290)	Cash dividend paid		(19)	(42)
–	169	Cash dividend reinvestment		11	–
(239)	1 158	Net cash generated from/(used in) financing activities		73	(23)
(237)	(327)	Net decrease in cash and cash equivalents		(21)	(20)
(833)	(50)	Effects of exchange rate changes on cash and cash equivalents		(10)	(10)
4 354	3 284	Cash and cash equivalents at beginning of year		230	260
3 284	2 907	Cash and cash equivalents at end of year		199	230

Notes to the summary consolidated financial statements for the year ended 31 March

1. ACCOUNTING POLICIES

1.1 Basis for preparation

The Consolidated and Company financial statements (Financial Statements) 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 summarised financial statements are presented in accordance with the framework concepts, measurement and recognition requirements of IFRS and as a minimum contain the information required by IAS 34 Interim Financial Reporting. Except as detailed in note 2 below, the accounting policies and methods of computation are consistent with those applied in the consolidated financial statements for the year ended 31 March 2017. The Group has only one operating segment being that of an investment holding company. All segment information can be obtained through inspection of the consolidated financial statements.

The Group's financial statements are prepared using both the Euro (EUR) and SA Rand (R/ZAR) as its presentation currencies.

The Group's subsidiaries have one of three functional currencies: Pound Sterling (GBP), SA Rand or US Dollar (USD/US$). The holding company, Brait SE, and its main consolidated subsidiaries use GBP as their functional currency. The financial statements have been prepared using the following exchange rates:

	2018		2017	
	Closing	Average	Closing	Average
USD/ZAR	11.8408	12.9902	13.4247	14.0513
GBP/ZAR	16.5965	17.2166	16.8674	18.4171
EUR/ZAR	14.5952	15.1903	14.3232	15.4319

USD/EUR	0.8112	0.8552	0.9373	0.9105
GBP/EUR	1.1371	1.1334	1.1776	1.1934

2. RESTATEMENT

In the current year the auditors have determined that Fleet should be consolidated by Brait in accordance with IFRS10 and the comparative figures for 2016 and 2017 have been restated accordingly. Fleet is the Investment Team's vehicle to facilitate the holding of shares in Brait. In prior year's audited results, the indemnity provided by Brait for the loan owing by Fleet to FirstRand Bank Limited (trading through its Rand Merchant Bank division) and The Standard Bank of South Africa Limited ('Lenders') was accounted for as a contingent liability in accordance with IAS37 Provisions, Contingent Liabilities and Contingent Assets.

To provide context, a brief history of the transactions between Brait and Fleet is summarised as follows: As approved by Brait's shareholders in 2011, Brait advanced R1.2 billion to Fleet, which further advanced this loan funding to Investment Team Borrowers. The Investment Team Borrowers contributed R300 million of their own capital, to purchase a total of R1.5 billion of Brait shares, all of which were pledged to Brait as collateral for the R1.2 billion loan received.

In 2014 and 2015, Fleet refinanced the loan from Brait with the Lenders. In return for receiving the proceeds from Fleet's loan refinance, Brait provided the Lenders with an indemnity for their loan to Fleet, secured by the pledged Brait shares held by Fleet and the Investment Team Borrowers. During the period 2011 – 2018 the number of Brait shares pledged as collateral for the Brait loan and subsequently the Brait indemnity (following the 2014/2015 refinance) has varied as;

(i) the underlying loan balances owing by individual Investment Team Borrowers have changed,
(ii) the number of pledged shares has changed, and
(iii) changes in share prices have capped or increased the effective number of shares pledged relative to the individual loan balances.

Brait has no influence on the decisions of Fleet and the Investment Team Borrowers relative to the pledged shares until the due date of the loans, being 6 December 2020. If the loans are not extended or refinanced, the loans must be repaid through the sale of the pledged shares and/or through the indemnity. Brait continues to have no shareholding in Fleet.

The effect of consolidating Fleet is to recognise the R1.910 billion loan owed by Fleet to the Lenders as a long term liability on Brait's statement of financial position. The Brait shares pledged as collateral, which are legally owned by Fleet and the Investment Team, are now consolidated and recognised by the Group as treasury shares. Given this classification as treasury shares, these pledged shares are no longer valued at the closing Brait share price at reporting date. This results in an audited NAV per share for the current year of R57.32 (EUR3.93). Valuing the collateral held by Brait at the closing share price, consistent with the previous accounting treatment applied by Brait, which also reflects the commercial reality of the legal arrangement with Fleet as confirmed by Brait's legal counsel, results in a NAV per share of R55.86 (EUR3.83) at reporting date.

2.1 Restatement impact on Group statement of financial position

The loan amount owing by Fleet to the Lenders at each reporting date is recognised on Brait's balance sheet as a long term 'Other liability' given the existing term date of 6 December 2020. As a result of the consolidation, the pledged Brait shares held as collateral for this loan at each reporting date are recognised by Brait as treasury shares. This adjustment is limited to the extent of the loan amount owing by respective individual Investment Team Borrowers, calculated using the closing share price at each reporting date.

Previously reported R'm	Consolidation Adjustment R'm	Restated R'm		Restated EUR'm	Consolidation Adjustment EUR'm	Previously reported EUR'm
			2016			
(6 317)	1 187	(5 130)	Share capital and premium	(514)	116	(630)
(8 051)	–	(8 051)	Foreign currency translation reserve	462	(54)	516
(864)	–	(864)	Convertible Bond reserve	(57)	–	(57)
(54 640)	643	(53 997)	Retained earnings	(3 946)	47	(3 993)
(69 872)	1 830	(68 042)	Ordinary shareholders equity and reserves (NAV)	(4 055)	109	(4 164)
–	(1 830)	(1 830)	Other liability	(109)	(109)	–
7.9	10.9	18.8	Treasury shares (m)	18.8	10.9	7.9
13 627	(67)	13 560	Net Asset Value per share (cents)	808	(4)	812
			2017			
(5 387)	961	(4 426)	Share capital and premium	(465)	100	(565)
4 828	–	4 828	Foreign currency translation reserve	748	(34)	782
(864)	–	(864)	Convertible Bond reserve	(57)	–	(57)
(38 157)	817	(37 340)	Retained earnings	(2 865)	58	(2 923)
(39 580)	1 778	(37 802)	Ordinary shareholders equity and reserves (NAV)	(2 639)	124	(2 763)
–	(1 778)	(1 778)	Other liability	(124)	(124)	–
14.6	19.4	34.0	Treasury shares (m)	34.0	19.4	14.6
7 815	(52)	7 763	Net Asset Value per share (cents)	542	(4)	546

2.2 Restatement impact on Group statement of comprehensive income

As a result of the consolidation of Fleet, Brait has recognised the interest expense incurred on the loan Fleet owes to the Lenders

Previously reported R'm	Consolidation Adjustment R'm	Restated R'm	2017	Restated EUR'm	Consolidation Adjustment EUR'm	Previously reported EUR'm
(659)	(174)	(833)	Finance costs	(54)	(11)	(43)
(15 195)	–	(15 195)	Other unchanged income/expense items	(985)	–	(985)
(15 854)	(174)	(16 028)	Loss for the year	(1 039)	(11)	(1 028)
(12 879)	–	(12 879)	Translation adjustments	(286)	(20)	(266)
(28 733)	(174)	(28 907)	Comprehensive loss for the year	(1 325)	(31)	(1 294)
(3 119)	(159)	(3 278)	Earnings/Headline earnings per share – basic (cents)	(212)	(10)	(202)
(2 809)	(136)	(2 945)	Earnings/Headline earnings per share – diluted (cents)	(191)	(9)	(182)

2.3 Restatement impact on Group statement of cash flows

As a result of the consolidation of Fleet, repayments made by Fleet or the Investment Team Borrowers on their respective outstanding loan amounts give rise to Brait recognizing a cash inflow. This has the effect of releasing the shares from their pledge as collateral to the extent of the repayment, and accordingly are reflected in the line item for purchase/sale of treasury shares. The repayment to the Lenders for the capital or interest accrued on the loan is reflected as a corresponding cash outflow

Previously reported	Consolidation Adjustment	Restated		Restated	Consolidation Adjustment	Previously reported

R'm	R'm	R'm	2017	EUR'm	EUR'm	EUR'm
(710)	226	(484)	Net purchase of Treasury shares	(33)	16	(49)
(446)	(226)	(672)	Finance costs paid	(49)	(16)	(33)
919	–	919	Other unchanged cash flow items	62	–	62
(237)	–	(237)	Net decrease in cash and cash equivalents	(20)	–	(20)
(833)	–	(833)	Effects of exchange rates on cash	(10)	–	(10)
4 354	–	4 354	Cash and cash equivalents at beginning of year	260	–	260
3 284	–	3 284	Cash and cash equivalents at end of year	230	–	23

3.INVESTMENTS

The Group designates the majority of its financial asset investments as at FVTPL as the Group is managed on a fair value basis, with any resultant gain or loss recognised in investment gains/losses. Fair Value is determined in accordance with IFRS13.
Statement of financial position items carried at fair value include investments in equity instruments and shareholder funding instruments.

The Group applies a number of methodologies to determine and assess the reasonableness of the fair value, which may include the following:
- Earnings multiple
- Recent transaction prices
- Net asset value
- Price to book multiple

Listed investments are held at quoted transaction prices. Where the listed investment is either thinly traded and/or the market is inactive, the valuation applied to determine the carrying value is based on the applicable unlisted investment methodology set out below.
The primary valuation model utilised for valuing unlisted portfolio investments is the maintainable earnings multiple model.
Maintainable earnings are derived with reference to the mix of prior year audited and latest available current year forecast EBITDA per the portfolio company, adjusted for any non-recurring income/expenditure. As the year progresses, so the weighting is increased towards the portfolio company's forecast.

The Directors decide on an appropriate group of comparable quoted companies from which to base the EV/EBITDA multiple. The three year trailing average multiple of the comparable quoted companies, is adjusted for points of difference, where required, to the portfolio company being valued. In accordance with IFRS 13, no control premium adjustment is considered for those portfolio Investments in which the Group holds a majority interest. The peer average spot multiple at reporting date is also considered. The equity valuation takes consideration of the portfolio company's net debt/cash on hand as per its latest available financial results. Further valuation information can be obtained from the 31 March 2018 investor presentation on the Group's website, www.brait.com.

31 March 2017 R'm	31 March 2018 R'm		31 March 2018 EUR'm	31 March 2017 EUR'm
44 408	36 497	The Group's portfolio of investments (1)	2 501	3 100
		Equity and shareholder funding investments		
15 516	17 067	Virgin Active	1 169	1 083
12 395	10 735	Premier	736	865
7 367	6 287	Iceland Foods	431	514
7 066	–	New Look	–	493
2 064	2 408	Other investments	165	145

(1)The Group's valuation of its portfolio of investments uses financial information, such as EBITDA, which has been extracted from the latest audited financial statements of the investees. The audit reports thereon were unmodified. Deloitte Audit Limited is not the auditor of any of the Group's investees.

Valuation metrics	31 March 2018			31 March 2017		
	EBITDA	Multiple	3rd Party Net Debt	EBITDA	Multiple	3rd Party Net Debt
Virgin Active (GBP'm)	144	11.4x	331	140	11.4x	411
Premier (R'm)	1 065	12.4x	1 938	1 140	13.2x	1 850
Iceland Foods (GBP'm)	157	8.4x	689	160	9.0x	675
New Look (GBP'm)		(1)		155	10.3x	1 136
Other investments		varied			varied	

(1)New Look reported a negative EBITDA for its March 2018 financial year-end. Until such time as its turnaround strategy has taken shape, Brait's investment in New Look's equity and shareholder funding is valued at nil at reporting date. Brait remains committed to being a long-term shareholder of New Look.

Fair Value Hierarchy
IFRS 13 provides a hierarchy that classifies inputs used to determine fair value. Investments measured and reported at fair value are classified and disclosed in one of the following categories:
Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 Inputs for the assets or liability that are not based on observable market data
There are no financial assets that are categorised as Level 2 in the current or prior year. All Level 3 investments have been valued using a maintainable earnings multiple model.

R'm	31 March 2018	EUR'm
17 067	Virgin Active	1 169
7 850	Premier	538
6 287	Iceland Foods	431
2 156	Other investments (2)	148
33 360	Investments at fair value	2 286
2 885	Premier shareholding funding	198
252	Other investments shareholder funding	17
3 137	Investments at amortised cost	215
36 497	Total investments	2 501

(2) Other investments include the Listed Position as detailed in Note 10, at their current market value. The Listed Position remains confidential and the separate disclosure of its Level 1 carrying value has therefore not been disclosed.

2017 R'm	2018 R'm		2018 EUR'm	2017 EUR'm
		4. CASH AND CASH EQUIVALENTS		
		Balances with banks		

3 284	2 907		199	230
196	155	– ZAR cash	11	14
77	104	– USD cash	7	5
3 011	2 648	– GBP cash	181	211

5. SHARE CAPITAL AND PREMIUM

Authorised share capital

The Company has authorised ordinary share capital of EUR330 000 000 represented by 1 500 000 000 shares at par value of 0.22 EUR cents per share.

The Company has reserved, for the allocation and potential issue from conversion on maturity, 45 095 538 ordinary shares (8.6% of Brait's current issue share capital), in terms of its obligations to the holders of convertible bonds.

The Company has 20 000 000 authorised preference share capital. In January 2016 the Company redeemed all 20 000 000 issued preference shares.

Restated R'm	Number of shares in issue	Issued ordinary share capital	Number of shares in issue	Restated EUR'm
5 130	520 624 835	31 March 2016	520 624 835	514
1 112		Share capital		113
4 018		Share premium		401
	387 339	Bonus share issue	387 339	
		The EUR0.085 million (R1 million) par value of the bonus shares issued is accounted for in Ordinary Share Premium with no adjustment to any other reserves in Equity. The bonus shares issued were converted at a 60 day Volume Weighted Average Price (VWAP) ended 29 May 2016 of R157.73 per share to result in the R1.3627 per share distribution translating into 0.86394 shares for every 100 shares held.		
(704)		Net treasury shares repurchased		(49)
4 426	521 012 174	31 March 2017	521 012 174	465
1 092		Share capital		111
3 334		Share premium		354
	1 665 162	Bonus share issue	1 665 162	
169	2 921 879	Cash dividend reinvestment	2 921 879	11
		The EUR1 million (R15 million) par value of the shares issued from the Bonus Share Issue and Cash Dividend Reinvestment is accounted for in Ordinary Share Premium with no adjustment to any other reserves in Equity. The shares issued were converted at a 15 day VWAP ending 24 July 2017 of R62.37 per share to result in the R0.7815 per share distribution translating into 1.25301 shares for every 100 shares held.		
(113)		Net treasury shares repurchased		(6)
4 482	525 599 215	31 March 2018	525 599 215	470
1 073		Share capital		108
3 409		Share premium		362

Restated 2016	Restated 2017	2018		2018	Restated 2017	Restated 2016
			5.1 Treasury shares			
5 991 081	7 873 326	14 576 784	Opening shares held for the vested benefit of Brait SE	14 576 784	7 873 326	5 991 081
1 882 245	6 703 458	2 898 286	Net shares purchased	2 898 286	6 703 458	1 882 245
7 873 326	14 576 784	17 475 070	Closing shares held for the vested benefit of Brait SE	17 475 070	14 576 784	7 873 326
10 957 322	19 460 823	34 896 609	Treasury share adjustment on consolidation of Fleet	34 896 609	19 460 823	10 957 322
			This adjustment represents the number of Brait shares held by Fleet and the Investment Team Borrowers, which are pledged as security and limited to the extent of loan amounts outstanding. This calculation is based on the closing Brait share price at each reporting date. As a result, the number of Brait shares recognised for this adjustment is affected by the Brait closing share price, as well as repayments made by Fleet and the Investment Team Borrowers and the number of unallocated Brait shares held by Fleet.			
18 830 648	34 037 607	52 371 679	Closing Treasury shares	52 371 679	34 037 607	18 830 648
R'm	R'm	R'm		EUR'm	EUR'm	EUR'm
1 830	1 522	1 259	Market value of pledged shares accounted for as Treasury shares on consolidation of Fleet	86	99	120

2017 R'm	2018 R'm		2018 EUR'm	2017 EUR'm
		6. CONVERTIBLE BONDS		
5 396	5 443	On 18 September 2015 Brait received GBP350 million from the issuance of its five year unsubordinated, unsecured convertible bonds (Bonds). The Bonds carry a fixed coupon of 2.75% per annum payable semi-annually in arrears. The inital conversion price of GBP7.9214 per ordinary share represented a 30% premium to the VWAP of Brait's ordinary shares between launch and pricing on 11 September 2015. The adjusted conversion price at reporting date is GBP7.7613 per ordinary share, which takes into account Brait's bonus share issue and cash dividend alternative since date of issue, in accordance with the Bonds terms and conditions.	373	377

Using the adjusted conversion price, the Bonds will convert into 45,095,538 ordinary shares (8.6% of Brait's current issued share capital) on exercise of bondholders conversion rights. In the event that the bondholders have not exercised their conversion rights, the Bonds are settled at par value in cash on maturity on 18 September 2020. Brait has a soft call to early settle the Bonds at their par value after 9 October 2018 if the value of the ordinary shares underlying each Bond is equal to or exceeds GBP130,000 for more than 20 of the 30 consecutive trading days up to 9 October 2018.

The Bonds listed on the Open Market (Freiverkehr) segment of the Frankfurt Stock Exchange on 15 October 2015.

2017 R'm	2018 R'm		Note	2018 EUR'm	2017 EUR'm
		7. BORROWINGS			
1 100	2 669	Opening Balance		186	65
231	372	Interest accrual		24	15
–	–	Foreign currency translation		13	18
1 338	1 678	Net cash drawn from Borrowings		100	88
1 784	1 971	Drawdowns		120	117
(446)	(293)	Repayments		(20)	(29)
2 669	4 719	Closing Balance		323	186

The loan from the FirstRand Bank Limited (trading through its Rand Merchant Bank division) and The Standard Bank of South Africa Limited (the "Lenders") is Rand denominated, bears interest at JIBAR plus 3.0% payable quarterly, with a right to rollup these quarterly interest payments. The ZAR8.5 billion facility expires in December 2020 and is secured by the assets of Brait Malta Limited and its subsidiaries.

2017 R'm	2018 R'm		Note	2018 EUR'm	2017 EUR'm
–	1 438	Drawdown of third party borrowings	10	90	–
–	(1 461)	Refinance of third party borrowings	10	(86)	–

2017 R'm	Restated 2018 R'm		2018 EUR'm	Restated 2017 EUR'm
		8. OTHER LIABILITY		
1 830	1 778	Opening balance	124	109
174	187	Interest accrual	12	11
(226)	(55)	Repayments	(3)	(16)
–	–	Foreign currency translation	(2)	20
1 778	1 910	Closing balance	131	124

The consolidation of Fleet in the current year, as set out in note 2, has resulted in the recognition of the loan amount owing by Fleet to the Lenders as a liability for Brait.

The loan from Lenders is Rand (ZAR) dominated and bears interest at JIBAR plus 3%, with quarterly compounding of interest. The current term of the loan is 6 December 2020.

Fleet and the Investment Team have pledged Brait shares as collateral for the repayment of this liability. The pledged collateral has a value of R1.259 billion as set out in note 5.1 based on the Brait share price at the reporting date. This equates to a shortfall of R651 million between the loan value and the pledged collateral. This is accounted for in the statement of financial position by the full loan amount of R1.910 billion being recognised as a liability for Brait and the shares pledged being deducted in calculating net shares in issue.

2017 R'm	Restated 2018 R'm		2018 EUR'm	Restated 2017 EUR'm
		9. HEADLINE EARNINGS RECONCILIATION		
(16 028)	(10 146)	Loss and headline loss	(667)	(1 039)
489	473	Weighted average ordinary shares in issue (m) – basic	473	489
(3 278)	(2 144)	Loss and headline loss per share (cents) – basic	(141)	(212)
(16 028)	(10 146)	Loss and headline loss	(667)	(1 039)
318	297	Loss adjustment for Bond interest saved for diluted loss calculation purposes if Bonds converted to shares	20	21
(15 710)	(9 849)	Diluted loss and diluted headline loss	(647)	(1 018)
533	517	Weighted average ordinary shares in issue (m) – diluted	517	533
(2 945)	(1 904)	Loss and headline loss per share (cents) – diluted	(125)	(191)

2017 R'm	2018 R'm		2018 EUR'm	2017 EUR'm
		10. RELATED PARTY TRANSACTIONS		

Transactions between the Company and its subsidiaries have been eliminated on consolidation or on fair value of subsidiaries and are not disclosed in this note. During the year, Group companies entered into the following transactions with related parties who are not members of the Group:

Brait and Titan Premier Investments Pty Ltd ("Titan")(1) agreed a process for certain transactions in terms of which, inter alia, Brait and Titan would invest alongside each other directly or through a Special Purpose Vehicle ("SPV") in certain public market securities ("Listed Position"). The investment in the Listed Position was approved by the Brait Board and the Treasury Committee of the Board. Dr CH Wiese is not a member of the Treasury Committee and did not participate in the approval process of the Brait Board.

The Listed Position at the reporting date is included in the Other Investments Portfolio. The Listed Position remains confidential.

In the first half of the year, Brait commenced building a stake in the Listed Position in an SPV formed by Brait. Before the interim reporting date, the SPV was refinanced in full by bank debt of

R1,438 million (EUR90 million) guaranteed by Titan. Consequently, Titan acquired the SPV at a cost of GBP1, which approximated the fair market value of the Listed Position net of bank debt. Following the interim reporting period and subsequent to further discussions, the preferred investment structure changed and it was agreed that Titan would no longer invest directly in the Listed Position. Brait wished to hold the Listed Position and accordingly agreed to acquire the equity in the SPV for GBP1 together with the assumption of debt, which approximated fair market value at such agreement date. Subsequently and following the execution of transaction documentation, the ownership of the SPV transferred from Titan to Brait. At the transfer date of the SPV, the market price of the Listed Position had changed giving rise to a notional loss of R166 million (EUR10 million). Brait subsequently drew on its borrowing facility for R1,461 million (EUR86 million) to repay the debt in the SPV guaranteed by Titan.

2017 R'm	2018 R'm		2018 EUR'm	2017 EUR'm
		Loss from operations include:		
(17)	(17)	Non-executive directors' fees	(1)	(1)
(5)	(2)	Professional fees – M Partners S.à r.l (2)	–	–
(1)	(2)	Professional fees – Maitland International Holdings Plc (2)	–	–
(8)	(3)	Other expenses – Maitland International Holdings Plc (2)	–	(1)

(1)Dr CH Wiese is a director and significant shareholder of Brait, and is a director and indirect beneficiary of Titan

(2)HRW Troskie is a director and shareholder of Brait, and is a director and shareholder of Maitland International Holdings Plc; M Partners S.à r.l is a Maitland network law firm; HRW Troskie is neither a director nor a shareholder of M Partners S.à r.l

2017 R'm	2018 R'm		2018 EUR'm	2017 EUR'm
		11. CONTINGENT LIABILITIES AND COMMITMENTS		
		11.1 Contingencies		
		The Fleet Indemnity previously presented as a contingency has been accounted for in the consolidation of Fleet. See note 2 for further detail.		
		11.2 Commitments		
6 472	6 209	Convertible Bond commitments	425	451
162	160	– Coupon payment due within one year	11	11
406	240	– Coupon payments due between one and five years (1)	16	28
5 904	5 809	– Prinicipal settlement due within five years (1)	398	412

(1)The coupon payments due amounts reflect the semi-annual coupons of 2.75% payable in arrears over the Bond's five year term. The principal settlement due amount is only payable in the event that the bondholders have not exercised their conversion rights. Brait has a soft call to early settle the Bonds at their par value after 9 October 2018 if the value of the ordinary shares underlying each Bond is equal to or exceeds GBP130,000 for more than 20 of the 30 consecutive trading days up to 9 October 2018. If the soft call is exercised, coupons from 18 September 2018 to 18 September 2020 will not be payable.

2017 R'm	2018 R'm		2018 EUR'm	2017 EUR'm
121	15	Private equity funding commitments	1	8
		Rental commitments (Malta and Mauritius)		
2	2	– Within one year	–	–
3	3	– Between one and five years	–	–
6 598	6 229	Total commitments	426	459

11.3 Other

The Group has rights and obligations in terms of standard representations and warranties in shareholder or purchase and sale agreements relating to its present or former investments.

12. NON-ADJUSTING POST BALANCE SHEET EVENTS

On 10 May 2018, Brait Capital International Limited ('BCIL') (a wholly owned subsidiary of Brait SE) and New Look Retailers Limited ('NLR') (a wholly owned subsidiary of New Look Retail Group Limited) entered into a Debtor Purchase Agreement ('Agreement'). The terms of the Agreement allow NLR to sell and assign approved 3rd Party E-commerce debtor balances to BCIL with no recourse. The credit assessment of debts offered and the decision to purchase are at the sole discretion of BCIL. A factoring charge of 3 month LIBOR plus 2.0% per annum is charged. At 12 June 2018, New Look's reporting date, NLR has sold and assigned GBP10.6 million of invoices to BCIL, of which BCIL has collected GBP3.0 million debtors receipts. The invoices purchased under this arrangement occurred after the period end date of 31 March 2018, therefore there is no financial impact on the period reported.

AUDITOR'S OPINION

These summary consolidated financial statements for the year ended 31 March 2018 have been audited by Deloitte Audit Limited who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the annual consolidated financial statements from which these summary consolidated financial statements were derived.

The auditor's report does not necessarily report on all of the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of that report, together with accompanying financial information from the Company's registered office.

A copy of the auditor's report on the summary consolidated financial statement and of the auditor's report on the annual consolidated financial statements are available for inspection at the Company's registered office, together with the financial statements identified in the respective auditor's reports.

REVIEW OF OPERATIONS

The Board of Directors hereby report to shareholders on the Group's results for the financial year ended 31 March 2018.

VALUE DRIVERS

Growth in NAV per share is the Group's key performance measure together with the following additional factors comprising the core value drivers of the business:
- Low cost to Assets Under Management ("AUM") ratio;
- Minimal balance sheet cash drag;
- Significant cash flow within the investment portfolio; and
- Predictable and consistent ordinary dividend to closing NAV yield.

Growth in NAV per share

- Brait's audited NAV per share at 31 March 2018 is ZAR57.32
- Growth rates to 31 March 2018:
  - For the past six months (13.7%)
  - For the financial year (26.2%)
- Compound Annual Growth Rates (CAGR) to 31 March 2018:
  - For the past three years (9.3%)
  - For the past five years +17.2%
  - For the past seven years +19.5%

Brait's valuation policy is to reference the EV/EBITDA valuation multiple on a historical basis for each of its investments, relative to their peer group's trailing three year average multiple. At 31 March 2018, the EV/EBITDA historical valuation multiples used were:

	31 March 2018		31 March 2017	
	Valuation multiple used	Peer average: 3 year trailing	Valuation multiple used	Peer average: 3 year trailing
Virgin Active	11.4x	13.6x	11.4x	13.7x
Premier	12.4x	13.1x	13.2x	13.4x
Iceland Foods	8.4x	10.3x	9.0x	11.1x
New Look	Note 1	13.4x	10.3x	14.4x

The composition of the peer groups applied are unchanged, with the exception of Iceland Foods, which now includes Marks & Spencer as a replacement for Booker, which delisted in March 2018.

The valuation multiple for Iceland Foods was reduced from 9.0x to 8.4x at reporting date, which is the revised peer group's spot average multiple. The valuation multiple for Premier was reduced from 13.2x to 12.4x at 30 September 2017, largely to take consideration of the trend of the peer spot multiple trading at a discount to its 3 year trailing average.

The discount/(premium) when comparing the valuation multiples used to respective peer average multiples are:

	31 March 2018 Discount/(premium) to:		31 March 2017 Discount/(premium) to:	
	Peer average: 3 year trailing	Peer average: spot	Peer average: 3 year trailing	Peer average: spot
Virgin Active	16%	17%	17%	8%
Premier	5%	2%	1%	(1%)
Iceland Foods	18%	–	19%	20%
New Look	Note 1	Note 1	29%	21%

Note 1: Until such time as its turnaround strategy has taken shape, Brait's investment in New Look is valued at nil.

The NAV breakdown is as follows:

Restated Audited 31 March 2017 ZAR'm	Audited 31 March 2018 ZAR'm		%	Audited 31 March 2018 EUR'm	Restated Audited 31 March 2017 EUR'm
44 408	36 497	Investments	93	2 501	3 100
15 516	17 067	Virgin Active	43	1 169	1 083
12 395	10 735	Premier	28	736	865
7 367	6 287	Iceland Foods	16	431	514
7 066	–	New Look	–	–	493
2 064	2 408	Other investments	6	165	145
3 284	2 907	Cash and cash equivalents	7	199	230
5	25	Accounts receivable	–	2	–
47 697	39 429	Total assets	100	2 702	3 330
9 895	12 304	Total liabilities		843	691
2 669	4 719	Borrowings		323	186
5 396	5 443	Convertible bond		373	377
1 778	1 910	Other liability		131	124
52	232	Accounts payable		16	4
37 802	27 125	NAV		1 859	2 639
487.0	473.2	Net issued ordinary shares ('mil)		473.2	487.0
7 763	5 732	NAV per share (cents)		393	542

KEY HIGHLIGHTS FOR THE GROUP'S INVESTMENT PORTFOLIO ARE:

Virgin Active

- For its financial year ended 31 December 2017, Virgin Active delivered profitable growth combined with a strengthened balance sheet. Revenue and EBITDA in Pound Sterling, for continuing operations, increased by 13% and 19% on the comparative year respectively. On a constant currency basis, Revenue and EBITDA for continuing operations increased by 5% and 7% respectively.
- Proceeds from the value enhancing disposals of 14 UK racquets clubs in May 2017 and the 12 club Iberian business in October 2017 (together representing the discontinued operations for the year), were the main reason for net third party debt improving by 17% over the year, from GBP407 million to GBP337 million. This resulted in the net debt to EBITDA leverage ratio improving from 2.9x to 2.4x. The European and Asia Pacific businesses GBP180 million debt package refinance completed in June 2017 generates an annual interest saving of approximately GBP5 million and extended debt maturity to June 2022.
- At its financial year end date of 31 December 2017, the Virgin Active group comprises 233 well invested profitable clubs with 1.2 million members across 8 countries. Ten new clubs were opened during the year (6 in South Africa, 2 in Asia Pacific, and 1 in each of the UK and Italy).

- Asia Pacific, Italy and the UK territories, on a continuing operations basis, each generated growth in Revenue and EBITDA margin expansion over the year, driven by the positive effect of new clubs maturing (Asia Pacific) and cost savings. Whilst revenue increased in South Africa, a challenging economy and continued investment in sales and marketing to focus on volumes, led to EBITDA margin contraction for the territory.
- Virgin Active continues to invest in boutique style Group Exercise concepts, including: a new drum and base programme (Pound); two new boxing inspired classes (Punch and Rumble); a new group cycle class (Spirit cycle); a high energy athletic training class (HEAT); and an enhanced pilates class (Reformer Pilates). Two new smaller format, studio led group exercise clubs were opened in Singapore (May 2017) and Thailand (September 2017), with the group's first boutique cycle studio (Revolution by Virgin Active) opened (September 2017) in Milan, Italy. Online joining, which was launched in the UK during the year, now represents 25% of UK sales.
- Virgin Active, in which Brait has an effective 71.9% (FY2017: 71.1%) economic interest post dilution for the performance based sweet equity granted to the Virgin Active management team, is valued at reporting date using an EV/EBITDA multiple of 11.4x (FY2017: 11.4x), which represents a discount of 16% to the peer group's average three year trailing multiple of 13.6x and a 17% discount to the peer average spot multiple. Compared to FY2017, the peer group for Virgin Active is unchanged. Brait's valuation recognises the group's 31 March 2018 net third party debt of GBP331 million.
- Applying the closing GBP/ZAR exchange rate of ZAR16.60 (FY2017: ZAR16.87), Virgin Active's carrying value is ZAR17.1 billion (FY2017: ZAR15.5 billion), which represents 43% of Brait's total assets (FY2017: 33%).

Premier
- Premier delivered a significantly improved second half performance in its financial year ended 31 March 2018, with group EBITDA up 13% on the comparable six month period. The Maize business was the main driver of this improvement, generating a strong increase in EBITDA of 117% on the comparable six month period, indicative of the turnaround in profitability after the first quarter of FY2018. This strong second half performance resulted in FY2018 group EBITDA closing 7% down on the prior year, a significant improvement from the 24% shortfall reported at interim. The volatility in commodity pricing over the year led to revenue decreasing by 12% on the prior year. Overall gross profit margin increased by 400bps as the business focused on margin management in a deflationary environment, with the resulting EBITDA margin of 10.4% for the group reflecting an improvement on last year's 9.7%.
- Bakeries, which accounted for 49% of the group's net revenue, grew sales volumes 1% over the prior year to produce 546 million loaves, of which 70% were sold to the informal market. Bread revenue for the year fell by 1%, as selling prices were constrained by the competitive environment, however EBITDA grew by 6% due to effective margin management and cost control.
- In the Milling business, which accounted for 33% of net revenue, Premier's Maize business recovered from a weak second half of FY2017 and first half of FY2018, although the relatively low prices of maize in the current season has resulted in increased regional competition from smaller millers which has constrained sales volumes. Most of Premier's wheat flour is supplied to its own bakeries. Premier's Snowflake brand remains the premium brand in the retail market.
- Within Premier's Groceries & International portfolio, which accounted for 18% of net revenue, the Mozambican operations (CIM, the leading food and animal feed producer in that country) continued to struggle with an extremely weak consumer environment due to the macro-economic conditions (currency devaluation and high interest rates). Premier curtailed capex and launched a cost reduction programme to offset the fall in revenue (which fell by 23% in Rands for FY2018).
- During the year, CIM installed a third biscuit line and entered the rice market, which is significantly larger than the maize meal market in Mozambique. Of the other businesses in the Groceries portfolio, Lil-lets performed according to plan in South Africa and the UK.
- In its first year of normalised capex spend, following the six year investment cycle where ZAR3.1 billion has been invested in capex, Premier invested ZAR322m in capex for FY2018 (FY2017: ZAR625 million). Premier continues to repay shareholding funding, made possible from the increase in its internally generated cash flows, post normalisation of its investment cycle. During the current year, Premier has repaid Brait ZAR367 million (FY2017: ZAR280 million), resulting in total shareholder funding repayments since Brait's acquisition in July 2011 of ZAR1 billion.
- Premier's leverage ratio for net debt owing to third parties improved from 2.1x for FY2017 to 1.8x for FY2018.
- Brait increased its shareholding in Premier to 93.7% (FY2017:92.2%), through the exercise of put and call option agreements.
- Premier is valued at reporting date using an EV/EBITDA multiple of 12.4x (FY2017: 13.2x), which represents a discount of 5% to the peer group's average three year trailing multiple of 13.1x and a 2% discount to the peer average spot multiple. Compared to FY2017, the peer group for Premier is unchanged.
- Premier's carrying value of ZAR10.7 billion (FY2017: ZAR12.4 billion) represents 28% of Brait's total assets (FY2017: 26%).

Iceland Foods:
- In a UK food retail market that has remained intensely competitive and price focused, Iceland's sales (in GBP) for the 53 weeks ended 30 March 2018 grew by 8.0%, with LFL sales 2.3% positive over the year as a whole, following positive LFL sales of 2.0% for FY2017. Iceland recorded its seventh consecutive quarter of LFL sales growth, with 1.8% positive sales for the fourth quarter.
- In line with the full year forecast provided in Iceland's third quarter FY2018 bond investor presentation (held on 15 February 2018), EBITDA for FY2018 is GBP157.1 million, a decline of 1.8% on FY2017, reflecting the annualisation of the investment Iceland has made in central costs; further investment in marketing and price during FY2018; and costs associated with certain supply chain challenges during December, which have now been rectified.
- Iceland's focus has been on accentuating the positives that makes it different from other food retailers i.e. focus on frozen food, exciting innovation, great quality and outstanding value. In particular, Iceland's programme of innovation has delivered many exciting new products under its distinctive "Iceland Luxury" label, and garnered it multiple awards throughout the year.
- Iceland maintained its position as the UK's fastest growing online retailer and has expanded its database to over three million customers. Iceland Online was again recognised as Britain's top rated online store for the third consecutive year in the 2018 supermarket survey.
- Iceland opened 27 new stores in the UK during the year (FY2017: 24 new stores), comprising (i) 23 new Food Warehouse stores, including the largest Food Warehouse to date, a 23,000 sq ft purpose-built unit in Wolverhampton; (ii) the first new Iceland store opening in the UK in many years (Enfield in north London); and (iii) 3 relocations of existing Iceland stores. The new format store refit programme continues to deliver increased weekly sales, with 48 new format store refits completed during the year. Taking into account 6 store closures, the group closed FY2018 with a total of 932 stores (FY2017: 902 stores). The UK estate comprises 905 stores (FY2017: 884 stores), which includes 59 Food Warehouse stores.
- Iceland has continued to invest in major refits of the core Iceland store estate which include an improved in-store navigation, presentation, checkout experience and staff facilities, and introducing an extended product range. At its financial year end date of 30 March 2018, Iceland had completed 51 such refits, in the style pioneered at Clapham in October 2016, and this group of stores was consistently achieving a like-for-like sales performance well ahead of the company average.
- The business has remained highly cash generative, with cash inflow from operations during the year of GBP187.8 million representing 120% of EBITDA (FY2017: GBP195.1 million, representing 122% of EBITDA). Cash balances at 30 March 2018 were GBP52.5 million lower than at the same point last year at GBP140.7 million largely due to (i) the purchase and redemption of a nominal total of GBP75.0 million of bonds at par during the period; and (ii) the purchase and cancellation of shares bought back in the first quarter for GBP33.3 million.
- Net debt as at 31 March 2018 of GBP689 million considered in Brait's valuation at reporting date comprises GBP772 million of term debt, GBP20 million of interest accrued thereon, GBP38 million of finance leases and GBP141 million of cash.
- Term debt of GBP772 million is entirely via High Yield Bonds, having reduced from the GBP848 million at the start of the year following the June 2017 and February 2018 partial redemptions of Floating Rate Notes ("FRN") that are due in 2020. During September 2017, Iceland completed a refinancing of the majority of the FRN and all the Senior Secured Notes ("SSN") due in 2021, by raising a new SSN of GBP550 million due 2025. The GBP170 million SSN due 2024 remains in place. The refinance generates an annual interest saving of GBP5.7 million and, assuming the remaining GBP53.5 million FRN are repaid through internally generated cash, results in no refinancing requirement until at least 2023.

- Iceland Foods, which since April 2017 is 60.1% owned by Brait (FY2017: 57.1%), is valued at reporting date using an EV/EBITDA multiple of 8.4x (FY2017: 9.0x), which represents a discount of 18% to the peer group's average three year trailing multiple of 10.3x and is in line with the peer group's average spot multiple. Applying the closing GBP/ZAR exchange rate of ZAR16.60 (FY2017: ZAR16.87), Iceland Foods' carrying value of ZAR6.3 billion

(FY2017: ZAR7.4 billion) represents 16% of Brait's total assets (FY2017: 15%). Compared to FY2017, the only change to the Iceland Foods peer group is the inclusion of Marks & Spencer, as replacement for Booker which delisted during March 2018.
- The Iceland Foods FY2018 bond investor presentation is available at www.brait.com.

New Look
- New Look's financial year for the 52 weeks ended 24 March 2018 has been a disappointing period, with performance suffering from a combination of challenging market conditions and some significant self-inflicted issues.
- Group revenue (in GBP) decreased by 7.3% on the comparative period, with group LFL sales declining by 11.4%. UK LFL sales decreased by 11.7%. Third Party E-commerce sales increased by 15.5%, whilst Own Website Ecommerce declined by 19.2%. FY2018 EBITDA loss includes GBP34 million of one-off costs that New Look do not believe will re-occur in FY19.
- Following changes to the New Look leadership and the appointment of Alistair McGeorge as Executive Chairman in November 2017, significant progress has been made to deliver financial and operational stability. Alistair has significant industry experience and the requisite expertise, having previously led New Look's turnaround and recovery in 2011-2014. Furthermore, Tom Singh, New Look's Founder, has taken a more active product role, supporting Chief Product Officer, Roger Wightman, in repositioning New Look's product offering.
- The key reasons for New Look's FY2018 underperformance include: (i) its product positioning had moved away from its successful broad appeal, becoming too young and edgy; (ii) a higher priced offering compromised its reputation for exceptional value; (iii) a drive for improved margins impacted New Look's speed to market and ability to react to trends; (iv) it chased E-commerce sales at the expense of profitability and (v) the overall performance was severely impacted by excessive stock clearance and one-offs.
- New Look's turnaround plan is well underway and concentrates on six areas of strategic focus: (i) return to its proven broad appeal product, delivering a compelling proposition of value-led fast seasonal fashion and wardrobe basics with a full price focus; (ii) lower prices delivering better value with 80% of product to retail below GBP20; (iii) fundamentally realigned supply chain, re-establishing focus on speed to market and regaining agility; (iv) symbiotic commercial multichannel model, leveraging its store and online presence; (v) delivering efficiency and cost savings and (vi) focus on people across the business.
- On 21 March 2018 New Look announced the approval of a Company Voluntary Arrangement (CVA) aimed at right-sizing its UK store portfolio and addressing the over-rented position of the UK estate, with an estimated annual cost saving of c. GBP40 million. Further, additional annual cost savings of c. GBP30 million have already been identified and are being actioned.
- New Look has an adequate liquidity profile, with total cash, liquidity and operating facilities available of GBP82.4 million at reporting date and c. GBP103 million at 9 June 2018, and has successfully managed the withdrawal of supplier credit insurance.
- Until such time as New Look's turnaround strategy has taken shape, New Look is valued at nil (FY2017: ZAR7.1 billion). Brait remains committed to being a long-term shareholder of New Look.
- The New Look FY2018 debt investor presentation is available at www.brait.com.

Other Investments:
- The net increase in carrying value over the financial year is a function of: (i) proceeds received from Brait IV's realisation of its investment in Primedia, which concluded in December 2017; (ii) an investment in certain public market securities; and (iii) a decrease in the carrying value of Brait's investment in DGB, arising from a discontinued operation;
- At reporting date, the Other Investments portfolio carrying value of ZAR2.4 billion (FY2017: ZAR2.1 billion) comprises 6% of Brait's total assets (FY2017: 4%).

Low cost to AUM ratio
Operating expenditure for the year reduced to ZAR281 million (FY2017: ZAR401 million). Using average AUM as the reference basis, operating costs are 0.66% (FY2017: 0.64%) and net after fee income 0.58% (FY2017: 0.54%), compared to the target of 0.85% or less.

Minimal balance sheet cash drag
To manage dilution of overall returns, the Group targets minimal cash holdings on balance sheet, whilst maintaining access to large undrawn committed facilities. The Group's cash and equivalents position at 31 March 2018 of ZAR2.9 billion (FY2017: ZAR3.3 billion) represents 10.7% of NAV (restated FY2017: 8.7%), which is well within the benchmark maximum of 25% of NAV.

Significant cash flow within the underlying assets over any 3 year period
Brait's portfolio of investments are highly cash flow generative with high earnings-to-cash conversion ratios. Currently, cash flow generated by the Group's portfolio of investments is mostly retained within the portfolio for growth and deleveraging. Premier, whilst ensuring growth is not compromised, repaid ZAR367 million during FY2018 (FY2017: ZAR280 million), resulting in a total of ZAR1 billion of Premier shareholder funding having been repaid to Brait to date.

Ordinary dividend policy
The Group's policy is to consider annually an ordinary bonus share issue or cash dividend alternative election of 1% to 2.5% of closing NAV, taking into account the Group's available cash resources and debt utilization.

For the current period, no dividend has been declared as the Board has resolved to reduce debt at the Brait level.

CONSOLIDATION OF FLEET
In the current year the auditors have determined that Fleet should be consolidated by Brait in accordance with IFRS10 (Consolidated Financial Statements) and comparative figures for 2016 and 2017 have been restated accordingly. Fleet is the Investment Team's vehicle to facilitate the holding of shares in Brait. In prior year audited results, the indemnity provided by Brait was accounted for as a contingent liability in accordance with IAS37 (Provisions, Contingent Liabilities and Contingent Assets).

Under the previous accounting treatment ("Historical Basis"), the decline in Brait's share price would have resulted in a provision being recognised in the current year for the shortfall of ZAR651 million at reporting date, representing the difference in value between the indemnity of ZAR1.910 billion and the ZAR1.259 billion collateral in the form of 34.9 million pledged Brait shares held by Fleet and the Investment Team, valued using the closing share price of R36.10. The resulting NAV per share, applying the Historical Basis, would have been ZAR55.86 at 31 March 2018.

The effect of consolidating Fleet is to recognise the ZAR1.910 billion loan owed by Fleet to its bankers at 31 March 2018,as a long term liability on Brait's balance sheet. From an accounting perspective, of the Brait shares legally owned by Fleet and the Investment Team, 34.9 million are pledged as collateral, at 31 March 2018 and are now consolidated and recognised by the Group as treasury shares. Given this classification as Group treasury shares, these pledged shares are no longer valued at the closing Brait share price at reporting date, which results in an audited NAV per share for the current year of ZAR57.32.

Considering that Brait's key reporting measure is NAV per share and that Brait does not have legal ownership of the pledged shares now classified from an accounting perspective as Group treasury shares, the Directors' view is that the Historical Basis NAV per share of ZAR55.86 (FY2017: ZAR78.15) is the more appropriate measurement on which to interpret the Group's results for the current year and importantly reflects the commercial reality of the legal arrangement with Fleet.

The table below sets out the growth rates applicable to the Historical Basis NAV per share of ZAR55.86 at 31 March 2018, compared to those based on

	Historical basis	Audited

	(Note 2)	(Note 3)
Growth rates to 31 March 2018:		
– for the past six months	(16.2%)	(13.7%)
– for the financial year	(28.5%)	(26.2%)
CAGR to 31 March 2018:		
– for the past three years	(10.2%)	(9.3%)
– for the past five years	16.0%	17.2%
– for the past seven years	19.0%	19.5%

Note 2: Calculated using the Historical Basis NAV per share of ZAR55.86, measured against previously reported results.
Note 3: Calculated using the audited NAV per share of ZAR57.32, measured against restated results.

The reconciliation between the audited and Historical Basis NAV per share at reporting date is as follows:

31 March 2017 ZAR'm	31 March 2018 ZAR'm		31 March 2018 EUR'm	31 March 2017 EUR'm
37 802	27 125	Audited NAV	1 859	2 639
1 778	1 259	Historical Basis adjustment (Note 4)	86	124
39 580	28 384	Historical Basis NAV	1 945	2 763
487.0	473.2	Audited net issued ordinary shares ('mil)	473.2	487.0
19.5	34.9	Historical Basis adjustment (Note 5)	34.9	19.5
506.4	508.1	Historical Basis net issued ordinary shares ('mil)	508.1	506.4
7 815	5 586	Historical Basis NAV per share (cents)	383	546

Note 4: The Historical Basis adjustment results in Brait's NAV at 31 March 2018 reflecting the provision (in accordance with the previous IAS37 treatment) for the shortfall of ZAR651 million between the value of the loan indemnity commitment of ZAR1.910 billion and the value of the pledged collateral of ZAR1.259 billion (34.9 million shares valued using the 31 March 2018 Brait closing share price of ZAR36.10).
Note 5: The Historical Basis adjustment is to effectively reverse the accounting classification of treating as Group treasury shares the pledged Brait shares held as collateral, which are legally owned by the Investment Team and Fleet.

ORDINARY SHARE CAPITAL

As a result of the shareholder elections for the FY2017 Dividend, during August 2017 the Company issued 1,665,192 bonus shares (August 2016: 387,339 bonus shares issued), as well as 2,921,849 new shares issued to shareholders that elected to reinvest their cash dividend. This resulted in total issued ordinary share capital at 31 March 2018 of 525,599,215 shares of EUR0.22 each (FY2017: 521,012,174 shares). The Group held 17,475,070 purchased treasury shares at 31 March 2018 (FY2017: 14,576,784 purchased treasury shares held).

As set out above in the discussion on the consolidation of Fleet, from an accounting perspective, the Group now includes 34,896,609 additional Brait shares (FY2017: 19,460,823 shares) as treasury shares. This results in net ordinary share capital in issue of 473,227,536 (FY2017: 486,974,567 shares).

CONVERTIBLE BOND

Brait's GBP350 million unsubordinated, unsecured convertible bonds are listed on the Open Market (Freiverkehr) segment of the Frankfurt Stock Exchange ("Bonds"). The Bonds have a five year term ending 18 September 2020 and carry a fixed coupon of 2.75% per annum payable semi-annually in arrears.
In accordance with the terms and conditions of the Bonds, Brait's bonus share and cash dividend alternatives issued / paid during the Bonds' term result in adjustment to the Bonds' conversion price, which at reporting date is GBP7.7613. Using this conversion price, the Bonds' would be entitled to convert into 45.096 million ordinary shares (8.6% of Brait's current share capital of 525.599 million ordinary shares) on exercise of bondholder conversion rights. In the event that the bondholders have not exercised these rights, the Bonds are cash settled at par value on maturity date.

In accordance with IAS 32 (Financial Instruments: Presentation), the Bonds' liability component is measured at reporting date as GBP328.0 million. Applying the closing GBP/ZAR exchange rate of ZAR16.60, results in the Bonds' translated carrying value of ZAR5.4 billion.

GROUP FUNDING POSITION

The Group's committed revolving ZAR8.5 billion facility from the Lenders is Rand denominated, bears interest at JIBAR plus 3.0% payable quarterly, with the right to rollup these quarterly interest payments. This facility expires in December 2020 and is secured by the assets of Brait Malta Limited and its subsidiaries. At 31 March 2018, the Group has available undrawn gearing facilities of ZAR1.9 billion, representing Brait's borrowing facility of ZAR8.5 billion, reduced for the amount drawn of ZAR4.7 billion and the Other Liability of ZAR1.9 billion in respect of the loan that Fleet owes its bankers (which does not take into consideration the ZAR1.259 billion value of the pledged shares held as collateral). Taking into account the Group's ZAR2.9 billion cash, this results in total cash and available facilities of ZAR4.8 billion at reporting date.

GROUP OUTLOOK

- Virgin Active produced a strong set of results for its financial year ended 31 December 2017. The first quarter of 2018 has seen an encouraging increase in membership in both South Africa and the UK reflected in strong revenue growth in constant currency terms across the group. Growth in new clubs for 2018 is focused on Italy and Asia Pacific. The group continues to invest in its digital proposition, product innovation and pursuing Group Exercise and Personal Training across all territories in order to drive targeted EBITDA growth.
- Despite a weak domestic economy, Premier will target profitable growth by focusing in the short term on margin management across all businesses and seeking further cost savings and efficiencies. Premier will continue with its plans to optimize its bakery manufacturing footprint to align capacity to market demand with a focus on bringing its inland bakeries to the standard of Premier's upgraded coastal bakeries in KwaZulu Natal, the Western Cape and the Eastern Cape. Pursuant to its growth strategy, Premier will seek value enhancing acquisitions to assist in entering new categories and/or geographies and, without compromising its growth ambitions, continue repaying the shareholder funding provided by Brait.
- Iceland's group sales continue to grow in FY2019, driven by the expansion of the store estate where it aims to open a total of 30 new Food Warehouse stores during the current year. The company's programme of major Iceland store refits in the UK, with 8 completed quarter to date (and more to come), continues to drive LFL sales growth in these stores. However, overall LFL sales in the quarter to date are negative, against the very strong comparative of 6.4% growth in the first quarter last year, with a positive underlying performance adversely impacted by Easter falling earlier than in 2017. The overall UK food retail market has also slowed in this period, with Iceland's performance only slightly behind the market as measured by the Institute of Grocery Distribution (IGD). Iceland maintains a strong programme of product innovation and the quality of its own label food continues to receive industry and public recognition. Iceland has a strong brand, unique products, excellent product innovation, a stable capital structure and a proven strong cash generating capability which underpins its ability to deliver profitable growth over the long term.
- Since November 2017, New Look has focused on making the necessary changes to get the company back on track and reconnect with its customers. New Look's turnaround plan is now well underway and has already made substantial operational improvements to help stabilise the business, reduce its fixed cost base and attain a better position to drive full price sales. New Look has started its new financial year with a significantly cleaner stock position. The company's liquidity position continues to improve and early Q1 trading indicates improvements in specific womenswear categories where initial attention has been focused. Importantly, the New Look brand remains strong and has recently regained its number 1 position in its core target

market, namely for ages 18 – 42 within the UK womenswear market.

In conclusion, Brait believes that driving value in the existing portfolio should remain the key focus for the year ahead.
For and on behalf of the Board

PJ Moleketi
Non-Executive Chairman

19 June 2018

Directors (all non-executive)
PJ Moleketi (Chairman)*, JC Botts^, AS Jacobs(##). Dr LL Porter(##), CS Seabrooke*, HRW Troskie**, Dr CH Wiese* (Alternate: JD Wiese)*
(##)British ^American **Dutch *South African

The Company is primarily listed and admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange and its secondary listing is on the Johannesburg Stock Exchange.

Sponsor
RAND MERCHANT BANK (A division of FirstRand Bank Limited)