



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”.