



BRIMSTONE
INVESTMENT CORPORATION LIMITED

Presentation to the Investment Analysts Society

- Results for the Half-Year ended 30 June 2010

Radisson Hotel, Granger Bay, Cape Town
8 am Monday 30 August 2010

The Hilton, Sandton, Johannesburg
11 am Tuesday 31 August 2010

AGENDA

- Half-year background and overview
- Financial Results
- Life Healthcare
- Brimstone underlying investments
- Brimstone Intrinsic NAV
- Questions

AGENDA

- **Background and half-year overview**
- Financial Results
- Life Healthcare
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- Questions

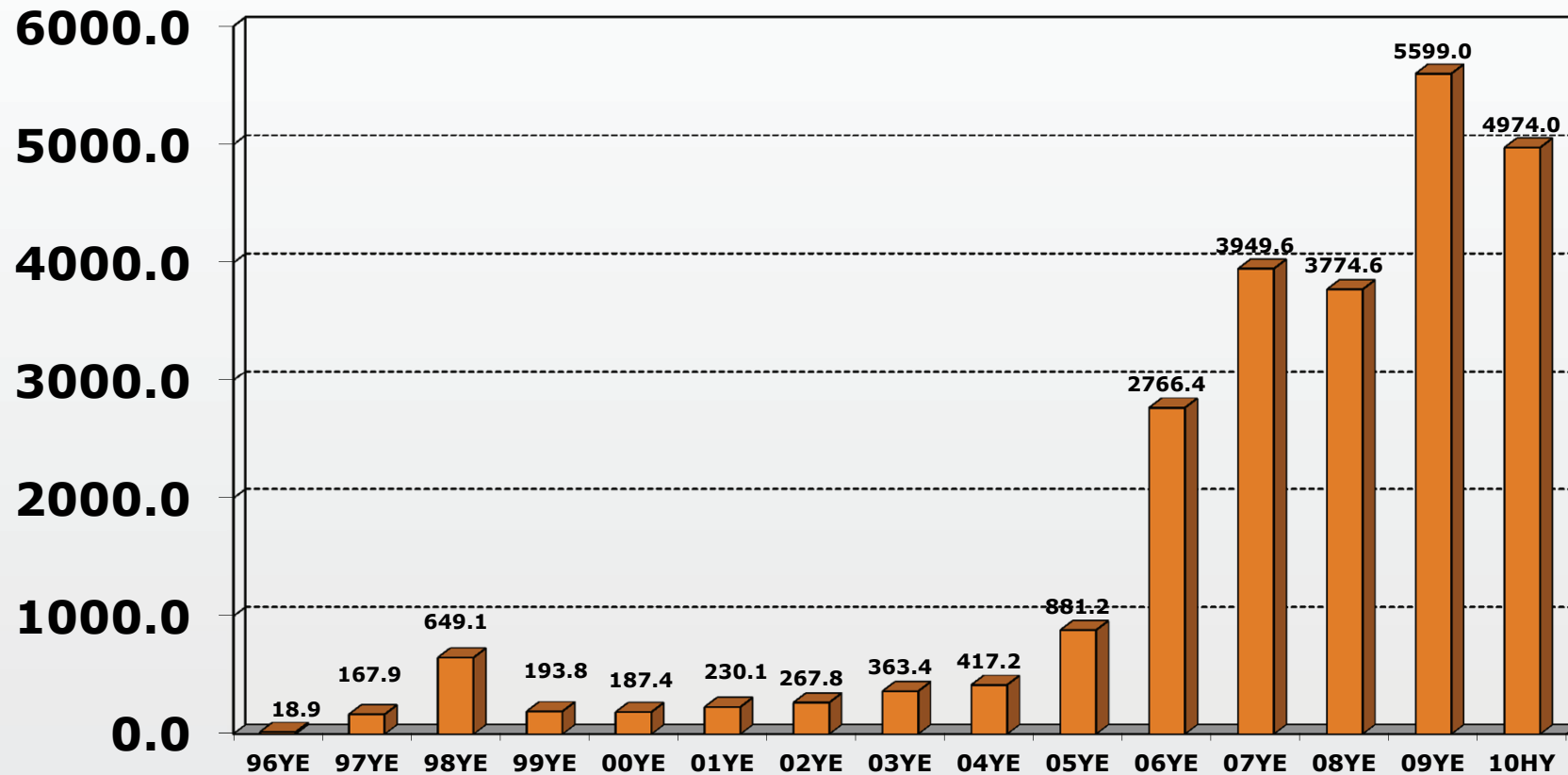
CORPORATE PROFILE

- Black controlled and managed investment company
- Established in 1995
- Listed on JSE since 8 July 1998
- 54% black economic interest (67% voting control)
- Well positioned for BEE opportunities
 - with relatively less geared assets

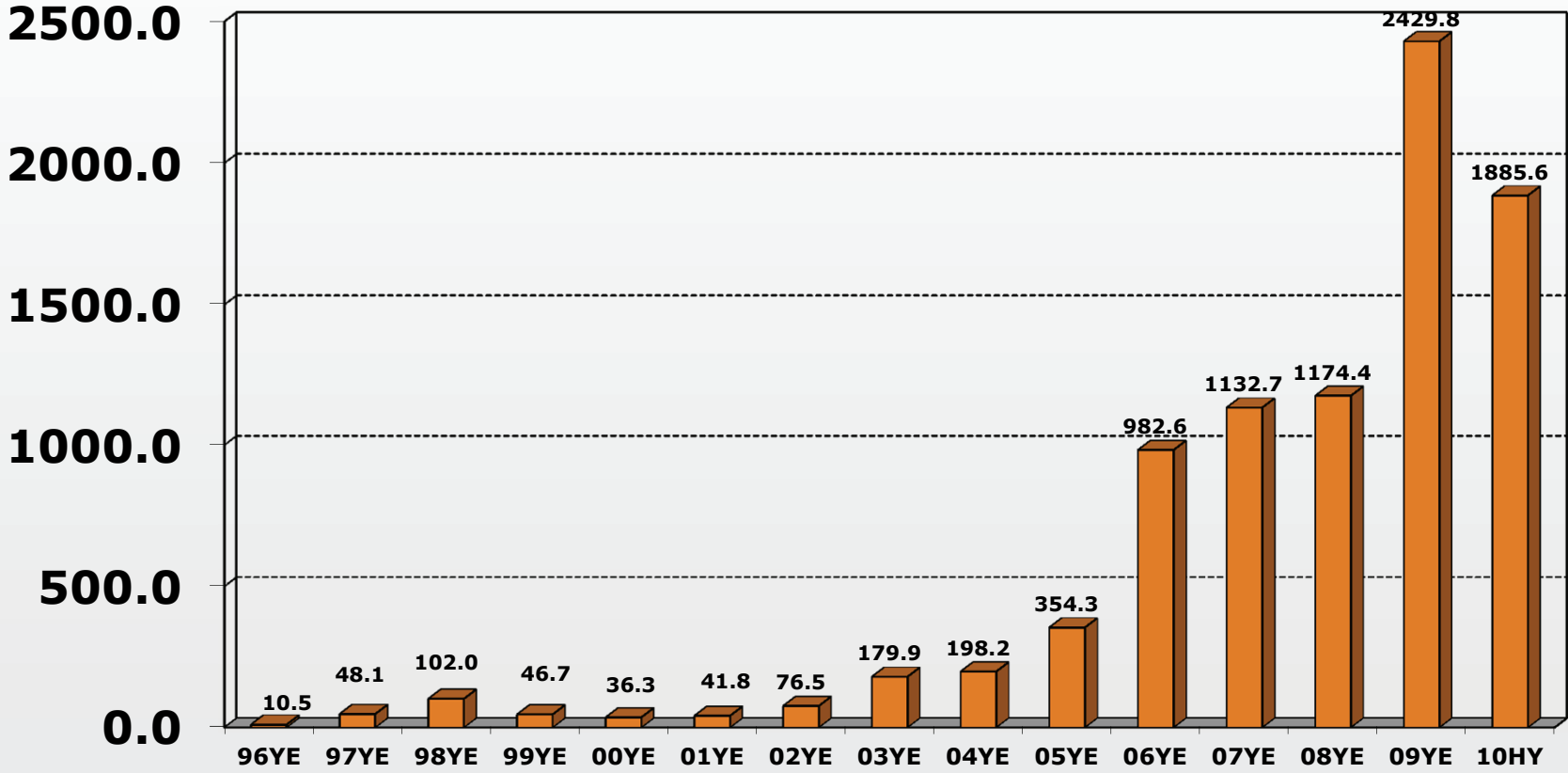
BRIMSTONE 2010 H1 OVERVIEW

- Life Healthcare JSE listing and related transactions
- Consolidation of results of acquired subsidiaries for the first time
- Actively pursuing potential opportunities
- Have grown professional team

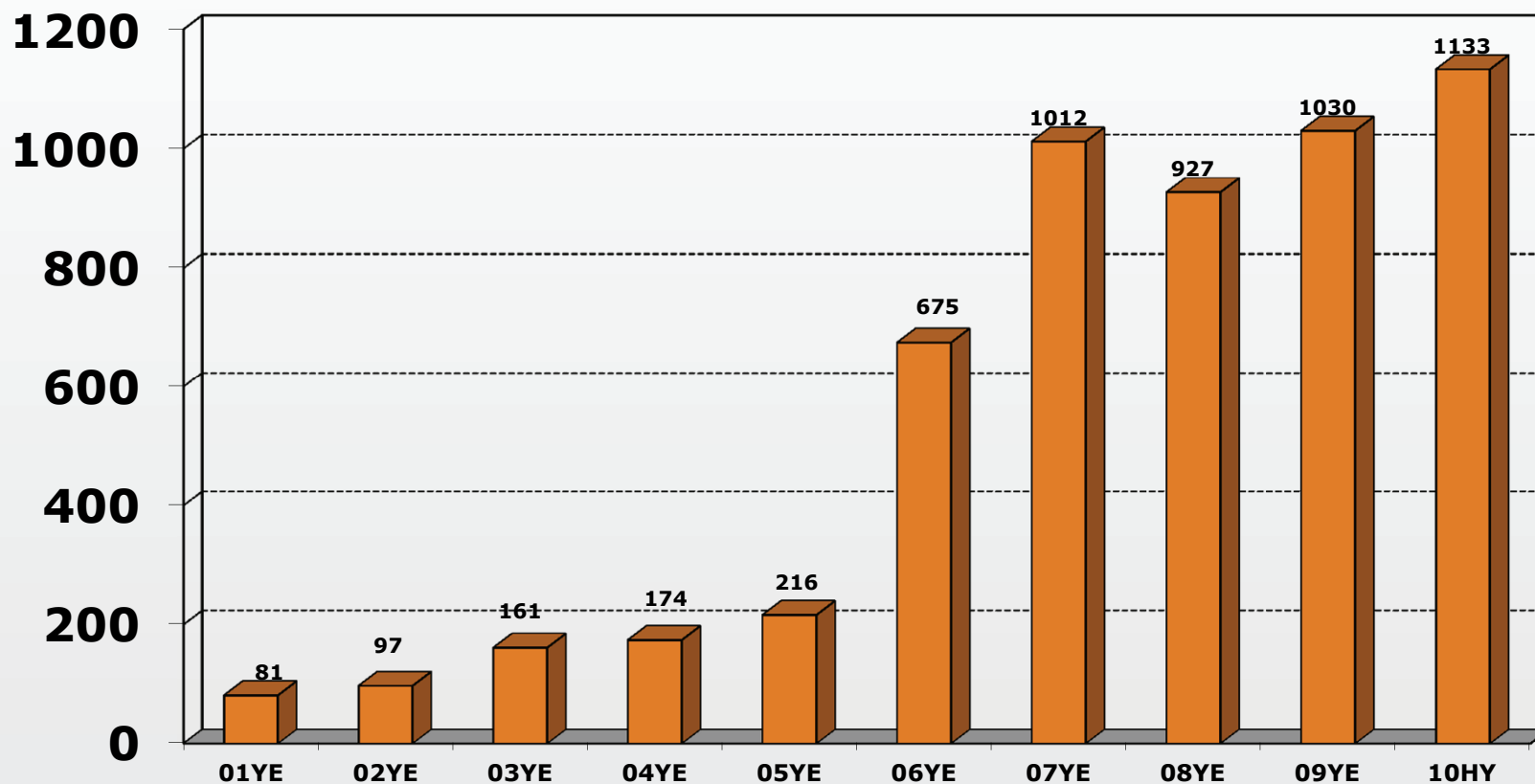
TOTAL ASSETS (R'mill)



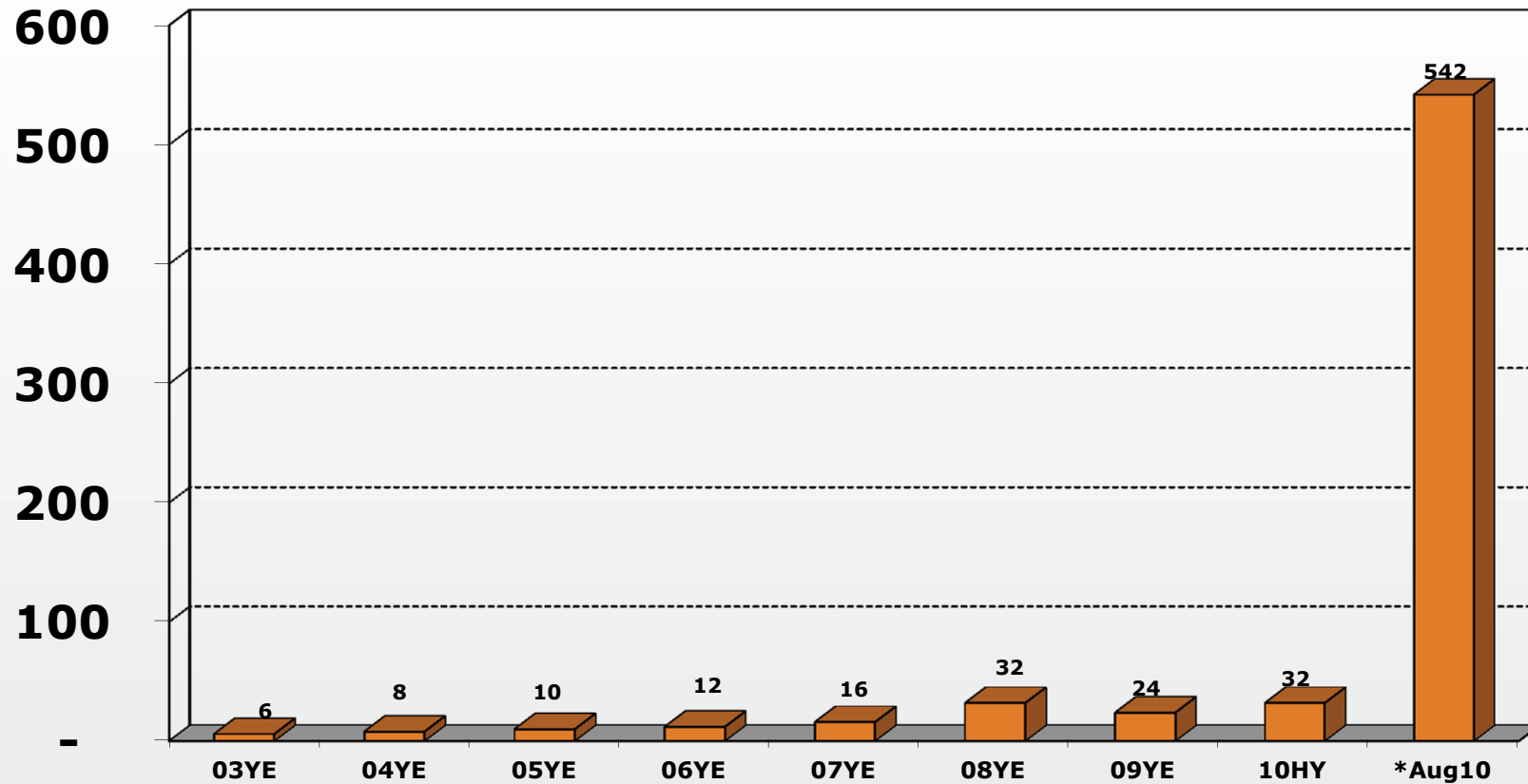
LIABILITIES (R'mill)



NAV 10 YEAR HISTORY (cents per share)



DIVIDEND HISTORY (cents per share)



*Aug10= August 2010 unbundling of an effective 0.4 LHC shares per Brimstone share

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SALIENT FINANCIAL FEATURES

- R352.6m PAT vs R24.5m for 2009H1
- HEPS= 149cps (2009H1: 1.8cps)
- Intrinsic NAV = R2.9b or R11.87/share (D2009: R2.7b or R11.37/share)
- R109.6m fair value losses (2009H1: R15.2m gain)
- R185.2m dividends received (2009H1: R50.5m)

GROUP STATEMENT OF COMPREHENSIVE INCOME

<u>R'000</u>	<u>30 June 2010</u>	<u>30 June 2009</u>
Revenue	896,606	213,337
Sales and fee income	711,436	162,853
Dividends received	185,170	50,484
Operating Expenses	(695,747)	(177,340)
Operating profit	200,859	35,997
Fair value (losses)/gains	(109,628)	15,163
Exceptional items	(4,273)	6,002
Profit before net finance costs	86,958	57,162
Share of profits of associates	16,218	23,701
Income from investments	10,410	5,232
Finance costs	(113,067)	(48,117)
Net profit/(loss) before taxation	519	37,978
Taxation	352,120	(13,471)
Profit for the half-year	352,639	24,507

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LIFE HEALTHCARE

- Brimstone invested R100m in 2005
- Prior to the the listing of Life Healthcare (LHC) Brimstone held 21.65% of LHC
- LHC listed at R13.50 per share in June 2010

LIFE HEALTHCARE

- Brimstone held 21.65% of LHC prior to the LHC listing
- In a series of transactions:
 - Brimstone realised 6.02% through the buyback (R707m) in June 2010
 - disposed of 0.80% through the overallotment option (R112m)
 - Brimstone exchanged 12.36% of LHC for 46.48% of Health Strategic Investments (HSI)
 - Unbundled effective 10.52% of LHC (the HSI unbundling) to Brimstone shareholders
- Retained effective shareholding in LHC = 5.53%

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INDUSTRIAL SUBSIDIARY- SEA HARVEST

- Excellent fishing conditions and catch rates continue
- Focus on efficiency and reduced production costs which countered rand strength
- Revenue 11% down, primarily due to negative Rand/Euro exchange rate
- Good medium term outlook for the resource and potential TAC increases

INDUSTRIAL ASSOCIATE- OCEANA

- Effective 11.6% accounted for as an associate
- Good performance
- Received R3.8m dividends & recorded R13.0m equity accounted earnings
- Closing share price = R28.95 (acquired @ R15.21)
- Bank debt repayment way ahead of schedule

INDUSTRIAL SUBSIDIARY- HOUSE OF MONATIC

- Tough 6 months but saw improved performance
- Delivering on previously stated 2010 Strategy:
 - Concentrating on core business
 - have rationalised un-profitable lines

UNDERLYING INVESTMENTS- INDUSTRIAL

REX TRUEFORM AND
AFRICAN & OVERSEAS

FMCG- TIGER BRANDS LTD

- Deal concluded 20.10.2009
- Rights to 1 813 613 shares acquired at R140.67 per share
- R0.8m fair value loss

UNDERLYING INVESTMENTS- FINANCIAL SERVICES

- Old Mutual plc
 - Rights to 19 376 400 shares acquired in 2005 at R14.95 per share
 - R17.2m fair value loss
- Nedbank Group
 - Rights to 3 433 027 shares (initial 2.6m acquired at R74.75 per share)
 - R23.7m fair value loss recorded

UNDERLYING INVESTMENTS- FINANCIAL SERVICES

- Aon SA
 - Continues to grow client base
- Aon Benfield-Re
 - Aon-Re merged with Benfield SA in January 2010
 - Equity accounted earnings of R6.0m

FINANCIAL SERVICES SUBSIDIARY- LION OF AFRICA

- Became a 74% subsidiary on 31 December 2009
- Gross Written Premium growing & underwriting result improving

UNDERLYING INVESTMENTS- HEALTHCARE

SCIENTIFIC GROUP

LIFE HEALTHCARE GROUP HOLDINGS

Comprehensive
geographic
spread in 7 SA
provinces and
Botswana

- 15.63% shareholding at 30 June 2010
 - following LHC transactions, but before overallotment option & unbundling
- Accounted for on fair value basis through profit or loss
 - R13.55 closing price
- Brimstone has confidence in LHC's future prospects
 - retained 5.5% of LHC post the August 2010 unbundling

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- **Brimstone Intrinsic NAV**
- Questions
- Refreshments



INTRINSIC NAV

	PROFORMA*	30 June 2010	31 Dec 2009
Intrinsic NAV of Brimstone	R1 508.0	R2 871.8m	R2 720.2m
Book NAV	R1 379.2	R2 743.0m	R2 465.9m
Market capitalisation**		R2 721.6m	R2 106.0m
Intrinsic NAV per share**	623 cents	1 186.7 cents	1 136.6 cents
Book NAV per share**	570 cents	1 133.5 cents	1 030.3 cents
Market price per share			
• Ordinary shares		1 125 cents	810 cents
• 'N' Ordinary shares		1 125 cents	780 cents

* *After adjusting for Life Healthcare unbundling*

** *based on 242.0m shares in issue (Dec 2009: 239.3)*

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Thank You
Questions