



BRIMSTONE
INVESTMENT CORPORATION LIMITED

Presentation to Members of the Investment Analysts Society

The BMW Pavillion, V&A Waterfront – 3
March 2008
Melrose Arch – 4 March 2008



Agenda

- **Welcome & introductions** Fred Robertson
- **Brimstone Portfolio** Fred
Robertson
- **2007 Results** Mustaq Brey
- **31.12.2007 Intrinsic NAV
and valuation bases** Mustaq Brey



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Our portfolio of investments (1) - Healthcare

- **Life Healthcare**
 - Private hospital group- SA and UK
 - Brimstone a significant shareholder

- **The Scientific Group**
 - Medical supplies- SA and Africa
 - Partner with Adcock Ingram



Our portfolio of investments (2)- Financial services

- Old Mutual plc*
 - Listed global financial services group
 - deal matures 2015

- Nedbank*
 - Listed SA banking group
 - deal matures 2015

* *Performance fees earned on both deals*



Our portfolio of investments (3)- Financial services

- Lion of Africa Insurance Company
 - Unlisted SA short-term insurer
- Aon SA
 - unlisted SA subsidiary of multinational brokerage firm
- Aon Re
 - unlisted Africa subsidiary of multinational re-insurance brokerage firm



Our portfolio of investments (4)- Industrial

- Oceana
 - Listed branded food and fisheries business
- Sea Harvest
 - Unlisted food/fisheries business
- House of Monatic Group
 - Unlisted owner and operator of apparel brands



Our portfolio of investments (5)- Entrepreneurial development

- Unlisted investment fund to assist new entrepreneurs
- Have capped commitment to R20 million
 - no rush to invest
 - Seeking co-investment from other institutions / companies
- Consistent with our empowerment ethos
- Will take time to build and exit the real winners



BRIMSTONE
INVESTMENT CORPORATION LIMITED

Corporate and investment team

- **Fred Robertson** *Executive deputy Chairman*
- **Mustaq Brey** *Chief Executive Officer*
- **Lawrie Brozin** *Executive Director*
- **TJ Tapela**
- **Iqbal Khan**
- **Michael O'Dea**
- **Tiloshani Moodley**
- **Londiwe Mkhize**
- **Elke Visagie**
- **Nazeema Jogee**
- **Fatima Halday**
- **Connie Vanda**
- **Virginia Feleza**



Corporate Centre

- Investment/disposal origination, execution and after-deal care
- Corporate support and governance services
- Active value-adding to investment portfolio
- Management and performance fee arrangements in most investments



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Fred Robertson

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Mustaq Brey

Mustaq Brey



Abridged Income Statement

R 000's	2007	2006	2005
Revenue	623 723	377 953	188 752
Cost of Sales	454 327	268 632	135 804
Gross Profit	169 396	109 321	52 948
Fair Value Gains	1 100 897	1 408 997	143 558
Profit Before Tax	1 077 938	1 297 261	169 373
Net Attributable profit	845 311	1 101 516	153 975
Headline Earnings per Share (cents)	321.5	474.2	90.9



Fair Value Gains

Rand millions	2007	2006	2005
Life Healthcare	1 074	1 218	-
Nedbank Ltd	27	87	78
Old Mutual	(7)	104	66
Rex Truform and African and Overseas	7	-	-
	1 101	1 409	144



Equity Accounted Earnings

R 000's	Div 07	2007	2006	2005
Lion of Africa	4 485	(10 014)	10 818	9 018
Life Healthcare		-	-	25 464
Scientific Group		4 133	3 969	655
Lenco		(7 425)	9 655	3 114
Sea Harvest	8 110	11 924	7 838	(1 618)
Oceana Group	12 293	2 737	(4 299)	-
Aon	1 015	2 721	214	1 989
Aon Re	683	3 578	-	-
Entreprenuerial Investments		(340)	(23)	-
		7 314	28 172	38 622



Abridged Balance Sheet

R 000's	2007	2006	2005
Non Current Assets	3 633	2 568	757
Current Assets	317	198	123
Total Assets	3 950	2 766	880
Non Current Liabilities	1 182	1 008	331
Current Liabilities	390	187	54
Total Liabilities	1 572	1 195	385

Net Asset Value per Share (cents)	1 012.9	674.5	216.4
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Segmental Information

R 000's	Operating Profit	Headline Earnings
Financial Services	33 593	23 038
Industrial	144 463	(14 909)
Healthcare	1 072 789	764 862
Entrepreneurial Development	(1 452)	955
Corporate	(18 576)	(21 124)
Total	1 230 817	752 822



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NAV analysis- Investments in associates

INVESTMENTS IN ASSOCIATES (R000)	NOTES	BOOK 31.12.2007	INTRINSIC 31.12.2007
Entrepreneurial Fund investments	Written-down book value	5 212	5 212
Financial services			
- Lion of Africa Insurance Co. Ltd	discounted Price:Book multiple (historic)	58 391	60 811
- Aon South Africa (Pty) Ltd	discounted Price:Revenue multiple (hist)	15 937	38 797
- Aon Re South Africa (Pty) Ltd	discounted Price:Earnings multiple (hist)	16 937	30 784
Industrial			
- Oceana Group Limited	Mark-to-market (R20/share)	177 538	231 935
- Sea Harvest Corporation Limited	Tiger Brands put option value	164 966	222 477
Healthcare			
- The Scientific Group (Pty) Ltd	discounted Price:Earnings multiple (hist)	17 221	37 206
		456 202	627 222
Minority interest	40% of Aon SA & Aon Re intrinsic uplift	(3 432)	(18 115)
TOTAL OF INVESTMENTS IN ASSOCIATES		452 770	609 107



NAV analysis- Investments at fair value through profit & loss

INVESTMENTS AT FAIR VALUE THROUGH PROFIT & LOSS (R000)		BOOK 31.12.2007	INTRINSIC 31.12.2007
Available-for-sale investments	Book value	5 728	5 728
Listed shares			
- Nedbank Group Limited	Mrk-to-mkt (R136)	16 427	16 427
- African & Overseas	Mrk-to-mkt (R6.05 & R7)	27 328	27 328
- Rex Trueform Clothing Co.	Mrk-to-mkt (R9.40 & R9.50)	27 421	27 421
Unlisted shares			
- Life Healthcare Group	Discounted EBITDA fwd multiple	2 626 856	2 626 856
- Other unlisted shares	Mark-to-market (underlying)	58	58
Unlisted share options			
- Nedbank Group Limited	Mrk-to-mkt (R136)	203 247	203 247
- Old Mutual plc	Mrk-to-mkt (R22.91)	178 437	178 437
		3 085 502	3 085 502



NAV analysis- reconciliation of Book to Intrinsic NAV

(R000)	BOOK 31.12.2007	INTRINSIC 31.12.2007	DIFFERENCE 31.12.2007
INVESTMENTS IN ASSOCIATES	452 770	609 107	156 337
INVESTMENTS AT FAIR VALUE THROUGH PROFIT & LOSS	3 085 502	3 085 502	-
	3 538 272	3 694 609	156 337
Additional Potential Capital Gains Tax Liability			(32 960)
Additional Intrinsic Value not recognised in Book NAV			123 377
Book NAV as per 31 December 2007 Balance Sheet			2 373 464
INTRINSIC NAV AFTER TAX			2 496 841
Number of shares in issue (thousands)			234 315
INTRINSIC NAV PER SHARE AT 31.12.2007 (Cents)			1066



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Questions



BRIMSTONE
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