

**PRESS RELEASE FOR IMMEDIATE RELEASE**

**18 JANUARY 2011**

**MANAGEMENT STATEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2010**

The Board of Reinet Investments Manager S.A. announces the results of Reinet Investments S.C.A. for the third quarter ended 31 December 2010.

**Key financial data**

- **Net asset value at 31 December 2010: € 2 823 million, an increase of 3 per cent from 30 September 2010**
- **Net asset value per ordinary share at 31 December 2010: € 14.41 (30 September 2010: € 13.97)**

<b>Consolidated Net Asset Value ('NAV')</b>	<b>31 December 2010</b>		<b>30 September 2010</b>	
	<b>€ m</b>	<b>%</b>	<b>€ m</b>	<b>%</b>
Listed investments				
- British American Tobacco p.l.c.	<b>2 422</b>	<b>85.8</b>	2 308	84.3
- Other	<b>5</b>	<b>0.2</b>	6	0.2
	<b>2 427</b>	<b>86.0</b>	2 314	84.5
Cash and liquid funds	<b>321</b>	<b>11.4</b>	371	13.6
Unlisted investments				
- Trilantic Capital Partners funds	<b>70</b>	<b>2.5</b>	42	1.5
- US land development and mortgages	<b>32</b>	<b>1.1</b>	26	0.9
- Vanterra Flex Investments fund	<b>9</b>	<b>0.3</b>	6	0.2
- Vanterra C Change TEM	<b>1</b>	<b>-</b>	-	-
- Other	<b>96</b>	<b>3.4</b>	83	3.1
Fees payable and other liabilities, net of other assets	<b>(129)</b>	<b>(4.6)</b>	(100)	(3.7)
	<b>2 827</b>	<b>100.1</b>	2 742	100.1
Minority interest	<b>(4)</b>	<b>(0.1)</b>	(4)	(0.1)
	<b>2 823</b>	<b>100.0</b>	2 738	100.0

All of the underlying assets are held by Reinet Fund S.C.A., F.I.S. ('Reinet Fund').

### **Listed investment in British American Tobacco p.l.c. ('BAT')**

Reinet remains one of the largest shareholders in BAT, holding some 84 million shares representing 4.2 per cent of BAT's capital. At 31 December 2010, the value of the investment in BAT in the balance sheet of Reinet was € 2 422 million, being 86 per cent of Reinet's net asset value.

Reinet Fund's NAV has been positively impacted by the increase in value in euro terms of the BAT shares of € 114 million. BAT shares are listed principally on the London Stock Exchange and are denominated in pounds sterling.

### **Cash and liquid funds**

Reinet Fund's cash is held on deposit with banks in Luxembourg and the United Kingdom. In addition, Reinet Fund has invested € 269.5 million in a euro-denominated government bond fund. This holds exclusively short-dated bonds issued by western European governments and short-term loans backed by government bonds.

### **Unlisted investments:**

#### **Trilantic Capital Partners**

Reinet has invested both in the Trilantic management companies and as a partner in the underlying funds. As at 31 December 2010, Reinet and its 20 per cent minority partners in Trilantic had invested the equivalent of € 7.6 million in the initial Trilantic management company investment, € 2.1 million to acquire an interest in Trilantic Fund IV Europe and a further € 51 million in the funds under Trilantic management. The investment in Trilantic is carried at the estimated fair value of € 70 million at 31 December 2010, based on recent valuations prepared by Trilantic. Of the 31 December 2010 valuation of € 70 million, some € 14 million is attributable to Reinet's minority co-investors in Trilantic, being shown as € 4 million in respect of minority interest and € 10 million as liabilities in respect of funding provided by the minority partners.

At 31 December 2010 Reinet Fund had remaining commitments of € 103 million, being US\$ 69 million and € 51 million, to invest in these funds, after taking into account the amounts payable by the minority partners.

### **United States land development and mortgages**

Reinet has invested in real estate development projects and has acquired mortgage debt at distressed prices from lenders. As at 31 December 2010, the value of Reinet's interest in property-related investments located mainly in Florida and North and South Carolina was estimated to be € 32 million. This was principally mortgage debt in respect of land held for future development. The debts were acquired from local lenders at substantial discounts to nominal value, reflecting the depressed economic situation in the United States and the risk that the development companies may not be able to meet their obligations. Alongside its partners, Reinet is committed to invest a further € 41 million in total to acquire further mortgage debt and to fund development projects. Reinet is working closely with its partners and co-investors in the United States, who have considerable experience in managing such projects, recognising that this is an area where industry knowledge is critical to making the right investment decisions.

### **Vanterra Flex Investments L.P.**

Reinet is a partner in both the Vanterra Flex Investments fund and in its management company. In March 2010, Reinet entered into an agreement with Vanterra Flex Investments L.P. ('Vanterra'), a newly created fund which was established for the purpose of investing in other listed and unlisted funds and direct investments in the United States and emerging markets. Vanterra will seek to construct a globally diversified private equity portfolio providing investors with long-term capital appreciation through private equity funds investments and direct investments. As at 31 December 2010, the value of Reinet's interest in Vanterra was estimated to be € 9 million. Reinet is committed to invest a further € 65 million in Vanterra Flex Investments.

### **Vanterra C Change Transformative Energy & Materials I, L.P. ('Vanterra C Change TEM')**

Reinet is a partner in both the Vanterra C Change TEM fund and in its management company. In July 2010, Reinet entered into an agreement with Vanterra C Change TEM, a newly created fund which was established for the purpose of investing in companies and projects providing products or services that supply cleaner energy, create a more cost effective building environment through the use of energy efficient technologies and sustainable materials and develop renewable resources as a substitute for fossil and other traditional fuels to meet global demand. As at 31 December 2010, capital contributions of € 1 million had been made to the fund in respect of this commitment. Reinet is committed to invest a further € 47 million in Vanterra C Change TEM.

### **Other unlisted investments**

This portfolio includes small businesses with growth potential as well as investments in specialised investment funds focused on developing markets and niche sectors. The portfolio is valued at its fair value taking into account the detailed evaluation performed at 30 September 2010 and movements in the quarter to 31 December 2010.

### **Fees payable and other liabilities, net of other assets**

Fees payable and other liabilities comprise principally a provision of € 100 million in respect of the potential performance fee payable after 31 March 2011, together with the management fee payable of € 5 million, funding provided by minority partners of € 18 million and other operating expenses currently payable.

The performance fee is only payable if certain conditions are met. Specifically the volume weighted average closing market price of the Company's share on the Luxembourg Stock Exchange over the last 20 trading days prior to 31 March 2011 must exceed € 7.1945. Whilst no performance fee is currently payable and no fee will be payable if the market price would fall below € 7.1945, it is considered prudent to make a pro rata provision at this time based on the latest available share price information.

The management fee for the period under review amounted to € 6 million, of which € 5 million remained payable at 31 December 2010.

**Shares in issue**

The number of shares in issue remained unchanged during the quarter at 195 942 286. This figure includes 1 000 management shares held by the General Partner.

Reinet Investments Manager S.A.  
for and on behalf of Reinet Investments S.C.A.

18 January 2011

Website: [www.reinet.com](http://www.reinet.com)

**The information contained in this statement has not been audited**

Reinet Investments S.C.A. (the 'Company') is a partnership limited by shares incorporated in the Grand Duchy of Luxembourg and having its registered office at 35, boulevard Prince Henri, L-1724 Luxembourg. It is governed by the Luxembourg law on securitisation and in this capacity allows its shareholders to participate indirectly in the portfolio of assets held by its wholly-owned subsidiary Reinet Fund S.C.A., F.I.S. (the 'Fund'), a specialised investment fund also incorporated in Luxembourg. Reinet shares are listed on the Luxembourg Stock Exchange and Reinet South African Depository Receipts are listed in Johannesburg. Reinet shares are included in the 'LuxX' index of the principal shares traded on the Luxembourg exchange and the South African Depository Receipts are included in the JSE 'Top 40' Share Index.