

PRESS RELEASE FOR IMMEDIATE RELEASE
18 JANUARY 2012
MANAGEMENT STATEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011

The Board of Reinet Investments Manager S.A. announces the results of Reinet Investments S.C.A. for the third quarter ended 31 December 2011.

Key financial data

- **Net asset value at 31 December 2011: € 3 569 million, an increase of 12 per cent from 30 September 2011**
- **Net asset value per ordinary share at 31 December 2011: € 18.21 (30 September 2011: € 16.23)**
- **Reinet's investment in British American Tobacco increased in value by € 414 million during the quarter**

Consolidated Net Asset Value ('NAV')

	31 December 2011		30 September 2011	
	€ m	%	€ m	%
Listed investments				
British American Tobacco p.l.c.	3 092	86.6	2 678	84.2
Other	2	-	2	-
Cash and liquid funds	113	3.2	157	4.9
Unlisted investments				
Trilantic Capital Partners funds ⁽¹⁾	126	3.5	102	3.2
US land development and mortgages ⁽¹⁾	84	2.4	76	2.4
Vanterra Flex Investments	24	0.7	23	0.7
Vanterra C Change TEM	27	0.8	21	0.7
Jagersfontein and other diamond interests	74	2.1	69	2.2
36 South	104	2.9	100	3.1
Other	65	1.8	53	1.7
	504	14.2	444	14.0
Funding by minority partners	(33)	(0.9)	(30)	(0.9)
Borrowings	(50)	(1.4)	(49)	(1.5)
Fees payable and other liabilities, net of other assets	(53)	(1.5)	(17)	(0.5)
	3 575	100.2	3 185	100.2
Minority interest	(6)	(0.2)	(6)	(0.2)
	3 569	100.0	3 179	100.0

⁽¹⁾This amount represents the 100 per cent investment, whereas the comments below use figures which represent Reinet's 80 per cent investment.

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

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 4.3 per cent of BAT's capital. At 31 December 2011, the value of the investment in BAT in the balance sheet of Reinet was € 3 092 million, being 87 per cent of Reinet's NAV. The BAT share price on the London Stock Exchange increased from £ 27.29 to £ 30.56 during the quarter ended 31 December 2011.

CASH AND LIQUID FUNDS

Reinet has invested € 56 million in a euro-denominated government bond fund. This holds exclusively short-dated bonds issued by western European (principally French and German) governments and short-term loans backed by government bonds. Reinet also holds cash on deposit principally in European banks.

UNLISTED INVESTMENTS

Trilantic Capital Partners funds

Reinet has invested both in the Trilantic management companies and as a partner in the underlying funds. As at 31 December 2011, 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 € 91 million, net of capital repayments, in the funds under Trilantic management. The investment in Trilantic is carried at the estimated fair value of € 126 million at 31 December 2011, based on recent valuations prepared by Trilantic. Of the 31 December 2011 valuation of € 126 million, some € 25 million is attributable to Reinet's minority co-investors in Trilantic.

At 31 December 2011 Reinet had remaining commitments of € 73 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 co-invested with partners in acquiring real estate development projects - usually properties where infrastructure services have been laid but where construction of properties has not yet commenced - and mortgage debt on such developments and undeveloped sites. The investments are principally in Florida, Colorado, Georgia and the North and South Carolinas.

The mortgage debts were acquired from local lenders at substantial discounts to nominal value, reflecting the economic situation and the risk that the development companies may not be able to meet their obligations. During 2011 certain assets were acquired, which were already encumbered with mortgages totalling US\$ 10 million. These mortgages payable are included in borrowings in the balance sheet. At 31 December 2011, Reinet had invested a total of US\$ 86 million (€ 67 million) in these projects. At that date, these were valued at € 84 million of which € 67 million is attributable to Reinet and € 17 million to its partners.

Reinet is committed to invest a further US\$ 14 million (€ 11 million) to acquire further mortgage debt and to fund development projects.

Vanterra Flex Investments L.P.

Reinet is an investor in Vanterra and in its general partner.

Vanterra was established in March 2010 to invest in listed and unlisted funds and to make direct investments in the United States and emerging markets. Vanterra has invested alongside Reinet in Trilantic and in the United States land development and mortgages. It is also an investor in Vanterra C Change Transformative Energy & Materials I, L.P. Vanterra will seek to construct a globally diversified private equity portfolio providing investors with long-term capital appreciation.

As at 31 December 2011, US\$ 31 million (€ 24 million) of committed funds plus an additional US\$ 2 million (€ 2 million) in respect of expenses had been invested in the fund. The investment is carried at the estimated fair value of € 24 million at 31 December 2011. Reinet is committed to invest a further US\$ 69 million (€ 53 million) in Vanterra.

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

Reinet is an investor in TEM and in its general partner.

In July 2010, Reinet entered into an agreement to invest in TEM. TEM is a fund, established to invest 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 develop renewable resources as a substitute for fossil and other traditional fuels.

As at 31 December 2011, capital contributions of US\$ 38 million (€ 29 million) had been made to the fund. The investment is carried at the estimated fair value of € 27 million at 31 December 2011. Reinet is committed to invest a further US\$ 27 million (€ 21 million) in TEM.

Jagersfontein and other diamond interests

Reinet is an investor in an entity which will process and extract diamonds from the waste tailings from mining operations carried out up to a century ago. The tailings are located at Jagersfontein in South Africa. Developments in terms of gemstone extraction technology since the mines were first excavated mean that there is now the potential to recover stones which were previously treated as waste.

As at 31 December 2011, Reinet had provided loans of ZAR 540 million (€ 52 million) to finance the acquisition of the tailings and plant to process the tailings. Processing operations reached full capacity by the end of 2011 and sales of diamonds are expected to commence in the first half of 2012.

Reinet has also invested in a company which has acquired assets and assumed liabilities pertaining to mining rights and related activities to source diamonds on another property in South Africa. As at 31 December 2011, Reinet had provided loans of ZAR 165 million (€ 16 million) to the company to finance the acquisition of these rights and the equipment required in respect of the mining operations.

These investments are carried at the estimated fair value of € 74 million at 31 December 2011. Reinet is committed to invest a further ZAR 262 million (€ 25 million). Once the final investment holding structures have been determined, it is anticipated that Reinet will have an equity interest of between 40 and 49 per cent in each of the ventures referred to above. The exposure to the South African rand has been largely hedged by borrowings in that currency.

36 South global macro/volatility funds

Reinet has co-invested with the 36 South management team in the fund management and distribution companies. It is also an investor in the funds under management. These funds are established through an Irish-registered umbrella fund – 36 South Funds PLC.

36 South is an absolute return fund manager which specialises in managing global macro/volatility funds. The fund management philosophy is to invest when market estimates of volatility are mis-priced. The volatility may apply to a wide range of underlying asset classes ranging from currencies and interest rates to equities.

Reinet has invested its full commitment of € 88 million in 36 South. Of this, € 15 million represented the initial investment in and loans to the jointly-held fund management activities; the balance of € 73 million being Reinet's investment in the funds under management. The investment in 36 South Funds PLC is carried at its fair value of € 104 million at 31 December 2011.

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 of € 65 million taking into account the detailed evaluation of each of the investments performed at 30 September 2011 and movements in the quarter to 31 December 2011.

FEES PAYABLE AND OTHER LIABILITIES, NET OF OTHER ASSETS

Fees payable and other liabilities comprise principally a provision of € 31 million in respect of the proportionate accrual in respect of the performance fee payable and an accrual of € 6 million in respect of the management fee payable, together with taxes and other operating expenses payable. The performance fee and management fee are payable to Reinet Investment Advisors Limited.

FOREIGN EXCHANGE MOVEMENTS

Movements in foreign exchange rates during the period, in particular the strengthening of sterling against the euro, gave rise to an increase in the net asset value of € 103 million during the quarter.

Exchange rates against the euro

	As at 31 December 2011	As at 30 September 2011
Closing – as at the end of the period		
pound sterling	0.833	0.859
U.S. dollar	1.2948	1.3386
Swiss franc	1.2148	1.2158
South African rand	10.4388	10.8421

SHARES IN ISSUE

The number of shares in issue remained unchanged during the period at 195 942 286. This figure includes 1 000 management shares held by Reinet Investments Manager S.A.

STATUTORY INFORMATION

Primary listing

Reinet Investments S.C.A. shares are listed on the Luxembourg Stock Exchange with the ISIN number LU0383812293. Thomson Reuters code REIT.LU and Bloomberg code REIN.LX. Reinet Investments shares are included in the 'LuxX' index of the principal shares traded on the Luxembourg exchange.

Secondary listing

Reinet Investments S.C.A. South African Depository Receipts are traded on the stock exchange in Johannesburg under the ISIN number CH 0045793657. Thomson Reuters code REIJ.J and Bloomberg code REI.SJ. The Reinet Investments South African Depository Receipts are included in the JSE 'Top 40' Share Index.

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

18 January 2012

Website: www.reinet.com

Reinet Investments S.C.A. 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., a specialised investment fund also incorporated in Luxembourg