

PRESS RELEASE FOR IMMEDIATE RELEASE

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CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2011

The Board of Reinet Investments Manager S.A. announces the results of Reinet Investments S.C.A. for the six-month period ended 30 September 2011.

Key financial data

- **Net asset value at 30 September 2011: € 3 179 million, an increase of 14 per cent from 31 March 2011**
- **Net asset value per ordinary share at 30 September 2011: € 16.23 (31 March 2011: € 14.21)**
- **Reinet's investment in British American Tobacco increased in value by € 291 million during the period**
- **Profit for the period: € 393 million**
- **New investments with funding commitments of € 166 million closed during the period**

Consolidated Net Asset Value ('NAV')

	30 September 2011		31 March 2011	
	€ m	%	€ m	%
Listed investments				
British American Tobacco p.l.c.	2 678	84.2	2 387	85.7
Other	2	-	7	0.2
Cash and liquid funds	157	4.9	236	8.5
Unlisted investments				
Trilantic Capital Partners funds ⁽¹⁾	102	3.2	72	2.6
US land development and mortgages ⁽¹⁾	76	2.4	53	1.9
Vanterra Flex Investments	23	0.7	13	0.5
Vanterra C Change TEM	21	0.7	10	0.4
Jagersfontein and other diamond interests	69	2.2	49	1.8
36 South	100	3.1	88	3.2
Other	53	1.7	42	1.5
	444	14.0	327	11.9
Funding by minority partners	(30)	(0.9)	(21)	(0.8)
Borrowings	(49)	(1.5)	(46)	(1.7)
Fees payable and other liabilities, net of other assets	(17)	(0.5)	(102)	(3.7)
	3 185	100.2	2 788	100.1
Minority interest	(6)	(0.2)	(4)	(0.1)
	3 179	100.0	2 784	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 Fund' or 'the Fund').

BUSINESS REVIEW

DEVELOPMENTS DURING THE PERIOD UNDER REVIEW

Reinet's net asset value grew by € 395 million over the six-month period ended 30 September 2011. This largely reflects the increase in value of its principal investment, British American Tobacco p.l.c. Cash and liquid funds decreased by € 79 million, as investment income was utilised to fund new investments and meet commitments in respect of existing investments. Since its creation in October 2008, Reinet has entered into new funding commitments of € 689 million and has remaining commitments of € 355 million in entities held in its portfolio.

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 30 September 2011, the value of the investment in BAT in the balance sheet of Reinet was € 2 678 million, being 84 per cent of Reinet's NAV. The BAT share price on the London Stock Exchange increased from £ 25.02 to £ 27.29 during the six months ended 30 September 2011.

Reinet received dividends from BAT during the period amounting to € 114 million (£ 100 million), being BAT's final 2010 dividend and its 2011 interim dividend.

CASH AND LIQUID FUNDS

During the period, dividend income and other inflows were offset by new investments and operating costs. At 30 September 2011, net cash and liquid funds amounted to € 157 million (31 March 2011: € 236 million).

In addition to deposits held principally in European banks, Reinet has invested € 82 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.

UNLISTED INVESTMENTS

Reinet seeks, through a range of investment structures, to build partnerships with other investors, specialised fund managers and entrepreneurs to find and develop opportunities for long-term value creation for its investors. In evaluating these opportunities, Reinet applies a minimum hurdle rate of return, recognising the expected performance target set by the investment in BAT.

To date, funding commitments in the amount of € 689 million have been entered into in respect of the businesses detailed below, excluding the smaller investments transferred from Richemont when Reinet was established.

Trilantic Capital Partners funds

Original commitment: US\$ 104 million plus € 68 million

Early in 2009, Reinet announced its decision to invest in the private equity management business formerly owned by Lehman Brothers. Reinet bought this interest, in conjunction with the management team, from the bankruptcy estate for US\$ 10 million. This business is now known as Trilantic Capital Partners ('Trilantic').

Reinet has an 80 per cent interest in the holding company ("Reinet TCP") which holds the Trilantic interest, with its two partners holding the balance and sharing in the investment commitments. Reinet TCP holds an interest in the Trilantic management company and is committed to invest in Trilantic's Fund IV Global and Fund IV Europe funds.

The investment in the Trilantic management company provides that Reinet and its partners will not pay any management fees or carried interest cost on substantially all of its investments in funds under Trilantic management. In addition, the agreement provides for Reinet and its partners to receive a share of the carried interest payable to the Trilantic management company on the realisation of investments

held in the funds, once a hurdle rate has been achieved. Reinet's share of any carried interest earned by the Trilantic management company is 10 per cent, after the minority partners' share.

Up to 30 September 2011, Reinet and its partners had invested the equivalent of € 7.6 million in the initial Trilantic management company investment, € 2.1 million to acquire a further interest in Trilantic Fund IV Europe and € 72 million, net of capital repayments, in the funds under Trilantic management. The investment in Trilantic is carried at the estimated fair value of € 102 million at 30 September 2011, based on audited valuations provided by Trilantic. Of the period-end valuation of € 102 million, some € 20 million is attributable to Reinet's partners.

At 30 September 2011, Reinet had remaining commitments of € 86 million, being US\$ 57 million and € 43 million to invest in funds under Trilantic management, after taking into account the amounts payable by Reinet's minority partners.

During the period under review, Reinet and its partners earned carried interest of € 7.8 million and realised gains of € 6.4 million before tax on their share of investments sold by the Trilantic funds. Of these amounts, € 11.4 million was attributable to Reinet and € 2.8 million to the minority partners.

United States land development and mortgages **Original commitment: US\$ 100 million**

Recognising the depressed state of the property market in the United States, 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 and the North and South Carolinas with one investment in Colorado.

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 the period under review 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. 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. At 30 September 2011, Reinet had invested a total of US\$ 84 million (€ 63 million) in these projects. At that date, these were valued at € 76 million of which € 61 million is attributable to Reinet and € 15 million to its partners.

Reinet is committed to invest a further US\$ 16 million (€ 12 million) to acquire further mortgage debt and to fund development projects.

Vanterra Flex Investments L.P. **Original commitment: US\$ 100 million**

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 30 September 2011, US\$ 31 million (€ 23 million) of committed funds plus an additional US\$ 2 million (€ 1.5 million) in respect of expenses had been invested in the fund. The investment is carried at the estimated fair value of € 23 million at 30 September 2011. Reinet is committed to invest a further US\$ 69 million (€ 51 million) in Vanterra.

Vanterra C Change Transformative Energy & Materials I, L.P. ('TEM')
Original commitment: US\$ 65 million

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 newly created 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 30 September 2011, capital contributions of US\$ 31 million (€ 23 million) had been made to the fund. The investment is carried at the estimated fair value of € 21 million at 30 September 2011. Reinet is committed to invest a further US\$ 34 million (€ 25 million) in TEM.

Jagersfontein and other diamond interests
Project cost: ZAR 967 million

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 30 September 2011, Reinet had provided loans of ZAR 540 million to finance the acquisition of the tailings and plant to process the tailings. Limited processing operations began in July 2011 and should reach full capacity by December 2011.

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 30 September 2011, Reinet had provided loans of ZAR 165 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 € 69 million at 30 September 2011. Reinet is committed to invest a further ZAR 262 million (€ 24 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
Original commitment: € 88 million

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.

In March 2011, Reinet 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 € 100 million at 30 September 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 € 53 million in the balance sheet at 30 September 2011, based on a detailed evaluation of each of the investments.

Other developments

Earlier this year, Reinet announced plans for a co-investment with Mr William T. Winters and RIT Capital Partners to establish an investment advisory and management business to be known as Renshaw Bay. Agreements have now been concluded and, in October 2011, Reinet invested £ 2 million in the Renshaw Bay advisory and management business alongside Mr Winters and RIT Capital Partners. Reinet owns 25.01 per cent of the business and is committed to invest a further £ 8 million. In addition to partnering in the advisory and management company, it is anticipated that Reinet will co-invest in future opportunities to be determined by the partners.

During the period, Reinet committed US\$ 152 million (€ 113 million) to Milestone China Opportunities Fund III L.P. ('Milestone III'), its associated management company and co-investment opportunities. As at 30 September 2011 no investment had been made in Milestone III, US\$ 13 million was invested in October 2011.

Committed Funds

The table below summarises Reinet's outstanding investment commitments as at 30 September 2011.

	Commitment as at 31 March 2011 € m	Change in commitments in period ⁽²⁾ € m	New commitments in period € m	Funded in current period € m	Remaining commitment € m
Trilantic Capital Partners funds ⁽¹⁾	100	3	-	(17)	86
US land development and mortgages	26	2	-	(16)	12
Vanterra Flex Investments	58	3	-	(10)	51
Vanterra C Change TEM	36	1	-	(12)	25
Jagersfontein and other diamond interests	15	(2)	34	(23)	24
Renshaw Bay ⁽³⁾	11	-	-	-	11
Milestone III	-	-	113	-	113
Smaller commitments	29	2	11	(20)	22
	275	9	158	(98)	344
Other investments ⁽⁴⁾	13	(1)	8	(9)	11
	288	8	166	(107)	355

(1) The remaining amount represents 80 per cent of the initial commitment assumed by Reinet, 20 per cent having been sold to co-investors -
(2) The change in the period reflects exchange rate fluctuations.
(3) Represents advisory and management company only.
(4) Represents portfolio of investments transferred from Richemont in 2008.

FEES PAYABLE AND OTHER LIABILITIES, NET OF OTHER ASSETS

Fees payable and other liabilities comprise principally a provision of € 2 million in respect of the performance fee and an accrual of € 10 million in respect of the management fee payable as at 30 September 2011, together with taxes and other operating expenses payable. The performance fee and management fee are payable to Reinet Investment Advisors Limited.

Details of the basis of calculation of the performance fee are given in note 11 to the financial statements, which form part of this report.

The management fee for the period under review amounted to € 12 million, of which € 10 million was payable at 30 September 2011.

Other assets include amounts receivable from Trilantic Capital Partners in respect of carried interest and gains.

SUMMARISED CONSOLIDATED INCOME STATEMENT

	30 September 2011 € m	30 September 2010 € m
BAT dividends received	114	103
Interest income, net of interest expense	2	-
Operating expenses, foreign exchange and transaction-related costs	(15)	(15)
	<hr/>	<hr/>
	101	88
Realised gains on investments	15	-
Unrealised fair value adjustments		
BAT	291	149
Other investments	(7)	-
Unrealised foreign exchange gain on borrowings	5	-
Performance fee	(2)	(35)
Tax expense	(8)	-
Minority interest	(2)	-
	<hr/>	<hr/>
Profit attributable to the shareholders of the Company	393	202

Operating expenses include € 12 million in respect of the management fee for the period ended 30 September 2011. Also included are € 0.5 million in charges from Reinet Investments Manager S.A. (the 'General Partner') and transaction-related expenses, including legal and other advisory fees, which amounted to € 2 million.

The investment in BAT increased in value by € 291 million during the period under review. Of this, € 217 million was attributable to the increase in value of the underlying BAT shares in sterling terms and € 74 million arose due to the appreciation of sterling against the euro over the course of the year. The unrealised fair value adjustment in respect of other investments reflects the decision to further write down the carrying value of certain small investments, offset to some extent by increases in the value of others.

A performance fee may be payable on 31 March 2012 if certain conditions are met. As detailed above, a provision of € 2 million has been made in the period under review.

The tax expense of € 8 million includes corporate and withholding taxes provided for in respect of realised gains on Trilantic investments plus a deferred tax provision in respect of unrealised gains and anticipated distributions related to Trilantic investments.

The minority interest arises in respect of the 20 per cent minority partners holding in the vehicles which own the Trilantic and US land and development interests as described above.

Profit attributable to shareholders of the Company for the period amounted to € 393 million.

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 the General Partner.

Financial statements

The unaudited interim consolidated financial statements at 30 September 2011, on which this announcement is based, were approved by the Board of the General Partner on 10 November 2011 and will be available on the Reinet website from 15 November 2011. The printed Reinet Interim Report will be available upon request from early December 2011.

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 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 South African Depository Receipts are included in the JSE 'Top 40' Share Index.

Website: www.reinet.com

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