

## PRESS RELEASE FOR IMMEDIATE RELEASE

20 MAY 2009

### CONSOLIDATED FINANCIAL RESULTS FOR THE PERIOD ENDED 31 MARCH 2009

The Board of Reinet Investments Manager S.A. announces the results of Reinet Investments S.C.A. for the period ended 31 March 2009. These include the results of its wholly owned subsidiary Reinet Fund S.C.A. F.I.S. ('Reinet Fund'). As required by Luxembourg law, the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards.

#### Key information

- The Reinet structure was established on 20 October 2008 upon the separation of the investments currently held from the luxury businesses retained by Compagnie Financière Richemont S.A.
- 195 941 286 Reinet ordinary shares are currently in issue
- Net asset value at 31 March 2009: € 1 846 million
- Net asset value per share at 31 March 2009: € 9.42
- Reported net profit for the period: € 426 million
- Underlying operating loss for the period: €116 million

#### Net asset value ('NAV')

The NAV of Reinet Investments S.C.A. comprises:

	€ million	
• Listed portfolio investment		
- British American Tobacco plc	1 470	79.7 %
• Cash and liquid funds	331	17.9 %
• Other assets, net of other liabilities	45	2.4 %
	1 846	100.0 %

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

Since the establishment of Reinet in October 2008, the NAV has been adversely impacted by the weakness of sterling and adverse price movements in respect of Reinet Fund's single biggest investment, British American Tobacco plc ('BAT').

#### British American Tobacco

At 31 March 2009, the value of the investment in BAT in the balance sheet of Reinet is € 1 470 million, the 84.3 million BAT shares being valued at £ 16.13 / € 17.44 per share.

The weakening of the BAT share price, which was particularly marked in March 2009, combined with the fall in sterling, has obviously adversely impacted the net asset value of Reinet over the period and resulted in unrealised losses for Reinet, as we have to mark the investment to the Euro market price at the end of each accounting period.

#### Reinet Investments S.C.A.

Registered office: 35, Boulevard Prince Henri, L-1724 Luxembourg

BAT is a global enterprise which generates virtually all of its cash flow and profits outside the United Kingdom. The weakening of sterling should therefore contribute to higher reported profitability, in sterling terms, over time, which should, in turn, be reflected in the share price. BAT is a very sound business, well run and with a strong portfolio of tobacco brands. Further information on BAT's performance can be obtained from its website, [www.bat.com](http://www.bat.com).

#### Other investments

Each of the companies in the portfolio of small, venture capital investments that we have taken over from Richemont has been requested to review its business plan and to re-work its growth forecasts. These are very challenging times for start-up and developing companies in whatever field and, whilst supporting the management of the companies we have invested in, we have taken a very prudent view as to the valuations being applied to them such that some are now carried at significantly below the amounts that previously Richemont and more recently Reinet Fund have invested to date. Nonetheless, we believe that prudent oversight and an extremely conservative approach to valuation is called for at this time. The portfolio of small investments is valued at € 46 million in the balance sheet at 31 March.

#### Liquid funds

Reinet Fund's cash is held on deposit with banks in Luxembourg and the UK. In addition, we have invested €100 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. This is shown as an investment rather than liquid funds in the balance sheet, in accordance with the requirements of the accounting standards. As ever, our principal criterion is to ensure the return of capital rather than attempting to maximise the return on capital on our liquid funds.

#### Results for the six-month period ended 31 March 2009

	Recurring € m	Non-recurring € m	As reported € m
Financial income	5	-	5
Operating expenses and transaction-related costs	(7)	(2)	(9)
	(2)	(2)	(4)
Income from discontinued luxury activities	-	23	23
Realisation of holding gain on BAT shares retained	-	530	530
Elimination of cumulative foreign currency adjustments in respect of the holding gain on BAT	-	(55)	(55)
Equity accounted share of BAT results pre-distribution to shareholders	-	46	46
Unrealised fair value adjustments			
- BAT	(66)	-	(66)
- Other investments	(48)	-	(48)
	(116)	542	426

Although Reinet was created in its current form only on 20 October 2008, the publicly-listed company – Reinet Investments S.C.A. – previously existed as Richemont S.A. As the prior accounting period of Richemont S.A. terminated on 30 September 2008, the consolidated financial statements of Reinet for the period under review run from 1 October 2008 to 31 March 2009. As such, they include the results for a 20-day period of the luxury goods operations, which were transferred to Compagnie Financière Richemont S.A. on 20 October 2008. The income statement also includes the equity accounted share of the results of the 19.5 per cent interest in BAT held through the R&R Holdings S.A. joint-venture with Remgro Limited for the period from 1 October to 3 November 2008. In both cases, estimates have been used to arrive at the figures reported.

**Income statement**

Profit attributable to shareholders for the six-month period amounted to € 426 million. This figure includes a number of non-recurring accounting adjustments, which must be eliminated in arriving at the underlying result for the period.

Reinet's ongoing, realised operating loss for the period was € 2 million. In addition, non-realised fair value adjustments, made in respect of the Fund's investment portfolio, amounted to € 114 million. Non-recurring items amounted to a net gain of € 542 million during the period under review.

Financial income represents interest income received on the Fund's cash and liquid resources.

Operating expenses include € 2 million in respect of capital and stamp duties paid in respect of the rights issue, concluded in December 2008, which are shown as a non-recurring expense. Other transactional costs include fees paid in respect of the Lehman Brothers Merchant Banking transaction, which closed in April 2009.

The figure of € 426 million includes an estimate of the results in respect of the luxury goods businesses which were transferred to Compagnie Financière Richemont S.A. on 20 October. That amounted to € 23 million for the 20 days. Reinet will obviously not receive those funds but they must still be reflected in the consolidated accounts for the period.

The result for the period reflects a one-off gain on the revaluation of the interest in BAT once Reinet had spun-off 90 per cent of its holding to the shareholders and switched to carrying the investment at its 'fair value' rather than equity accounting it as an associated company. The net one-off gain on the BAT stake is € 475 million, after taking into account an accounting adjustment to eliminate a cumulative foreign exchange translation adjustment of € 55 million from the Company's reserves.

Reinet also recorded 'income' of € 46 million in terms of its estimated equity accounted share of the profits of BAT for the period from 1 October up to 3 November 2008, when the shares were transferred out to shareholders. This is quite distinct from any cash-flow from BAT. In fact, Reinet did not receive any dividend income from BAT during the six-month period.

The Board of BAT declared a dividend in March 2009 which resulted in Reinet receiving some € 60 million in May of this year. International Accounting Standards require, however, that we recognise dividend income only when it is approved by the shareholders of the paying company. Since the BAT AGM was held at the end of April, that dividend income accrues to Reinet only in the first half of the current financial year.

**Dividends**

This has been the first accounting period for Reinet. As noted above, the accounting treatment of dividends is now such that Reinet could not accrue any dividend receivable from BAT in the financial statements for the period ended 31 March 2009.

In the future, we anticipate paying regular dividends out of Reinet's realised investment income in each financial year. However, this is the first year of activity for Reinet and we consider it premature to pay a dividend at a time when the portfolio has lost value as a consequence of the fall in sterling and the BAT share price. Those shareholders who chose to retain the BAT shares distributed to them last year will receive dividends from BAT and Richemont this year, which will exceed those paid by Richemont alone last year.

### **Future developments**

Immediately after the year-end, Reinet Fund concluded the deal to acquire, together with the management team, the fund management businesses in New York and London of Lehman Brothers. For a small initial investment, Reinet gained access to a team of experienced asset managers, committed itself to invest alongside the current limited partners in new investments to be made by the two funds and has secured rights to co-invest alongside the funds in new opportunities to be identified by the fund managers. Our commitment is to invest \$ 230 million over the remaining lives of the funds. This positions Reinet to partner in the funds' deals and capitalise on the strengths of the management team. We hope that this transaction may be the first of many where Reinet will be able to partner with other investment professionals.

As we said in the prospectus, the goal of Reinet Fund is to build wealth over the long-term. Our aim is to create enduring shareholder value, investing in sound business opportunities. In addition, a part of the fund will be earmarked to invest in new and growing enterprises, where we recognise innovation combined with market potential. We aim to invest prudently and to work with professional partners such that you as investors and we as managers and investors do not need to lose sleep over the decisions that we take.

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

20 May 2009

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The consolidated financial statements at 31 March 2009, on which this announcement is based, have been audited and will be published in full in the Reinet annual report which will be available in July 2009.

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 a securitisation company which 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. 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.