

PRESS RELEASE FOR IMMEDIATE RELEASE

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CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2010

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 2010.

Key financial data

- **Net asset value at 30 September 2010: € 2 738 million, an increase of 8 per cent from 31 March 2010**
- **Net asset value per ordinary share at 30 September 2010: € 13.97 (31 March 2010: € 12.95)**
- **Continued strong performance of Reinet's investment in British American Tobacco p.l.c.**
- **Consolidated profit for the period: € 201 million**
- **New investments with funding commitments of € 127 million closed during the period**

Consolidated Net Asset Value ('NAV')

	30 September 2010		31 March 2010	
	€ m	%	€ m	%
Listed investments				
- British American Tobacco p.l.c.	2 308	84.3	2 159	85.1
- Other	6	0.2	5	0.2
	2 314	84.5	2 164	85.3
Cash and liquid funds	371	13.6	343	13.5
Unlisted investments				
- Trilantic Capital Partners funds ⁽¹⁾	42	1.5	29	1.1
- US land development and mortgages	26	0.9	23	0.9
- Vanterra Flex Investments fund	6	0.2	-	-
- Other	83	3.1	35	1.4
Fees payable and other liabilities, net of other assets	(100)	(3.7)	(55)	(2.2)
	2 742	100.1	2 539	100.0
Minority interest	(4)	(0.1)	(2)	-
	2 738	100.0	2 537	100.0

⁽¹⁾ This amount includes the full investment in Trilantic, whereas the discussion below refers to figures which represent Reinet's 80 per cent interest.

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

The summary information contained in this announcement has been extracted from the unaudited interim consolidated financial statements prepared in accordance with International Financial Reporting Standards.

BUSINESS REVIEW

DEVELOPMENTS DURING THE PERIOD UNDER REVIEW

Reinet's net asset value grew by € 201 million over the six-month period ended 30 September 2010. This largely reflects the increase in value of its principal investment, British American Tobacco p.l.c. Cash and liquid funds increased by € 28 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 funding commitments of € 403 million and has remaining commitments of € 335 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 4.2 per cent of BAT's capital. At 30 September 2010, the value of the investment in BAT in the balance sheet of Reinet was € 2 308 million, being 84 per cent of Reinet's net asset value.

Reinet Fund's NAV has been positively impacted by the strengthening of the BAT share price from £ 22.72 to £ 23.75 during the period. BAT shares are listed principally on the London Stock Exchange and are denominated in pounds sterling.

Reinet received dividends from BAT during the period amounting to € 103 million (£ 88 million), being BAT's final 2009 dividend and its 2010 interim dividend.

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

During the period under review, Reinet has considered several potential investment opportunities. In evaluating these opportunities, Reinet applies a minimum hurdle rate of return, recognising the performance target set by the investment in BAT.

To date funding commitments in the amount of € 403 million have been entered into in respect of the businesses detailed below, excluding the smaller investments acquired when Reinet was established.

Trilantic Capital Partners funds

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

Reinet has invested both in the Trilantic management companies and as a partner in the underlying funds. As at 30 September 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 € 23.2 million in the funds under Trilantic management. The investment in Trilantic is carried at the estimated fair value of € 42 million at 30 September 2010, based on recent valuations prepared by Trilantic. Of the 30 September 2010 valuation of € 42 million, some € 8.4 million is attributable to Reinet's minority co-investors in Trilantic, being shown as € 3.6 million in respect of minority interest and € 4.8 million as liabilities in respect of funding provided by the minority partners.

At 30 September 2010 Reinet Fund had remaining commitments of € 126 million, being US\$ 91 million and € 59 million to invest in these funds, after taking into account the amounts payable by the minority partners.

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

Reinet has invested in real estate development projects and has acquired mortgage debt at distressed prices from lenders. As at 30 September 2010, Reinet had invested € 26 million in property-related investments located mainly in Florida and North and South Carolina. 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 € 48 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 fund
Original commitment: US\$ 100 million

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 30 September 2010, capital contributions of € 6 million had been made to the fund in respect of this commitment. Reinet is committed to invest a further € 67 million in Vanterra.

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

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 30 September 2010, no capital contributions had been made to the fund in respect of this commitment. However, in October 2010, capital contributions totalling US\$ 2 million were made.

Other 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 € 83 million in the balance sheet at 30 September 2010, based on a detailed evaluation of each of the investments.

Committed Funds

The table below summarises Reinet's outstanding investment commitments as at 30 September 2010.

	Commitment as at 31 March 2010 € m	Change in commitments in period € m	New commitments in period € m	Funded in current period € m	Remaining commitment € m
Trilantic Capital Partners funds ⁽¹⁾	153	(19)	-	(8)	126
US land development and mortgages	49	-	-	(1)	48
Vanterra Flex Investments L.P. ⁽²⁾	74	(1)	-	(6)	67
Vanterra C Change TEM	-	-	48	-	48
	276	(20)	48	(15)	289
Other investments	15	-	79	(48)	46
	291	(20)	127	(63)	335

(1) The remaining amount represents 80 per cent of the initial commitment assumed by Reinet, 10 per cent having been sold during the period and 10 per cent in the prior period. The change in the period represents the 10 per cent sold plus the effect of exchange rate fluctuations.

(2) The change in the period reflects exchange rate fluctuations.

FEES PAYABLE AND OTHER LIABILITIES, NET OF OTHER ASSETS

Fees payable and other liabilities comprise principally a provision of € 75 million in respect of the potential performance fee payable after 31 March 2011, together with the management fee payable of € 9 million, funding provided by minority partners of € 11 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 € 11 million, of which € 9 million remained payable at 30 September 2010.

SUMMARISED CONSOLIDATED INCOME STATEMENT

	30 September 2010 € m	30 September 2009 € m
BAT dividends received	103	84
Interest income	-	1
Operating expenses, foreign exchange and transaction-related costs	(15)	(11)
	<u>88</u>	<u>74</u>
Share of associate's results	(2)	-
Unrealised fair value adjustments		
- BAT	149	337
- Other investments	2	(5)
Provision for performance fee	(35)	-
Minority interest	(1)	-
	<u>201</u>	<u>406</u>
Profit attributable to the shareholders of the Company	201	406

Operating expenses include € 11 million in respect of the management fee for the period ended 30 September 2010.

The investment in BAT increased in value by € 149 million during the period under review. Of this, € 98 million was attributable to the increase in value of the underlying BAT shares in sterling terms and € 51 million arose due to the appreciation of sterling against the euro over the course of the period.

A performance fee may become payable after 31 March 2011, if certain conditions are met. As detailed above, a further provision of € 35 million has been made during the period under review.

The minority interest arises in respect of third party interests which hold 20 per cent of the Reinet vehicle which owns the Trilantic interests and other third party interests in respect of 20 per cent of the investments in US land developments and mortgages, as described above.

Dividends

Recognising the need to accumulate retained earnings within Reinet Fund and taking into account the uncertain economic environment, the Board of the General Partner believes it prudent not to propose any dividend at this time.

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 2010, on which this announcement is based, were approved by the Board of the General Partner on 11 November 2010 and will be available on the Reinet website from 15 November 2010. The printed Reinet Interim Report and Accounts will be available upon request from early December 2010.

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. 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.