

PRESS RELEASE FOR IMMEDIATE RELEASE

19 JULY 2011

MANAGEMENT STATEMENT FOR THE FIRST QUARTER ENDED 30 JUNE 2011

The Board of Reinet Investments Manager S.A. announces the results of Reinet Investments S.C.A. for the first quarter ended 30 June 2011.

Key financial data

- **Net asset value at 30 June 2011: € 2 995 million, an increase of 8 per cent from 31 March 2011**
- **Net asset value per ordinary share at 30 June 2011: € 15.28 (31 March 2011: € 14.21)**

Consolidated Net Asset Value ('NAV')	Unaudited		Audited	
	30 June 2011		31 March 2011	
	€ m	%	€ m	%
Listed investments				
- British American Tobacco p.l.c.	2 547	85.0	2 387	85.7
- Other	5	0.2	7	0.2
	2 552	85.2	2 394	85.9
Cash and liquid funds	153	5.1	236	8.5
Unlisted investments				
- Trilantic Capital Partners funds	81	2.7	72	2.6
- US land development and mortgages	57	1.9	53	1.9
- Vanterra Flex Investments fund	14	0.5	13	0.5
- Vanterra C Change TEM fund	20	0.6	10	0.4
- Jagersfontein	57	1.9	49	1.8
- 36 South Investment fund	83	2.8	88	3.2
- Other	65	2.2	42	1.5
	377	12.6	327	11.9
Funding by minority partners	(24)	(0.8)	(21)	(0.8)
Borrowings	(46)	(1.5)	(46)	(1.7)
Fees payable and other liabilities, net of other assets	(13)	(0.5)	(102)	(3.7)
	2 999	100.1	2 788	100.1
Minority interest	(4)	(0.1)	(4)	(0.1)
	2 995	100.0	2 784	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 30 June 2011, the value of the investment in BAT in the balance sheet of Reinet was € 2 547 million, being 85 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 € 160 million during the quarter. BAT shares are listed principally on the London Stock Exchange and are denominated in pounds sterling.

Reinet received a dividend from BAT during the quarter amounting to € 77 million.

Cash and liquid funds

Reinet Fund's cash is held on deposit with banks in Luxembourg. In addition, Reinet Fund has invested € 86 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 30 June 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 € 59 million, net of capital repayments, in the funds under Trilantic management. The investment in Trilantic is carried at the estimated fair value of € 81 million at 30 June 2011, based on recent valuations prepared by Trilantic. Of the 30 June 2011 valuation of € 81 million, some € 16 million is attributable to Reinet's minority co-investors in Trilantic, being shown as € 4 million in respect of minority interest and € 12 million as liabilities in respect of funding provided by the minority partners.

At 30 June 2011 Reinet Fund had remaining commitments of € 91 million to invest in these funds, after taking into account the amounts payable by the minority partners.

United States land development and mortgages

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. 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 June 2011, Reinet had invested a total of US\$ 70 million (€ 48 million) in these projects. At that date, these were valued at € 57 million of which € 46 million is attributable to Reinet and € 11 million to its partners.

Reinet is committed to invest a further US\$ 30 million (€ 21 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 30 June 2011, US\$ 21 million (€ 14 million) of committed funds plus an additional US\$ 1 million (€ 1 million) in respect of expenses had been invested in the fund. Reinet is committed to invest a further US\$ 79 million (€ 55 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 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 June 2011, capital contributions of US\$ 31 million (€ 21 million) had been made to the fund. Reinet is committed to invest a further US\$ 34 million (€ 23 million) in TEM.

Jagersfontein

Reinet is a co-investor along with specialist operators and the local community in a project which will seek to process and extract diamonds from the waste tailings from mining operations carried out over a century ago. The tailings are located at Jagersfontein in South Africa. Significant developments in terms of gemstone extraction 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 June 2011, Reinet had provided loans of some ZAR 528 million to finance the acquisition of the tailings and plant to process the tailings. Once the final investment holding structure has been determined, it is anticipated that Reinet will have an equity interest of 44 per cent in the venture. This rand exposure has been hedged by local currency borrowings. Extraction operations are expected to begin in the third quarter of 2011.

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 investment 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 € 68 million at 30 June 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 taking into account the detailed evaluation performed at 31 March 2011 and movements in the quarter to 30 June 2011.

Fees payable and other liabilities, net of other assets

Fees payable and other liabilities comprise principally a provision of € 4 million in respect of the proportionate potential performance fee payable after 31 March 2012, together with the management fee payable of € 5 million, tax provision of € 3 million and other operating expenses currently payable.

The management fee for the period under review amounted to € 6 million, of which € 5 million remained payable at 30 June 2011.

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.

19 July 2011

Website: 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.