

## PRESS RELEASE FOR IMMEDIATE RELEASE

19 JANUARY 2009

### QUARTERLY MANAGEMENT STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2008

#### Key information

- Reinet established 20 October 2008 on separation from Compagnie Financière Richemont SA luxury business
- 195 941 286 Reinet shares in issue post successful rights issue
- Net asset value at 31 December 2008 € 1 974.4 million
- Net asset value per share € 10.08
- Market price per share at 31 December 2008 € 7.00
- Discount to net asset value as at 31 December 2008 - 30.6 %

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

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

	€million	
• Listed portfolio investment		
o British American Tobacco plc	1586.6	80.3 %
• Cash and liquid funds	343.4	17.4 %
• Other assets net of other liabilities	44.4	2.3 %
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	<u>1974.4</u>	<u>100 %</u>
Net asset value per share	<u>€ 10.08</u>	

Given the impact of the rights issue, which was effected at a discount to the prevailing NAV per share, it is difficult to make a direct comparison between the net asset value per share at 31 December 2008 and the NAV per share of € 17.06 published in the Prospectus when the company was established.

#### Commentary

Global equity markets have faced a period of virtually unprecedented falls as a consequence of the material de-leveraging seen over the past year. The volatility in share prices was particularly marked in the final quarter of the year.

Like the United States, Great Britain has been very severely hit by the credit squeeze. Sterling interest rates are now at all time lows and one consequence of this is that sterling has fallen dramatically against the euro over the last three months since Reinet was established. Sterling has weakened from £ 0.7766 per euro on 20 October to £ 0.9564 per euro on 31 December, a fall of 23 per cent.

REINET INVESTMENTS S.C.A.

REGISTERED OFFICE: 35, BOULEVARD PRINCE HENRI, L-1724 LUXEMBOURG

Currently, Reinet's principal asset is its holding in British American Tobacco plc ('BAT'), representing 4 per cent of that company's capital. The BAT share price has fared reasonably well in recent months, despite the dramatic fall in equity markets generally. However, the value of the BAT investment in euro terms has declined significantly as a result of the weakening of sterling. On 20 October, the BAT share traded at £ 17.14, which was the equivalent then € 22.07; as at 31 December 2008, BAT's share price was £ 18.00 or € 18.82. The 5 per cent increase in the price of the BAT share in sterling since 20 October translated into a fall of 15 per cent in euro terms. Reinet does not hedge its currency exposure in respect of the investment in BAT; consequently the full effect of the decline in euro terms has impacted Reinet's NAV per share.

Although sterling has strengthened since the beginning of January, we do not expect it to recover further to any significant extent, at least in the short-term. However, BAT is well positioned to benefit from the weakness of sterling. Virtually all of its revenues stem from its international businesses and the company has a very small exposure to the domestic UK market. This should be positive for profitability and, ultimately, the BAT share price.

Reinet's liquid funds have been prudently invested with western European banks and in euro-denominated European government securities. Although the yields on these funds are minimal, we consider for the time being that the security of the funds themselves is a more important factor than the return on capital.

Reinet's other portfolio investments represent principally development capital for a small number of companies which we believe have good growth potential. Given the difficult economic conditions facing them currently, these companies have revised their growth expectations downwards. The investments have been the subject of a critical review and evaluation by independent specialists and we believe that it is prudent to carry such investments at as low a value as is consistent with the 'fair value' principles of international accounting standards.

The overall value of the smaller investments, taking into account further capital invested both by Richemont prior to 20 October and by Reinet in the period since separation, is estimated to be € 46.0 million, some € 9.5 million below the valuation placed on those assets at 30 May 2008, as used in the Reinet Information Memorandum and Prospectus. We consider this to be a conservative valuation, which is appropriate in the current circumstances.

Other net liabilities amounted to € 1.6 million and include accrued costs and fees as well as share transfer tax payable in connection with the injection of further BAT shares pursuant to the rights issue in December.

### Reinet market capitalisation

The Reinet share price has been significantly impacted during the period since its first quotation on 20 October 2008 by the corporate actions involving the distribution of BAT shares and the two subsequent capital increases. As at 31 December 2008, the closing market price for the Reinet share on the Luxembourg Stock Exchange was € 7.00; the market capitalization of Reinet on that date was € 1 371.6 million.

The major developments in terms of the number of shares in issue and the number of BAT shares held by Reinet have been:

2008	Corporate action	Number of ordinary shares in issue
20 October	Detwinning of Richemont units and creation of Reinet Investments SCA	574 200 000
3 November	Distribution of BAT shares and related capital reduction	- 495 599 271
	Contribution of BAT shares by Remgro Ltd and related capital increase	<u>30 255 541</u> 108 856 270
17 December	Capital increase following implementation of rights issue	<u>87 085 016</u>
	Number of shares in issue as at 31 December 2008	<u>195 941 286</u>

The number of BAT shares transferred from Richemont to Reinet on 20 October 2008 was 390.0 million. That figure decreased to 60.4 million shares on 3 November following the distribution of 90 per cent of its initial BAT stake to Reinet shareholders, offset by the injection of 21.4 million BAT shares by Remgro. A further 23.9 million shares were contributed to Reinet in terms of the rights issue in December, bringing the total holding of BAT at 31 December to 84.3 million shares.

### **Regulatory issues**

At its first formal meeting, held on 13 November 2008, the Board of Overseers elected Mr Yves-Andre Istel to be its Chairman.

On 23 October 2008, the Public Investment Corporation ('PIC'), a South African entity, formally notified the Company that it or funds under its control held 316 365 354 shares, representing at that time (prior to the first capital reduction, the capital increase and the rights issue) 6.06 per cent of the ordinary capital and voting rights in the Company. PIC have advised that their effective interest remains in the band between the notification thresholds of 5 per cent and 10 per cent of the shares in issue following the capital events detailed above.

On 19 December 2008, the Anton Rupert Trust, representing the interests of the Rupert family, formally notified the Company that it held, directly and indirectly, 47 908 782 shares, representing 24.45 per cent of the ordinary capital and voting rights in the Company.

19 January 2009

Johann Rupert  
Chairman  
Reinet Investments Manager SA  
for and on behalf of Reinet Investments SCA

Further information: Mr Alan Grieve  
Chief Financial Officer  
Reinet Investments SCA

Tel: +352 22 7252

Website: [www.reinet.com](http://www.reinet.com)

The information contained in this quarterly statement has not been audited.

Reinet Investments SCA 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. Reinet shares are listed on the Luxembourg Stock Exchange and Reinet South African Depository Receipts are listed in Johannesburg on the exchange operated by the JSE Limited. 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.