REINET INVESTMENTS S.C.A.

Annual Report at 31 March 2014

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Cautionary statement regarding forward-looking statements

This document contains forward-looking statements as that term is defined in the United States Private Securities Litigation Reform Act of 1995. Words such as 'may', 'should', 'estimate', 'project', 'plan', 'believe', 'expect', 'anticipate', 'intend', 'potential', 'goal', 'strategy', 'target', 'will', 'seek' and similar expressions may identify forward-looking statements. Such forward-looking statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside Reinet's control. Reinet does not undertake to update, nor does it have any obligation to provide updates or to revise, any forward-looking statements. Certain information included in the Management Report is text attributed to the management of investee entities. While no facts have come to our attention that lead us to conclude that any such information is inaccurate, we have not independently verified such information and do not assume any responsibility for the accuracy or completeness of such information.

HIGHLIGHTS

The investment objective of Reinet is to achieve long-term capital growth.

Reinet's strategy is to work with experienced partners to invest in unique opportunities focusing on value creation for investors.

- Net asset value at 31 March 2014: € 4 115 million, an increase of 2 per cent from 31 March 2013
- Net asset value per ordinary share at 31 March 2014: € 21.00 (31 March 2013: € 20.53)
- Profit for the year: € 92 million
- New investments with overall funding commitments of € 176 million closed during the year
- Additional investment of € 262 million in Pension Corporation Group Limited made during the year
- Dividends received from British American Tobacco during the year amounted to € 126 million
- Proposed initial dividend of € 0.153 per share

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. ('Reinet Fund' or 'the Fund'), a specialised investment fund also incorporated in Luxembourg. The Company's shares are listed on the Luxembourg Stock Exchange, the primary listing, and its South African Depository Receipts are listed in Johannesburg, the secondary listing. The Company's shares are included in the 'LuxX' index of the principal shares traded on the Luxembourg exchange. The Company and the Fund together with the Fund's subsidiaries are referred to as 'Reinet'.

MANAGEMENT REPORT

CHAIRMAN'S COMMENTARY

Dear Shareholder

We have used the past year to continue the planned diversification of the Reinet Fund portfolio, using the proceeds of sales of British American Tobacco shares to extend the Fund's participation in, most notably, Pension Corporation and Renshaw Bay.

At 31 March 2014, the Company's net asset value amounted to € 4 115 million, some 2 per cent above the comparable figure last year. The investment in British American Tobacco represented 72.8 per cent of the total net asset value, down from 82.5 per cent the previous year. The reduction in the weighting of the British American Tobacco shares as a part of the Company's net asset value reflects the sale of a further 5 million shares during the year, the re-allocation of those funds to other investment areas and a decline in the market price of the remaining 74.3 million shares held over the year. The closing price of British American Tobacco shares at 31 March 2014 was £ 33.35 compared to £ 35.27 twelve months earlier.

We continue to explore avenues for further diversification, whilst recognising that the investment in British American Tobacco continues to be a cornerstone of Reinet, both in terms of value and cash flow.

At 31 March 2014, Reinet had cash on hand of € 223 million and saw a further inflow of € 87 million this month when the final British American Tobacco dividend for 2013 was received. Although there are significant investment commitments to be funded in the coming year, Reinet's cash position and credit facilities are adequate.

During the year, Reinet invested a further £ 225 million in Pension Corporation. This was linked to a pension insurance transaction in July 2013 which significantly increased the size of Pension Corporation's business, fully justifying our faith in that investment. Pension Corporation is one of very few companies focused on the pension insurance sector in the United Kingdom and is well positioned to be a leader in what we consider to be a market with major growth opportunities. In March this year, the insurance market generally in the United Kingdom saw the valuations of listed insurance companies significantly impacted by two specific announcements – one changing the rules on annuity purchases and another proposing an inquiry into insurance selling. We believe neither initiative will impact directly on Pension Corporation. Nevertheless, we took a cautious view when determining the fair value of our investment as at 31 March 2014, even if we have no intention to be sellers at this time and are confident that the long-term value of Pension Corporation will be significantly above where it stands today.

I am pleased to announce Reinet's proposed initial dividend of € 0.153 per share or some € 30 million in total. This represents just over one third of realised net investment income, excluding the significant gain realised on the sale of British American Tobacco shares. We consider the current value of Reinet's British American Tobacco holding to be Reinet's reserve for diversification into other investments and it would make no sense to pay this out, even in part, by way of dividends if it would restrict Reinet's ability to invest elsewhere.

Let me also take this opportunity to thank the Reinet team and all of those who are involved in our investee entities for their support and endeavours during the past year.

I believe that Reinet is soundly established and on track to deliver on its objective of providing long-term security and growth. There are challenges ahead but Reinet should be well positioned to take advantage of opportunities as they present themselves.

Johann Rupert

Chairman
Reinet Investments Manager S.A.

Luxembourg, 19 May 2014

MANAGEMENT REPORT

BUSINESS OVERVIEW

The Company has determined that it meets the definition of an investment entity in terms of the amended International Financial Reporting Standards ('IFRS') 10. This significantly simplifies the financial information presented in the consolidated financial statements, which have been restated accordingly. The consolidated net asset value, the consolidated income statement and the consolidated cash flow statement presented in this business review have been presented in the same format as last year to provide readers with a more detailed understanding of the underlying figures.

CONSOLIDATED NET ASSET VALUE

The Consolidated Net Asset Value ('NAV') of Reinet Investments S.C.A. at 31 March 2014 comprised:

	31 March 2014		31 March 2013	
	€ m	%	€ m	%
Listed investment				
British American Tobacco p.l.c.	2 997	72.8	3 317	82.5
Unlisted investments				
Pension Corporation Group Limited	548	13.3	134	3.3
Private equity and related partnerships	655	15.9	549	13.7
Trilantic Capital Partners	210	5.1	163	4.0
Fund IV, Fund V and related management companies				
Renshaw Bay and related investments	128	3.1	75	1.9
Renshaw Bay advisory and investment management company	26		14	
JPS Credit Opportunities Fund	63		61	
Renshaw Bay Real Estate Finance Fund	38		–	
Renshaw Bay Structured Finance Opportunity Fund	1		–	
36 South macro/volatility funds	72	1.8	83	2.1
Asian private equity and portfolio funds	104	2.5	92	2.3
Milestone China Opportunities funds, investment holdings and management company participation	77		61	
GEMS	8		8	
Prescient China Balanced Fund	19		23	
Specialised private equity funds	141	3.4	136	3.4
Vanterra Flex Investments	47		47	
Vanterra C Change TEM	30		37	
NanoDimension Funds and co-investment opportunities	29		25	
Fountainhead Expert Fund	25		21	
Other fund investments	10		6	
United States land development and mortgages	134	3.3	105	2.6
Jagersfontein and other diamond exploration interests	76	1.9	102	2.5
Other investments	10	0.2	30	0.7
	4 420	107.4	4 237	105.3
Cash and liquid funds	223	5.4	326	8.1
Bank borrowings and collar financing				
Borrowings	(420)	(10.2)	(435)	(10.8)
Derivative assets/(liabilities)	(13)	(0.3)	(11)	(0.3)
Other liabilities				
Fees payable and other liabilities, net of other assets	(59)	(1.4)	(60)	(1.5)
Funding by minority partners	(19)	(0.5)	(21)	(0.5)
	4 132	100.4	4 036	100.3
Minority interests	(17)	(0.4)	(13)	(0.3)
Consolidated net asset value	4 115	100.0	4 023	100.0

All of the underlying assets are held by Reinet Fund S.C.A., F.I.S. ('Reinet Fund' or 'the Fund'). Reinet Investments S.C.A. and the Fund together with the Fund's subsidiaries are referred to as 'Reinet'.

Listed Investment

BRITISH AMERICAN TOBACCO P.L.C.

British American Tobacco p.l.c. ('BAT') is a leading tobacco group, employing more than 57 000 people worldwide.

The investment in BAT is Reinet's single largest investment position and is kept under constant review, considering the company's performance, the industry outlook, cash flows from dividends, stock market performance, volatility and liquidity. The share price of BAT has increased significantly from around £ 17.00 in October 2008 to £ 33.35 at 31 March 2014. During the year under review, Reinet sold 5 million BAT shares at an average price of £ 35.88 per share, the aggregate proceeds amounting to € 212 million.

Reinet holds 74.3 million shares in BAT, representing 3.9 per cent of BAT's issued share capital. The value of the investment in BAT in the balance sheet of Reinet was € 2 997 million, being 73 per cent of Reinet's NAV. The BAT share price on the London Stock Exchange decreased from £ 35.27 at 31 March 2013 to £ 33.35 at 31 March 2014.

Reinet received dividends from BAT during the year amounting to € 126 million (£ 106 million), being BAT's final 2012 dividend and its 2013 interim dividend. In May 2014, after the end of the financial year, Reinet received BAT's final dividend in respect of its 2013 financial year; this amounted to £ 72 million.

Nicandro Durante, Chief Executive of British American Tobacco, writing in its annual report for 2013 commented:

'British American Tobacco had another very good year in 2013, again meeting or exceeding our financial metrics.

Revenue and market share continued to grow. Together our Global Drive Brands – Dunhill, Kent, Lucky Strike and Pall Mall – increased share and volume.

It was a challenging year for our people globally, but they responded with the enterprise and commitment I have come to expect. We adapted to changes in our business environment, faced some tough trading conditions and embraced a range of new opportunities, in both new product categories and new markets. We invested further in our existing key high growth markets, too.

Challenges persist in 2014. Economic recovery is still fragile, particularly across southern Europe. However, we have shown a consistent ability to improve our operating margin and grow market share. The pricing environment also remains good.

We have a great brand portfolio, market-leading innovations and an outstanding range of high-quality products. We maintain our firm commitment to invest in key growth markets and new product categories. Our scientific research into harm reduction, for instance, is helping us develop next-generation tobacco products, such as heat-not-burn, and nicotine products, like e-cigarettes.

In short, we have the expertise, the talented people and the global reach to succeed. Consumers have always been core to our success. We will continue to meet their needs by providing them with the superior and innovative products they want. We have a compelling strategy and proven capabilities in place to make this happen. I look forward to a gradually improving economic environment and BAT is well positioned to take advantage of this when it comes.'

Further information on BAT is available at www.bat.com.

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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 shareholders.

Since its formation in 2008, Reinet has invested over € 1 319 million and is committed to provide further funding of € 508 million to its current investments. Details of the funding commitments outstanding at 31 March 2014 are given in the table on page 20 of this report. The increase in commitments during the year under review amounted to € 176 million.

Unlisted investments are carried at their estimated fair value. In determining fair value, Reinet Fund Manager S.A. (the 'Fund Manager') relies on audited financial statements of investee companies, management reporting and valuations provided by third-party experts. Valuations are based on the net asset value of investment funds as well as discounted cash flow models and comparable valuation multiples for other entities, as appropriate.

The table on page 4 shows the value of the 100 per cent investment in Trilantic Capital Partners and United States land development and mortgages. In each case, Reinet co-invests with minority investors. Amounts attributable to these minority investors are shown in the table either as 'funding by minority partners' or 'minority interests'.

Funding commitments are entered into in various currencies including sterling, US dollars and South African rand and are converted into euro using 31 March 2014 exchange rates.

PENSION CORPORATION GROUP LIMITED

Committed amount: € 484 million (EUR equivalent of GBP commitment)
Invested amount: € 393 million (EUR equivalent of GBP commitment)

Pension Corporation Group Limited's wholly-owned subsidiary, Pension Insurance Corporation is one of the UK's leading providers of risk management solutions to defined benefit pension funds. Pension Insurance Corporation is authorised and regulated as an insurance company by the Prudential Regulation Authority in the United Kingdom. It has almost £ 10 billion in assets and has insured almost 100 000 pension fund members.

During the year under review, in accordance with its commitment, Reinet invested a further £ 225 million (€ 262 million) in Pension Corporation Group Limited to bring its equity holding to 38 per cent. The total invested to date is £ 325 million with Reinet committed to invest a further £ 75 million (€ 91 million) over the period to 2017. Such investment would result in Reinet ultimately having an equity position of 43 per cent in Pension Corporation Group Limited. Reinet's shareholding in the company carries at all times voting rights commensurate with its ultimate 43 per cent shareholding.

The investment is carried at an estimated fair value of € 548 million at 31 March 2014 (31 March 2013: € 134 million), based on the results of an independent valuation, taking into account the audited embedded value at 31 December 2013 and valuation multiples drawn from industry data.

Pension Corporation's embedded value figure (which forms the basis of the valuation) has increased significantly over the year under review. However, the comparable multiples being applied in valuing companies in the UK insurance sector have fallen back generally in March 2014. The decline in comparable company multiples is due in part to legislative changes relating to individual pension-holders and the announcement of a review of the insurance sector. In determining the fair value of Reinet's interest in Pension Corporation the Fund Manager has therefore applied a lower multiple as at 31 March 2014, reflecting the valuation of the sector generally.

John Coomber, Chief Executive Officer of Pension Insurance Corporation ('PIC') commented as follows:

'2013 was an exceptional year for the bulk purchase annuity market and for PIC in particular. Market premiums almost doubled to £ 7.5 billion, while PIC, helped by its success with the £ 1.5 billion EMI transaction, achieved a record premium level of £ 3.7 billion. This growth fuelled an increase in assets under management to £ 9.4 billion and in Embedded Value to £ 1.29 billion (2012: £ 890 million).

PIC has now insured almost 100 000 pension scheme members and as that number has grown we have maintained a particular focus on customer service. I believe this is at the heart of a business that has long-term value. Noteworthy in this regard is that in 2013 PIC gained Plain English Campaign's Platinum status, which is unique in the insurance sector.

The UK Chancellor created significant uncertainty in the wider annuity market with the announcement in March 2014 that deferred members of defined contribution pension plans no longer need to purchase an annuity by age 75. Apart from the expectation of an increase in competition, this has not as yet resulted in any other apparent changes in PIC's sector of the annuity market. Nonetheless, consultation on the potential implications for defined benefit pension schemes, which are the source of PIC's business, is currently underway.'

Further information in respect of Pension Corporation is available at www.pensioncorporation.com.

PRIVATE EQUITY AND RELATED PARTNERSHIPS

Where Reinet invests in funds managed by third parties its philosophy is to partner with the managers of such funds and to share in fees generated by funds under management. This is the case with funds managed by Trilantic, 36 South, Milestone, Prescient China, Renshaw Bay and Vanterra. Under the terms of the Investment Advisory Agreement, Reinet pays no management fee to Reinet Investment Advisors Limited ('the Investment Advisor') on such investments except in the case where no fee or a reduced fee below 1 per cent is paid to the third-party manager. In such cases, the aggregate fee payable to the Investment Advisor and the third-party manager is capped at 1 per cent.

TRILANTIC CAPITAL PARTNERS

Fund IV

Committed amount: € 161 million (EUR commitment and EUR equivalent of USD commitment)
Invested amount: € 131 million (EUR commitment and EUR equivalent of USD commitment)

Trilantic Capital Partners ('Trilantic') is a global private equity firm focused on making controlling and significant minority interest investments in companies in North America and Western Europe. Trilantic employs flexible transaction structures and has a strong heritage of partnering with family-owned businesses and providing growth capital to management teams.

Reinet has a 90 per cent interest in an entity which invests in two funds, Trilantic Capital Partners IV L.P. ('Fund IV Global'), which invests primarily in North America, and Trilantic Capital Partners Fund IV (Europe) L.P. (together 'Fund IV'). Current investments held in the Fund IV portfolio in North America include interests in hospital supplies services; natural gas and oil exploration; aggregates extraction and distribution; sports and casual accessories; soft goods and electronics; electricity transmission component manufacture and supply; and outdoor and fitness accessories. In Western Europe, Fund IV has interests in gaming machines and video-lotteries; events management; education publishing; commodities broking; mobile telephony and high-speed rail equipment manufacturing. Reinet and its minority partner also invest in the Trilantic Capital Partners general partnerships and management companies ('Trilantic Management').

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The investment in Trilantic Management provides that Reinet and its partner will not pay any management fees or carried interest cost on substantially all of the investments in funds under Trilantic Management. In addition, the agreement provides for Reinet and its partner to receive a share of the carried interest payable to Trilantic Management on the realisation of investments held in the funds, once a hurdle rate has been achieved. This applies to Fund IV, Fund V and Trilantic Energy Partners (North America) L.P. ('TEP') and to any future funds to be launched by Trilantic. Reinet's share of any carried interest earned by Trilantic Management is 11.25 per cent.

During the year under review, Reinet and its partner invested an additional € 9 million in Fund IV and received capital repayments of € 11 million. Net carried interest earned amounted to € 2 million together with realised gains of € 5 million, before tax. Of these amounts, in aggregate, € 6 million was attributable to Reinet and € 1 million to the minority partner.

As at 31 March 2014, Reinet and its partner have invested the equivalent of € 99 million (31 March 2013: € 113 million), net of capital repayments, in Trilantic Management and Fund IV. Capital repayments were received during the year under review, as Fund IV continues the process of realising investments. Total cash proceeds received from Fund IV during the year, being gains, carried interest and repayments of capital, amounted to € 17 million.

The investment is carried at the estimated fair value of € 199 million at 31 March 2014 (31 March 2013: € 163 million). The investment in Fund IV is based on audited valuation data provided by Trilantic Management as at 31 December 2013. The increase in the valuation is due to increases in unrealised gains on underlying investments. This is offset, to a degree, by the weakening of the US dollar against the euro during the year. Of the € 199 million carrying value, some € 179 million is attributable to Reinet, with the balance being attributable to its minority partner.

At 31 March 2014, Reinet had remaining commitments of € 30 million to invest in Fund IV.

Fund V
Committed amount: € 75 million (EUR equivalent of USD commitment)
Invested amount: € 11 million (EUR equivalent of USD commitment)

Reinet has committed some € 72 million to Trilantic Capital Partners V (North America) L.P. ('Fund V') together with a commitment of some € 3 million to Fund V's general partner ('Fund VGP'). Fund V will invest principally in North America. Fund V has now completed its fundraising activities and commenced its investment activities in line with the philosophy applied to earlier funds.

Under the terms of the original strategic agreement, no management fee or carried interest will be payable to Trilantic Management in respect of the funds to be invested in Fund V. Reinet will also be entitled to receive a share of any carried interest earned by Fund VGP on the investments held through Fund V.

During the year under review, Reinet invested € 11 million in Fund V. The investment is carried at the estimated fair value of € 11 million at 31 March 2014 (31 March 2013: € nil), based on audited valuation data provided by Trilantic Management as at 31 December 2013.

At 31 March 2014, Reinet had remaining commitments of € 64 million to invest in Fund V.

Reinet has committed an amount of $ 25 million (€ 18 million) in TEP. Reinet has an option to increase its commitment by a further $ 25 million to TEP.

Charlie Ayres, Chairman of the Executive Committee of Trilantic Capital Partners, commented as follows:

'In our view, the US economic outlook for 2014 remains range bound and will be impacted by the Federal Reserve's decision on quantitative easing and the ultimate outcome of domestic fiscal policy. During this period of continued muted growth and economic uncertainty, we firmly believe in our mantra of being patient and flexible capital. At the moment, despite 'red hot' equity and debt markets approaching or exceeding all-time highs, we continue to believe the US economy remains in a phase of slow improvement.

Our objectives for 2014 are to: deploy $ 300 to $ 500 million of capital in new deals; monetise one or more investments in our Fund IV Global portfolio; proactively enhance enterprise value of existing portfolio companies through thoughtful innovation, balance sheet management and other value creating activities.'

In respect of Trilantic Fund IV Europe, Vittorio Pignatti-Morano, Chairman of Trilantic Europe, commented:

'During 2013, the European economy has experienced a gradual improvement in terms of leading indicators and, importantly, has introduced some key structural reforms in Southern Europe.

In 2013, Trilantic Europe carried out a significant amount of post-acquisition work with our portfolio companies and in November 2013 completed Fund IV Europe's last investment, Elisabetta Franchi, the Italian fashion house, which results in the fund having deployed over 66 per cent of invested capital in Southern Europe in the 2010-2013 period at an average EBITDA multiple of c. 6x. The Elisabetta Franchi transaction also ticks many of the boxes that define a 'Trilantic deal': proprietary, partnering with a family/founder, value investing, international growth and control or co-control investments.

We continue to see a number of attractively priced, quality investment opportunities throughout Europe but particularly in Southern Europe where demand for capital outweighs supply. Trilantic Europe is recognised as a flexible, value-adding equity partner to mid-market companies in this region. We expect to continue to benefit from our strong network of relationships and reputation to generate attractive, proprietary investment opportunities.'

Further information on Trilantic is available at www.trilanticpartners.com.

RENSHAW BAY AND RELATED INVESTMENTS

Renshaw Bay Advisory and Investment Management Company

Committed amount: € 26 million (including additional interest acquired during the year) (EUR equivalent of GBP commitment)
Invested amount: € 26 million (EUR equivalent of GBP commitment)

Reinet has co-invested with Mr William T. Winters and RIT Capital Partners plc in an investment advisory and management business, known as Renshaw Bay. Renshaw Bay is focused on investment opportunities resulting from dislocations and structural changes in capital markets. The business is managed by Mr Winters, a former Co-Chief Executive Officer of JP Morgan Investment Bank.

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During the year, Reinet purchased additional shares in the business from RIT Capital Partners and participated in a capital increase bringing its total holding to 43.5 per cent and reducing RIT Capital Partners' holding to 6.5 per cent. Mr Winters and senior management continue to hold 50 per cent of the entity. The additional investment in the year amounted to € 12 million.

Reinet has invested € 26 million to date in Renshaw Bay (31 March 2013: € 14 million). The investment is carried at the estimated fair value of € 26 million at 31 March 2014 (31 March 2013: € 14 million). The current carrying value is based on a recent independent valuation of Renshaw Bay.

At 31 March 2014, Reinet had no further commitment to invest in Renshaw Bay.

Reinet has also invested in the JPS Credit Opportunities Fund, the Renshaw Bay Real Estate Finance Fund and the Renshaw Bay Structured Finance Opportunity Fund.

Bill Winters, Chief Executive Officer of Renshaw Bay, commented:

'Renshaw Bay has made substantial progress over the past year in establishing our two primary business lines: financing European commercial real estate and managing structured finance assets.

Our real estate financing activities are now well established, having successfully deployed a majority of our initial fund capital from our flagship fund. We are about to complete a successful second fundraising round, which will more than double the size of the fund. The new investors are a strong and diverse group and include major pension funds, foundations and high net worth individuals. We expect to conclude fundraising for the co-mingled fund later this year. Additionally, we are managing a separate account for a large UK insurance company in a complementary real estate financing mandate. We expect to add more of these mandates in the coming months as this is a large and attractive market where we believe we have a competitive advantage.

We have also made good progress in our structured finance activities. We launched our main co-mingled fund and a related, separate account for one of Europe's largest pension funds in November 2013. Our first investments are scheduled to close shortly, and we are confident that we can generate strong risk-adjusted returns for our investors by efficiently solving banks' and insurers' regulatory capital problems. Additionally, we continue to build out our investing capabilities in various specialty finance areas as they offer excellent risk-adjusted returns and complement our more structured investments. We expect to bring additional institutional investors into the co-mingled structured finance fund later this year.'

JPS Credit Opportunities Fund (Cayman) Limited ('JPS Credit Fund')
Committed amount: € 51 million (EUR equivalent of USD commitment)
Invested amount: € 51 million (EUR equivalent of USD commitment)

The investment in JPS Credit Fund, which was the first transaction introduced to Reinet by Renshaw Bay, focuses on liquid opportunities in the credit markets. JPS Credit Fund is managed by JP Morgan Asset Management.

JPS Credit Fund's investment objective is to achieve attractive risk-adjusted returns through both capital appreciation and current income by taking positions in publicly traded and privately held securities, derivatives and other instruments (including bonds, credit default swaps and index options), primarily in credit and credit-related markets.

Reinet invested its full commitment to JPS Credit Fund during the year ended 31 March 2012. The investment is carried at the estimated fair value of € 63 million at 31 March 2014 (31 March 2013: € 61 million) based on the valuation at that date provided by the fund manager.

Renshaw Bay Real Estate Finance Fund
Committed amount: € 121 million (EUR equivalent of GBP commitment)
Invested amount: € 39 million (EUR equivalent of GBP commitment)

The Renshaw Bay Real Estate Finance Fund was created to take advantage of opportunities resulting from a funding gap between the expected demand for commercial real estate finance and its availability from banks, other traditional lenders and equity investors.

During the year under review, in accordance with its commitment Reinet invested an additional € 69 million in the Renshaw Bay Real Estate Finance Fund. In the last quarter of the year, € 31 million of the investment was repaid to Reinet following syndication of financing related to underlying investments. The amount repaid increases Reinet's undrawn commitment.

Reinet has invested € 39 million to date (31 March 2013: € 1 million). The fair value at 31 March 2014 is € 38 million (31 March 2013: € nil) based on audited valuation data provided by Renshaw Bay at 31 December 2013.

Reinet is committed to invest a further € 82 million in the fund.

Renshaw Bay Structured Finance Opportunity Fund
Committed amount: € 109 million (EUR equivalent of USD commitment)
Invested amount: € 3 million (EUR equivalent of USD commitment)

During the year under review, Reinet committed to invest € 109 million in the Renshaw Bay Structured Finance Opportunity Fund. This has been established to provide investors with attractive risk-adjusted returns through investments in the structured finance and credit markets.

Reinet has invested € 3 million in the year under review. The investment is carried at the estimated fair value of € 1 million at 31 March 2014, based on audited valuation data provided by Renshaw Bay at 31 December 2013.

Reinet is committed to invest a further € 106 million in the fund.

Further information on Renshaw Bay may be found at www.renshawbay.com.

36 SOUTH GLOBAL MACRO/VOLATILITY FUNDS
Committed amount: € 88 million
Invested amount: € 88 million

36 South is an absolute return fund manager that 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. 36 South's strategies are designed to perform well in most market environments, but substantially outperform in periods of extreme market movement and volatility.

Reinet has co-invested with the 36 South management team in the fund management and distribution companies. Reinet is also an investor in the 36 South funds. The funds are established through an Irish-registered investment fund – 36 South Funds plc.

Reinet invested its full commitment of € 88 million to 36 South in the year ended 31 March 2011.

The fund investment is carried at its estimated fair value of € 64 million, based on unaudited capital statements received from the fund manager as at 31 March 2014 (31 March 2013: € 71 million); and the fair value of the short-term loan and investment in the fund management companies amounted to € 8 million (31 March 2013: € 12 million). The investments in total have a fair value of € 72 million (31 March 2013: € 83 million). The change in valuation reflects the movement in the value of the underlying funds.

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Richard (Jerry) Haworth, Chief Executive Officer of 36 South Capital Advisors LLP, commented as follows:

'36 South is a leading global volatility Hedge Fund Manager. We manage a number of hedge funds which primarily benefit from higher volatility regimes and/or directions in various financial markets.

Our view is that volatility is a cyclical phenomenon. As markets transition from being overly complacent (a low volatility regime) to overly fearful (a high volatility regime), our funds will pick up value through the increased value of the options we hold. Investors in 36 South's funds gain diversification benefits when the funds outperform during periods of high volatility and stress in the financial markets, which in turn lowers investors' risk profile.

The last three years have seen a period of complacency. Volatility in some asset classes has dropped to pre-2008 levels, driven largely by interventions by global central banks through quantitative easing and low interest rates. This has given us an opportunity to buy and warehouse options at what we consider to be good value.

We at 36 South remain convinced that the concerted intervention in asset markets since the 2008 credit crisis will precipitate another crisis. What is less obvious is whether this comes as a deflationary or inflationary event, based on the bi-polar nature of the market's response to the global imbalances which currently exist.'

Further information on 36 South may be found at www.36south.com.

ASIAN PRIVATE EQUITY AND PORTFOLIO FUNDS
Milestone China Opportunities Funds ('Milestone'), investment holdings and management company participation
Committed amount: € 12 million (Milestone II), € 73 million (Milestone III) and € 51 million (co-investments and management companies) (EUR equivalent of USD commitment)
Invested amount: € 10 million (Milestone II), € 36 million (Milestone III) and € 46 million (co-investments and management companies) (EUR equivalent of USD commitment)

The Milestone China Opportunities Fund II L.P. ('Milestone II') and Fund III L.P. ('Milestone III') invest primarily in domestic Chinese high-growth companies seeking expansion or acquisition capital. Milestone funds seek to maximise medium- to long-term capital appreciation by making direct investments to acquire minority or majority equity stakes in those companies identified by Milestone's investment team. Milestone Capital has a strong track record in helping portfolio companies scale their operations and be listed on either domestic or foreign stock exchanges. Current areas of investment include: restaurants; B2C online travel services; bio-pharmaceutical manufacturers; medical device manufacturers; food and beverage distribution; and brands covering sportswear and apparel; online group buying services; power generation equipment; and retail pharmacies.

Reinet assumed the participation in Milestone II from Richemont when Reinet was formed in 2008. At 31 March 2014, this investment is estimated to have a fair value of € 7 million based on audited valuation data received from the fund manager as at 31 December 2013 (31 March 2013: € 6 million). The fund is at a mature stage and assets are being realised over the remaining life of the fund. Reinet's remaining commitment to Milestone Fund II is € 2 million.

In June 2011, Reinet entered into an agreement to invest in Milestone III and its general partner and to co-invest, at its option, in certain of Milestone III's proposed investments.

During the year under review Reinet invested an additional € 16 million in Milestone III and its co-investments.

As at 31 March 2014, capital contributions of € 82 million had been made to Milestone III, its general partner and the co-investments (31 March 2013: € 71 million). These investments are carried at the estimated fair value of € 70 million at 31 March 2014, based on a recent independent valuation (31 March 2013: € 55 million).

At 31 March 2014, Reinet's remaining commitment to Milestone Fund III and co-investment opportunities is € 42 million.

Managing Partner of Milestone Capital, Ms Yunli Lou, commented:

'2013 was a fruitful year for Milestone Capital. While the overall Chinese economy improved compared to 2012, equity capital markets for many Chinese companies remained challenging for most of the year. This once again created a highly favourable market for deploying capital in China. Throughout the year, we continued to focus on exploiting this unique investment opportunity and on supporting the development of our existing portfolio companies.

In 2013, the Chinese economy continued to rebalance away from a low-cost manufacturing, export-based economy, to a service-based economy driven by internal demand and consumption. We believe 2014 will be a year of transition and change for the Chinese economy and society. There are many uncertainties as the new government tries to implement changes and reforms on multiple fronts at the same time.

However, our investment thesis remains the same: that domestic consumption will make up an increasingly bigger part of the economy and those companies that can continue to innovate in applying new technology, build a strong brand and distribution and have the ability to consolidate market share in this uncertain environment, will become the winners. We also continue to see opportunities in the healthcare sector, as the Chinese population is ageing and demanding higher quality healthcare. In the year ahead, we will continue to look for attractive opportunities in the consumer and healthcare sectors.'

Further information in respect of the Milestone Funds can be found at www.mcmchina.com.

General Enterprise Management Services International Limited ('GEMS')
Committed amount: No Reinet commitment; investment assumed from Richemont and fully funded at that time

Based in Hong Kong, GEMS operates investment funds focused on the natural resources sector and on growth opportunities. GEMS' principal objective is to achieve medium- to long-term capital appreciation by investing in a diversified portfolio of equity or equity-linked investments in Asia. GEMS growth funds have made investments in a variety of industries including financial services, consumer/retail, telecommunications and electronics.

At the time of its formation in 2008, Reinet assumed the investments in the GEMS II and GEMS III funds that had been made by Richemont. Both funds were fully funded by Richemont and no further investment or commitment has been made by Reinet. GEMS II has been liquidated and GEMS III is now in the divestment stage and it is expected that Reinet will realise the value of the remainder of its investments in these funds in due course.

At 31 March 2014, the aggregate investment in the GEMS funds is carried at the estimated fair value of € 8 million based on a recent independent valuation (31 March 2013: € 8 million).

Further information on GEMS can be found at www.gems.com.hk.

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Prescient China Balanced Fund ('Prescient China')
Committed amount: € 23 million (EUR equivalent of USD commitment)
Invested amount: € 22 million (EUR equivalent of USD commitment)

Prescient China is a fund managed by a subsidiary of Prescient Holdings Limited, a South African-listed fund manager. The newly-launched fund invests in equities, bonds, cash and derivatives with the objective of generating inflation-beating returns at acceptable risk levels. It invests principally in equities and other instruments listed on the Shanghai and Shenzhen Stock Exchanges.

In March 2013, Reinet committed to invest € 22 million in Prescient China and € 1 million in its management company. Reinet invested its full capital commitment of € 22 million in the fund in March 2013. This investment is carried at the estimated fair value of € 19 million based on unaudited valuation statements provided by the fund manager at 31 March 2014 (31 March 2013: € 23 million). The decrease in value reflects the decrease in the Chinese equity market during the year. Reinet's commitment to invest € 1 million in the management company structure remained uncalled at 31 March 2014.

Liang Du, Portfolio Manager of the Prescient China Balanced Fund, commented as follows:

'March 2014 marks the first full year of operation of the Prescient China Balanced Fund. The fund is in process of establishing a healthy track record for Prescient's investment capabilities, having outperformed the Chinese equity market by more than 4 per cent in the first full year, after all investment costs.

In China foreign investments are limited by quotas approved by the Chinese authorities. Prescient China received an initial US$ 50 million quota and this was fully invested by March 2013. In September 2013 Prescient China applied for an additional quota of US$ 100 million which was approved at the end of April 2014. Prescient also plans to add interest bearing and derivative investment capabilities in China during 2014.

2014 will be an exciting year as we take another step towards making Prescient Investment Management China (Pty) Limited a fully-fledged investment management business. The business is in the building phase, with real growth only expected in the years to come. Today, the Chinese people have over US$ 1.2 trillion of savings in China but only a small asset management industry presence. This, coupled with government's policy of opening up the financial sector, represents a significant opportunity for Prescient Investment Management China (Pty) Limited, albeit in a challenging environment.'

Further information on Prescient may be found at www.prescient.co.za.

SPECIALISED PRIVATE EQUITY FUNDS
Vanterra Flex Investments L.P. ('Vanterra')
Committed amount: € 73 million (EUR equivalent of USD commitment)
Invested amount: € 44 million (EUR equivalent of USD commitment)

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 seeks to construct a globally diversified private equity portfolio providing investors with long-term capital appreciation. Vanterra has co-invested alongside Reinet in Trilantic, in the United States land development and mortgages and in Vanterra C Change Transformative Energy & Materials I, L.P. In addition, Vanterra has investments in US healthcare and in a specialist fund in Brazil. Vanterra also co-invested with Trilantic Fund IV (Europe) L.P. in a Spanish high-speed train manufacturer.

Reinet is an investor in both Vanterra and in its general partner.

In the year under review Reinet invested an additional € 4 million in Vanterra.

As at 31 March 2014, € 44 million of committed funds (31 March 2013: € 43 million), together with € 3 million in respect of expenses (31 March 2013: € 3 million) had been invested in the fund. This investment is carried at the estimated fair value of € 47 million at 31 March 2014, based on unaudited financial information as at 31 December 2013 (31 March 2013: € 47 million).

Reinet is committed to invest a further € 29 million in Vanterra.

Shad Azimi, Managing Partner of Vanterra Capital, commented:

'As Vanterra enters 2014, our primary goal will be to harvest the portfolio and generate liquidity. The majority of the exposure within the portfolio is to the US, geographically, which is experiencing a strong sellers' market.

In addition to Vanterra's investments in Trilantic Capital Partners Fund IV and US land development and mortgages, where it invests alongside Reinet, Vanterra has investments in the following established platforms: Vanterra Transformative Energy & Materials, BTG Pactual Brazil Investment Fund I and Cressey & Company Health Care Fund IV.

In 2014, Vanterra will look to build upon its investments by crystallising value in older positions, and will continue to execute on its operational and strategic initiatives within its newer core platforms. Some of the older vintage platforms have already demonstrated their ability to achieve successful realisations in select investments. Vanterra expects that the next few years will be when the hard work put in during the harvesting period will lead to meaningful exits across the majority of our platforms.'

Vanterra C Change Transformative Energy & Materials I, L.P. ('Vanterra C Change TEM')
Committed amount: € 48 million (EUR equivalent of USD commitment)
Invested amount: € 45 million (EUR equivalent of USD commitment)

Vanterra C Change TEM was established in July 2010 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.

Reinet is an investor in Vanterra C Change TEM and in its general partner.

In the year under review Reinet invested an additional € 6 million in Vanterra C Change TEM and its general partner.

As at 31 March 2014, capital contributions of € 45 million had been made to the fund (31 March 2013: € 41 million). This investment is carried at the estimated fair value of € 30 million based on unaudited financial information as at 31 December 2013 (31 March 2013: € 37 million).

Reinet is committed to invest a further € 3 million in Vanterra C Change TEM. Of this, a further € 1 million was invested in April 2014.

Dan Matloff, Chief Financial Officer of TEM Capital, commented:

'The TEM funds invest in companies with innovative technologies that transform how energy, materials and resources are developed, delivered and consumed. Our current investments include opportunities in alternative energy, building materials, transportation and a potentially transformative alternative cement technology.

Our investments in alternative energy, including a project to convert a former coal-fired power plant to biomass fuel and a European torrefaction business, have proven to be the most challenging aspects of the portfolio. Also, our building materials platform has lagged behind its commercial expectations.

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However, we've seen strong performance by our two most promising investments. One investment, a multinational passenger rail company, earned excellent financial results through outstanding operational execution. Second, we are encouraged by progress in our alternative cement business, which aims to replace 'ordinary Portland cement' (the second largest commodity in the world) with a stronger, longer lasting cement that has a significant cost advantage. With growth in these two businesses, we are working to recover from our early setbacks and achieve a favourable return on capital for our investors.'

Further information on Vanterra may be found at www.vanterra.com.

NanoDimension Funds and Co-Investment Opportunities
Committed amount: € 44 million (EUR commitment and EUR equivalent of USD commitment)
Invested amount: € 28 million (EUR commitment and EUR equivalent of USD commitment)

NanoDimension Management Limited has established two funds in which Reinet is an investor. The focus of each fund is to invest in and support the growth and commercialisation of nanotechnology, the manipulation of matter at an atomic and molecular level. Areas of investment by the funds include: pharmaceuticals and drug delivery structures; optical and electronic switches; and thin film photo-chromatic coatings.

Reinet assumed Richemont's initial investment in the first NanoDimension fund and its commitments to that fund and in May 2012 committed a further € 40 million to invest in the second NanoDimension fund and to co-invest with the fund in one specific project.

In the year under review Reinet invested an additional € 3 million in the NanoDimension funds.

At 31 March 2014, the fair value of Reinet's investment in the two funds and the co-investment amounted to € 29 million (31 March 2013: € 25 million). The estimate of fair value is based on audited valuation data received from the fund manager as at 31 December 2013 together with an independent valuation of the co-investment.

Reinet's remaining commitments to the funds amounted to € 16 million at 31 March 2014.

Aymeric Sallin, Founder of NanoDimension, commented:

'Since we started over 10 years ago, every day has confirmed and reinforced the critical point that nanotechnology is an investment strategy on its own. The changes of physical properties at the nano-scale enable breakthrough science, which leads to disruptive technology and ultimately creates a revolution in the market.

Reflecting on 2013, we firmly believe that the NanoDimension Limited Partnerships ended the year in a strong position. Our portfolio companies have generally secured critical financings.

We believe that the deals we are evaluating for investments are game changers. We are looking at opportunities that could enable the development of better drugs without animal testing, rapidly engineer bacterial DNA to replace the use of petroleum derivatives in chemical manufacturing, and enable new methods of cleaning water and storing energy.

Nanotechnology continues to develop and mature as an investment sector and we are committed to harvesting as many winning nanotech companies as possible over the next 20+ years.'

Further information on NanoDimension may be found at www.nanodimension.com.

Fountainhead Expert Fund ('Fountainhead')
Committed amount: € 15 million (EUR equivalent of USD commitment)
Invested amount: € 15 million (EUR equivalent of USD commitment)

Fountainhead is a fund investing in a concentrated manner in global equities offering superior potential for capital appreciation and value realisation by benchmarking themselves to global inflation and striving for absolute real returns through time.

Reinet invested its full commitment of € 15 million in Fountainhead in the year ended 31 March 2012.

As at 31 March 2014, the fair value of the investment was € 25 million based on the unaudited valuation at that date provided by the fund manager (31 March 2013: € 21 million).

Andre Cillie, Managing Partner of Andre Cillie Capital Management (Pty) Limited, manager of Fountainhead Expert Fund, commented:

'Fountainhead Expert Fund performed strongly over the last year and has seen a compound annual growth rate of 31 per cent since its inception in February 2012. Portfolio companies surpass conservative expectations as the US economy continues to surprise on the upside. The outlook for 2014 is more constructive as the majority of the headwinds that were present at the beginning of 2013 have been resolved. However, there are some very worrying aspects of the current market that remind us of the market dynamic in the 1999-2000 period. There are definitely some very frothy sections of the market, especially the companies trumpeting top-line growth with very little regard for earnings growth or even earnings themselves, for that matter.

The Fountainhead fund currently consists of a collection of very high quality businesses with entrenched competitive positions providing owner earnings well in excess of our 10 per cent hurdle rate. Furthermore we feel that current yields are depressed relative to more normalised levels. It is our belief therefore that the returns to be seen over the next few years should be very satisfactory.'

Further information on Fountainhead may be found at www.fountainheadpartners.co.za.

Other fund investments
This includes small, specialist funds investing in private equity businesses, start-up ventures and listed securities. These investments are valued at their fair value of € 10 million at 31 March 2014 based on valuation statements received from the fund managers (31 March 2013: € 6 million).

UNITED STATES LAND DEVELOPMENT AND MORTGAGES

Committed amount: € 108 million (including an increase of € 36 million in the year)
(EUR equivalent of USD commitment)
Invested amount: € 99 million (EUR equivalent of USD commitment)

Reinet has co-invested with partners to acquire interests in real estate development projects, usually properties where infrastructure services have been laid but where construction of properties has not yet commenced. It has also invested in mortgage debt on such developments and in specific properties. The investments are principally in Florida, Colorado and North and South Carolina.

During the year under review Reinet invested an additional € 27 million in these projects including € 22 million in December 2013 to acquire minority shareholders' interests in one property development in the North and South Carolinas, and to fund other on-going projects.

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At 31 March 2014, Reinet had invested € 99 million in these projects (31 March 2013: € 78 million). The investment is carried at the estimated fair value of € 134 million (31 March 2013: € 105 million) of which € 116 million is attributable to Reinet and € 18 million to its partners.

The current valuation is based on independent valuations of underlying assets as at 31 December 2013. The increase in the valuation reflects the positive outlook for the US property market in general. However, this has been offset by the weakening of the US dollar against the euro during the year.

Reinet is commitment to invest a further € 9 million in these investments as at 31 March 2014.

John Kunkel, Chief Executive Officer of Reinet's subsidiary company, Arendale Holdings Corporation, commented:

'The past year has been an active year within the US real estate investment portfolio. Larger builders became more active and purchased raw development pods from the company, a feat that had been absent for the previous seven years. Arendale recorded four significant transactions with builders this past year. As well, retail customers purchasing properties in our higher-end communities are re-entering the market after choosing to sit on the sidelines for the past five years.

In December 2013, Reinet purchased the minority partners' interests in seven commonly branded country club communities in the Western Carolinas. This step was significant in that there is now a unified investment strategy for this project which is expected to deliver long-term returns.

We approach next year with guarded optimism. Activity in the next year should continue to rise. Leading the way are healthy increases of household creations in the US which are expected to average 1.2 million annually over the next ten years. As well, inventory levels are at healthy levels suggesting that it is now more of a seller's market. On the flip side, uncertainty still remains within the banking industry and thus their credit standards are still restrictive, especially to first-time home buyers. All-in-all, our expectation for the next year is to see increased sales activity across most communities, continued moderate increases in pricing and continued increases in the remaining asset value.'

JAGERSFONTEIN AND OTHER DIAMOND EXPLORATION INTERESTS
Project cost: € 85 million (EUR equivalent of ZAR cost)
Invested amount: € 79 million (EUR equivalent of ZAR cost)

Reinet is an investor in an entity which extracts diamonds from the waste tailings of mining operations which began over 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.

Reinet's effective interest in the Jagersfontein project is 48 per cent. Other shareholders include a Black Economic Empowerment ('BEE') organisation, a local community trust and the parties responsible for the day-to-day operations.

Reinet has also invested in a separate project, which has acquired rights to source diamonds on an as yet unexploited site near Kimberley in South Africa. Both of the projects are now operational.

As with the Jagersfontein investment, at the time of making the investment, Reinet entered into agreements to sell a substantial part of its equity holdings in this project to third parties, including local BEE interests. The sales were completed during the year under review resulting in Reinet reducing its effective interest in this project to 49 per cent.

During the year under review Reinet made loans of ZAR 160 million to the above projects. Both projects successfully made their first diamond sales during the year. Of the proceeds, ZAR 413 million was used to repay loans and interest due to Reinet and the balance retained to fund on-going operations. Repayments received by Reinet amounted to ZAR 180 million in December 2013 and ZAR 233 million in the last quarter of the year.

As at 31 March 2014, Reinet held equity interests of € 18 million (31 March 2013: € 22 million) in the above investments and had outstanding loans of € 42 million (31 March 2013: € 60 million). In addition, € 10 million (31 March 2013: € 7 million) is receivable from third parties in respect of sales of part of the equity investments and Reinet has accrued income of € 6 million (31 March 2013: € 13 million) in respect of the funding that it has provided in connection with the projects to date.

Taking into account the loan and interest repayments of € 28 million received during the year, these investments are carried, in aggregate, at their estimated fair value of € 76 million at 31 March 2014 (31 March 2013: € 102 million). The current valuations are based on discounted cash flow analyses prepared by local management in each case.

Reinet is committed to invest a further € 6 million in these projects as at 31 March 2014.

The exposure to the South African rand has been hedged by borrowings in that currency and through forward exchange contracts.

Henk van Zuydam, Chief Financial Officer of both projects, commented as follows:

'Over the course of the year, the waste tailings project at Jagersfontein has developed into a full-scale production unit. The project is now cash-flow positive on a sustainable basis. The old mining operation at Jagersfontein had a reputation for delivering 'white diamonds' or 'Jaggers' in diamond terminology; the stones being extracted now show the same characteristics.

The project is focusing on improving operational efficiency and reducing costs through innovation and the expansion of the overland conveyor system – resulting in reduced vehicle usage on site and lower transportation costs.

The second project is extracting diamonds from virgin territory located close to Kimberley. The project has commenced production and we are busy up-scaling to full capacity. To date this project has shown excellent promise, with consistent delivery of good quality alluvial diamonds, the largest being a 110 ct stone.

In conjunction with the planned expansion of the area being developed for operations, the project will also increase capital expenditure in the forthcoming year in order to enhance production capacity.

Marketing of the extracted diamonds plays a key role in maximising revenue for the projects. The diamonds are marketed through the South African Diamond Exchange and Export Centre whereafter the stones are presented for sale at tenders in Antwerp. The Antwerp marketing channel was established with the full support and backing of the Antwerp World Diamond Centre.'

OTHER INVESTMENTS

This portfolio includes small developing businesses as well as interests in businesses which require assistance in restructuring their activities before value can be realised. These assets are valued at their aggregate fair value of € 10 million at 31 March 2014 (31 March 2013: € 30 million). The decrease in value is due to a re-appraisal of the valuation basis of several of the investments, together with the effect of the weakening of the US dollar against the euro during the year under review.

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Committed Funds

The table below summarises Reinet's outstanding investment commitments as at 31 March 2014.

	As at 31 March 2013[1] € m	Exchange rate effects[2] € m	Committed during the year € m	Funded during the year € m	**As at 31 March 2014 € m**	As at 31 March 2014 %
Pension Corporation[3]	356	7	–	(272)	**91**	17.9
Private equity and related partnerships						
Trilantic Capital Partners[4]	121	(6)	18	(21)	**112**	22.0
Renshaw Bay and related investments						
Renshaw Bay advisory and investment management company	2	–	10	(12)	**–**	–
JPS Credit Opportunities Fund	–	–	–	–	**–**	–
Renshaw Bay Real Estate Finance Fund	118	2	–	(38)	**82**	16.1
Renshaw Bay Structured Finance Opportunity Fund	–	–	109	(3)	**106**	20.9
Asian private equity and portfolio funds						
Milestone China Opportunities funds investment holdings and related opportunities	63	(4)	–	(15)	**44**	8.7
GEMS	–	–	–	–	**–**	–
Prescient China Balanced Fund	2	(1)	–	–	**1**	0.2
Specialised private equity funds						
Vanterra Flex Investments	35	(2)	–	(4)	**29**	5.7
Vanterra C Change TEM	10	(1)	–	(6)	**3**	0.6
NanoDimension funds and co-investments opportunities	19	(1)	–	(2)	**16**	3.1
Other fund investments	4	1	–	–	**5**	1.0
US land development and mortgages[4]	–	–	36	(27)	**9**	1.8
Jagersfontein and other diamond exploration interests	22	(5)	–	(11)	**6**	1.2
Other investments	11	–	3	(10)	**4**	0.8
	763	(10)	176	(421)	**508**	100.0

(1) Commitments are calculated using 31 March 2013 exchange rates.

(2) Reflects exchange rate movements between 31 March 2013 and 31 March 2014.

(3) The amount paid to Pension Corporation in the year amounts to € 262 million using actual exchange rates, the additional € 10 million relates to exchange differences between the date of payment and the year end rate.

(4) Commitments noted represent only Reinet's share of the investments at 31 March 2014, additional commitments payable by minority partners amount to € 3 million in respect of Trilantic and € nil in respect of US land development and mortgages.

Funding commitments are entered into in various currencies including sterling, US dollars and South African rand and are converted into euros using 31 March 2014 exchange rates.

CASH AND LIQUID FUNDS

Reinet holds cash on deposit principally in European banks.

Reinet's liquidity is measured by its ability to meet potential cash requirements, including unfunded commitments on investments and the repayment of borrowings, and can be summarised as follows:

Cash at bank	€ 223 m
Undrawn borrowing facilities	€ 363 m
Cash required for unfunded commitments (refer to table on previous page)	€ (508) m
Cash required to meet ZAR borrowing obligations (refer to note below)	€ (30) m

Bank borrowings of € 390 million under the collar financing arrangements will be settled either by the delivery of BAT shares pursuant to the put and call options in place, by the proceeds of the sale of BAT shares or may be rolled over or replaced by other borrowings.

Reinet may sell further BAT shares or use such shares to secure additional financing facilities from time to time.

The undrawn borrowing facilities comprise a facility with Bank of America for £ 150 million and a facility with Morgan Stanley of £ 150 million. As at 31 March 2014, these facilities had not been drawn upon.

BANK BORROWINGS AND RELATED COLLAR FINANCING

BORROWINGS

In February 2012, in order to meet its on-going commitments, Reinet entered into a £ 300 million medium-term financing facility. At 31 March 2014, the fair value of the borrowing was € 358 million (31 March 2013: € 356 million). The transaction incorporates the purchase by Reinet of put options and the sale by Reinet of call options over 13.7 million BAT shares. The unpaid net option premium is payable over the period to 2017 and is carried as a liability at its fair value of € 32 million as at 31 March 2014 (31 March 2013: € 42 million).

Reinet has also borrowed ZAR 443 million to fund its investments in South African projects. At 31 March 2014, the fair value of the borrowing was € 30 million (31 March 2013: € 37 million).

DERIVATIVE ASSETS/(LIABILITIES) – PUT AND CALL OPTIONS AND FORWARD EXCHANGE CONTRACTS

As part of the £ 300 million financing facility, Reinet has purchased put options which provide protection should the value of the BAT shares used to secure the borrowings fall below a certain amount. Reinet has also sold call options over an equal number of BAT shares. Both the put options and the call options are carried at their respective fair values at the balance sheet date. The net derivative liability is carried at its fair value of € 16 million at 31 March 2014 (31 March 2013: € 15 million).

Reinet has entered into forward exchange contracts to sell ZAR 890 million. The net derivative asset in respect of the forward exchange contracts is carried at its fair value of € 3 million at 31 March 2014 (31 March 2013: € 4 million).

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OTHER LIABILITIES

FEES PAYABLE AND OTHER LIABILITIES, NET OF OTHER ASSETS

Fees payable and other liabilities comprise principally € 12 million in respect of the performance fee payable as at 31 March 2014, together with the management fee payable of € 15 million. In addition, provision for deferred taxes of € 24 million relating to gains arising from the investments in Trilantic Capital Partners has been made. Withholding taxes of € 7 million relating to the investment in US land development and mortgages have also been provided for, together with other operating expenses currently payable. The performance fee and management fee are payable to the Investment Advisor.

The management fee for the year under review amounted to € 35 million (31 March 2013: € 33 million), of which € 15 million was payable at 31 March 2014.

FUNDING BY MINORITY PARTNERS

Reinet invests in certain investments, principally Trilantic Capital Partners and US land development and mortgages, along with minority partners. As capital calls are received, minority partners fund their share by advancing funds to Reinet; as distributions are received from investees, Reinet refunds their pro-rata share to the minority partners. The net amounts received of € 19 million, are shown as 'Funding by minority partners' in the table on page 4.

MINORITY INTERESTS

Minority partners share in the gains and losses arising in the investments in which they have interests. To the extent that gains are not distributed to minority partners, their share of the uplift in valuation is accounted for as a liability to them.

SUMMARISED CONSOLIDATED INCOME STATEMENT

The summarised consolidated income statement set out below differs from the format used in the IFRS reporting on page 49 and is presented to provide investors with a more comprehensive picture of the movement in the fair value of assets held by the Company.

	Year ended 31 March 2014		Year ended 31 March 2013[1]	
	€ m	€ m	€ m	€ m
Income				
BAT dividends	126		136	
Interest and other investment income	20		16	
Realised gains on investments – BAT	108		98	
– Others	6		42	
Realised gains on foreign exchange contracts	9		–	
Carried interest earned on investments	2	271	6	298
Expenses				
Performance fee	(12)		(32)	
Management fee	(35)		(33)	
Operating expenses, foreign exchange and transaction-related costs	(8)		(9)	
Interest expense	(11)		(12)	
Tax expense	(10)	(76)	(4)	(90)
Realised investment income, net of expenses		195		208
Fair value adjustments				
BAT – unrealised (loss)/gain on shares held	(111)		316	
– reversal of unrealised gain on shares sold[2]	(105)		(86)	
Other investments	115		(15)	
Derivative instruments	(2)		(41)	
Borrowings	7	(96)	2	176
		99		384
Effect of exchange rate changes on cash balances		(3)		(4)
Net profit		96		380
Minority interest		(4)		(6)
Profit attributable to the shareholders of the Company		92		374

(1) The Company early adopted IFRS 10 and the amendment relating to investment entities in the year under review. As a result of the adoption, minority interest and profit attributable to the shareholders of the Company for the prior year were restated by an amount of € 1 million. This amount was previously recorded in the statement of shareholders equity rather than the income statement.

(2) Reversal of unrealised gain on shares sold represents the unrealised gain as at 1 April on 5 million BAT shares sold during the year.

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INCOME

Dividends received from BAT decreased by 7 per cent from € 136 million (£ 110 million) to € 126 million (£ 106 million) during the year under review. The decrease is due to the reduction in the number of BAT shares held following the sales in December 2012 and April 2013, offset by an increase of £ 0.07 per share in the underlying dividends paid by BAT and a strengthening in the sterling/euro exchange rate at the time of the dividend payments. The dividends received from BAT represent the final 2012 dividend, paid in May 2013, as well as the interim 2013 dividend paid in September 2013. The BAT final 2013 dividend was approved at the BAT Annual General Meeting held on 30 April 2014 and was paid on 8 May 2014. That dividend has not been accrued at 31 March 2014 and does not form part of the income received during the year under review.

Interest income is earned on bank deposits and loans made to underlying investments.

Total realised gains on investments of € 114 million include € 108 million in respect of the sale of 5 million BAT shares calculated by reference to the cost of the investment when the BAT shares were first carried at fair value when Reinet was established in 2008 and gains of € 5 million in respect of investments realised by the Trilantic funds. Reinet's share of the Trilantic gains amounts to € 4 million with € 1 million being attributable to the minority partners.

Gains of € 9 million were realised on the settlement of the EUR/ZAR foreign exchange contracts during the year.

Carried interest of € 2 million was attributable to Reinet in respect of investments realised by the Trilantic funds.

EXPENSES

The performance fee for the year ended 31 March 2014 amounts to € 12 million (31 March 2013: € 32 million). The performance fee is calculated as 10 per cent of the increase in the aggregate market value of Reinet Investments S.C.A. over the period since completion of the rights issue in December 2008 up to 31 March 2014, less the sum of all performance fees paid in respect of previous periods.

The management fee for the year ended 31 March 2014 amounts to € 35 million (31 March 2013: € 33 million) with other operating expenses of € 1 million in respect of charges from Reinet Investments Manager S.A. (the 'General Partner') and other expenses, including legal and other fees, which amounted to € 7 million.

Interest expense relates to rand and sterling borrowings.

The net tax expense of € 10 million includes corporate and withholding taxes paid in respect of gains realised on Trilantic investments as well as a deferred tax provision in respect of unrealised gains, expected distributions and accrued interest in respect of Trilantic and other US investments.

FAIR VALUE ADJUSTMENTS

The investment in the remaining 74 million BAT shares decreased in value by € 111 million during the year under review. Of this, € 169 million was attributable to the decrease in value of the underlying BAT shares in sterling terms offset by € 58 million due to the appreciation of sterling against the euro over the course of the year. The sale of 5 million BAT shares resulted in a reversal of the previously recorded unrealised gain of € 105 million at 31 March 2013.

The unrealised fair value adjustment of € 115 million reflects the increase in the fair value of the investment in Pension Corporation of € 152 million, increase in the fair value of Trilantic by € 37 million, offset by decreases in the fair value of 36 South funds, Jagersfontein and other diamond interests and other smaller investments.

The fair value of the collar financing derivative liability increased by € 1 million during the year reflecting the increase in underlying interest rates in the year, offset by the positive effect of the decrease in the price of the BAT shares underlying the put and call options. The fair value of derivative assets in respect of forward exchange contracts decreased by € 1 million. In total these items increased the derivative liabilities by € 2 million in the year under review.

Borrowings are carried at fair value reflecting the discounted cash flow value of future principal and interest payments taking into account prevailing interest rates. An unrealised gain of € 7 million arose in respect of the rand borrowing due to the weakening of that currency during the year.

MINORITY INTEREST

The minority interest expense arises in respect of the minority partners' shares in the earnings of the Reinet entities which hold the Trilantic and US land development and mortgages interests, respectively.

CONSOLIDATED CASH FLOW STATEMENT

	Year ended 31 March 2014		Year ended 31 March 2013	
	€ m	€ m	€ m	€ m
Investing activities				
Purchase of investments, net of repayments	(380)		(327)	
Proceeds from sales of investments	230	(150)	271	(56)
Financing activities				
Repayment of funding to minority partners	(2)		(18)	
Proceeds from settlement of derivative assets	9		–	
Movements in bank borrowings	(10)	(3)	(10)	(28)
Operating activities				
Dividends, interest and other income received	128		139	
Carried interest earned on investments	2		6	
Interest expense	(9)		(10)	
Operating and related expenses	(45)		(39)	
Performance fee paid	(32)		(38)	
Taxation refunded/(paid)	9	53	(12)	46
Net cash outflow		(100)		(38)
Opening liquid funds position		326		368
Effects of exchange rate changes on cash balances		(3)		(4)
Closing liquid funds position		223		326

INVESTING ACTIVITIES

Investments totalling € 380 million were made during the year, including Pension Corporation Group, US real estate related opportunities, Trilantic, Milestone, Renshaw Bay and Renshaw Bay funds. Amounts invested were partially offset by repayments of € 28 million in respect of loans and interest received from Jagersfontein.

Proceeds from the sale of investments include € 212 million in respect of the sale of BAT shares, € 16 million realised through Trilantic and € 2 million on the sale of other investments.

MANAGEMENT REPORT

BUSINESS OVERVIEW
CONTINUED

FINANCING ACTIVITIES

Funding is received from minority partners in respect of 10 per cent of investments made in Trilantic and 20 per cent of investments made in US land development and mortgages. The appropriate share of distributions received from the same investments are repaid to minority partners.

OPERATING ACTIVITIES

Dividends received from BAT decreased by 7 per cent from € 136 million (£ 110 million) to € 126 million (£ 106 million) during the year under review. The decrease is due to the reduction in the number of BAT shares held following the sales in December 2012 and April 2013, offset by an increase of £ 0.07 per share in the underlying dividends paid by BAT and a strengthening in the sterling/euro exchange rate at the time of the dividend payments. The dividends received from BAT represent the final 2012 dividend, paid in May 2013, as well as the interim 2013 dividend paid in September 2013.

Carried interest of € 2 million was received in respect of the investment in Trilantic.

Interest of € 7 million was paid in respect of the sterling loan and € 2 million in respect of the ZAR-denominated loan in the year.

The performance fee of € 32 million was paid in respect of the year ending 31 March 2013. The performance fee payable in respect of the current year will be paid in May 2014.

US tax repayments of € 12 million were received in the year under review. This amount is net of taxes withheld by Trilantic in respect of gains and carried interest received, together with estimated taxes paid on gains and income which will be taxable in the United States.

Liquid funds decreased by € 103 million over the year to € 223 million as the amounts invested in new investments together with payment of the performance fee and operating expenses exceeded proceeds from the sales of BAT shares and the inflow of dividends received from BAT.

RISKS AND UNCERTAINTIES

Reinet's current investments and future investment strategy are subject to a number of risks and uncertainties. The General Partner and Fund Manager have established policies and procedures to identify and monitor these risks.

Responsibility for investment risk and treasury risk is borne by the Board of the Fund Manager. The day-to-day treasury position is monitored by the Chief Executive Officer and the Chief Financial Officer and policy decisions in respect of the investment of cash resources are taken by the Board of the Fund Manager.

Investment decisions are the responsibility of the Fund Manager, acting on the advice of the Investment Advisor.

Reinet's activities expose it to a variety of financial risks including market risk (ie currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The principal risks are set out as follows:

PRICE RISK

Reinet is exposed to price risk. This arises from investments held by Reinet Fund for which prices in the future are uncertain. The fair value of listed securities is dependent upon stock exchange movements which are determined by the market's expectations reflecting interest rates, sentiment, volatility, currency and other factors both specific to each investment and those affecting the market as a whole. Investments in venture capital and start-up projects will also tend to have higher price volatility than more mature investments.

Where non-monetary financial instruments are denominated in currencies other than the euro, the price initially expressed in foreign currency and then converted into euros will also fluctuate because of changes in foreign exchange rates.

Reinet's policy is to manage price risk through diversification and selection of securities and other financial instruments.

FOREIGN EXCHANGE RISK

Reinet's policy is currently to minimise its exposure to monetary foreign exchange movements on liquid funds by holding such liquid funds in euros and sterling where there are corresponding sterling liabilities. That policy may change to reflect the Fund Manager's view as to the likely development of foreign exchange rates in the medium term or to take account of requirements for funds for investment purposes in currencies other than the euro. Where appropriate, Reinet may borrow in foreign currency and enter into foreign exchange hedging transactions to minimise foreign exchange risk.

INTEREST RATE RISK

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows. Reinet holds fixed interest bonds and loans and has long-term borrowings that expose it to fair value interest rate risk.

The Fund Manager monitors Reinet's overall interest rate sensitivity on a regular basis.

CREDIT RISK

Reinet is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due.

The main credit risk to which Reinet is exposed arise from bank deposits, bonds, loans to third parties and borrowings where Reinet's assets are pledged in favour of a third party. Reinet is also exposed to counterparty credit risk on other receivable balances.

Reinet's policy to manage this risk is to place funds only with banks which have strong credit ratings and to regularly monitor the collectability of its claims against third parties.

LIQUIDITY RISK

Liquidity risk is the risk that Reinet may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund Manager monitors Reinet's liquidity position on a daily basis.

A limited proportion of Reinet's invested assets are not actively traded on a stock exchange. Reinet's listed investment in BAT is considered readily realisable as its shares are traded with significant daily volumes on the London Stock Exchange.

BUSINESS OVERVIEW
CONTINUED

LEGAL AND COMPLIANCE RISKS

Laws and regulations governing the operations of the Company and the Fund may adversely affect their business, investments and results of operations.

The Company is required to comply with certain regulatory requirements applicable to a Luxembourg securitisation company, and the Fund with certain regulatory requirements that are applicable to a Luxembourg specialised investment fund. The Company is also required to comply with regulations applicable to a company admitted to the Official List of the Luxembourg Stock Exchange.

Additional laws and regulations may apply to the portfolio assets in which the Fund makes investments, and those laws and regulations, as well as those applicable to the Fund and the Company themselves, may restrict the ability of the Fund to make certain types of investments in certain countries or affect the returns available from those investments.

Laws and regulations and their interpretation and application may also change from time to time and such laws and regulations or those changes could have a material adverse effect on the business, investments and results of operations of the Fund and the Company. In addition, a failure to comply with applicable laws or regulations, as interpreted and applied, or to maintain any necessary regulatory licences, by any of the General Partner, the Fund Manager or Investment Advisor, could have a material adverse effect on the business, investments and results of operations of the Fund and the Company. Where investee companies are subject to regulation, failure to obtain appropriate licences or to comply with regulatory requirements may impact the valuation of the underlying investment.

The United States' Foreign Account Tax Compliance Act ('FATCA') imposes reporting and other requirements on payers and recipients of certain categories of income beginning on 1 July 2014. Non-US entities which do not comply with FATCA may be subject to withholding tax on certain categories of income. The US Department of the Treasury and the Government of Luxembourg signed an intergovernmental agreement on 28 March 2014, which will simplify the Company and the Fund's obligations under FATCA. The Company and its controlled affiliates intend to comply with FATCA, and where relevant, will register as participating foreign financial institutions or as compliant under an intergovernmental agreement.

Under FATCA, the Company or its affiliates may be required to report to the US Internal Revenue Service ('IRS'), directly or through foreign government agencies co-operating with the IRS, information about financial transactions made by US taxpayers and other specified entities or individuals, and could impose withholding, documentation and reporting requirements on such transactions. Full implementation of FATCA will be phased in over a multi-year period. The additional administrative requirements of FATCA may result in increased compliance costs and could have an adverse effect on the business, investments and results of operations of the Fund and the Company.

OPERATIONAL RISKS

The Company does not have any operations of its own. Its principal source of earnings is returns in the form of income and capital gains from the investments made through the Fund and its subsidiaries.

The ability of the Fund to make cash distributions to the Company will depend on a number of factors, including, among others, the actual results of operations and financial condition of the Fund, its subsidiaries and investee companies, restrictions on cash distributions that are imposed by applicable law or the constitutional documents of the Fund, the terms of any future financing agreements entered into by the Fund or its subsidiaries, the timing and amount of cash generated by investments that are made by the Fund, any contingent liabilities to which the Fund may be subject, the amount of income generated by the Fund and other factors that the Fund Manager deems relevant.

DIVIDEND

Reinet Investments relies on distribution from Reinet Fund as its principal source of income from which it may pay dividends.

The Board has proposed a cash dividend of € 0.153 per share subject to shareholder approval at the Annual General Meeting, which is scheduled to take place in Luxembourg on Tuesday, 9 September 2014.

There is no Luxembourg withholding tax payable on dividends which may be declared by the Company.

Reinet has sought clarification from the South African Revenue Service ('SARS') as to the treatment of any dividends to be declared by the Company and paid to holders of Reinet Depository Receipts ('DRs'). SARS has confirmed to Reinet that any such dividends will be treated as 'foreign dividends' as defined in the Income Tax Act No. 58 of 1962. Accordingly, any such dividends will be subject to South African dividends withholding tax at 15 per cent in the hands of DR holders unless those holders are otherwise exempt from the tax. Non-resident holders of DRs will be required to fill in the appropriate SARS declaration form, if they wish to be exempt from the tax.

The dividend will be payable in accordance with the following schedule, subject to shareholder approval:

The last day to trade the Company's shares and the Company's DRs cum-dividend will be Friday, 12 September 2014. Both the shares and the DRs will trade ex-dividend from Monday, 15 September 2014.

The dividend on the Company's shares will be paid on Thursday, 18 September 2014 and is payable in euros.

The dividend in respect of the Company's DRs will be payable on Friday, 26 September 2014. The DR dividend is payable in rand to residents of the South African Common Monetary Area ('CMA') but may, dependent upon residence status, be payable in euros to non-CMA residents. Further details regarding the dividend payable to DR holders may be found in a separate announcement dated 19 May 2014 on SENS, the Johannesburg stock exchange news service.

MANAGEMENT REPORT

CORPORATE GOVERNANCE

INTRODUCTION

Reinet recognises the importance of appropriate corporate governance procedures in the management and oversight of its business. It acknowledges the obligations placed upon it as a public company listed in Luxembourg with a secondary listing of its DRs in Johannesburg. Reinet's corporate governance principles are codified in the Reinet Prospectus, published on 10 October 2008, and the Statutes of the Company ('the Statutes'), both of which may be downloaded from the Reinet website, www.reinet.com. The requirements of the Statutes and the principles set out in the prospectus adequately establish the framework of corporate governance within which Reinet and its management companies operate and no supplementary corporate governance charter has been adopted by the Company.

The Company, a partnership limited by shares *(société en commandite par actions)* under the laws of Luxembourg, gives its shareholders exposure to Reinet Fund, a specialised investment fund.

The Company was formerly known as Richemont S.A. and was a subsidiary of Compagnie Financière Richemont SA ('CFR SA'), a Swiss company with significant luxury goods interests. The Company separated from its former parent on 20 October 2008, which saw the luxury businesses transferred to CFR SA. The Company retained Richemont's former interests in BAT together with cash and certain smaller investments.

MANAGEMENT

As a partnership limited by shares, the Company is managed by a general partner rather than a Board of Directors. The general partner is Reinet Investments Manager S.A. (the 'General Partner'), a limited liability company established in Luxembourg, which also owns 1 000 management shares in the Company and which has unlimited liability for any obligations of the Company that cannot be met from the assets of the Company.

Both the General Partner and the Fund Manager are owned and controlled by Rupert family interests.

During the year ended 31 March 2014, the Board of Directors of the General Partner met four times. Four directors attended four meetings and one director attended three meetings. The statutes of the General Partner require that the Board of Directors consists of a minimum of three directors.

The General Partner is not acting as general partner for any partnership other than the Company.

BOARD OF DIRECTORS OF THE GENERAL PARTNER

The following were directors of the General Partner during the year ended 31 March 2014.

JOHANN RUPERT
Chairman
South African, born 1950
Mr Rupert was appointed to the Board of Directors in 2008.

Mr Rupert studied economics and company law at the University of Stellenbosch, South Africa. After working for the Chase Manhattan Bank and Lazard Frères in New York, he founded Rand Merchant Bank in 1979. In 1985 he joined Rembrandt. He founded Richemont in 1988 and became Group Chief Executive. Appointed as Executive Chairman in September 2002, he also served as Group Chief Executive Officer during the periods from October 2003 to September 2004 and from April 2010 to March 2013. He was Chairman of Richemont up to September 2013, when he indicated his intention to step down from the board of that company during a sabbatical year. He is Non-Executive Chairman of Remgro Limited, is the Managing Partner of Compagnie Financière Rupert and serves as a director of Renshaw Bay Limited.

Mr Rupert holds honorary doctorates in Law, Economics and in Commerce and is the Chancellor of the University of Stellenbosch. He is the Chairman of the Peace Parks Foundation.

ALAN GRIEVE
Chief Executive Officer
British, born 1952
Mr Grieve was appointed to the Board of Directors in 2008.

Mr Grieve was appointed to the board of directors of Richemont S.A. (the predecessor company to Reinet Investments S.C.A.) in 2004. Mr Grieve holds a degree in business administration from Heriot-Watt University, Edinburgh and is a member of the Institute of Chartered Accountants of Scotland. Prior to joining Richemont's predecessor companies in 1986, he worked with Price Waterhouse & Co (now PricewaterhouseCoopers) and Arthur Young (now Ernst & Young). He served as Company Secretary of Richemont from 1988 until 2004 and is Corporate Affairs director of Richemont. He is a director of various subsidiary companies of both Reinet and Richemont, is a founding member of the Laureus Sport for Good Global Foundation and is a non-executive director of Mediclinic International Limited, the South African-based international private hospital group.

ELOY MICHOTTE
Belgian, born 1948
Mr Michotte was appointed to the Board of Directors of Reinet Investments Manager S.A. and Reinet Fund Manager S.A. in August 2008.

Mr Michotte graduated in engineering from the University of Louvain in Belgium and holds an MBA from the University of Chicago. He has had an extensive career in international business and finance and worked for Ford, McKinsey & Co and Bankers Trust Company prior to joining Richemont at the time of its formation in 1988 when he was appointed to the board of directors of Richemont S.A., the predecessor company to Reinet Investments S.C.A.

As Head of Corporate Finance for Richemont, Mr Michotte has responsibility in particular for mergers and acquisitions and serves on the boards of a number of companies in which Richemont holds an interest. He is a director of Pension Corporation Group Limited and of Pension Insurance Corporation Limited.

MANAGEMENT REPORT

CORPORATE GOVERNANCE
CONTINUED

JOSUA MALHERBE
South African, born 1955
Mr Malherbe was appointed to the Board of Directors in 2009.

Mr Malherbe qualified as a chartered accountant in South Africa in 1984 having commenced his career with the predecessor firm to PricewaterhouseCoopers. He then joined the Corporate Finance Department of Rand Merchant Bank in 1985 and was a general manager of the bank before moving to Rembrandt Group Limited in 1990, also being involved with Richemont at that time.

He was appointed as Director – Investments of Rembrandt in 1993 and served in this position until the formation of VenFin Limited in 2000 where he served as Chief Executive Officer until 2006. Thereafter he held the position of Deputy Chairman of VenFin Limited until November 2009 at which time Remgro acquired all the shares in VenFin. He was appointed as a Non-Executive Director to the board of Compagnie Financière Richemont SA in September 2010 and assumed the role of Deputy Chairman in September 2013. He also serves as a director on boards of a number of companies, including Remgro Limited, Pension Corporation and Renshaw Bay Limited.

FREDERICK MOSTERT
Chief Legal Counsel
South African, born 1959
Dr Mostert was appointed to the Board of Directors in 2009.

Dr Mostert holds a Master's degree from Columbia University School of Law in New York City and a doctorate from the University of Johannesburg. He is a member of the New York Bar, a solicitor of England and Wales, and practised corporate law at Shearman and Sterling and international intellectual property law at Fross, Zelnick, Lehrman & Zissu in New York. He joined Richemont in 1990 and was appointed Chief Legal Counsel to Richemont in March 2010, having formerly been Chief Intellectual Property Counsel. He was appointed to the board of Compagnie Financière Richemont SA in September 2010.

Dr Mostert is a past president of the International Trademark Association, serves on the Advisory Council of the McCarthy Institute for Intellectual Property and Technology Law, is a guest professor at Peking University and is a Research Fellow at St Peter's College, Oxford. He is a director of The Net-à-Porter Group Limited, Richemont North America, The Walpole Committee Limited, Laureus World Sports Awards Limited, and Freedom Under Law.

REINET FUND
The Company owns the entire ordinary share capital of Reinet Fund, a specialised investment fund established as a partnership limited by shares (société en commandite par actions) under the laws of Luxembourg.

Reinet Fund is managed by Reinet Fund Manager S.A. (the 'Fund Manager'), a limited liability company established in Luxembourg, which also owns 1 000 management shares in the Fund. The Fund Manager is the general partner in the Fund, with unlimited liability.

The directors of the General Partner are also directors of the Fund Manager together with:

SWEN GRUNDMANN
Company Secretary
Dutch, born 1968
Mr Grundmann was appointed to the Board of Directors in September 2012.

Mr Grundmann holds a law degree from the Faculty of Law of the University of Amsterdam and is a member of the Dutch Association of Corporate Litigation. He joined Richemont in January 1996 and has since been responsible for the corporate law affairs of many of its subsidiaries and is involved in various merger and acquisition projects. In 2009, he was appointed as Company Secretary of both Reinet Investments Manager S.A. and Reinet Fund Manager S.A. and, since 2011, has been responsible for Reinet's general legal affairs. He serves on the boards of a number of companies in which Richemont and Reinet hold an interest.

DIANE LONGDEN
Chief Financial Officer
British, born 1961
Ms Longden was appointed to the Board of Directors in September 2012.

Ms Longden is a member of the Institute of Chartered Accountants in England and Wales and holds a Master in Business Administration from the Sacred Heart University, John F. Welch College of Business in Luxembourg. Prior to joining Reinet Fund Manager S.A. in 2009, Ms Longden worked in the accountancy profession and international insurance industry. She is a director of various subsidiaries of Reinet Fund S.C.A., F.I.S.

BOARD COMMITTEES AND MANAGEMENT

The Company is managed by a general partner and as such it has no board of directors, executive management or employees. As a consequence, aspects of corporate governance which relate to the composition, organisation and proceedings of the board or directors and executive management, the establishment of board committees, the determination of a remuneration policy and related processes are not applicable to Reinet.

MANAGEMENT REPORT

CORPORATE GOVERNANCE
CONTINUED

BOARD OF OVERSEERS

In accordance with the Luxembourg law, a Board of Overseers ('Collège des Commissaires') has been appointed to review the activities of the Company. The Board of Overseers' role is one of oversight and control in addition to the specific powers conferred upon the Board of Overseers by virtue of the Statutes. It has no executive responsibility for the management of Reinet except that the Board of Overseers may be consulted by the General Partner on such matters as the General Partner may determine and no action of the General Partner that may exceed its powers shall be valid unless authorised by the Board of Overseers.

The members of the Board of Overseers may not be directors or employees of the General Partner or of the principal shareholder of the General Partner or any entity in which the Company has a material direct or indirect interest.

The Board of Overseers reports each year to the general meeting of shareholders on the results of the mandate entrusted to it, making such recommendations as it considers appropriate.

In addition to its role as defined by law, the Board of Overseers also acts as the Audit Committee of the Company. In this capacity, the functions of the Board of Overseers include:

- Reviewing the financial statements of the Company and Reinet Fund in order to ensure that they are fair, accurate and complete;
- Monitoring the Company's and Reinet Fund's compliance with applicable legal and regulatory obligations;
- Assessing the quality of the external audit of the Company and Reinet Fund; and
- Verifying the existence and adequacy of internal control and risk management procedures.

The Statutes provide for a Board of Overseers composed of at least three Overseers. The members of the Board of Overseers are appointed by a resolution of the general meeting of shareholders by a simple majority of the votes cast. The general meeting of shareholders fixes their remuneration as well as the term of their office. They may be re-elected. Their appointment is not subject to the approval of the General Partner.

At the Annual General Meeting of shareholders held on 10 September 2013 the following members of the Board of Overseers were re-appointed:

DENIS FALCK
South African, born 1945
Mr Falck is a South African chartered accountant and after working in the auditing profession joined Rembrandt Tobacco Company in 1971, where he became the Chief Financial Officer before being transferred to Rembrandt Group Limited in 1979. After various senior positions, he was appointed as the Financial Director of the parent company in 1990. He was a member of the Remgro Executive Committee and its Audit and Risk Committee and was the Chairman of the group's Pension and Retirement Funds' Boards of Trustees. He retired at the end of June 2008 after a career of close to 37 years with Rembrandt Group Limited/Remgro Limited in South Africa. Mr Falck also served as a non-executive director on the boards and audit/risk committees of listed and unlisted investee companies of Remgro, including FirstRand Bank Holdings Limited, RMB Holdings Limited, Medi-Clinic Corporation Limited, Total South Africa (Pty) Limited and Trans Hex Group Limited.

PETER KAUL
German, born 1949
Dr Kaul is a managing director at Commerzbank AG (previously Dresdner Kleinwort). He joined Dresdner Bank Luxembourg S.A. in 1980 and has had an extensive career with Dresdner Bank, where he has served in a wide range of positions covering, amongst other things, treasury and capital markets, acquisitions, sovereign debt reschedulings/restructurings as well as sovereign and corporate debt financing activities. Since 2001, his focus has been on Client Relationship Management and he has advised on and arranged numerous acquisition and project related financing for major international companies. In addition to his responsibilities at the bank, he serves on a number of boards and was a member of the Luxembourg Stock Exchange Committee for 10 years.

YVES PRUSSEN
Luxembourger, born 1947
Mr Prussen graduated as a doctor at law in 1971 and holds a diploma from the 'Institut d'Etudes Politiques' of the University of Grenoble. During the same year he became a member of the Luxembourg bar and since 1975 has been a partner in Elvinger, Hoss & Prussen, a Luxembourg legal firm. Mr Prussen is a member of the International Bar Association, the Luxembourg Section of the International Fiscal Association and the Luxembourg Association for Arbitration. He is the author of various publications in the field of tax law, arbitration, securities laws and the law relating to undertakings for collective investments.

IAN WHITECOURT
British, born 1946
Mr Whitecourt was formerly a senior partner of Price Waterhouse in Luxembourg and now operates his own accountancy and advisory practice in Luxembourg. He is an English chartered accountant. He has considerable experience of the financial world, in particular the Luxembourg banking and investment fund areas, and is a member of the boards of funds managed by UBS, ING and BOUWFONDS and of the board of PTR Holdings Inc.

The Board of Overseers of the Company has also been appointed as the Board of Overseers of Reinet Fund. Each of the members of the Board of Overseers is independent from the General Partner and the Fund Manager.

During the year under review, the Board of Overseers met formally on four occasions. Subsequent to the year-end the Board of Overseers approved the Fund NAV on 25 April 2014 and met on 8 May 2014 to consider and approve the statutory and consolidated financial statements of the Company.

MANAGEMENT REPORT

CORPORATE GOVERNANCE
CONTINUED

REMUNERATION

Neither the Company nor the Fund has any employees. Rather, both entities pay fees to their respective managers, the General Partner and the Fund Manager, in respect of the management services provided (see Significant Agreements below).

The payment of an annual compensation of € 50 000 per annum to each of the members of the Board of Overseers was approved at the Annual General Meeting of shareholders held on 10 September 2013. Fees of € 50 000 were paid to each of the members of the Board of Overseers in the year ended 31 March 2014.

Although the management of Reinet is distinct from Richemont following the restructuring effected in 2008, a number of executives who have management responsibilities within the General Partner and the Fund Manager have executive roles in and are employed by Richemont. With effect from 1 April 2010, separate employment arrangements in respect of their Richemont and Reinet duties apply in respect of those individuals having roles within both organisations.

SHAREHOLDINGS AND LOANS

Details of shareholdings by members of the Board of Directors of the General Partner and the Board of Overseers are given in note 14 to the consolidated financial statements on page 78 of this report. As noted above, the General Partner holds 1 000 management shares in the Company.

The Company has procedures in place requiring persons connected with the Company, the Fund, the General Partner and the Fund Manager together with the Investment Advisor not to trade in the Company's securities during closed periods in advance of the release of financial information in respect of the Company or at other times when they may be in possession of price-sensitive information. Approval to buy or sell securities is required from the Chairman of the General Partner and transactions by members of the Board of Directors of the General Partner and the Board of Overseers are disclosed through the regulatory mechanism operated by the Luxembourg financial sector regulator and on the Company's website.

There were no loans outstanding to members of the Board of Directors of the General Partner or the Board of Overseers during the year or at 31 March 2014.

At 31 March 2014, the Company owed € 2 million to the General Partner and Reinet Fund was owed € 0.6 million by the Fund Manager.

SIGNIFICANT AGREEMENTS

The Company is managed by its General Partner. The Company reimburses the General Partner for its expenses incurred in the ordinary course of business, including but not limited to the remuneration of its staff, taxes, rentals, directors' fees and any other disbursements, and pays an annual administration fee equal to 10 per cent of such expenses. During the year ended 31 March 2014, the Company paid € 0.9 million to the General Partner in respect of the costs that it had incurred and the related administration fee.

The Company's wholly-owned subsidiary, Reinet Fund, is managed by the Fund Manager. Reinet Fund reimburses the Fund Manager for its expenses incurred in the ordinary course of business including but not limited to the remuneration of its staff, taxes, rentals, directors' fees and any other disbursements. Any such amounts payable to the Fund Manager are deductible from any management fees payable to the Investment Advisor.

Under the terms of the Investment Advisory Agreement dated 9 October 2008, as amended on 24 May 2010 and 10 November 2011 between the Fund and the Investment Advisor, the Fund pays both management fees and performance fees to the Investment Advisor.

Mr JP Rupert, Mr J Malherbe, Mr E Michotte and Dr F Mostert, who are Directors of the General Partner, are also members of the Board of Directors of the Investment Advisor.

The management fee is payable to the Investment Advisor at a rate of 1 per cent per annum on the NAV of the Fund, excluding cash and interests in funds managed by third parties. It is calculated semi-annually based on the closing NAV at the end of the previous six-month period.

The management fee in respect of cash is calculated at a rate of one quarter of 1 per cent per annum.

No management fee is payable in respect of funds managed by third parties except where the fee payable to the third party has been negotiated to a level below 1 per cent per annum and below the level payable by other investors in a fund. In such circumstances, the difference between the fee payable to the third-party manager and 1 per cent is payable to the Investment Advisor.

Investments as a limited partner in funds under the management of a management company in which Reinet is an investor are not treated as being managed by third parties; the management fee is payable at 1 per cent per annum to the Investment Advisor. However, such a fee payable to the Investment Advisor is reduced by any management fee paid by the Fund to the management company, net of income received by Reinet on its investment in the management company in terms of its share of the management fees earned by (but not carried interest attributable to) the management company.

The management fee for the year under review amounted to € 35 million.

As detailed in the Reinet Prospectus, issued when Reinet was established in 2008 as part of the Richemont reorganisation which was approved by the former Richemont unitholders, the performance fee in any period is to be calculated as 10 per cent of the Cumulative Total Shareholder Return at the end of the Performance Measurement Period, adjusted for all dividends and returns of capital to Reinet shareholders, less the sum of all performance fees paid in previous Performance Measurement Periods. The Cumulative Total Shareholder Return will be the difference between the volume weighted average closing price of the Reinet share on the Luxembourg Stock Exchange over the last 20 trading days of each financial year of the Company less the Initial Price, calculated as the volume weighted average market price of the share on the Luxembourg Stock Exchange over the first 60 trading days following the third day after the conclusion of the rights issue in December 2008. The Initial Price, calculated over the trading period from 22 December 2008 to 19 March 2009, is € 7.1945.

MANAGEMENT REPORT

CORPORATE GOVERNANCE
CONTINUED

The performance fee is payable as of 31 March 2014 in the amount of € 12 million. A performance fee of € 32 million was paid in May 2013 in respect of the year ended 31 March 2013.

The Investment Advisor shall be entitled to all accrued but unpaid Management Fees and Performance Fees should the Fund Manager (acting on the instructions of the Board of Overseers) terminate the Investment Advisory Agreement with notice. Such entitlement will not arise where the Fund Manager (acting on the instructions of the Board of Overseers) is entitled to, and does, terminate the Investment Advisory Agreement immediately or if the Investment Advisory Agreement terminates automatically.

CONFLICTS OF INTEREST
Individuals who are involved in the management of the Company, the General Partner or the Fund Manager may also be involved in the management of other industrial and investment companies, including but not limited to CFR SA and Remgro Limited. There is a possibility that these individuals may have a conflict of interest between the duties they owe to the Company or Reinet Fund and the duties they owe to the other entities relying upon their expertise. Such a conflict may arise in relation to, in particular, proposed investment opportunities. The Company and Reinet Fund will be managed to avoid any such conflicts of interest in all possible circumstances. If a conflict of interest in relation to an investment opportunity would arise between any entities affiliated with Rupert family interests the opportunity to co-invest may be offered to the appropriate entities (taking into consideration, among other things, the investment objective, policies and restrictions of each of those entities). Specifically, in terms of the Reinet Prospectus, it is expected that any investments in luxury goods businesses will be made by CFR SA.

CAPITAL STRUCTURE
At 31 March 2014, the Company had 195 941 286 ordinary registered shares and 1 000 management registered shares of no par value in issue.

The Company has an authorised share capital (including the issued capital) of € 1 123 302 000 represented by 999 999 000 ordinary shares and 1 000 management shares. The General Partner has been authorised to issue ordinary shares (and/or instruments convertible into ordinary shares or giving rights to subscribe to ordinary shares) up to the total authorised share capital. Ordinary shares may be issued within the authorised share capital of the Company with or without reserving any pre-emptive subscription rights existing under Luxembourg company law to existing ordinary shareholders at the discretion of the General Partner.

The total number of voting rights at 31 March 2014 was 195 942 286.

REINET SOUTH AFRICAN DEPOSITORY RECEIPTS
Ownership of the ordinary shares is split between those which are held in the form of shares and those held through the form of DRs. The DRs are listed in Johannesburg.

DRs were issued to the former Richemont DR holders when the Company was established and additional DRs were issued to the shareholders of Remgro Limited in exchange for the contribution to the Company by Remgro of 10 per cent of its holding of BAT shares in November 2008. In addition, DR holders who participated in the rights issue also received additional DRs in exchange for the BAT shares contributed to the Company pursuant to the rights issue.

Reinet Securities SA is the successor to Richemont Securities AG. Richemont Securities AG was a jointly held Swiss affiliate of CFR SA and the Fund, and was divided in terms of Swiss law on 16 December 2010 into two new entities, being Reinet Securities SA and Richemont Securities SA, which are responsible for the Reinet DR and Richemont DR schemes, respectively. The division into two entities had no effect whatsoever on the underlying Reinet DRs or Richemont DRs.

DRs trade in the ratio of ten DRs to each Company share. The terms and conditions applicable to DRs are set out in the Deposit Agreement entered into between Reinet Securities SA, as Depository, and the Company, as issuer. In its capacity as Depository, Reinet Securities SA holds one share in safe custody for every ten DRs in issue. Reinet Securities SA's interest in the shares that it holds is therefore non-beneficial.

Any dividends received by Reinet Securities SA from the Company are payable in rand to South African residents. Dividends are converted upon receipt by Reinet Securities SA and then remitted to holders of DRs. Non-South African resident holders of DRs may receive the dividends in euros, subject to their residence status.

Holders of DRs issued by Reinet Securities SA are not entitled to attend the shareholders' meetings of the Company or to vote in person. Rather, DR holders are canvassed as to their voting instructions by Reinet Securities SA, which then represents the holders as their proxy at shareholders' meetings.

SIGNIFICANT SHAREHOLDERS

The General Partner holds 1 000 management shares in the Company, being 100 per cent of the management shares in issue.

Parties affiliated to the Anton Rupert Trust hold a total of 48.4 million Reinet Investments S.C.A. shares representing 24.72 per cent of the Company's share capital. The group of parties regarded as being affiliated to the Anton Rupert Trust includes entities and persons which are not necessarily closely connected with persons discharging managerial responsibilities within the Company, as defined in Article 1 paragraph 13 of the Law on Market Abuse. As a consequence, share dealings by such parties are not disclosed as dealings by connected parties in terms of the Law on Market Abuse.

On 16 December 2013, the Public Investment Corporation ('PIC') notified the Company that it held 14.61 per cent of the shares and voting rights in the Company, PIC previously held 15.49 per cent of the shares.

On 2 February 2011, Allan Gray Limited notified the Company that accounts under its management held the equivalent of 5.01 per cent of the shares and voting rights in the Company.

As at the date of this report, the Company has not received any other notifications of significant shareholdings in excess of 3 per cent of the shares in issue.

MANAGEMENT REPORT

CORPORATE GOVERNANCE
CONTINUED

SHAREHOLDERS' MEETINGS AND VOTING RIGHTS

Shareholders' meetings may be convened by the General Partner or by the Board of Overseers. All shareholders are invited to attend and speak at all general meetings of shareholders. Any shareholder may appoint another person, who need not be a shareholder, to represent him at the meeting. As noted above, holders of Reinet DRs may only appoint Reinet Securities SA to represent them at such meetings of shareholders.

Other than as required by law, resolutions to be approved at a meeting of shareholders will be passed by an absolute majority of those present and voting. There is no quorum requirement for a meeting convened to consider the business ordinarily to be considered by a shareholder meeting. The business ordinarily to be considered at a shareholder meeting is the approval of the statutory and consolidated financial statements as presented by the General Partner; the consideration and approval of the appropriation of the result of the year as proposed by the General Partner; the appointment, removal and remuneration of the Board of Overseers; and the discharge to be given to the General Partner and to the members of the Board of Overseers. All other business at a general meeting shall be considered only upon a proposal of the General Partner unless otherwise provided for in the law.

Any other matter which does not fall within the scope of a general meeting, as set out above, shall be dealt with by way of an extraordinary meeting. An extraordinary meeting shall require that 50 per cent of each class of shareholder is represented, failing which the meeting must be reconvened in accordance with the notice requirements laid down by the law. Resolutions proposed at such a meeting shall be passed by a vote in favour of at least two-thirds of the votes present or represented at the meeting, provided that no resolution tabled at such a meeting shall be validly passed unless approved by the General Partner.

The Annual General Meeting of shareholders of the Company was held on 10 September 2013. Out of a total of 195 941 286 ordinary shares and 1 000 management shares in issue, a total of 139 597 118 ordinary shares (some 71.24 per cent of the total) and all the 1 000 management shares were represented by proxy at that meeting. The proposals of the General Partner in respect of the resolutions to be considered at the meeting were approved by an overwhelming majority of the votes represented at the meeting.

The rights of a shareholder to participate in a general meeting and to vote in respect of his shares shall be determined with respect to the shares held by that shareholder on the 14th day prior to the general meeting at midnight (Luxembourg time) (the 'Record Date'). No later than on the Record Date, or the date as provided for in the notice of the meeting, the shareholder indicates to the Company his intention to participate in the general meeting. The Company determines the manner in which this declaration is made. The Statutes provide that certificates of the shareholdings and proxies be received by the Company a certain time before the date of the relevant meeting. In accordance with the Statutes, the General Partner may determine such other conditions that must be fulfilled by shareholders for them to take part in any meeting of shareholders in person or by proxy.

The notice of the 2014 Annual General Meeting of shareholders is given on pages 89 and 90 of this report.

FINANCIAL REPORTING, INTERNAL CONTROL AND RISK MANAGEMENT

The preparation of the statutory and consolidated financial statements of the Company is the responsibility of the General Partner. The Company's role is limited to the holding of the investment in Reinet Fund, the issuance of its own shares and related activities and therefore its own entity financial statements are straightforward. The Board of Directors of the General Partner has established strict rules designed to protect the Company's interests in the areas of financial reporting, internal control and risk management. An internal control process has been defined and implemented by the Board of Directors of the General Partner and approved by the Board of Overseers, with the aim of achieving reliability of financial and accounting information and full compliance with applicable laws and regulations. The internal controls over financial reporting are designed to provide assurance that the financial reporting does not contain any material inadequacies. The level of financial controls that have been established are considered by the General Partner to be adequate for the scale of the Company's and Reinet Fund's operations and their level of complexity.

Responsibility for investment risk and treasury risk is borne by the Board of the Fund Manager. The day-to-day treasury position is monitored by the Chief Executive Officer and the Chief Financial Officer and policy decisions in respect of the investment of cash resources are taken by the Board of the Fund Manager.

Investment decisions are the responsibility of the Fund Manager, acting on the advice of the Investment Advisor.

The Company is subject to financial risks, certain of which are discussed in note 5 to the consolidated financial statements on page 58 of this report.

INFORMATION POLICY

The Company reports to shareholders in accordance with the requirements of Luxembourg law and the guidance provided by the Luxembourg Stock Exchange and the Commission de Surveillance du Secteur Financier ('CSSF'). The annual report is the principal source of financial and business information for shareholders. The Company's preliminary announcement of the results for the financial year is usually issued in May each year. In addition to the annual report, Reinet publishes its half-yearly financial report in November as well as interim management statements in July and January covering the Company's performance during the first and third quarters, respectively, of the financial year. Ad hoc news announcements are made in respect of matters which the Company considers to be of significance to shareholders, in accordance with the specific guidelines laid down by the Luxembourg Stock Exchange and the CSSF.

The annual audited and half-yearly unaudited financial reports are distributed to all parties who have asked to be placed on the Company's mailing list and to registered holders of DRs. Investors may request electronic notification that such reports have been published on the Company's website.

All news announcements are distributed by e-mail. Shareholders and other interested parties may ask to be included on the distribution list by contacting the Company Secretary at the Company's registered office or by e-mail (info@reinet.com) or by registering on the Company's website (http://www.reinet.com/investor-relations/company-announcements.html).

MANAGEMENT REPORT

CORPORATE GOVERNANCE
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Copies of the annual audited and half-yearly unaudited financial reports, the preliminary announcement, trading statements and ad hoc press releases may also be downloaded from the Reinet website. Copies of the Statutes of the Company, together with the report on Corporate Governance, are also available on the website.

In addition, the Company publishes the Fund's Net Asset Value statements. Following a change in the Fund's prospectus, which was approved by the CSSF on 18 October 2012, these Net Asset Value statements will be published within 20 business days of the end of each calendar quarter. These statements are also available on the Company's website www.reinet.com.

Statutory and regulatory announcements are filed with the CSSF, published on the Company's website and made available to the Luxembourg Stock Exchange.

AUDITORS
The statutory and consolidated financial statements of the Company for the accounting year ended 31 March 2014 were audited by PricewaterhouseCoopers Société coopérative, Réviseur d'entreprises agréé, Luxembourg. PricewaterhouseCoopers falls to be reappointed by the General Partner in accordance with the terms of the Securitisation Law.

SUSTAINABILITY
For businesses to be successful, it is not sufficient to focus solely on the single bottom line of profitability at all costs. Rather, businesses are expected to meet the needs of all stakeholders – shareholders, employees, business partners, local communities, the global community and the environment. It is imperative for businesses to work responsibly, recognising that the world's resources are finite and that we all have a role to play in their conservation. Initiatives to reduce carbon dioxide emissions, reduce water usage and minimise emissions are to be welcomed.

Investors such as Reinet have a role to play by seeking out companies which do act responsibly and avoiding those which do not. Reinet's investment criteria reflect our concerns; we look for responsible management in businesses which take account of their stakeholders' interests, treat their employees fairly and respect the environment. A large proportion of Reinet's smaller investments (excluding the significant holding in BAT) are financial in nature being either in investment funds or investment advisory and management activities. By their nature, such operations have a minimal direct environmental impact.

Reinet's business philosophy is to find investments that offer long-term growth potential. Reinet's long-term investment philosophy minimises the risk of businesses in which we invest taking short-cuts to achieve 'quick-fix' returns. That logic applies to our partners as well. Reinet does not want to invest in businesses which do not share our goals and values. BAT is a good example of a company which has built a reputation for being a good corporate citizen within the industry in which it operates, whilst growing its business and consistently improving profitability.

In some cases – notably the co-investment in Jagersfontein and Vanterra C Change TEM – Reinet is making an investment in projects which we expect will have positive, direct benefits for communities and the environment. Other investments, for example certain of those held through the NanoDimension funds, are exploring the use of new technologies to create new drugs or to improve the mechanisms for the delivery of drugs, targeting the site of the problem within the body and reducing side-effects.

As an investment vehicle, Reinet does not have any operations or staff of its own. It is managed by Reinet Investments Manager S.A. and Reinet Fund Manager S.A., whose teams are based in Luxembourg.

THE UNITED STATES' FOREIGN ACCOUNT TAX COMPLIANCE ACT

The United States' Foreign Account Tax Compliance Act ('FATCA') will impose reporting and other requirements on payers and recipients of certain categories of income beginning on 1 July 2014. Non-US entities which do not comply with FATCA may be subject to withholding tax on certain categories of income. The US Department of the Treasury and the Government of Luxembourg signed an intergovernmental agreement on 28 March 2014, which will simplify the Company and the Fund's obligations under FATCA. The Company and its controlled affiliates intend to comply with FATCA, and where relevant, will register as participating foreign financial institutions or as compliant under an intergovernmental agreement.

Under FATCA, the Company or its affiliates may be required to report to the US Internal Revenue Service ('IRS'), directly or through foreign government agencies cooperating with the IRS, information about financial transactions made by US taxpayers and other specified entities or individuals, and could impose withholding, documentation and reporting requirements on such transactions. Full implementation of FATCA will be phased in over a multi-year period. The additional administrative requirements of FATCA may result in increased compliance costs and could have an adverse effect on the business, investments and results of operations of the Fund and the Company.

ARTICLE 11 OF THE LUXEMBOURG LAW ON TAKEOVER BIDS OF 19 MAY 2006

Reinet publishes the following detailed information as required by Article 11 (1) of the law of 19 May 2006 on takeover bids.

CAPITAL STRUCTURE OF THE COMPANY

Reinet has issued two classes of shares, namely management shares and ordinary shares. The ordinary shares are split between those which are held in the form of shares listed on the Luxembourg Stock Exchange and those held in the form of DRs which trade in the ratio of ten DRs to each Company share and are listed on the Johannesburg Stock Exchange.

The Company has an authorised share capital of € 1 123 302 000 represented by 999 999 000 ordinary shares and 1 000 management shares.

At 31 March 2014, the Company had 195 941 286 ordinary shares and 1 000 management shares of no par value in issue.

The ordinary shares confer on the shareholder the entitlement to participate in and to vote at meetings of shareholders, with each share carrying the right to one vote. Each share also entitles each shareholder to receive a proportionate share of any dividend that the Company may declare and a proportionate share of the net assets of the Company on liquidation. The liability of shareholders is limited to the amount of their investment in the Company. The ordinary shares are listed on the Luxembourg Stock Exchange.

The management shares confer the same rights with regard to voting, dividends and the distribution of assets on liquidation as the ordinary shares. In addition, as holder of management shares, the General Partner has broad powers to manage the Company and has unlimited liability for any obligations of the Company that cannot be met out of the assets of the Company. The management shares are not listed.

Holders of DRs issued by Reinet Securities SA are not entitled to attend the shareholders' meetings of the Company or to vote in person. Rather, DR holders are canvassed as to their voting instructions by Reinet Securities SA, which then represents the holders as their proxy at shareholders' meetings.

MANAGEMENT REPORT

CORPORATE GOVERNANCE
CONTINUED

RESTRICTIONS ON THE TRANSFER OF SECURITIES

The ordinary shares are freely transferable. The Company and its shareholders must comply with the requirements of the Luxembourg law of 11 January 2008 on transparency requirements (the 'Transparency Law'), provided however that in addition to the thresholds set out in such law, each shareholder shall, in accordance with the Statutes of the Company, be liable to notify the Company of any acquisition or disposal if the proportion of the holding of shares held by him, whether directly and/or indirectly, including those that are deemed to be controlled by him in the circumstances contemplated by Article 9 of the Transparency Law, reaches, exceeds or falls below the threshold of 3 per cent, failing which the General Partner may disregard the voting rights attaching to the shares and certain restrictions may apply to such shareholdings in accordance with the terms of Article 10 of the Company's Statutes.

The management shares are transferable only to a successor or an additional manager with unlimited liability for the Company's financial liabilities.

SIGNIFICANT SHAREHOLDINGS

The details of significant shareholders within the meaning of Directive 2004/109/EC are given on page 39 of this report.

SEPARATE CLASSES OF SECURITIES

The management shares held by the General Partner confer the same rights with regard to voting, dividends and the distribution of assets on liquidation as the ordinary shares. In addition, as holder of management shares, the General Partner shall have broad powers to manage the Company. The General Partner will have unlimited liability for any obligations of the Company that cannot be met out of the assets of the Company.

SHARES HELD IN RESPECT OF SHARE INCENTIVE SCHEMES FOR EMPLOYEES OF THE GENERAL PARTNER, FUND MANAGER AND INVESTMENT ADVISOR

The Investment Advisor owns 995 850 ordinary shares of the Company as at 31 March 2014. These shares have been acquired to hedge share appreciation rights and related awards to key executives. Until the rights awarded under these schemes may be exercised by the employees concerned, the voting rights on these shares may be exercised by the Investment Advisor.

VOTING RIGHTS AND SHAREHOLDER MEETINGS

Each issued share represents one vote. The rights of a shareholder to participate in a general meeting and to vote in respect of his shares shall be determined with respect to the shares held by the shareholder on the 14th day prior to the general meeting, as required by Luxembourg law. Further information is set out on page 40 of this report.

SHAREHOLDER AGREEMENTS AND TRANSFER RESTRICTIONS

There are no agreements between shareholders which are known to the Company. The Company is not aware of any agreements which may result in restrictions on the transfer of securities or voting rights.

RULES GOVERNING THE APPOINTMENT OF THE GENERAL PARTNER AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

The Company has no executive management or employees. In accordance with Luxembourg law, the management of the Company is carried out by the General Partner, the unlimited shareholder of the Company, which has been designated as such in the Statutes.

The replacement of the General Partner or the appointment of additional managers requires an amendment to the Statutes at an extraordinary general meeting of shareholders to be held before a public notary at which at least one half of the capital is represented; resolutions must be approved by at least two-thirds of the votes of the shareholders present or represented.

Any proposal to amend the Statutes shall be considered and approved by an extraordinary general meeting of shareholders. At any such meeting, the shareholders may only validly deliberate if the quorum required by the law is satisfied. Resolutions shall be passed by at least two-thirds of the votes cast, provided that no resolution at any extraordinary general meeting of shareholders shall be validly passed unless approved by the General Partner, unless otherwise provided by law. In that respect it is to be noted that no decision of the General Partner on behalf of the Company in respect of the exercise by the Company of any power to amend the Statutes shall be valid unless approved by the Board of Overseers.

POWERS OF THE GENERAL PARTNER

The General Partner is vested with the broadest powers to perform all acts of administration in compliance with the Company's corporate objects set out in the Statutes except for matters expressly reserved by Luxembourg law or the Statutes to be approved by the general meeting of shareholders. Certain decisions of the General Partner must be approved by the Board of Overseers.

The General Partner has authority to purchase, acquire or receive in the name of the Company, shares in the Company up to 10 per cent of the issued share capital, from time to time, over the stock exchange or in privately negotiated transactions or otherwise.

SIGNIFICANT AGREEMENTS

There are no significant agreements to which the Company is a party and which take effect, alter or terminate upon a change of control of the Company following a takeover bid.

AGREEMENTS WITH DIRECTORS AND EMPLOYEES

The Company is managed by the General Partner and itself has no directors, executive management or employees. Details of the agreements with the General Partner, the Fund Manager and the Investment Advisor are set out on pages 36 to 38 of this report.

APPROVAL

The General Partner, represented by Alan Grieve, its Chief Executive Officer and Diane Longden, its Chief Financial Officer, confirms that, to the best of its knowledge:

1. The consolidated financial statements have been prepared in accordance with IFRS as adopted by the European Union and give a true and fair view of the consolidated assets, liabilities, financial position and profit of the Company and its subsidiaries taken as a whole;
2. This report includes a fair review of the development and performance of the business and position of the Company and its subsidiaries taken as a whole, together with a description of the principal risks and uncertainties that they face.

The consolidated financial statements for the year ended 31 March 2014 on pages 48 to 80 of this report were approved by the Board of the General Partner and signed on its behalf by Alan Grieve and Diane Longden.

Alan Grieve	**Diane Longden**
Chief Executive Officer	Chief Financial Officer

Reinet Investments Manager S.A.

General Partner

13 May 2014

REPORT OF THE BOARD OF OVERSEERS

Pursuant to Articles 103 and 62 of the Luxembourg company law and Article 18 of the Statutes of the Company, we hereby report to the shareholders' meeting in respect of the accounting year ended 31 March 2014 and the financial statements prepared for such period.

The statutory and consolidated financial statements of the Company have been audited by the Réviseur d'entreprises agréé, PricewaterhouseCoopers Société coopérative, Luxembourg, in accordance with international standards on auditing. The audit reports on the statutory and consolidated financial statements of the Company are presented on page 88 and page 81 of this report, respectively.

We refer to those statutory and consolidated financial statements, which we have reviewed and discussed with the Réviseur d'entreprises agréé, and we are of the opinion that these provide a true and fair view of the financial situation of the Company.

During the period referred to above, we have been kept fully informed by the Board of Directors of the General Partner about developments in the Company.

The Board of Overseers recommends that the statutory and consolidated financial statements of the Company be presented to the Annual General Meeting of shareholders of the Company to be approved.

The Board of Overseers

Reinet Investments S.C.A.

8 May 2014

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The Company has determined that it meets the definition of an investment entity under International Financial Reporting Standards ('IFRS') 10. As a result, the Company has changed its accounting policy with respect to its consolidation of investments in its subsidiaries. The subsidiaries are now consolidated in the fair value of Reinet Fund, which is disclosed as one line item in the consolidated balance sheet and elsewhere in the consolidated financial statements as 'financial assets held at fair value through profit or loss'. The consolidated net asset value ('NAV'), income and cash flow statements are, however, disclosed in the business overview as in prior years.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET(1)

	Note	31 March 2014 € m	31 March 2013 € m	1 April 2012 € m
ASSETS				
Non-current assets				
Financial assets held at fair value through profit or loss	*4, 5*	4 123	4 029	3 653
Total assets		4 123	4 029	3 653
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	*9*	**220**	220	220
Share premium		**770**	770	770
Non-distributable reserve	*10*	**22**	22	22
Retained earnings		**3 103**	3 011	2 637
Total equity		4 115	4 023	3 649
LIABILITIES				
Current liabilities				
Amounts to affiliated undertakings				
– becoming due and payable after less than one year	*11*	8	6	4
Total liabilities		8	6	4
Total equity and liabilities		4 123	4 029	3 653

Net asset value per ordinary share	**21.00**	20.53	18.62

(1) Following the early adoption of IFRS 10 as per note 2, comparative amounts have been restated in accordance with the transition guidance. Refer to note 7 for details of the restatements made to each financial statement line item for the comparative period.

The notes on pages 52 to 80 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME[1]

	Note	Year ended 31 March 2014 € m	Year ended 31 March 2013 € m
Income			
Net change in the fair value of financial assets at fair value through profit or loss	*4*	94	376
Total income		94	376
Expenses			
Operating expenses		2	2
Total expenses		2	2
Profit for the year		92	374
Earnings per share from profit for the year			
– basic and diluted	*13*	**€ 0.47**	€ 1.91

(1) Following the early adoption of IFRS 10 as per note 2, comparative amounts have been restated in accordance with the transition guidance. Refer to note 7 for details of the restatements made to each financial statement line item for the comparative period.

The notes on pages 52 to 80 are an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY[1]

	Attributable to owners of the parent			
	Equity holders' capital € m	Non-distributable reserve € m	Retained earnings € m	Total € m
Balance at 31 March 2012	990	22	2 637	3 649
Profit attributable to the shareholders	–	–	374	374
Balance at 31 March 2013	990	22	3 011	4 023
Profit attributable to the shareholders	**–**	**–**	**92**	**92**
Balance at 31 March 2014	**990**	**22**	**3 103**	**4 115**

(1) Following the early adoption of IFRS 10 as per note 2, comparative amounts have been restated in accordance with the transition guidance.

The notes on pages 52 to 80 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT[1]

	Year ended 31 March 2014 € m	Year ended 31 March 2013 € m
Cash flows from operating activities		
Operating expenses paid	(2)	(2)
Net cash from/(used in) operating activities	(2)	(2)
Cash flow from financing activities		
Proceeds from amounts owed to affiliated undertakings	2	2
Net cash (used in)/from financing activities	2	2
Net increase in cash and cash equivalents	–	–
Cash and cash equivalents at beginning of the year	–	–
Cash and cash equivalents at end of the year	–	–

(1) Following the early adoption of IFRS 10 as per note 2, comparative amounts have been restated in accordance with the transition guidance.

The notes on pages 52 to 80 are an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1 STATUS

Reinet Investments S.C.A. (the 'Company') is established in Luxembourg as a partnership limited by shares *(société en commandite par actions)* and is governed by the Luxembourg law on Securitisation. The registered office is at 35, boulevard Prince Henri, L-1724 Luxembourg.

The Company is managed by Reinet Investments Manager S.A. (the 'General Partner'), a limited liability company established in Luxembourg, which also owns 1 000 management shares in the Company. The General Partner is liable for any obligations of the Company that cannot be met out of the assets of the Company. The registered office is at 35, boulevard Prince Henri, L-1724 Luxembourg.

The Company owns the entire ordinary share capital of Reinet Fund S.C.A., F.I.S. ('Reinet Fund' or 'the Fund'), a specialised investment fund established as a partnership limited by shares *(société en commandite par actions)* under the laws of Luxembourg.

Reinet Fund is managed by Reinet Fund Manager S.A. (the 'Fund Manager'), a limited liability company established in Luxembourg, which also owns 1 000 management shares in the Fund. The Fund Manager is the general partner in the Fund and is liable for any obligations of the Fund that cannot be met out of the assets of the Fund. The address of its registered office is 35, boulevard Prince Henri, L-1724 Luxembourg.

Reinet Fund's objective is to generate long-term capital growth. It aims to achieve this objective by investing over time in a diversified portfolio of securities. The Fund may also seek partners with whom it may co-invest. The Fund is advised by Reinet Investment Advisors Limited (the 'Investment Advisor') under the terms of the Investment Advisory Agreement.

1.2 SECURITIES LISTINGS AND TRADING

The Company's shares are listed and traded on the Luxembourg Stock Exchange. In addition, Reinet Securities SA, acting on behalf of the Company, has issued Reinet South African Depository Receipts ('DRs'), which are traded on the stock exchange operated by the JSE Limited ('JSE') in Johannesburg. DRs trade in the ratio of 10 DRs to each Reinet Investments S.C.A. share.

1.3 APPROVAL OF THESE FINANCIAL STATEMENTS

These consolidated financial statements have been approved by the Board of Overseers on 8 May 2014 and by the Board of Directors of the General Partner on 13 May 2014.

2. INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company applies International Financial Reporting Standards ('IFRS') as endorsed by the European Union ('EU'). As part of its ongoing programme, the International Accounting Standards Board ('IASB') has issued new or revised IFRS during the period covered by these financial statements.

(a) New standards and amended standards adopted in the year:

The Company has early adopted IFRS 10, *Consolidated financial statements*, IFRS 11, *Joint arrangements*, IFRS 12, *Disclosure of interests in other entities*, IAS 27 (revised 2011), *Separate financial statements*, and IAS 28, *Investments in associates and joint ventures*, and has applied the transition guidance amendments to IFRSs 10, 11 and 12, all effective 1 January 2013 and endorsed by the EU 1 January 2014. The Company has early adopted the Investment Entities amendments to IFRS 10, IFRS 12 and IAS 27 (the 'Amendments') which are effective 1 January 2014.

IFRS 10, *Consolidated financial statements* and Amendments to IFRS 10. The objective of IFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements. It sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. It also sets out the accounting requirements for the preparation of consolidated financial statements. The amendments to IFRS 10 define an investment entity and introduce an exception from the consolidation requirements for investment entities.

2. INTERNATIONAL FINANCIAL REPORTING STANDARDS CONTINUED

The Company has determined that it meets the definition of an investment entity. As a result, the Company has changed its accounting policy with respect to its investments in its subsidiaries. The subsidiaries, which were previously consolidated, are included in the fair value of Reinet Fund. The Company's investment in Reinet Fund is accounted for at fair value through profit or loss. This change in accounting policy has been applied retrospectively in accordance with the transition provisions of IFRS 10 and the Amendments to IFRS 10.

The transition provisions require retrospective application in accordance with IAS 8. However, they specify that an entity need only present the quantitative information required by paragraph 28(f) of IAS 8 for the annual period immediately preceding the date of initial application. Comparative amounts have been restated in accordance with the transition guidance. Refer to note 7 for details of the restatements made to each financial statement line item for the comparative period.

IFRS 11, *Joint arrangements*, and IAS 28, *Associates and joint ventures*, and related amendments have also been early adopted, however, these standards have had no impact on the Company.

IFRS 12, *Disclosure of interests in other entities* and amendments to IFRS 12: The standard requires entities to disclose significant judgements and assumptions made in determining whether the entity controls, jointly controls, significantly influences or has some other interests in other entities. The amendments also introduce new disclosure requirements related to investment entities. Adoption of the standard has impacted the Company's level of disclosures in certain of the above noted areas, but has not impacted the Company's financial position or results of operations.

IFRS 13, *Fair value measurement* – effective for financial reporting periods commencing on or after 1 January 2013. IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS. The Company has reviewed the reporting requirements of IFRS 13 and it does not have any impact on reported amounts, however additional note disclosures are required in the notes to the financial statements.

IAS 1 (Amendment), *Financial statement presentation* regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The Company has reviewed the reporting requirements of this amendment and concluded that it does not have any impact on reported amounts or disclosures for the year in the statement of comprehensive income.

IAS 27 (revised 2011), *Separate financial statements* and amendments to IAS 27: The objective of the standard is to prescribe the accounting and disclosure requirements when an entity prepares separate financial statements.

There were no other new standards and amended standards that were effective for the year beginning 1 April 2013 that had a significant effect on the financial statements of the Company.

(b) New standards, amendments and interpretations issued but not effective for the year beginning 1 April 2013 and not early adopted:

Certain new accounting standards issued by the IASB and new interpretations issued by the International Financial Reporting Interpretations Committee are not yet effective and have not been applied in preparing these consolidated financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements insofar as they relate to the Company's ongoing activities are set out below. These policies have been consistently applied to both periods presented, unless otherwise stated.

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

3.1 BASIS OF PREPARATION

The financial statements are prepared in accordance with IFRS as issued by the IASB and adopted by the EU.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the General Partner to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 6.

3.2 INVESTMENT ENTITY AND SUBSIDIARIES

3.2.1 Investment entity

The Company has multiple investors and owns the entire ordinary share capital of Reinet Fund.

The Company is exposed to variable returns from changes in the fair value of Reinet Fund's net assets. The Company has been deemed to meet the definition of an investment entity. Per IFRS 10, an investment entity is defined as an entity which meets the following conditions:

(a) The Company has obtained funds for the purpose of providing investors with investment management services;

(b) The Company's corporate object is to give shareholders exposure to underlying assets held by Reinet Fund by issuing shares which can be traded on the capital markets. The Company's policy to achieve its investment objective is to invest in the shares issued by Reinet Fund solely for returns from capital appreciation, investment income, or both; and

(c) The performance of investments made by Reinet Fund are measured and evaluated on a fair value basis.

Although the Company does not meet all of the typical characteristics of an investment entity (namely, the Company does not have multiple investments), the General Partner believes it is nevertheless an investment entity because it was formed with the purpose of holding investments through Reinet Fund.

The Fund Manager further deems Reinet Fund to also meet the definition of an investment entity, although the Fund does not meet all the typical characteristics of an investments entity (namely, having more than one investor). This further strengthens the General Partner's conclusion on classifying the Company as an investment entity, as the Fund and the Company are managed in an integrated manner. Where applicable, the notes to the consolidated financial statements give information at the level of the Fund and its subsidiaries.

3.2.2 Subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Company controls Reinet Fund through its 100 per cent holding of the ordinary shares of the Fund. The Company and the Fund operate as an integrated structure whereby the Company currently invests solely into the Fund. No subscriptions or redemptions were made during the year. As at 31 March 2014 and 31 March 2013 there were no capital commitment obligations and no amounts due to the Fund for unsettled purchases.

The change in fair value of the Fund is included in the statement of comprehensive income in 'Net change in the fair value of financial assets at fair value through profit or loss'.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3.3 FOREIGN CURRENCY TRANSLATION

3.3.1 Functional and presentation currency

The performance of the Company is measured and reported to the investors in euros. The General Partner considers the euro as the currency which is most appropriate for the representation of the Company's results. The financial statements are presented in euros. The euro is the Company's functional and presentation currency.

3.3.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the balance sheet date.

Where assets and liabilities are denominated in a currency other than the functional currency of the entity that holds such assets and liabilities, foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign exchange gains and losses relating to cash and cash equivalents are included in the statement of comprehensive income within 'Effect of exchange rate changes on cash and cash equivalents'.

Foreign exchange gains and losses relating to the financial assets carried at fair value through profit or loss are presented in the statement of comprehensive income within 'Net change in the fair value of financial assets at fair value through profit or loss'.

3.4 SEGMENT REPORTING

The Company's only segment is considered its investment in the Fund. Segments are reported in a manner consistent with the internal reporting provided in respect of the Fund to the Fund Manager. The Fund Manager is the chief operating decision maker and is responsible for allocating resources and assessing performance of the segments.

3.5 NON-IFRS DISCLOSURES

In the reporting of financial information, the Company uses certain measures that are not required under IFRS.

Due to the secondary listing of the ordinary shares of Reinet Investments S.C.A. on the exchange operated by the JSE in South Africa, the Company is required to present 'headline' earnings per share and diluted 'headline' earnings per share, as alternative measures of earnings per share, calculated in accordance with Circular 2/2013 'Headline Earnings' issued by the South African Institute of Chartered Accountants. This is presented on page 75.

3.6 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

3.6.1 Classification

The Company classifies its investment in Reinet Fund as a financial asset held at fair value through profit or loss within the following sub-category: *Financial assets and liabilities designated at fair value through profit or loss at inception.* Financial assets designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Company's investment strategy.

The Company's policy requires the Fund Manager to evaluate the information about Reinet Fund's financial assets and liabilities on a fair value basis together with other related financial information.

Current assets are those which are expected to fall due, be receivable or realised within 12 months from the balance sheet date. Long-term assets are those where no realisation is currently expected within a 12-month time period from the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3.6.2 Recognition, derecognition and measurement

Regular purchases and sales of investments are recognised on the trade date – the date on which the Company commits to purchase or sell the investment. Financial assets held at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership. Where the Company is in the process of restructuring the ownership of an asset, amounts which are to be sold to third parties and where a signed contract of sale exists, are included as assets held for sale.

Subsequent to initial recognition, financial assets held at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets held at fair value through profit or loss category are presented in the statement of comprehensive income within 'Net change in the fair value of financial assets at fair value through profit or loss' in the period in which they arise.

Dividend income from financial assets held at fair value through profit or loss is recognised in the statement of comprehensive income within 'Dividend and other investment income' when the Company's right to receive payments is established.

3.6.3 Fair value estimation

The net asset value of Reinet Fund is determined by the Fund Manager. The General Partner considers the net asset value of the Fund as determined by the Fund Manager, according to the principles outlined in the next paragraph, to be the best estimate of fair value.

In calculating the fair value of Reinet Fund, the fair value of financial assets traded in active markets (such as publicly traded securities) are based on quoted market prices at the balance sheet date. The quoted market price used for financial assets is the closing bid price. The fair value of financial assets that are not traded in an active market is determined by the Fund Manager using valuation techniques in accordance with European Private Equity and Venture Capital Association guidelines. The Fund Manager uses a variety of valuation methods in each case considered to be most appropriate to the assets concerned. Where necessary, valuations are obtained by the Fund Manager from third-party experts to support the valuations being used in the financial statements. Valuation techniques used include the use of comparable recent arm's-length transactions, reference to other instruments that have substantially the same characteristics, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs. For recent investments in unquoted investments, cost may be considered to be the best estimate of fair value (in accordance with the International Private Equity and Venture Capital Association guidelines issued in December 2012), for a limited period after the date of the transaction and in the absence of any indications to the contrary.

3.7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

3.8 RECEIVABLES

Receivables are carried at fair value.

3.9 ACCRUED EXPENSES

Accrued expenses are recognised at fair value.

3.10 TAXATION

The Company is registered in Luxembourg and is subject to corporate tax as determined by Luxembourg law.

The Fund may incur withholding taxes imposed by certain countries on investment income and capital gains. Such tax on income or gains is recorded within the fair value of the Company's investment in the Fund.

4. FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 March 2014 € m	31 March 2013 € m
Financial assets held at fair value through profit or loss – non-current:		
– Unlisted investments – Reinet Fund S.C.A., F.I.S.	4 123	4 029
Total financial assets at fair value through profit or loss	4 123	4 029

	31 March 2014 € m	31 March 2013 € m
Net changes in fair value on financial assets at fair value through profit or loss:		
– Realised	–	–
– Unrealised	94	376
Total gains	94	376

The investment held is in Reinet Fund, which is considered to be a related party of the Company. Also refer to note 14 for related party disclosures.

The following table presents the movement of the investments held by Reinet Fund for the year ended 31 March 2014:

Assets held at fair value through profit or loss	Opening balance 1 April 2013 € m	Purchases/ (repayments) € m	Sale proceeds € m	Realised gains or (losses) in the year € m	Movement in unrealised gains or (losses) in the year(1) € m	Closing balance 31 March 2014 € m
Listed investments						
British American Tobacco p.l.c. ('BAT')	3 317	–	(212)	108	(216)	2 997
– shares sold during the year	209	–	(212)	108	(105)(2)	–
– shares held at year-end	3 108	–	–	–	(111)	2 997
Unlisted investments						
Pension Corporation	134	262	–	–	152	548
Trilantic Capital Partners private equity funds and related management companies	163	21	(16)	5	37	210
Renshaw Bay and related investments	75	50	–	–	3	128
36 South macro/volatility funds	83	–	–	–	(11)	72
Asian private equity and portfolio funds	92	17	–	–	(5)	104
Specialised private equity funds	136	13	–	–	(8)	141
US land development and mortgages	105	28	–	–	1	134
Jagersfontein and other diamond exploration interests	102	(20)	–	–	(6)	76
Other investments	30	9	(2)	1	(28)	10
	4 237	380	(230)	114	(81)	4 420
Cash and liquid funds	326					223
Other assets and liabilities	(534)					(520)
Total	4 029					4 123

(1) Unrealised gains or (losses) in the year includes interest income from investments.

(2) Reversal of unrealised gain on shares sold represents the unrealised gain as at 1 April 2013 on the 5 million BAT shares sold during the year.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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4. FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS CONTINUED

The following table presents the movement of the investments held by Reinet Fund for the year ended 31 March 2013:

Assets held at fair value through profit or loss	Opening balance 1 April 2012 € m	Purchases/ (repayments) € m	Sale proceeds € m	Realised gains or (losses) in the year € m	Movement in unrealised gains or (losses) in the year[(1)] € m	Closing balance 31 March 2013 € m
Listed investments						
British American Tobacco	3 190	–	(201)	98	230	3 317
– shares sold during the year	189	–	(201)	98	(86)[(2)]	–
– shares held at year-end	3 001	–	–	–	316	3 317
Unlisted investments						
Pension Corporation	–	111	–	–	23	134
Trilantic Capital Partners private equity funds and related management companies	149	29	(69)	42	12	163
Renshaw Bay and related investments	58	12	–	–	5	75
36 South macro/volatility funds	90	–	–	–	(7)	83
Asian private equity and portfolio funds	44	69	–	–	(21)	92
Specialised private equity funds	79	56	–	–	1	136
US land development and mortgages	95	9	–	–	1	105
Jagersfontein and other diamond exploration interests	82	20	–	–	–	102
Other investments	23	21	(1)	–	(13)	30
	3 810	327	(271)	140	231	4 237
Cash and liquid funds	368					326
Other assets and liabilities	(525)					(534)
Total	3 653					4 029

(1) Unrealised gains or (losses) in the year includes interest income from investments.

(2) Reversal of unrealised gain on shares sold represents the unrealised gain as at 1 April 2012 on the 5 million BAT shares sold during the year.

5. FINANCIAL RISKS

5.1 FINANCIAL RISK FACTORS

Due to the sole investment of the Company in Reinet Fund, the General Partner of the Company relies on the risk management procedures performed by the Fund Manager, and thus the risk management disclosures set out below are at the level of the Fund.

The Company, through its investment in the Fund, is exposed to a variety of financial risks including market risk (ie currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Fund Manager seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on financial performance. Reinet Fund's policy allows it to use derivative financial instruments to both moderate and create certain risk exposures. All securities investments present a risk of loss of capital. The management of these risks is carried out by the Fund Manager.

The Fund will use different methods to measure and manage the various types of risk to which it is exposed; these methods are explained on the following pages. There have been no changes in the methods used in the year under review.

5. FINANCIAL RISKS CONTINUED

5.1.1 MARKET RISK

Reinet Fund – Financial assets and liabilities subject to market risks

31 March 2014	Total € m	Price risk € m	Foreign exchange risk € m	Interest rate risk € m
Assets				
Listed equity securities	2 997	2 997	2 997	–
Unlisted equity securities and funds	1 242	1 242	1 055	–
Loans and interest receivable	181	–	173	181
Derivative financial instruments	3	–	3	–
	4 423	4 239	4 228	181
Cash and cash equivalents	223	–	200	–
Total assets	4 646	4 239	4 428	181
Liabilities				
Derivative financial instruments	(16)	(16)	(16)	(16)
Funding from minority partners	(19)	–	(19)	(19)
Borrowings	(420)	–	(420)	(420)
	(455)	(16)	(455)	(455)
Other assets and liabilities	(68)	–	(27)	–
Total liabilities	(523)	(16)	(482)	(455)
Total investment in Reinet Fund	4 123			

31 March 2013	Total € m	Price risk € m	Foreign exchange risk € m	Interest rate risk € m
Assets				
Listed equity securities	3 318	3 318	3 318	–
Unlisted equity securities and funds	731	731	556	–
Loans and interest receivable	188	–	177	188
Derivative financial instruments	4	–	4	–
	4 241	4 049	4 055	188
Sterling liquidity fund	62	–	62	62
Cash and cash equivalents	264	–	233	–
Total assets	4 567	4 049	4 350	250
Liabilities				
Derivative financial instruments	(15)	(15)	(15)	(15)
Funding from minority partners	(21)	–	(21)	(21)
Borrowings	(435)	–	(435)	(435)
	(471)	(15)	(471)	(471)
Other assets and liabilities	(67)	–	(11)	–
Total liabilities	(538)	(15)	(482)	(471)
Total investment in Reinet Fund	4 029			

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

5. FINANCIAL RISKS CONTINUED

5.1.1.1 Price risk

Reinet Fund is exposed to price risk. This arises from the investments held by the Fund for which prices in the future are uncertain. The fair value of listed securities is dependent upon stock exchange movements which are determined by the market's expectations reflecting interest rates, sentiment, volatility, currency and other factors both specific to each investment and those affecting the market as a whole. Investments in venture capital and start-up projects will also tend to have higher price volatility than more mature investments.

Where non-monetary financial instruments are denominated in currencies other than the euro, the price initially expressed in foreign currency and then converted into euros will also fluctuate because of changes in foreign exchange rates. Note 5.1.1.2 'Foreign exchange risk' sets out how this component of price risk is managed and measured.

The Fund's policy is to manage price risk through diversification and selection of securities and other financial instruments. It is expected that this diversification policy will be implemented on a measured basis, over a period of time.

At 31 March 2014, the Fund's exposure to price risk in respect of long-term assets and liabilities was as follows:

	31 March 2014 € m	31 March 2013 € m
Listed equity securities		
– BAT	2 997	3 317
– others	–	1
Unlisted equity securities and funds		
– Pension Corporation	548	134
– others	694	597
	4 239	4 049
Derivative financial liabilities	(16)	(15)
Total exposure to price risk	4 223	4 034

During the years ended 31 March 2014 and 31 March 2013, the Fund's exposure to various industry sectors was principally in respect of its indirect investments held in BAT and Pension Corporation. This represented some 86 per cent of the net asset value of Reinet Fund as at 31 March 2014 (31 March 2013: 86 per cent).

5. FINANCIAL RISKS CONTINUED

The table below summarises the sensitivity of the Fund's assets to price movements as at 31 March 2014 and 31 March 2013.

The analysis is based on the assumption that prices would increase or decrease by 10 per cent with all other variables held constant. The 10 per cent change is based on the reasonable possible change in the fair value of the investments held in BAT and Pension Corporation shares as at 31 March 2014.

Effect of a 10 per cent increase in prices	**31 March 2014 € m**	31 March 2013 € m
Effect on equity securities and funds	424	405
Effect on derivative financial liabilities	(27)	(31)
Effect on net assets	397	374

Effect of a 10 per cent decrease in prices	**31 March 2014 € m**	31 March 2013 € m
Effect on equity securities and funds	(424)	(405)
Effect on derivative financial liabilities	24	27
Effect on net assets	(400)	(378)

The above analysis indicates that a 10 per cent increase or decrease in the value of the BAT shares underlying the derivative financial instruments will have a significant impact on the value of the derivative liability (please refer to note 5.1.3 for a detailed description of the derivative). The fair value of the derivative liability will generally move in the opposite direction to the movement in the underlying BAT shares.

5.1.1.2 Foreign exchange risk

Reinet Fund operates internationally and holds both monetary and non-monetary assets denominated in currencies other than the euro, primarily the US dollar, sterling and South African rand. Foreign currency risk, as defined in IFRS 7, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. The Fund Manager, however, monitors the exposure on all foreign currency denominated assets and liabilities, and hence, the table on page 62 has been analysed between monetary and non-monetary items to meet the requirements of IFRS 7.

Reinet Fund's policy is currently to minimise its exposure to monetary foreign exchange movements on liquid funds by holding such liquid funds in euros and sterling where there are corresponding sterling liabilities. That policy may change to reflect the Fund Manager's view as to the likely development of foreign exchange rates in the medium term or to take account of requirements for funds for investment purposes in currencies other than the euro. Where appropriate, Reinet Fund may enter into foreign exchange hedging transactions. During the year, Reinet Fund entered into forward exchange contracts to sell ZAR 890 million. The exposure to the South African rand and sterling has also been hedged by borrowings in these currencies.

When the Fund Manager formulates a view on the future direction of foreign exchange rates and the potential impact on the Fund, the Fund Manager factors that into its resource allocation decisions. While the Fund may have direct exposure to foreign exchange rate changes on the price of non-euro denominated securities, it may also be indirectly affected by the impact of foreign exchange rate changes on the earnings of certain companies in which it invests, most notably BAT and Pension Corporation. For that reason, the sensitivity analysis will not necessarily indicate the total effect on the Fund's net assets of future movements in foreign exchange rates.

Reinet Fund has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Where appropriate, borrowings in foreign currencies may be used as a natural hedge of foreign currency assets. Currency exposure arising from the net assets of the foreign operations is managed where considered necessary through borrowings denominated in the relevant foreign currencies.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

5. FINANCIAL RISKS CONTINUED

The table below summarises Reinet Fund's assets and liabilities by currency.

Concentration of assets and liabilities by currency

	GBP		EURO		USD		ZAR	
	2014 € m	2013 € m	2014 € m	2013 € m	2014 € m	2013 € m	2014 € m	2013 € m
Assets								
Monetary assets	**188**	285	**24**	31	**11**	10	**–**	–
Non-monetary assets	**3 613**	3 471	**198**	192	**535**	487	**77**	103
Liabilities								
Monetary liabilities	**390**	398	**41**	55	**44**	37	**31**	38
Non-monetary liabilities	**16**	15	**–**	–	**–**	–	**–**	–

The Fund Manager monitors Reinet Fund's foreign exchange exposure on a daily basis and the Board of the Fund Manager reviews it at each meeting.

The table below summarises the sensitivity of Reinet Fund's monetary assets and liabilities to changes in foreign exchange movements at 31 March 2014 and 31 March 2013. The analysis is based on the assumptions that the relevant foreign exchange rate increased/decreased by 5 per cent to the euro, with all other variables held constant. This increase or decrease in the net assets attributable to shareholders arises mainly from a change in the fair value of UK equities, notably the investments held in BAT and Pension Corporation, and other investments denominated in USD that are classified as financial assets held at fair value through profit or loss.

Movement in each currency against euro

	31 March 2014 Increase or decrease € m	31 March 2013 Increase or decrease € m
Sterling		
Monetary	**10**	15
US dollar		
Monetary	**0.5**	0.5

5.1.1.3 Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows. Reinet Fund holds fixed interest loans and has long-term borrowings that expose it to fair value interest rate risk.

As at 31 March 2014, Reinet Fund held financial assets with fixed interest rates amounting to € 125 million (31 March 2013: € 110 million) and with variable interest rates amounting to € 56 million (31 March 2013: € 78 million) together with the sterling liquidity fund of € nil (31 March 2013: € 62 million).

In respect of financial assets with variable interest rates, a movement in interest rates of 100 basis points, with all other variables held constant, would result in an impact on operating results of € 1 million at 31 March 2014 (31 March 2013: € 2 million).

Borrowings at variable rates expose Reinet Fund to cash flow interest rate risk, this is partly offset by cash and financial assets held at variable rates. Borrowings at variable rates amounted to € 30 million at 31 March 2014 (31 March 2013: € 37 million).

5. FINANCIAL RISKS CONTINUED

In respect of borrowings with variable interest rates, a movement in interest rates of 100 basis points, with all other variables held constant, would result in an impact on operating results of € 0.3 million at 31 March 2014 (31 March 2013: € 0.4 million).

Changes in interest rates affect the fair value of fixed interest financial assets and liabilities. A change in interest rates of 100 basis points would increase/decrease the fair value by € 7 million at 31 March 2014 (31 March 2013: € 15 million).

Reinet Fund may also be indirectly affected by the impact of interest rate changes on the earnings of its investments and the impact on the investment valuations that use interest rates as an input in the valuation model. The sensitivity analysis may not indicate the total effect on the movement in these interest rates.

The Fund Manager monitors Reinet Fund's overall interest rate sensitivity on a regular basis.

5.1.2 CREDIT RISK

Reinet Fund is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due.

The main credit risk to which Reinet Fund is exposed arises from bank deposits, bonds, loans to third parties and borrowings where Reinet Fund's assets are pledged in favour of a third party. Reinet Fund is also exposed to counterparty credit risk on other receivable balances.

Reinet Fund's policy to manage this risk is to place funds only with banks which have strong credit ratings.

The analysis below summarises the credit quality of Reinet Fund's bank deposits.

Banks by rating category (Moody's)

	31 March 2014		31 March 2013	
	€ m	%	€ m	%
Aa3	160	72	125	47
Baa1	–	–	139	53
Baa2	63	28	–	–
Total	223	100	264	100

In addition, Reinet Fund has the following investments and receivables that are exposed to credit risk:

	31 March 2014		31 March 2013	
	€ m	%	€ m	%
Loans to private equity interests at fair value	181	98	188	98
Derivative assets	3	2	4	2
Total	184	100	192	100

Investments in loans are reviewed periodically and impaired where necessary. The loans are neither rated nor listed.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

No amounts are currently considered to be impaired or past due.

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5. FINANCIAL RISKS CONTINUED

5.1.3 LIQUIDITY RISK

Liquidity risk is the risk that Reinet Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. The Fund Manager monitors the Fund's liquidity position on a daily basis.

In March 2011, a loan of ZAR 443.4 million was obtained from Rand Merchant Bank in South Africa. The loan is repayable in March 2018 but can be prepaid at any time without penalty from own resources at the Fund's option.

In February 2012, a loan of £ 300 million was obtained from Deutsche Bank, London. The loan is for a five-year period and secured by a pledge over a part of Reinet Fund's holding of BAT shares. In conjunction with the loan, a collar transaction was entered into with Deutsche Bank. The collar involved Reinet Fund purchasing a put option and selling a call option over BAT shares. The put option has an exercise price set at a level which will ensure the provision of funds to repay the borrowing. The net outstanding premium of € 32 million at 31 March 2014 (31 March 2013: € 42 million) in respect of the collar is also due to Deutsche Bank.

During the year under review, Reinet Fund put in place borrowing facilities which will permit it to draw down the equivalent of up to £ 300 million in a combination of currencies to fund further investment commitments. As at 31 March 2014, Reinet Fund had not drawn down on these facilities.

As at 31 March 2014, 32 per cent of Reinet Fund's invested assets are not actively traded on a stock exchange. Reinet Fund's listed investment in BAT is considered readily realisable as its shares are traded with significant daily volumes on the London Stock Exchange. During the year, Reinet Fund sold 5 million BAT shares at an average price of £ 35.88, generating sales proceeds of € 212 million; these proceeds are used to fund on-going obligations.

The table below shows the contractual undiscounted cash flows in respect of borrowings and interest thereon.

Payments due in year ended

	31 March 2014 € m	31 March 2015 € m	31 March 2016 € m	31 March 2017 € m	31 March 2018 € m
As at 31 March 2014					
Borrowings ZAR 443.4 million	–	2	2	2	32
Borrowings GBP 300 million	–	17	17	379	–
As at 31 March 2013					
Borrowings ZAR 443.4 million	3	3	3	3	39
Borrowings GBP 300 million	17	17	17	372	–

As at 31 March 2014, Reinet Fund has a derivative financial liability in the amount of € 16 million in respect of the collar financing transaction with Deutsche Bank. Reinet Fund sold a call over 13.7 million BAT shares with an average strike price of £ 37.88. As the BAT share price increases towards the strike price the value of the derivative liability increases, however the BAT shares can only be called on maturity in 2017 at which time Reinet Fund would have the option to settle in BAT shares or in cash.

5. FINANCIAL RISKS CONTINUED

5.2 CAPITAL RISK MANAGEMENT

The Company's principal objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the development of its investment activities.

Capital is comprised of share capital, share premium, non-distributable reserves and retained earnings.

Reinet Fund is required to maintain its net asset value (capital) in excess of € 1 billion in respect of its borrowing from a bank. Reinet Fund is not subject to any other externally imposed capital requirements.

There have been no changes in capital in the year other than profits generated in the ordinary course of business.

During the year Reinet Fund complied with the above requirement and reported a net asset value of € 4 123 million as at 31 March 2014 (31 March 2013: € 4 029 million).

5.3 FAIR VALUE ESTIMATION

The Company and Reinet Fund has established a control framework with respect to the measurement of fair values. This includes a valuation role that is responsible for co-ordinating all significant fair value measurements, including level 3 fair values, and reports directly to the Chief Financial Officer ('CFO').

Where necessary, independent external valuation experts may be engaged to assist in the assessment of the fair value of those investments where market observable data is limited.

A review is carried out of all fair values based on latest available financial information on a quarterly basis. The CFO reviews significant unobservable inputs and valuation adjustments.

Consideration is also given to the classification of each investment into the fair value hierarchy to reflect the level of judgement involved in estimating fair values. Where a transfer between levels is required in the reporting period, the transfer is deemed to have occurred at the beginning of the reporting period.

All investment valuations, including significant valuation issues are reported to the Board of Overseers and Board of the Fund Manager and General Partner on a quarterly basis.

In accordance with IFRS 13 the Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

– Quoted prices (unadjusted) in active markets for identical assets (level 1);

– Inputs other than quoted prices included within level 1 that are observable for the asset, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and

– Inputs for the assets that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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5. FINANCIAL RISKS CONTINUED

The following table analyses, within the fair value hierarchy, the Company's financial assets and liabilities measured at fair value at 31 March 2014 and 31 March 2013:

	Level 1 € m	Level 2 € m	Level 3 € m	Total € m
31 March 2014				
Assets				
Financial assets designated at fair value through profit or loss:				
– Investment in Reinet Fund	–	–	4 123	4 123
Total financial assets	–	–	4 123	4 123
31 March 2013				
Assets				
Financial assets designated at fair value through profit or loss:				
– Investment in Reinet Fund	–	–	4 029	4 029
Total financial assets	–	–	4 029	4 029

The Company had no transfers between level 2 and level 3 during the year.

The following table presents the movement in level 3 investments for the Company for the years ended 31 March 2014 and 31 March 2013:

	31 March 2014 € m	31 March 2013 € m
Opening balance	4 029	3 653
Gains and losses recognised in profit or loss	94	376
Closing balance	4 123	4 029

The following table analyses, within the fair value hierarchy, the Fund's financial assets and liabilities measured at fair value at 31 March 2014:

	Level 1 € m	Level 2 € m	Level 3 € m	Total € m
Assets				
Financial assets designated at fair value through profit or loss:				
– Equity securities and funds	2 997	171	1 071	4 239
– Loans	–	–	181	181
Derivative financial instruments	–	3	–	3
Total financial assets	2 997	174	1 252	4 423
Liabilities				
Derivative financial instruments	–	(16)	–	(16)
Borrowings	–	(420)	–	(420)
Total financial liabilities	–	(436)	–	(436)
Net financial assets				3 987
Non-financial assets/(liabilities)				136
Reinet Fund net asset value				4 123

5. FINANCIAL RISKS CONTINUED

The following table analyses, within the fair value hierarchy, the Fund's financial assets and liabilities measured at fair value at 31 March 2013:

	Level 1 € m	Level 2 € m	Level 3 € m	Total € m
Assets				
Financial assets designated at fair value through profit or loss:				
– Liquidity funds	62	–	–	62
– Equity securities and funds	3 318	176	555	4 049
– Loans	–	–	188	188
Derivative financial instruments	–	4	–	4
Total financial assets	3 380	180	743	4 303
Liabilities				
Derivative financial instruments	–	(15)	–	(15)
Borrowings	–	(435)	–	(435)
Total financial liabilities	–	(450)	–	(450)
Net financial assets				3 853
Non-financial assets/(liabilities)				176
Reinet Fund net asset value				4 029

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities. Reinet Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable input, as well as open-ended funds, are classified within level 2. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. Level 3 instruments include the Company's investment in the Fund, which in turn includes investments in unlisted equities, private equity funds and loans. As observable prices are not available for these investments, Reinet Fund has used fair values obtained from audited statements provided by fund managers. valuations obtained from third-party experts using appropriate valuation methods and discounted cash flow analyses to derive fair values.

As noted in 5.1.1.1 Reinet Fund holds shares in BAT. BAT shares are listed on the London Stock Exchange and movements in the share price could have a significant effect on the value of Reinet Fund.

Sensitivity of level 3 investments

Level 3 valuations are reviewed on a regular basis by the Board of Overseers, who consider the appropriateness of the valuation models used, as well as the results using various valuation techniques generally recognised as standard within the fund industry.

Unobservable inputs and the resulting estimated fair values are based on the best information available at each reporting date. Changes in fair values due to updated inputs and new information will be recorded in the period in which they occur. Given the nature of the investments and their underlying risks and uncertainties there is a wide range of potential outcomes in respect of these estimated fair values which may vary significantly from the fair value figures presented.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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5. FINANCIAL RISKS CONTINUED

The following table summarises for each of Reinet Fund's significant level 3 investments the valuation methodology used and any significant unobservable inputs used in calculating the value of the investment as of 31 March 2014. The table is not intended to be all-inclusive, but rather provides information which the Fund regards as significant in respect of unobservable inputs and their sensitivity to reasonable change.

Unlisted investments	Fair value at 31 March 2014 € m	Valuation technique	Unobservable inputs	Range (weighted average)	Reasonable possible change +/- (absolute value)(1) € m
Pension Corporation	548	Market comparable companies(2)	Market multiples	0.97-1.19 (1.08)	+55/-55
			Discount rate	10 %-20 % (15 %)	+32/-32
Trilantic Capital Partners private equity funds and related management companies	200	Net asset value(3)	n/a	n/a	n/a
	8	Discounted cash flows	Discount rate – USD cash flows	n/a	n/m
	2	Discounted cash flows	Discount rate – EUR cash flows	n/a	n/m
Renshaw Bay and related investments	39	Net asset value(3)	n/a	n/a	n/a
	26	Invested cost(4)	n/a	n/a	n/a
36 South macro/volatility funds	8	Discounted cash flow	n/a	n/a	n/m
Asian private equity and portfolio funds	81	Net asset value(3)	n/a	n/a	n/a
	4	Market comparable companies	Revenue multiple	n/a	n/m
			Discount rate	n/a	n/m
Specialised private equity funds	97	Net asset value(3)	n/a	n/a	n/a
	19	Relative value	Discount rate	n/a	n/m
US land development and mortgages	134	Discounted cash flow(5)	Discount rate	4 %-30 % (13.4 %)	+20/-8
Jagersfontein and other diamond exploration interests including receivables from third parties	76	Discounted cash flow(6)	Discount rate	13.2 %-19.5 % (16.4 %)	n/m
Other investments	10	Net asset value(3)	n/a	n/a	n/a
Total	1 252				

(1) The reasonable possible change is calculated based on the range of unobservable inputs indicated in the table and is only an indication of the sensitivity of such inputs. A larger change in value could arise as a result of other factors which may occur after the reporting date.

(2) This investment has been reviewed by third-party valuation experts and a peer group of comparable companies determined. The market multiples for the peer group were considered and used as a basis in calculating the fair value of the investment. A discount rate of 15 per cent was applied to recognise the lack of liquidity of the shares. A movement of 10 per cent has been applied for calculating the reasonable possible change, as this is deemed as a reasonable market movement by management.

(3) Reinet Fund has relied upon the latest available net asset value data provided by investment/fund managers. No sensitivity analysis has been performed on the underlying data and there are no unobservable inputs. The underlying data could be affected by changes in timing, prices, foreign exchange rates and other market variables which may only be determined by the manager of each underlying investment.

(4) Reinet Fund has reviewed the operations of the underlying investment and determined that the overall outlook for the business has not materially changed since the date of Reinet Fund's investment. On this basis, and in the absence of any other information, it is not unreasonable that the investment be held at cost.

5. FINANCIAL RISKS CONTINUED

(5) Included in this investment are US land lots and properties which have been valued at 31 December 2013 by an independent real estate valuer. Mortgage loans receivable and mortgages payable have been valued using a discounted cash flow approach. Discount rates in the range of 4 per cent to 30 per cent have been applied in determining the fair values of the mortgages based on the level of risk and estimated timing of repayment. Changes in land values would also effect the value of the investment.

(6) Reinet Fund has relied upon cash flows provided by local management as at 31 March 2014. These cash flows could be affected by a range of variables including changes in diamond prices, foreign exchange rates, inflation, processing capacity and many other variables which can best be determined by management of the underlying entities. The discounted cash flow used by Reinet Fund in determining the fair value applies discounts in the range of 13.2 per cent and 19.5 per cent to take account of the risks and variables described above.

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

6.1 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The General Partner must make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Fair value of unquoted investments

The Company holds an investment in Reinet Fund. As discussed in note 4, the value of Reinet Fund is determined by the Fund Manager who applies various valuation techniques in valuing the underlying assets. The General Partner considers the net asset value of the Fund as determined by the Fund Manager to be the fair value.

The fair value of investments not quoted in an active market may be determined by the Fund Manager using reputable pricing sources (such as pricing agencies) or indicative prices from bond/debt market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. The Fund Manager exercises judgement and estimates on the quantity and quality of pricing sources used. Where no market data is available, the Fund Manager may value positions using its own models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. The inputs into these models are primarily earnings multiples and discounted cash flows. The models used to determine fair values are validated and periodically reviewed by personnel independent of the party that created them. The models used for private equity securities are based mainly on earnings multiples, adjusted for lack of marketability and control premiums. The models used for debt securities are based on net present value of estimated future cash flows, adjusted as appropriate for liquidity, and credit and market risk factors.

Models use observable data to the extent practicable. However, areas such as credit risk (both own and counterparty); volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The determination of what constitutes 'observable' requires significant judgement by the Fund Manager. The Fund Manager considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Taxation

Subsidiaries of Reinet Fund are subject to income taxes in several jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain. Reinet Fund recognises liabilities for anticipated tax payments using estimates of the amount of taxes due. Where the final outcome is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS CONTINUED

6.2 CRITICAL JUDGEMENTS

Functional currency

The General Partner considers the euro to be the currency that most appropriately represents the economic effect of the underlying transactions, events and conditions. The euro is the currency in which Reinet Fund measures its performance and reports its results.

Investment entity

The Company is the sole investor in the ordinary equity of Reinet Fund. Although the Company does not meet all of the typical characteristics of an investment entity (namely, the Company does not have multiple investments), the General Partner believes it is nevertheless an investment entity because it was formed with the purpose of holding investments through Reinet Fund. The Fund Manager further deems Reinet Fund to also meet the definition of an investment entity, although the Fund does not meet all the typical characteristics of an investments entity (namely, that it should not have more than one investor). This further strengthens the General Partner's conclusion in classifying the Company as an investment entity, as the Company and the Fund are managed in an integrated manner.

7. CHANGE IN ACCOUNTING POLICY AND TRANSITION

As a result of the adoption of IFRS 10 and the Amendments to IFRS 10, the Company has changed its accounting policy with respect to its investment in its subsidiary, Reinet Fund. The subsidiary which was previously consolidated is now accounted for at fair value through profit or loss. The transition provisions require retrospective application in accordance with IAS 8. However, they specify that an entity need only present the quantitative information required by paragraph 28(f) of IAS 8 for the annual period immediately preceding the date of initial application. Comparative amounts have been restated in accordance with the transition guidance.

7. CHANGE IN ACCOUNTING POLICY AND TRANSITION CONTINUED

The following shows the adjustments made to each financial statement line item for the comparative period:

Statement of financial position

	Original consolidated 31 March 2013 € m	Adjustment € m	Restated 31 March 2013 € m
ASSETS			
Non-current assets			
Financial assets held at fair value through profit or loss	4 223	(194)	4 029
Non-current assets – held for sale	7	(7)	–
	4 230	(201)	4 029
Current assets			
Derivative financial instruments	4	(4)	–
Receivables	19	(19)	–
Financial assets held at fair value through profit or loss	62	(62)	–
Cash and cash equivalents	264	(264)	–
	349	(349)	–
Total assets	4 579	(550)	4 029
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	220	–	220
Share premium	770	–	770
Non-distributable reserve	22	–	22
Cumulative translation adjustment reserve	(203)	203	–
Retained earnings	3 214	(203)	3 011
	4 023	–	4 023
Minority interest	13	(13)	–
Total equity	4 036	(13)	4 023
LIABILITIES			
Non-current liabilities			
Derivative financial instruments	15	(15)	–
Deferred tax liability	19	(19)	–
Funding from minority partners	21	(21)	–
Borrowings	416	(416)	–
	471	(471)	–
Current liabilities			
Payables	51	(51)	–
Accruals and provisions	2	(2)	–
Amounts owed to affiliated undertakings			
– becoming due and payable after less than one year	–	6	6
Borrowings	19	(19)	–
	72	(66)	6
Total liabilities	543	(537)	6
Total equity and liabilities	4 579	(550)	4 029

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

7. CHANGE IN ACCOUNTING POLICY AND TRANSITION CONTINUED

Statement of comprehensive income

	Original consolidated 31 March 2013 € m	Adjustment € m	Restated amount 31 March 2013 € m
Income			
Dividend and other investment income	137	(137)	–
Interest income	15	(15)	–
Carried interest earned	6	(6)	–
Net change in the fair value of financial assets and financial liabilities at fair value through profit or loss	316	60	376
Effect of exchange rate changes on cash balances	(4)	4	–
Total income	470	(94)	376
Expenses			
Performance fee	32	(32)	–
Management fee	33	(33)	–
Custodian, secretarial and administration fees	4	(2)	2
Transaction costs	5	(5)	–
Interest expense	12	(12)	–
Total expenses	86	(84)	2
Profit for the year before tax	384	(10)	374
Tax expense	(4)	4	–
Minority interest	(5)	5	–
Profit for the year after tax	375	(1)	374

There were no adjustments made to the basic and diluted earnings per share of the Company due to the above change in accounting policy.

8. SEGMENT INFORMATION

Due to the sole investment of the Company in Reinet Fund, the General Partner of the Company relies on the segment analysis performed by the Fund Manager, and thus the segment reporting disclosures below are at the level of the Fund.

The Fund Manager makes the strategic resource allocations on behalf of the Fund.

The Fund considers its investment portfolio as three distinct segments: (i) listed investments, (ii) cash and liquid funds and (iii) unlisted investments.

Returns on these investments consist of realised gains and losses, unrealised gains and losses, dividend income, carried interest and interest income.

8. SEGMENT INFORMATION CONTINUED

The allocation of Reinet Fund's assets and liabilities between the segments is as follows:

	31 March 2014		31 March 2013	
	€ m	€ m	€ m	€ m
Assets				
(i) Listed investments				
– BAT		2 997		3 317
– Other		–		1
(ii) Cash and liquid funds		223		326
(iii) Unlisted investments				
– long-term	1 423		912	
– held for sale	–		7	
– derivative asset	3		4	
– receivables	–	1 426	10	933
Total segment assets		4 646		4 577
Liabilities				
(i) Cash and liquid funds				
– borrowings		390		398
(ii) Unlisted investments				
– derivative financial instruments	16		15	
– funding from minority partners	19		21	
– borrowings	30	65	37	73
Total segment liabilities		455		471

All assets and liabilities other than cash and liquid funds are held at fair value through profit or loss.

There were no transactions between reportable segments other than payment of cash to acquire new investments and receipt of sales proceeds for existing investments.

A reconciliation of Reinet Fund's segment assets and liabilities to its NAV is as follows:

	31 March 2014 € m	31 March 2013 € m
Total segment assets	4 646	4 577
Other assets	1	2
Total assets	4 647	4 579
Total segment liabilities	455	471
Other liabilities	69	79
Total liabilities	524	550
Total investment in Reinet Fund	4 123	4 029

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

8. SEGMENT INFORMATION CONTINUED

Reinet Fund's income per segment is as follows:

	31 March 2014		31 March 2013	
	€ m	€ m	€ m	€ m
(i) Listed investments				
– dividend	126		136	
– realised gains	108		98	
– unrealised gains/(losses)	(216)	18	230	464
(ii) Cash and liquid funds				
– interest income	2		1	
– foreign exchange effect	(3)	(1)	(4)	(3)
(iii) Unlisted investments				
– interest income	18		15	
– realised gains/(losses)	15		42	
– carried interest	2		6	
– unrealised gains/(losses)	120	155	(54)	9
Total income		172		470

Expenses and taxes cannot be allocated over the above segments.

9. SHARE CAPITAL

Ordinary share capital	31 March 2014 € m	31 March 2013 € m
Authorised capital		
999 999 000 ordinary shares with no par value	1 123	1 123
Issued capital		
195 941 286 ordinary shares issued and fully paid	220	220

The ordinary shares confer on the shareholder the entitlement to participate in and to vote at meetings of shareholders, with each share carrying the right to one vote. Each share also entitles each shareholder to receive a proportionate share of any dividend that the Company may declare and a proportionate share of the net assets of the Company on liquidation. The liability of shareholders is limited to the amount of their investment in the Company.

The relevant movements in the capital are shown on the statement of changes in equity.

The ordinary shares are listed on the Luxembourg Stock Exchange.

Management share capital	31 March 2014 € 000's	31 March 2013 € 000's
Authorised capital		
1 000 shares with no par value	1	1
Issued capital		
1 000 shares issued and fully paid	1	1

The management shares are held by the General Partner and confer the same rights with regard to voting, dividends and the distribution of assets on liquidation as the ordinary shares. In addition, as the holder of management shares, the General Partner has broad powers to manage the Company and has unlimited liability for any obligations of the Company that cannot be met from the assets of the Company.

10. NON-DISTRIBUTABLE RESERVE

The legal reserve amounting to € 22 million at 31 March 2014 and 2013 is not available for distribution.

11. AMOUNTS DUE TO AFFILIATED UNDERTAKINGS

The amount payable includes the fee payable to the General Partner of € 2 million and € 6 million due to Reinet Fund at 31 March 2014 (31 March 2013: € 1 million and € 5 million).

12. TAX EXPENSE

Under the current laws of Luxembourg, the Company pays corporation tax on profits at rates enacted in Luxembourg. The statutory rate used of 29.22 per cent is the basic Luxembourg corporate tax of 22.47 per cent plus municipal business tax of 6.75 per cent. The General Partner does not expect significant taxes to be payable for the current year or in the near future, due to the structure of the Company; dividends declared by the Company being tax deductible, as given that the Company has assessed operating losses available to it at the year-end.

13. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the parent by the weighted average number of shares in issue during the year.

	Realised € m	Unrealised € m	31 March 2014 € m	31 March 2013 € m
Profit for the year	–	92	92	374
Weighted average number of ordinary shares in issue (millions of shares)	195.9	195.9	195.9	195.9
Earnings per share from profit for the year – basic and diluted (€ per share)	–	0.47	0.47	1.91

The Company has not issued any shares or other instruments that are considered to have dilutive potential. There were no movements in the year ended 31 March 2014.

The presentation of headline earnings per share, as an alternative measure of earnings per share, is mandated under the JSE Listing Requirements. It is calculated in accordance with Circular 2/2013 'Headline Earnings', as issued by the South African Institute of Chartered Accountants.

Headline earnings per share:	31 March 2014	31 March 2013
Unadjusted earnings per share	€ 0.47	€ 1.91
Headline earnings per share	€ 0.47	€ 1.91

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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14. RELATED PARTY TRANSACTIONS

The Company has a number of relationships and transactions with related parties, as defined by IAS 24, *Related party transactions*, all of which are undertaken in the normal course of business.

Parties identified as related parties are:

FORMER PARENT COMPANY – COMPAGNIE FINANCIÈRE RICHEMONT SA ('CFR SA')

The Company has identified CFR SA, a public company incorporated in Switzerland, as a related party. Mr Johann Rupert is the former CEO of CFR SA and is Non-executive Chairman of Remgro Limited.

Although the management of the Company is quite distinct from Richemont, a number of executives who have management responsibilities for the Company through contracts with the General Partner and Fund Manager, continue to have executive roles in and are also employed by Richemont. CFR SA is not responsible in any way for the services provided by the executives concerned to the Company.

SIGNIFICANT SHAREHOLDERS

Mr Johann Rupert, Chairman of the General Partner and the Fund Manager, is a trustee of the Anton Rupert Trust.

Details of shareholdings by the Anton Rupert Trust and parties affiliated with it including certain beneficiaries, together with Mr Johann Rupert in his personal capacity, are as follows:

	31 March 2013	Acquired during the year	Sold during the year	**31 March 2014**
Number of shares	48 434 776	–	–	**48 434 776**

	31 March 2012	Acquired during the year	Sold during the year	31 March 2013
Number of shares	48 315 676	119 100	–	48 434 776

On 16 December 2013, the Public Investment Corporation ('PIC') notified the Company that it held 14.61 per cent of the shares and voting rights in the Company. PIC previously held 15.49 per cent of the shares.

On 2 February 2011, Allan Gray Limited notified the Company that accounts under its management held the equivalent of 5.01 per cent of the shares and voting rights in the Company in the form of DRs.

The Company is not aware of any other holdings in excess of 3 per cent of its issued capital.

MANAGEMENT AND ADVISORY COMPANIES

The Company is a partnership limited by shares *(société en commandite par actions)* which is managed by the General Partner. The Company reimburses the General Partner for its expenses incurred in the ordinary course of business, including but not limited to the remuneration of its staff, taxes, rentals, directors' fees and any other disbursements and pays an annual administration fee equal to 10 per cent of such expenses.

The Company's wholly-owned subsidiary, Reinet Fund, is managed by the Fund Manager. Reinet Fund reimburses the Fund Manager for its expenses incurred in the ordinary course of business including but not limited to the remuneration of its staff, taxes, rentals, directors' fee and any other disbursements. Any such amounts payable to the Fund Manager are deductible from any management fees payable to the Investment Advisor in respect of any accounting period.

14. RELATED PARTY TRANSACTIONS CONTINUED

The Investment Advisor owns 995 850 shares of the Company as at 31 March 2014 (31 March 2013: 995 850). These shares have been acquired to hedge share appreciation rights and related awards to key executives of the General Partner, the Fund Manager and the Investment Advisor.

Under the terms of the Investment Advisory Agreement dated 9 October 2008, as amended on 24 May 2010 and 10 November 2011, between the Fund and the Investment Advisor, the Fund pays both management fees and performance fees to the Investment Advisor.

The management fee is payable to the Investment Advisor at a rate of 1 per cent per annum on the NAV of the Fund, excluding cash and interests in funds managed by third parties. It is calculated semi-annually based on the closing NAV at the end of the previous six-month period.

The management fee in respect of cash is calculated at a rate of one-quarter of 1 per cent per annum. No management fee is payable in respect of funds managed by third parties except where the fee payable to the third party has been negotiated to a level below 1 per cent per annum and below the level payable by other investors in a fund. In such circumstances, the difference between the fee payable to the third-party manager and 1 per cent is payable to the Investment Advisor.

Investments as a limited partner in funds under the management of a management company in which Reinet Fund is an investor are not treated as being managed by third parties; the management fee is payable at 1 per cent per annum to the Investment Advisor. However, such a fee payable to the Investment Advisor is reduced by any management fee paid by the Fund to the management company, net of income received by Reinet Fund on its investment in the management company in terms of its share of the management fees earned by (but not carried interest attributable to) the management company.

Management fee payable

	31 March 2014 **€ m**	31 March 2013 € m
Investment Advisor	30	28
Fund Manager	5	5
Total management fee	35	33

The performance fee in any period is calculated as 10 per cent of the Cumulative Total Shareholder Return at the end of the Performance Measurement Period (both terms being defined in the Company's Prospectus, published on 10 October 2008), adjusted for all dividends and returns of capital to the Company shareholders, less the sum of all performance fees paid in previous Performance Measurement Periods.

A performance fee of € 32 million was paid in May 2013 in respect of the year ended 31 March 2013. A performance fee will only be payable in respect of the current financial year if the volume weighted average closing price of the Company's share on the Luxembourg Stock Exchange over the last 20 trading days of the current financial year exceeds that calculated on the same basis in respect of the financial year ended 31 March 2013 of € 15.1931.

The performance fee payable at 31 March 2014 amounts to € 12 million (31 March 2013: € 32 million), based on the volume weighted average price in March 2014 of € 15.8192.

The General Partner, the Fund Manager and the Investment Advisor are controlled by Rupert family interests.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

14. RELATED PARTY TRANSACTIONS CONTINUED

BOARDS OF THE GENERAL PARTNER AND THE FUND MANAGER

Members of the Boards of Directors of the General Partner and the Fund Manager are considered to be related parties. Details of the Boards of Directors are set out in the corporate governance report on pages 31 to 33 of this annual report.

KEY SHAREHOLDINGS

Aggregate shareholdings of directors of the General Partner and the Fund Manager (excluding Mr Johann Rupert – see page 76).

	31 March 2013	Acquired during the year	Sold during the year	**31 March 2014**
Number of shares	1 198 847	10 582	(2 718)(1)	**1 206 711**

	31 March 2012	Acquired during the year	Sold during the year	31 March 2013
Number of shares	1 190 570(2)	8 277(3)	–	1 198 847

(1) The shares sold in the year represent the holdings of a director who resigned from the Board during the year.

(2) Restated to record an increase of 7 023 shares which were acquired during the year and which inadvertently were omitted in the previous reporting period ended 31 March 2012.

(3) The shares acquired during the year include 5 000 shares which represent holdings of new directors at the date they joined the Board of Directors of the Fund Manager.

BOARD OF OVERSEERS

Members of the Board of Overseers are considered to be related parties.

Fees of € 50 000 per Board member were paid to the Board of Overseers in respect of the year ended 31 March 2014, such fees to be split equally between the Company and Reinet Fund (2013: € 40 000).

Aggregate shareholdings of the members of the Board of Overseers

	31 March 2013	Acquired during the year	Sold during the year	**31 March 2014**
Number of shares	44 307	–	–	**44 307**

	31 March 2012	Acquired during the year	Sold during the year	31 March 2013
Number of shares	44 307	–	–	44 307

OTHER RELATED PARTIES

Reinet has also identified Remgro Limited, a public company incorporated in South Africa, as a related party. Mr Johann Rupert is the Non-executive Chairman of Remgro Limited.

14. RELATED PARTY TRANSACTIONS CONTINUED

TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Compagnie Financière Richemont SA

There were no fees paid during the year and no balances payable to or receivable from CFR SA, Remgro Limited or significant shareholders at 31 March 2014.

Reinet Investments Manager S.A. (the 'General Partner')

	31 March 2014 € m	31 March 2013 € m
Expenses charged by the General Partner to the Company during the year	0.8	0.8
Administration fee for the year	0.1	0.1
Balance payable by the Company to the General Partner	2.0	1.6

Reinet Fund S.C.A., F.I.S. (the 'Fund')

	31 March 2014 € m	31 March 2013 € m
Balance payable by the Company to the Fund	6.6	4.8

Reinet Fund Manager S.A. (the 'Fund Manager')

	31 March 2014 € m	31 March 2013 € m
Expenses charged to the Fund during the year	5.8	5.2
Balance receivable by the Fund from the Fund Manager	(0.6)	(0.7)

Reinet Investment Advisors Limited (the 'Investment Advisor')

	31 March 2014 € m	31 March 2013 € m
Management fee charged during the year	30.3	27.7
Performance fee charged during the year	12.3	32.3
Balance payable by the Fund to the Investment Advisor	27.4	47.4

There are no commitments between the Company and its related parties as at 31 March 2014.

15. AUDIT AND OTHER FEES PAID TO PRICEWATERHOUSECOOPERS

Fees for the year ended 31 March 2014 billed and unbilled by PricewaterhouseCoopers Société coopérative Luxembourg and other member firms of the PricewaterhouseCoopers network, which relate to the audit of the Company accounts, amounted to € 0.2 million (31 March 2013: € 0.2 million). Such fees are presented under 'Operating expenses' in the statement of comprehensive income.

Audit fees relating to Reinet Fund and its subsidiaries amounted to € 0.3 million for the year ended 31 March 2014 (31 March 2013: € 0.3 million).

16. CAPITAL COMMITMENTS

At 31 March 2014, the Company had no capital commitments, however its wholly-owned subsidiary Reinet Fund had committed to invest a further € 508 million (31 March 2013: € 763 million) in unlisted investments. See table on page 20. This amount relates to Reinet Fund's own investment commitment. Where Reinet Fund co-invests with minority partners the amount does not include the partners' commitment.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

17. CONTINGENT LIABILITIES

A subsidiary of Reinet Fund has a fixed term bank deposit in the amount of € 3 million which has been pledged to JPMorgan Chase Bank N.A. (London) as security for a guarantee issued.

Reinet Fund has provided guarantees amounting to ZAR 24 million in respect of financial obligations related to the purchase of certain South African assets.

18. DIVIDEND

The proposed ordinary dividend payable to the Company's shareholders of € 0.153 per share, being € 30 million in total, will be payable on 18 September 2014, once approved by the shareholders at the Annual General Meeting to be held on 9 September 2014.

19. SUBSEQUENT EVENTS

Reinet Fund, through a wholly-owned subsidiary received a final dividend of some £ 72 million from its investment in BAT. The dividend was approved by the shareholders of BAT on 30 April 2014 and paid on 8 May 2014.

During April and May 2014, Reinet Fund made payments in the amount of € 32 million and received repayments in the amount of € 14 million in respect of its commitments shown in note 16.

20. INVESTMENTS HELD IN SUBSIDIARIES AND AFFILIATES

The Company invests in Reinet Fund and does not consolidate underlying subsidiaries and affiliates.

The principal companies held by Reinet Fund are as follows:

Investments area	Company	Domicile	Percentage held
British American Tobacco	Reinet Jersey Holdings Limited	Jersey, Channel Islands	100 %
Pension Corporation	Reinet PC Investments (Jersey) Limited	Jersey, Channel Islands	100 %
Trilantic Capital Partners	Reinet TCP Holdings Limited	Jersey, Channel Islands	90 %
	Reinet TCP Fund V NECI Limited	Jersey, Channel Islands	100 %
Renshaw Bay and related investments	Renshaw Bay Limited	Guernsey, Channel Islands	43 %
36 South macro/volatility funds	Reinet 36 South Investments Limited	Jersey, Channel Islands	100 %
Asian private equity and portfolio funds	Reinet Columbus Limited	Jersey, Channel Islands	100 %
Specialised private equity funds	Reinet Columbus Limited	Jersey, Channel Islands	100 %
	Reinet Flex Holdings Limited	Jersey, Channel Islands	100 %
	Reinet TEM Holdings Limited	Jersey, Channel Islands	100 %
US land development and mortgages	RSF II Limited	Jersey, Channel Islands	80 %
	Reinet Stokes Holdings S.A.	Luxembourg	100 %
	RPH Limited	Jersey, Channel Islands	80 %
	RPH 2 Limited	Jersey, Channel Islands	100 %
Jagersfontein and other diamond interests	Reinet Jagersfontein Holdings S.à r.l.	Luxembourg	100 %
	Reinet Rooipoort Holdings S.à r.l.	Luxembourg	100 %
Other investments	Reinet Columbus Limited	Jersey, Channel Islands	100 %
	Reinet Securities SA	Switzerland	100 %
	Mosmart International S.A.	Luxembourg	49 %

AUDIT REPORT

To the Shareholders of Reinet Investments S.C.A.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Reinet Investments S.C.A. (the 'Company') and its subsidiaries (the 'Group'), which comprise the consolidated balance sheet as at 31 March 2014, and the related consolidated statements of comprehensive income, changes in equity and cash flow for the year then ended and a summary of significant accounting policies and other explanatory information.

Responsibility of Reinet Investments Manager S.A. (the 'General Partner')

The General Partner is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the General Partner determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the 'Réviseur d'entreprises agréé'

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the 'Commission de Surveillance du Secteur Financier'. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the judgment of the 'Réviseur d'entreprises agréé', including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the 'Réviseur d'entreprises agréé' considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the General Partner, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as of 31 March 2014, and of its consolidated financial performance and its consolidated cash flow for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

The management report, including the corporate governance statement, which is the responsibility of the General Partner is consistent with the consolidated financial statements and includes the information required by the law with respect to the corporate governance statement.

PricewaterhouseCoopers, Société coopérative
Luxembourg, 28 May 2014

Represented by

Véronique Lefebvre

COMPANY FINANCIAL STATEMENTS

BALANCE SHEET

as at 31 March 2014

	Note	31 March 2014 € 000's	31 March 2013 € 000's
ASSETS			
Fixed assets			
Financial assets			
Shares in affiliated undertakings	3	1 929 289	1 929 289
Current assets			
Cash at bank and in hand		19	2
Prepayments and accrued income		48	21
Total assets		1 929 356	1 929 312
LIABILITIES			
Capital and reserves			
Subscribed capital	4	220 103	220 103
Share premium and similar premiums	5	770 310	770 310
Reserves			
– Legal reserve	6	22 100	22 100
Profit brought forward	7	910 102	912 349
Result for the financial year		(2 171)	(2 247)
		1 920 444	1 922 615
Provisions			
Other provisions		333	238
Non-subordinated debts			
Amounts owed to affiliated undertakings			
– becoming due and payable after less than one year	8	8 543	6 438
Other creditors			
– becoming due and payable after less than one year		36	21
		8 579	6 459
Total liabilities		1 929 356	1 929 312

The accompanying notes form an integral part of these financial statements.

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2014

	Year ended 31 March 2014 € 000's	Year ended 31 March 2013 € 000's
Charges		
Other operating charges	2 174	2 142
Value adjustments and fair value adjustments on financial current assets/loss on disposal of transferable securities	–	101
Interest payable and similar charges:		
– concerning affiliated undertakings	–	4
Tax on profit	4	–
Total charges	2 178	2 247
Income		
Value adjustments and fair value adjustments on financial current assets/loss on disposal of transferable securities	7	–
Loss for the financial year	2 171	2 247
Total income	2 178	2 247

The accompanying notes form an integral part of these financial statements.

COMPANY FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Reinet Investments S.C.A. (the 'Company'), incorporated on 5 March 1979, is a partnership limited by shares *(société en commandite par actions)* and is governed by the Luxembourg law on securitisation. The registered office is at 35, boulevard Prince Henri, L-1724 Luxembourg. The Company owns the entire ordinary issued capital of Reinet Fund S.C.A., F.I.S. ('Reinet Fund' or 'the Fund'), a partnership limited by shares established in Luxembourg.

The Company was formerly known as Richemont S.A. and was a subsidiary of Compagnie Financière Richemont SA ('CFR SA'), a Swiss company with significant luxury goods interests. The Company is managed by Reinet Investments Manager S.A. (the 'General Partner'), a limited liability company established in Luxembourg, which also owns 1 000 management shares in the Company. The General Partner has unlimited liability for any obligations of the Company that cannot be met from the assets of the Company. The registered office is at 35, boulevard Prince Henri, L-1724 Luxembourg.

The Company's financial year starts on 1 April and ends on 31 March of each year.

The Company has also prepared consolidated financial statements which will be made available at the Company's head office as required by Luxembourg law.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention, as well as with generally accepted accounting principles in Luxembourg.

Accounting policies and valuation rules are, besides the ones laid down by the Law of 19 December 2002 (as amended), determined and applied by the General Partner.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the General Partner to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. The General Partner believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.2 FORMATION EXPENSES

The formation expenses of the Company are directly charged to the profit and loss account of the year in which they are incurred.

2.3 FINANCIAL ASSETS

Shares in affiliated undertakings held as fixed assets are valued at purchase price including the expenses incidental thereto. In case of permanent impairment in value in the opinion of the General Partner, value adjustments are made in respect of fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.4 DEBTORS AND CREDITORS

Debtors and creditors are valued at their nominal value. The debtors are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.5 FOREIGN CURRENCY TRANSLATION

Transactions expressed in currencies other than euros are translated into euros at the exchange rate effective at the time of the transaction.

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange gains and losses are recorded in the profit and loss account of the year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Fixed assets expressed in currencies other than euros are translated into euros at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain at historic exchange rates.

Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. The unrealised exchange gains and losses are thus recorded in the profit and loss account. The realised exchange gains are recorded in the profit and loss account at the moment of their realisation.

2.6 PREPAYMENTS AND ACCRUED INCOME

Includes expenditure incurred in the financial year but relating to a subsequent financial year.

2.7 PROVISIONS

Provisions are created to cover charges which originate in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount at the date on which they will arise.

3. SHARES IN AFFILIATED UNDERTAKINGS

	31 March 2014 € 000's	31 March 2013 € 000's
Book value – opening and closing balance	1 929 289	1 929 289

The Company holds the entire share capital of Reinet Fund, whose functional currency is the euro. At 31 March 2014, the net asset value of Reinet Fund was € 4 123 million (31 March 2013: € 4 029 million) and it recorded a profit for the year of € 93 million (31 March 2013: € 376 million).

4. SUBSCRIBED CAPITAL

	31 March 2014 € 000's	31 March 2013 € 000's
Ordinary shares		
The subscribed capital at 31 March 2014 amounts to € 220 102 100 (31 March 2013: € 220 102 100) and is divided into 195 941 286 ordinary shares (31 March 2013: 195 941 286), fully paid with no par value	220 102	220 102
Total ordinary share capital	220 102	220 102
Management shares		
The subscribed capital at 31 March 2014 amounts to € 1 000 (31 March 2013: € 1 000) and is divided into 1 000 ordinary shares with no par value	1	1
Total management share capital	1	1
Total capital	220 103	220 103

The ordinary shares confer on the shareholder the entitlement to participate in and to vote at meetings of shareholders, with each share carrying the right to one vote. Each share also entitles each shareholder to receive a proportionate share of any dividend that the Company may declare and a proportionate share of the net assets of the Company on liquidation. The liability of ordinary shareholders is limited to the amount of their investment in the Company.

The management shares are held by the General Partner and confer the same rights with regard to voting, dividends and the distribution of assets on liquidation as the ordinary shares. In addition, as the holder of the management shares, the General Partner has broad powers to manage the Company and has unlimited liability for any obligations of the Company that cannot be met from the assets of the Company.

COMPANY FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

5. SHARE PREMIUM AND SIMILAR PREMIUMS
The share premium relates to a reserve amounting to € 770 310 429 (31 March 2013: € 770 310 429), available for distribution subject to the approval of the shareholders.

6. LEGAL RESERVE
In accordance with Luxembourg law, the Company allocates annually a minimum of 5 per cent of its net profit to the legal reserve, until the aggregate reserve equals 10 per cent of the subscribed capital.

The legal reserve amounting to € 22 100 000 (31 March 2013: € 22 100 000) is not available for distribution.

7. PROFIT BROUGHT FORWARD

	31 March 2014 € 000's	31 March 2013 € 000's
Opening balance	910 102	912 349
Result from the prior year	(2 171)	(2 247)
Balance at end of the year	907 931	910 102

8. AMOUNTS OWED TO AFFILIATED UNDERTAKINGS

	31 March 2014 € 000's	31 March 2013 € 000's
Becoming due and payable after less than one year	8 543	6 438

9. PAYMENTS TO THE SUPERVISORY AND MANAGERIAL BODIES

	Year ended 31 March 2014 € 000's	Year ended 31 March 2013 € 000's
General Partner	855	851
Board of Overseers	100	80
	955	931

10. RELATED PARTY TRANSACTIONS
During the financial year under review, all transactions with related parties have been conducted on an arm's-length basis.

11. CONTINGENT LIABILITIES
At 31 March 2014, the Company has no contingent liabilities.

12. TAXATION
The Company is subject to tax as determined by Luxembourg law.

13. SUBSEQUENT EVENTS
There have been no events subsequent to 31 March 2014 which would have any material impact on these financial statements.

PROPOSED APPROPRIATION OF RETAINED EARNINGS

as at 31 March 2014

	€ 000's
Available retained earnings	
Profit and loss brought forward	910 102
Net loss for the financial year	(2 171)
	907 931

PROPOSED APPROPRIATION

The proposed dividend payable to the Company's shareholders of € 0.153 per share, being € 30 million in total, will be payable on 18 September 2014, once approved by the shareholders at the Annual General Meeting to be held on 9 September 2014.

The available retained earnings remaining after deduction of the dividend amount will be carried forward to the following year.

Reinet Investments Manager S.A.

General Partner
Luxembourg, 13 May 2014

COMPANY FINANCIAL STATEMENTS

AUDIT REPORT

To the Shareholders of Reinet Investments S.C.A.

Report on the financial statements
We have audited the accompanying financial statements of Reinet Investments S.C.A., which comprise the balance sheet as at 31 March 2014, the profit and loss account for the year then ended and a summary of significant accounting policies and other explanatory information.

Responsibility of Reinet Investments Manager S.A. (the 'General Partner')
The General Partner is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements and for such internal control as the General Partner determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the 'Réviseur d'entreprises agréé'
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the 'Commission de Surveillance du Secteur Financier'. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgment of the 'Réviseur d'entreprises agréé', including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the 'Réviseur d'entreprises agréé' considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the General Partner, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements give a true and fair view of the financial position of Reinet Investments S.C.A. as of 31 March 2014, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

Report on other legal and regulatory requirements
The management report, including the corporate governance statement, which is the responsibility of the General Partner is consistent with the annual accounts and includes the information required by the law with respect to the corporate governance statement.

PricewaterhouseCoopers, Société coopérative
Luxembourg, 28 May 2014

Represented by

Véronique Lefebvre

NOTICE OF ANNUAL GENERAL MEETING

Notice of the Annual General Meeting of shareholders of Reinet Investments S.C.A. to be held on 9 September 2014.

Shareholders are invited to attend in person or by proxy the Annual General Meeting of shareholders of the Company.

As provided for in the Statutes of the Company, the Annual General Meeting will take place on: Tuesday, 9 September 2014 at 2:30 pm at Hotel Le Royal, 12, boulevard Royal, L-2449 Luxembourg.

AGENDA

Business reports for the accounting year ended 31 March 2014

1. To consider the report of the General Partner to the shareholders; the report of the Board of Overseers; and the reports by the Réviseur d'entreprises agréé of the Company in respect of the statutory financial statements of the Company and in respect of the consolidated financial statements for the accounting year ended 31 March 2014.

Financial statements

2. To approve the statutory financial statements of the Company for the accounting year ended 31 March 2014.
3. To approve the consolidated financial statements of the Company for the accounting year ended 31 March 2014.

Appropriations

4. At 31 March 2014, the retained earnings available for distribution amounted to € 907 930 425. The General Partner proposes that a dividend of € 0.153 be paid per Reinet share. This represents a total dividend of € 29 979 170. The General Partner proposes that the remaining available retained earnings of the Company at 31 March 2014 after payment of the dividend be carried forward to the following business year.

Discharge of the General Partner and Board of Overseers

5. To discharge the General Partner from its obligations in respect of the accounting year ended 31 March 2014 and to discharge the members of the Board of Overseers who held office in respect of the accounting year ended 31 March 2014 from their obligations.

Board of Overseers

6. To re-elect Mr D Falck, Dr P Kaul, Mr Y Prussen and Mr I Whitecourt as members of the Board of Overseers for the year ending at the next Annual General Meeting.
7. To fix the remuneration of each member of the Board of Overseers at € 50 000 per annum, such fees to be split equally between the Company and Reinet Fund S.C.A., F.I.S.

The official notice convening the Annual General Meeting will be published in the Luxemburger Wort, le Mémorial and the Financial Times and distributed by the Registrar through the usual channels in accordance with Luxembourg law and may differ from this notice in respect to the definitive proposals.

NOTICE OF ANNUAL GENERAL MEETING
CONTINUED

The statutory financial statements of the Company and the consolidated financial statements for the accounting year ended 31 March 2014, together with the reports of the Réviseur d'entreprises agréé, of the Board of Overseers and of the General Partner and any draft resolutions, are available at the registered office of the Company and on the Company's website: www.reinet.com.

The Annual General Meeting will be validly constituted to resolve on the matters raised in the agenda regardless of the number of shares represented at the meeting; resolutions to be considered at the meeting are approved by a simple majority of the votes cast. The meeting will be held in English.

Shareholders who together hold at least 5 per cent of the share capital may place items on the agenda of the meeting and submit draft resolutions for all the items on the agenda. Any such request must reach the Company no later than 18 August 2014.

Every shareholder who attends the meeting shall have the right to ask questions related to the items on the agenda of the Annual General Meeting.

Shareholders wishing to attend the meeting or who wish to appoint a proxy to represent them at the meeting must notify the Registrar, European Fund Administration S.A., 2, rue d'Alsace, L-1122 Luxembourg no later than 2 September 2014. The Registrar will draw up a list of shareholders and proxyholders authorised to attend the meeting.

Registration forms to request admission to the meeting or to appoint a proxy to attend the meeting may be obtained from the Registrar or downloaded from the Company's website: www.reinet.com.

The meeting may be attended by all persons (or their proxy) who were shareholders of record of the Company at midnight on 26 August 2014 Luxembourg time.

Shareholders who hold their shares with a bank or other financial intermediary and who wish to attend the meeting in person or appoint a proxy must also instruct their bank or financial intermediary with whom the shares are on deposit to send a certificate (the 'Shareholding Certificate') to European Fund Administration S.A. to be received no later than 2 September 2014 indicating clearly the precise identity of the shareholder and confirming the number of shares being held by the shareholder as at midnight on 26 August 2014 Luxembourg time.

Shareholders may appoint a proxy, who need not be a shareholder, as their representative at the meeting. Forms of proxy are provided on the registration forms for admission to the meeting. The signed proxy must be sent by mail, telefax or email to either the Company or the European Fund Administration S.A. (register.bi@efa.eu). Shareholders and proxy holders should present suitable identification to the entrance control on the day of the meeting.

Proxy voting instructions may be given to the Chairman of the meeting; these must be received by the Company duly completed and signed by 2 September 2014. A Shareholding Certificate in respect of the shares must be provided to the Company or to European Fund Administration S.A. by that date by mail, telefax, or email (register.bi@efa.eu). Failure to provide the Shareholding Certificate will invalidate the proxy voting instructions. Unless proxies given to the Chairman of the meeting include explicit instructions as to the contrary, voting rights will be exercised in support of the proposals of the General Partner.

Registration forms for admission to the meeting and Shareholding Certificates must be delivered to European Fund Administration S.A. on 2 September 2014 at the latest. No admission cards will be issued after that day and shareholders or proxyholders not registered to attend the meeting will not be allowed to participate.

Reinet Investments Manager S.A.

General Partner
For and on behalf of
REINET INVESTMENTS S.C.A.

Luxembourg, 13 May 2014

EXCHANGE RATES AND SHARE PRICES

EXCHANGE RATES AGAINST THE EURO

	Year ended 31 March 2014	Year ended 31 March 2013
Average for the year		
Sterling	**0.8436**	0.8151
US dollar	**1.3409**	1.2879
Swiss franc	**1.2295**	1.2101
South African rand	**13.5743**	10.9566
Closing – as at the end of the year		
Sterling	**0.8268**	0.8432
US dollar	**1.3771**	1.2821
Swiss franc	**1.2181**	1.2171
South African rand	**14.5024**	11.8408

SHARE INFORMATION

PRIMARY LISTING

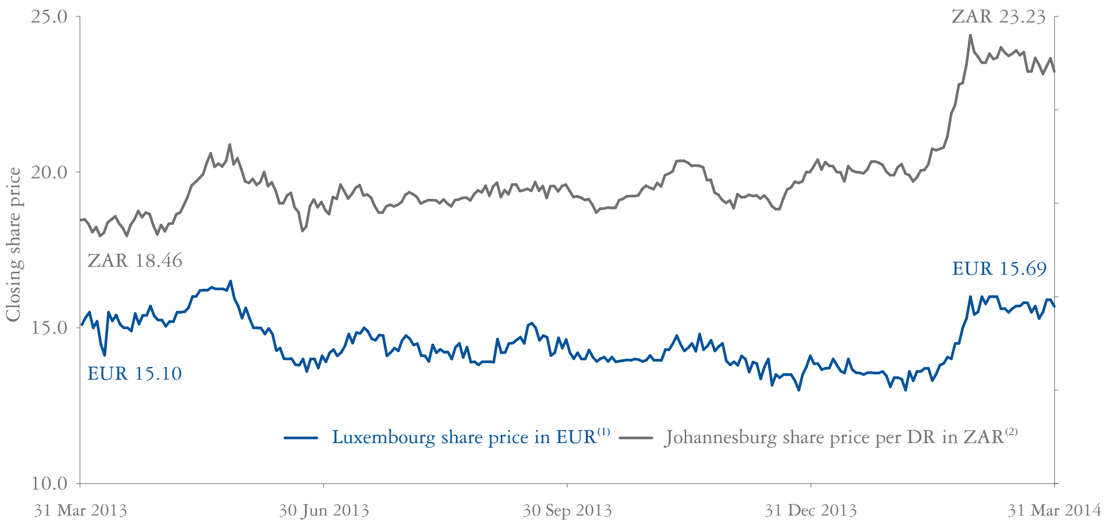
Reinet Investments S.C.A. shares are listed on the Luxembourg Stock Exchange with the ISIN number LU0383812293. Thomson Reuters code REIT.LU and Bloomberg code REIN.LX. Reinet shares are included in the 'LuxX' index of the principal shares traded on the Luxembourg Stock Exchange.

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. One depository receipt issued by Reinet Securities S.A. represents one tenth of one ordinary share in Reinet Investments S.C.A.

As at 31 March 2014 and 31 March 2013 there were 195 942 286 shares in issue.

DAILY CLOSING PRICES FROM 31 MARCH 2013 TO 31 MARCH 2014[3]



(1) Represents the closing share price of Reinet Investments S.C.A. on the Luxembourg Stock Exchange (listed under the symbol 'ReinetInvest').

(2) Represents the closing DR price of Reinet Investments S.C.A. on the Johannesburg Stock Exchange operated by JSE Limited (listed under the symbol 'REI'). One depository receipt of Reinet Investments S.C.A. represents one tenth of one ordinary share in Reinet Investments S.C.A.

(3) The EUR:ZAR exchange rate was 1:11.8408 on 31 March 2013 and 1:14.5024 on 31 March 2014.

Source: Bloomberg

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