REINET INVESTMENTS S.C.A.

Annual Report at 31 March 2015

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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.

- Reinet's net asset value exceeds € 5 billion, reflecting a compounded return of 19 per cent per annum since March 2009, including dividends paid
- Net asset value at 31 March 2015: € 5 077 million, an increase of € 962 million or 23 per cent from 31 March 2014, in part reflecting the appreciation of other currencies against the euro
- Net asset value per ordinary share at 31 March 2015: € 25.91 (31 March 2014: € 21.00)
- New investments with overall funding commitments of € 60 million closed during the year
- Additional investment of € 94 million in Pension Corporation made during the year
- Dividends received from British American Tobacco during the year amounted to € 133 million
- Initial dividend of € 30 million, or € 0.153 per share paid during the year
- Proposed dividend of € 0.157 per share payable after the 2015 AGM

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

OVERVIEW OF RESULTS

The Company's net asset value at 31 March 2015 amounted to € 5 077 million, some 23 per cent above last year's figure of € 4 115 million. This reflects significant increases in value in British American Tobacco and Pension Corporation. Both of these entities performed well during the year and Reinet's net asset value also increased, in part, due to the appreciation of other currencies against the euro.

BUSINESS DEVELOPMENTS

The past year has seen further investment in our key portfolio interests, which has been achieved without any further divestment of British American Tobacco shares. Having grown the other investments, Reinet's interest in British American Tobacco represented some 70.5 per cent of the net asset value at 31 March 2015, compared to 72.8 per cent 12 months earlier. Reinet remains focused on pursuing the planned diversification of its investment portfolio and the investment in this company provides Reinet with the capacity to fund new opportunities, either through borrowing or through the realisation of part of the shareholding. We constantly analyse how best to structure Reinet's financing going forward and the current low interest rate environment offers interesting possibilities in this respect.

Key events during the year were the contribution of a further £ 75 million to Pension Corporation, bringing Reinet's total investment in that company to £ 400 million, in line with the commitment made when we first invested in 2012. I am pleased to say that the value of the investment has continued to grow as the additional capital, together with internally generated funds and a £ 300 million subordinated debt offering by Pension Corporation, has allowed it to write significant new pension insurance business. We are in close contact with Pension Corporation's management and look forward to continued development of the group under its recently-appointed Deputy Chief Executive Officer, Tracy Blackwell, who will take over as CEO from John Coomber upon his retirement at the end of June 2015.

The year also saw the first significant investments in Trilantic Capital Partners Fund V, which was launched in 2013. Following from the success of Fund IV, in which Reinet initially invested, Reinet has committed a total of USD 100 million to Fund V and USD 33 million to a separate fund which will focus on investments in the energy sector. The preferential terms, which mean that Reinet pays no management fees or carried interest and shares in the carried interest generated by the funds, also apply to this new commitment. We see the continuing involvement with the highly-professional team at Trilantic as a cornerstone of Reinet's private equity interests going forward.

Follow-on investments were made during the year in a number of the unlisted investments in which Reinet has an interest, in particular in funds linked to Renshaw Bay Limited, the Milestone funds in China and our US land and property interests.

DIVIDEND

The Board of Reinet Investments Manager S.A. proposes a cash dividend of € 0.157 per share or some € 31 million in total, an increase of 2.6 per cent over the initial dividend paid last year.

CHANGES IN BOARD COMPOSITION

The year saw a number of changes to the Board and management teams at Reinet. In September 2014, Frederick Mostert did not stand for re-election to the Board. In December 2014, Alan Grieve retired from the position of CEO of Reinet, having played a key role from its inception; he remains on the Boards of the Reinet management companies so that we continue to benefit from his expertise. Alan's role has been assumed by Wilhelm van Zyl, who joined Reinet last summer.

Ian Whitecourt resigned from the Board of Overseers with effect from 31 December 2014. We are in the process of identifying a new member for the Board of Overseers and would expect that person to be appointed at the annual meeting of shareholders to be held on 25 August 2015.

To all of those who stepped down during the year, I would like to extend my deepest thanks for their contribution to building the Company. I would also like to thank our staff and those in our investee companies for their continuing commitment over the course of the year.

OUTLOOK

We live in strange economic times. The United States economy may be on the mend, whereas Europe's remains troubled. The European Central Bank has reduced interest rates to near zero and has begun quantitative easing just as the Federal Reserve has terminated its QE programme and contemplates interest rate increases. Switzerland has negative interest rates on bank deposits and effectively even on 10-year government bonds.

The euro remains weak against major currencies including sterling and the US dollar; while this has a positive effect on Reinet's net asset value in the current year, future movements in foreign exchange rates could have the opposite effect.

Against this background, we seek to build Reinet's portfolio on sound foundations to maintain and build value over the long term.

Johann Rupert

Chairman
Reinet Investments Manager S.A.

Luxembourg, 28 May 2015

MANAGEMENT REPORT

BUSINESS OVERVIEW

In March 2014, Reinet Investments S.C.A. (the 'Company') determined that it met 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. The consolidated net asset value, the consolidated income statement and the consolidated cash flow statement presented in this business review have been presented in a more comprehensive format than required by IFRS in order to provide readers with more detailed information relating to the underlying assets and liabilities. Please refer to note 19 for a list of subsidiaries included in the scope of consolidation.

CONSOLIDATED NET ASSET VALUE

The Consolidated Net Asset Value ('NAV') at 31 March 2015 comprised:

	31 March 2015		31 March 2014	
	€ m	%	€ m	%
Listed investment				
British American Tobacco p.l.c.	3 579	70.5	2 997	72.8
Unlisted investments				
Pension Corporation Group Limited	907	17.9	548	13.3
Private equity and related partnerships	878	17.3	655	15.9
Trilantic Capital Partners	231	4.6	210	5.1
Fund IV, Fund V, TEP and related management companies				
Renshaw Bay and related investments	223	4.4	128	3.1
Renshaw Bay advisory and investment management company	33		26	
JPS Credit Opportunities Fund	85		63	
Renshaw Bay Real Estate Finance Fund	55		38	
Renshaw Bay Structured Finance Opportunity L.P.	50		1	
36 South macro/volatility funds	77	1.5	72	1.8
Asian private equity and portfolio funds	167	3.3	104	2.5
Milestone China Opportunities funds, investment holdings and management company participation	116		77	
GEMS	3		8	
Prescient China Balanced Fund and investment management company	48		19	
Specialised private equity funds	180	3.5	141	3.4
Vanterra Flex Investments	53		47	
Vanterra C Change TEM	30		30	
NanoDimension funds and co-investment opportunities	56		29	
Fountainhead Expert Fund	30		25	
Other fund investments	11		10	
United States land development and mortgages	207	4.1	134	3.3
Diamond interests	92	1.8	76	1.9
Other investments	11	0.2	10	0.2
	5 674	111.8	4 420	107.4
Cash and liquid funds	76	1.5	223	5.4
Bank borrowings and collar financing				
Borrowings	(474)	(9.4)	(420)	(10.2)
Derivative assets/(liabilities)	(32)	(0.6)	(13)	(0.3)
Other liabilities				
Fees payable and other liabilities, net of other assets	(139)	(2.7)	(59)	(1.4)
Funding by minority partners	(5)	(0.1)	(19)	(0.5)
	5 100	100.5	4 132	100.4
Minority interests	(23)	(0.5)	(17)	(0.4)
Consolidated net asset value	5 077	100.0	4 115	100.0

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

The Company records its assets and liabilities in euro; the appreciation of other currencies against the euro has resulted in an overall increase in value in euro terms. Applying current year exchange rates to the March 2014 NAV would result in an increase in value of some € 630 million. The total increase in value amounts to € 962 million, the additional increase in value being due to increases in the value of underlying investments, decreases in the value of borrowings, offset by increases in other liabilities, all excluding the effects of changes in foreign exchange rates.

Listed Investment

BRITISH AMERICAN TOBACCO P.L.C.

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

The investment in BAT remains 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 in October 2008 to £ 34.885 at 31 March 2015.

Reinet holds 74.3 million shares in BAT, representing 3.9 per cent of BAT's issued share capital. The value of Reinet's investment in BAT at 31 March 2015 was € 3 579 million (31 March 2014: € 2 997 million), being 70 per cent of Reinet's NAV. The increase in value of € 582 million results from an increase in the BAT share price from £ 33.350 at 31 March 2014 to £ 34.885 at 31 March 2015 together with the strengthening of sterling against the euro which accounted for € 424 million of the increase.

Reinet received dividends from BAT during the year amounting to € 133 million (£ 107 million), being BAT's final 2013 dividend and its 2014 interim dividend. In May 2015, after the end of the financial year, Reinet received BAT's final dividend in respect of its 2014 financial year; this amounted to € 100 million (£ 74 million).

Nicandro Durante, Chief Executive of British American Tobacco, writing in its annual report for 2014 commented:

'I am delighted with the excellent progress we have made in the four years since I became Chief Executive, during which we have enhanced our strategy with a sharpened focus on the consumer. We have increased our share of the global cigarette market in this period by 70 basis points and grown our Global Drive Brands (GDBs) and share of key segments at an even faster rate, improving the underlying quality of our portfolio. We are meeting consumer needs with differentiated products, including innovations which now make up nearly 50 per cent of our GDB volume.

Our focus on resource allocation is driving major investments in high growth markets, particularly in EEMEA and Asia-Pacific regions, resulting in share growth in these markets. By supporting pricing with strong brands and innovations, substantially reducing costs and improving productivity, we have increased our operating margin by more than 520 basis points over four years. We are also making excellent progress towards our goal to lead across the various next-generation product categories.

This performance shows that we have the right strategy for our business – it has served us well in a changing and challenging market environment and it continued to deliver for our shareholders in 2014.

We expect the trading environment to remain difficult in 2015, and that foreign exchange headwinds will continue to have a significant impact on both a transactional and translational level. However, I am confident that with our proven strategy, strong global presence, powerful brands, talented people and continued focus on efficiency we will deliver value to our shareholders in the short and long term.'

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

MANAGEMENT REPORT

BUSINESS OVERVIEW
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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 € 1 596 million and is committed to provide further funding of € 405 million to its current investments. Details of the funding commitments outstanding at 31 March 2015 are given in the table on page 23 of this report. The increase in commitments during the year under review amounted to € 60 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 and unaudited 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 the 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. The euro amounts for current committed and invested amounts shown for each investment are calculated using the 31 March 2015 exchange rates which in some instances vary significantly from those at 31 March 2014, especially in the case of sterling and US dollar investments. Amounts invested and distributed during the year are shown using actual transaction exchange rates.

PENSION CORPORATION GROUP LIMITED

Committed amount: € 552 million (EUR equivalent of GBP commitment)
Invested amount: € 552 million (EUR equivalent of GBP commitment)

Pension Corporation Group Limited's ('Pension Corporation') wholly-owned subsidiary, Pension Insurance Corporation plc is one of the UK's leading providers of risk management solutions to defined benefit pension funds. Pension Insurance Corporation plc is authorised and regulated as an insurance company by the Prudential Regulation Authority in the United Kingdom. It has almost £ 14 billion in assets and has insured 100 000 pension fund members.

During the year under review, in accordance with its commitment, Reinet invested a further £ 75 million (€ 94 million) in Pension Corporation to bring its equity holding to 43 per cent from 38 per cent at March 2014. The total invested to date is £ 400 million (€ 552 million), which constitutes 100 per cent of Reinet's capital commitment to Pension Corporation.

The investment is carried at an estimated fair value of € 907 million at 31 March 2015 (31 March 2014: € 548 million), this value takes into account Pension Corporation's audited embedded value at 31 December 2014 and valuation multiples drawn from industry data.

The increase in value of Reinet's holding reflects the increase in Reinet's percentage holding during the year, Pension Corporation's embedded value increasing over the year; the strengthening of sterling against the euro and the increase in comparable multiples being applied by the market in valuing listed companies in the UK insurance sector. The embedded value increase reflects the beneficial impacts of new business written during the year, the addition of new capital and the positive impact of investment market movements. The comparable company multiples were negatively impacted in March 2014 due in part to legislative changes relating to individual pension-holders and the announcement of a review of the insurance sector; the legislative changes have now been implemented. The increase in value in respect of the strengthening of sterling against the euro amounted to some € 91 million.

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

'PIC was able to capitalise on its position as a market leader in the bulk purchase annuity market to achieve some notable headlines in 2014. Our largest transaction, Total, at £ 1.6 billion contributed to a premium volume of £ 2.6 billion from 19 transactions in the year. We issued £ 300 million of regulatory qualifying debt into a favourable market environment thereby adding a modest amount of leverage, c. 20 per cent, to our equity capital base. And in terms of financial highlights the Group increased embedded value to £ 1.62 billion (2013: £ 1.29 billion) and delivered a pre-tax profit of £ 163 million (2013: £ 115 million).

The market in which we operate was itself very healthy, the prior year's growth momentum was sustained as new premium volume in 2014 grew by more than 50 per cent to a record high which we estimate to be c. £ 13 billion (2013: £ 7.5 billion). This rapid development combined with the uncertainties in the retail market arising from the newly introduced freedom for individuals to take accumulated savings in defined contribution pension arrangements in forms other than a pension, (including the option of cash) has led to enhanced competitive interest in our sector. It remains to be seen how this will impact our business going forward but we believe that the growth potential of the market is greater than the currently available supply of capital and that we can sustain an attractive growth story notwithstanding inevitable year on year fluctuations.

Looking forward the record low interest rates experienced at the outset of this year are negative for the affordability of our product by pension schemes and we expect 2015 to get off to a slow start. Also key to 2015 is that this is the final year of the current European regulatory regime, Solvency I, and from 1 January 2016 all European insurers will report results on Solvency II a system which still currently lacks clarity for some key risk components. As a consequence of these factors it is possible that 2015 will deliver less positive development than the two years just passed, although we can observe that pipeline enquiries for the second quarter are encouraging.

Finally I would note that I shall retire in June and will be succeeded by Tracy Blackwell, PIC's current Chief Investment Officer who has been with the company since its foundation. Tracy has contributed hugely to the current achievements of PIC and the PIC board and I look forward to further successes under her leadership in the future.'

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 (the 'Investment Advisory Agreement'), entered into by the Fund Manager and Reinet Investment Advisors Limited (the 'Investment Advisor'), Reinet pays no management fee to 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

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 and its minority partner invest in the Trilantic general partnerships and management companies ('Trilantic Management'). 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 Trilantic Capital Partners IV L.P. ('Fund IV Global') and Trilantic Capital Partners IV (Europe) L.P. ('Fund IV Europe') (together 'Fund IV'), Trilantic Capital Partners V (North America) L.P. ('Fund V'), Trilantic Energy Partners (North America) L.P. ('TEP') and to any future funds launched by Trilantic where Reinet makes a commitment. As at 31 March 2015, Reinet's share of any carried interest earned by Trilantic Management is 11.25 per cent in respect of Fund IV, 15 per cent in respect of Fund V and 10 per cent in respect of TEP.

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

'We remain cautiously optimistic regarding the outlook of US domestic companies and believe that we are well positioned to ride out any lingering waves on the energy front, we will continue adhering to our investment discipline which we believe has been critical in protecting capital, enhancing value and maximising returns. We have divested companies that have reached maturity and are methodically putting capital to work where we find attractive risk/reward opportunities that can drive appropriate risk-adjusted returns. Patience and flexibility will be essential in the upcoming year in our deployment of capital. We will also continue to strive to build value in our existing portfolio and aim to have our mature companies take advantage of the hot market as we look for attractive exits.'

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

'At the end of 2014 and early 2015 the European economy as a whole looks in a much better place than it did a few months ago due to a number of factors which include (i) the rapid and substantial decline of the euro to dollar exchange rate means that Europe's less competitive labour forces are now able to compete, (ii) the 40 per cent drop in oil prices has substantially helped European manufacturing industries, (iii) consolidation of the recovery in Spain, structural reforms in Italy being implemented at an unprecedented pace and the French government beginning to react to the economic paralysis of the last few years, (iv) the ECB has taken over the control function of the key national banks, leading to corporate and consumer lending growing after several years of contraction. There are a number of clouds on the horizon in 2015 though. The most worrying is the potential for major political change with a busy calendar of general elections, starting with the UK in May and followed by Spain in the autumn. Populism is on the rise in Europe at a time when governments are seeking to heal their economies.

High liquidity in the market, supported by the ECB's quantitative easing programme, has resulted in high exit multiples being achieved. We see this trend continuing into 2015 and have already benefitted from these factors in realisations or activations of exit processes for companies held in the Trilantic Fund IV Europe portfolio. Despite rising valuations, we continue to find attractive investment opportunities at lower multiples than the headline numbers being paid in the market, consistent with Trilantic Europe's value investing approach. Our specialty remains the 'buy-in' approach, partnering with families, corporates or entrepreneurs in proprietary transactions where sellers are looking for the right partner to provide value-added support in order to take a company to the 'next level' in terms of management and growth.'

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

Trilantic Capital Partners IV L.P. and Trilantic Capital Partners IV (Europe) L.P.
Committed amount: € 185 million (EUR commitment and EUR equivalent of USD commitment)
Invested amount: € 150 million (EUR commitment and EUR equivalent of USD commitment)

Reinet has a 90 per cent interest in an entity which invests in two funds, Fund IV Global, which invests primarily in North America, and Fund IV Europe, which invests primarily in Western Europe. Current investments held in the Fund IV Global portfolio in North America in which Reinet has interests include natural gas and oil exploration and production; sports and casual accessories; soft goods and electronics; electricity transmission component manufacture and supply; and outdoor and fitness accessories. In Western Europe, Fund IV Europe has interests in gaming machines and video-lotteries; education publishing; commodities broking; telecom operations and high-speed rail equipment manufacturing.

During the year under review, Reinet and its partner invested an additional € 1 million in Fund IV and received capital repayments of € 9 million. Net carried interest earned amounted to € 3 million together with realised gains of € 18 million, before tax. Of these amounts, in aggregate, € 19 million was attributable to Reinet and € 2 million to the minority partner.

As at 31 March 2015, Reinet and its partner have invested the equivalent of € 112 million (31 March 2014: € 99 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 € 30 million.

The investment is carried at the estimated fair value of € 198 million at 31 March 2015 (31 March 2014: € 199 million). The investment in Fund IV is based on audited valuation data provided by Trilantic Management as at 31 December 2014. The decrease in the value is due to distributions of capital and gains in the year, offset by net increases in unrealised gains on underlying investments and the strengthening of the US dollar against the euro during the year which amounts to some € 20 million. Of the € 198 million carrying value, some € 178 million is attributable to Reinet, with the balance being attributable to its minority partner.

At 31 March 2015, Reinet had remaining commitments of € 35 million to invest in Fund IV.

Trilantic Capital Partners V (North America) L.P.
Committed amount: € 97 million (EUR equivalent of USD commitment)
Invested amount: € 28 million (EUR equivalent of USD commitment)

Independent from the investment held in Fund IV, Reinet has also committed some € 93 million to Trilantic Capital Partners V (North America) L.P. ('Fund V') together with a commitment of some € 4 million to Fund V's general partner ('Fund V GP'). Current investments held in the Fund V portfolio in North America include interests in hotel management services; natural gas and oil exploration and production, as well as fresh water transportation and storage services to industry participants; professional staffing and direct hire services; and outdoor equipment.

During the year under review, Reinet invested € 11 million in Fund V and Fund V GP. The investment is carried at the estimated fair value of € 29 million at 31 March 2015 (31 March 2014: € 11 million), based on audited valuation data provided by Trilantic Management as at 31 December 2014.

At 31 March 2015, Reinet had remaining commitments of € 69 million to invest in Fund V.

Trilantic Energy Partners (North America) L.P.
Committed amount: € 24 million (EUR equivalent of USD commitment)
Invested amount: € 5 million (EUR equivalent of USD commitment)

As at 31 March 2015, Reinet had committed an amount of € 24 million to TEP. In May 2015 Reinet increased its commitment by € 7 million (USD 8 million).

Current investments held in the TEP portfolio in North America focus on interests in natural gas and oil exploration and production, as well as fresh water transportation and storage services to industry participants.

During the year under review, Reinet invested € 4 million in TEP. The investment is carried at the estimated fair value of € 4 million at 31 March 2015 (31 March 2014: € nil), based on audited valuation data provided by Trilantic Management as at 31 December 2014.

At 31 March 2015, Reinet had remaining commitments of € 19 million to invest in TEP.

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RENSHAW BAY AND RELATED INVESTMENTS

Renshaw Bay Advisory and Investment Management Entity
Committed amount: € 35 million (including an increase of € 5 million during the year) (EUR equivalent of GBP commitment)
Invested amount: € 33 million (EUR equivalent of GBP commitment)

Reinet has co-invested with Mr William T. Winters, RIT Capital Partners plc and Renshaw Bay's management team 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.

During the year, Reinet participated in a capital increase bringing its total holding to 43.8 per cent. Mr Winters and senior management continue to hold 50 per cent of the entity. The additional investment in the year amounted to € 3 million.

Reinet has invested € 33 million to date in Renshaw Bay (31 March 2014: € 26 million). The investment is carried at the estimated fair value of € 33 million at 31 March 2015 (31 March 2014: € 26 million).

At 31 March 2015, Reinet had remaining commitments of € 2 million to invest in Renshaw Bay.

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

'Renshaw Bay has made positive progress over the past year reaching important milestones in both of the primary business lines: financing European commercial real estate and managing structured and specialty finance assets.

In early 2015 our real estate finance business line celebrated the final close of the Renshaw Bay Real Estate Finance Fund L.P. with £ 258 million of commitments from a broad range of investors including major pension funds, local authorities, foundations and high net worth individuals. Alongside Renshaw Bay Real Estate Finance Fund L.P., we have a £ 97.5 million related mandate which invests in parallel with Renshaw Bay Real Estate Finance Fund L.P.

Overall the real estate finance business line now manages approximately £ 550 million of capital and to the end of March 2015 had completed real estate transactions totalling £ 678 million of which we manage £ 374 million in our funds. The focus for the year ahead is the deployment of existing investor commitments. Assuming this progresses as forecasted, further fund raising for a successor fund to the Renshaw Bay Real Estate Finance Fund L.P. and also a new fund targeting longer term, lower leverage loans is anticipated for later in 2015.

In our structured finance activities we completed our first investments across a range of sub-strategies and continue to build a diversified portfolio which will underpin further capital raising later in 2015. We continue to identify interesting opportunities with strong risk-adjusted returns in various specialty finance and structured credit areas.

In February 2015, I announced my intention to step down from the CEO role. Following this news, I along with the management team have worked to implement a succession plan.'

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

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

JPS Credit Opportunities Fund (Cayman) Ltd. ('JPS Credit Fund')
Committed amount: € 65 million (EUR equivalent of USD commitment)
Invested amount: € 65 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 € 85 million at 31 March 2015 (31 March 2014: € 63 million) based on the valuation at that date provided by the fund manager.

The increase in fair value during the year is due to increases in the value of underlying investments together with the strengthening of the US dollar against the euro during the year.

Renshaw Bay Real Estate Finance Fund
Committed amount: € 138 million (EUR equivalent of GBP commitment)
Invested amount: € 55 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. The fund attracted total commitments of some £ 258 million (€ 356 million) as at the final closing in February 2015.

During the year under review, in accordance with its commitment Reinet invested an additional € 9 million, net of capital repayments, in the Renshaw Bay Real Estate Finance Fund. The amounts repaid were in respect of subsequent fund closings and the admission of new investors to the fund.

Reinet has invested € 55 million to date (31 March 2014: € 39 million). The fair value at 31 March 2015 is € 55 million (31 March 2014: € 38 million) based on audited valuation data provided by Renshaw Bay at 31 December 2014.

Reinet is committed to invest a further € 83 million in the fund.

Renshaw Bay Structured Finance Opportunity L.P.
Committed amount: € 140 million (EUR equivalent of USD commitment)
Invested amount: € 56 million (EUR equivalent of USD commitment)

Renshaw Bay Structured Finance Opportunity L.P. seeks to provide investors with attractive risk-adjusted returns through investments principally in the structured finance and credit markets. The fund seeks to take advantage of opportunities driven by structural and regulatory change in the capital markets, as well as complexity fatigue and the retreat of capital.

During the year under review, Reinet invested an additional € 42 million in the Renshaw Bay Structured Finance Opportunity L.P.

Reinet has invested € 56 million to date (31 March 2014: € 3 million). The investment is carried at the estimated fair value of € 50 million at 31 March 2015 (31 March 2014: € 1 million), based on audited valuation data provided by Renshaw Bay at 31 December 2014.

Reinet is committed to invest a further € 84 million in the fund.

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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. 36 South was established in 2001 and specialises in finding cheap convexity, principally in long-dated options, across all asset classes. Its global volatility strategies are designed to perform well in most market environments but to 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 investment in the funds is carried at an estimated fair value of € 69 million, based on unaudited capital statements received from the fund manager as at 31 March 2015 (31 March 2014: € 64 million); and the fair value of the short-term loan and investment in the fund management companies amounted to € 8 million (31 March 2014: € 8 million). The investments in total have a fair value of € 77 million (31 March 2014: € 72 million). The change in valuation reflects the movement in the value of the underlying funds.

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.

We mentioned last year that we have seen a period of complacency due to the suppression of volatility by Central Banks through quantitative easing and ultra-low interest rates.

Not only has this policy been continued throughout this current year, we expect it to continue for the forthcoming year. Low interest rates in particular have driven investors to any market which promises any reasonable yield hence the recent stampede into the equities markets. Providers of yield product are structuring high yield products by selling 'future' volatility hence depressing the current price of volatility in a few financial markets. Whilst not ideal in the short term, a low current market price of volatility gives us a unique opportunity to buy and warehouse great value options which will benefit from any return to a more volatile regime in the financial markets.

Volatility is what 'we don't know we don't know' and whilst we cannot predict, we can prepare. Given the cyclical and mean reverting nature of volatility, we aim to assist in preparing our clients for volatility which must surely ensue this period of government inspired financial market volatility suppression.'

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

Reinet has invested with Milestone Capital in a management company based in Shanghai. Reinet has also invested in certain funds and investment companies managed by Milestone Capital.

Milestone Capital has a strong track record in helping portfolio companies scale their operations and be listed on either domestic or foreign stock exchanges. Funds under management 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. Current areas of investment include: restaurants; B2C online travel services; bio-pharmaceutical manufacturers; medical device manufacturers; food and beverage distribution; brands covering sportswear and apparel; big data services; e-commerce; power generation equipment and retail pharmacies.

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

'2014 was a productive year for Milestone Capital. 2014 marked a return to form for China's equity capital markets, and a number of issuers, led by Alibaba, Inc., had oversubscribed and highly successful IPOs. Throughout the year, we actively deployed substantial capital, committing a total of USD 133.4 million in seven new investments in the healthcare and consumer sectors. In many instances, we invested in companies that we had been pro-actively following for many months. In particular, we actively deployed capital in the healthcare sector, where we believe many privately-held companies will emerge as national – and in some cases, global – leaders in fields such as medical devices and new drug development. We also continued to work closely with our existing portfolio companies to help support their various growth initiatives.

For the full year 2014, China's GDP growth was 7.4 per cent, compared to a 7.7 per cent in 2013. This represented the weakest annual expansion since 1990, but was largely in line with the government's growth targets. While economic growth is clearly decelerating, the economy also continues to rebalance away from an investment-driven model towards an economy led by consumption. Services, which are more closely correlated with consumption than with investment, grew to account for 48.2 per cent of the economy last year, up 1.3 percentage points from 2013. We believe this deceleration of growth and transition towards a consumption-driven GDP is a positive development for the long-term health of the economy.

While overall GDP growth will decelerate in 2015, innovative businesses in the consumer and healthcare sectors are seeing exceptional growth prospects, as their business models and technologies are reshaping and improving how many Chinese lead their lives. In 2015 we will continue to look for attractive opportunities in the consumer and healthcare sectors and will look to begin to harvest some of our portfolio investments while the market window remains open.'

Further information on Milestone Capital and Milestone funds may be found at www.mcmchina.com.

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Management company participation
Committed amount: € 8 million (EUR equivalent of USD commitment)
Invested amount: € 8 million (EUR equivalent of USD commitment)

Reinet has invested in a management company which is the general partner of Milestone China Opportunities Fund III L.P. and any subsequent funds.

Reinet invested its full commitment to the management company in the year ended 31 March 2012.

In line with Reinet's policy not to value potential future performance fees and carried interest, this investment has been written down to a nominal value at 31 March 2015 and 31 March 2014.

Milestone China Opportunities Fund II L.P. ('Milestone II')
Committed amount: € 15 million (EUR equivalent of USD commitment)
Invested amount: € 13 million (EUR equivalent of USD commitment)

Reinet assumed the participation in Milestone II from Richemont when Reinet was formed in 2008. Since that time Reinet has invested € 13 million, net of capital repayments. The fund is now at a mature stage and assets are being realised over the remaining life of the fund.

At 31 March 2015, this investment is estimated to have a fair value of € 4 million based on audited data provided by the fund manager at 31 December 2014 (31 March 2014: € 5 million).

At 31 March 2015, Reinet's remaining commitment to Milestone II is € 2 million.

Milestone China Opportunities Fund III L.P. ('Milestone III')
Committed amount: € 93 million (EUR equivalent of USD commitment)
Invested amount: € 79 million (EUR equivalent of USD commitment)

In June 2011, Reinet committed to invest USD 100 million (€ 93 million) in Milestone III.

During the year under review, Reinet invested an additional € 29 million in Milestone III.

As at 31 March 2015, capital contributions of € 80 million had been made to Milestone III (31 March 2014: € 36 million). This investment is carried at the estimated fair value of € 66 million at 31 March 2015, based on audited valuation data provided by the fund manager at 31 December 2014 (31 March 2014: € 33 million). The increase in fair value over the year under review is mainly the result of the additional capital invested together with the strengthening of the US dollar against the euro, offset by a decrease in the value of underlying investments.

At 31 March 2015, Reinet's remaining commitment to Milestone III is € 14 million.

Investment holdings
Committed amount: € 58 million (EUR equivalent of USD commitment)
Invested amount: € 52 million (EUR equivalent of USD commitment)

Reinet has also invested in a long-term investment vehicle in partnership with certain of the Milestone general partner principals and other partners. The investment vehicle seeks to leverage the investment expertise of the Milestone principals.

As at 31 March 2015, capital contributions of € 52 million had been made in respect of these investments (31 March 2014: € 39 million). This increase is due to the movement in the USD/EUR exchange rate in the year.

These investments are carried at the estimated fair value of € 46 million at 31 March 2015, based on a recent independent valuation with listed investments marked to market values at the year-end (31 March 2014: € 39 million).

At 31 March 2015, Reinet's remaining commitment is € 6 million.

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.

During the year under review distribution proceeds of € 4 million were received from the funds.

At 31 March 2015, the investment in GEMS III is carried at the estimated fair value of € 3 million based on a recent independent valuation (31 March 2014: € 8 million).

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

Prescient China Balanced Fund ('Prescient China') and investment management company
Committed amount: € 30 million (EUR equivalent of USD commitment)
Invested amount: € 30 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 in Prescient China and in its management company. Reinet invested its full capital commitment to the fund in March 2013 and invested € 2 million in the management company in March 2015.

The investment in both entities is carried at the estimated fair value of € 48 million based on unaudited valuation statements provided by the fund manager at 31 March 2015 (31 March 2014: € 19 million). The increase in value reflects the increase in the Chinese equity market during the year along with the strengthening of the US dollar against the euro.

Reinet has no further commitment to invest in the fund or management company.

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

'The year ending March 2015 was an exciting one for Prescient China. Prescient China has tripled the AUM of the business growing from USD 50 million to USD 150 million. Through this process we have also launched our fixed income capability for the first time in late 2014, starting to establish a track record in the fixed income space.

The Chinese market continued to liberalise, released policy and our own interactions with regulators continue to reinforce that view. With market liberalisation comes opportunity and going forward it should make it easier to expand into this market. The global market has begun to take notice of the Chinese capital market, the business is well positioned to capitalise on such an opportunity when it occurs.

With the Chinese market doing very well, the fund has seen exceptional performance through the year. Initial investors would have seen their NAV increase by around 65 per cent over the past 2 years. This resulted in some healthy performance fees for the business. Equity alpha continue to be strong bringing cumulative alpha to around 8 per cent over the past 2 years.

Looking forward Prescient China is looking to grow further in 2015, with a more welcoming regulatory regime, as well as a stronger track record. We will look to build on the success of the business.'

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

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SPECIALISED PRIVATE EQUITY FUNDS
Vanterra Flex Investments L.P. ('Vanterra')
Committed amount: € 93 million (EUR equivalent of USD commitment)
Invested amount: € 51 million (EUR equivalent of USD commitment)

Vanterra was established in 2010 to invest in privately issued securities 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 Fund IV, in the United States land development and mortgages and in Vanterra C Change Transformative Energy & Materials I, L.P. and AIV-A L.P. In addition, Vanterra has investments in United States healthcare and in a Brazilian private equity fund. Vanterra also co-invested with Trilantic Fund IV Europe, in a Spanish high-speed train manufacturer.

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

As at 31 March 2015, € 51 million of committed funds (31 March 2014: € 44 million), together with € 4 million in respect of expenses (31 March 2014: € 3 million) had been invested in the fund.

During the year under review, Vanterra distributed a part of its minority holding in United States land development and mortgages to Reinet Fund; the value of this distributed interest amounted to € 5 million, in addition Vanterra returned unused capital amounting to € 4 million.

This investment is carried at the estimated fair value of € 53 million at 31 March 2015, based on unaudited financial information as at 31 December 2014 (31 March 2014: € 47 million). The increase in value reflects increases in the value of underlying investments and the strengthening of the US dollar against the euro in the year, offset by the distribution of assets noted above.

Reinet is committed to invest a further € 42 million in Vanterra.

Shad Azimi, Managing Partner of Vanterra Capital, commented:

> *'As our investment period winds down, our primary goal for 2015 will be to harvest the portfolio and generate liquidity. The majority of the exposure within the portfolio is to the United States, geographically, which continues to experience a strong sellers' market. We anticipate longer hold periods for our emerging markets exposure given the volatility in Brazil.*
>
> *In addition to Vanterra's investments in Trilantic Capital Partners Fund IV and United States 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 2015, Vanterra will look to realise 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.'*

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

Vanterra C Change Transformative Energy & Materials I, L.P. ('Vanterra C Change TEM')
Committed amount: € 61 million (EUR equivalent of USD commitment)
Invested amount: € 60 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 € 3 million in Vanterra C Change TEM and its general partner.

As at 31 March 2015, capital contributions of € 60 million had been made to the fund (31 March 2014: € 45 million). This investment is carried at the estimated fair value of € 30 million based on unaudited financial information as at 31 December 2014 (31 March 2014: € 30 million). The additional capital invested together with the strengthening of the US dollar against the euro have compensated for a decrease in the value of underlying investments.

Reinet is committed to invest a further € 1 million in Vanterra C Change TEM and its general partner.

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

'During 2014, we sought to stabilise our fund, narrow our focus, and position ourselves for positive developments. We reduced our obligations by attracting co-investments and tightened cost controls, as our portfolio made progress toward improved performance.

Of our five platforms, our standout investment is the multinational passenger rail company, which continues to outperform profit expectations. Our building materials platform made forward progress during the year, with revenue growth and increased commercial opportunities. Our alternative cement business was hampered with litigation during 2014, but remains a business with good prospects, operating in a large potential market.

Our intent for 2015 is to conclude our funding obligations to the portfolio, including attracting co-investment capital. We are confident in a favourable outcome with the passenger rail company, and are determined to overcome the challenges in the alternative cement company in order to realise its potential and thereby maximise returns to our investors.'

Further information on Vanterra C Change TEM may be found at www.temcapital.com.

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NanoDimension funds and co-investment opportunities
Committed amount: € 56 million (including an increase of € 1 million during the year) (EUR commitment and EUR equivalent of USD commitment)
Invested amount: € 40 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 € 52 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 € 4 million in the NanoDimension funds and the co-investment.

At 31 March 2015, capital contributions of € 40 million had been made to the funds and co-investment (31 March 2014: € 28 million). The fair value of Reinet's investment in the two funds and the co-investment amounted to € 56 million (31 March 2014: € 29 million). The estimate of fair value is based on audited valuation data received from the fund manager as at 31 December 2014 together with an independent valuation of the co-investment. The increase in value reflects increases in the value of underlying investments and the strengthening of the US dollar against the euro in the year.

Reinet's remaining commitments to the funds amounts to € 16 million at 31 March 2015.

Aymeric Sallin, Founder of NanoDimension, commented:

'2014 was a solid year for both NanoDimension and the world of nanotechnology.

In nanotechnology, we saw the scientific community celebrate the nanosciences with the Nobel Prize for Chemistry and Physics, top academic research institutions like MIT making substantial investments in facilities dedicated to nanotechnology (MIT.nano) and innovative and forward-thinking companies like Google announcing programmes in nanomedicine.

At NanoDimension, 2014 was a year of hard work with our portfolio companies. We also harvested our deal flow – investing in four new companies.

Our existing portfolio of companies is performing well. As a selective update View is producing electrochromic glass at high yield and has installed Dynamic Glass in over 150 buildings. Large real estate investors led the latest financing round of View, a sign of company maturity. All efforts are now on sales and market penetration. Our portfolio company Blend hired a new CEO and will enter the clinical trials with its personalised platinum programme later this year.

Our four new investments are in nanomedicine and at the convergence of the physical and life sciences. ARMO Biosciences is progressing rapidly and has already enrolled 168 patients and is seeing interesting data emerge in some of the hardest-to-treat cancers. ACIR Biosciences, a sister of ARMO, is developing a different, potentially synergistic immunotherapy. Emulate, one of the largest spin-offs to date from Harvard, is developing organs-on-chips. The chips were recently recognised by the MOMA for their design and potential contribution to society. Finally, Twist is setting up the tools to enable the synthetic biology revolution.

We believe the strong deal flow reflects the growth of nanotechnology and the NanoDimension organisation. CEOs and start-ups are leveraging the billions of dollars invested in nanoscience over the past three decades. The NanoDimension team is benefiting from working together closely over the past decade.

Looking forward, we are bullish for 2015. We are excited to see the developments of our existing companies and to make new investments in break-through, enabling nanotechnologies.'

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

Fountainhead Expert Fund ('Fountainhead')
Committed amount: € 37 million (including an increase of € 19 million during the year) (EUR equivalent of USD commitment)
Invested amount: € 18 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.

During the year under review, Reinet committed to invest a further € 19 million (USD 20 million) in Fountainhead, the additional commitment will be funded subject to the fulfilment of certain conditions. Reinet has invested € 18 million to date in Fountainhead.

As at 31 March 2015, the fair value of the investment was € 30 million based on the unaudited valuation at that date provided by the fund manager (31 March 2014: € 25 million).

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

'Three years have passed since Reinet initially entrusted us with their investment capital. We are relatively pleased with the performance to date, having compounded at 20.3 per cent CAGR over that period. More importantly, we are very excited about the return prospects over the next few years. We feel that the overall market is expensive, yet for concentrated bottom up stock pickers such as ourselves there remain some very compelling opportunities.

Most of the value accretion to date has resulted from intrinsic value growth via increased earnings and astute value creating activities by company management. There has been very little rerating or narrowing of the gap between current market prices of our companies and what we believe are their conservative intrinsic values. As a result we feel that the current portfolio has never been as well positioned from a future return perspective.

Our companies did not deliver much in terms of share price appreciation in 2014. This did not bother us in the slightest, as they managed to grow their intrinsic values. Had there been deterioration in the companies' fundamentals then the price action would have been justified, but that was not the case. Most of the market action in 2014 and year to date in 2015 revolves around the endless vacillation of the market about the eventual timing of the lift-off towards interest rate normalisation in the US. As long-term investors whether this happens in three or twelve months makes very little difference to our outlook for our portfolio companies.

It is our hope that market prices of our portfolio companies stay depressed for the foreseeable future. The reason for this is that most of our portfolio companies are not only over capitalised, but they have value conscious management teams that are using these depressed prices to drive significant value accretion via share buybacks. A rational investor should prefer owning an ever-increasing share of these wonderful businesses at bargain prices, rather than experiencing a small increase in their share prices over the short term.'

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 € 11 million at 31 March 2015 based on valuation statements received from the fund managers (31 March 2014: € 10 million).

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UNITED STATES LAND DEVELOPMENT AND MORTGAGES

Committed amount: € 161 million (including an increase of € 23 million during the year) (EUR equivalent of USD commitment)
Invested amount: € 161 million (EUR equivalent of USD commitment)

Reinet has co-invested both directly and with partners to acquire interests in real estate development projects. The investments are located in Florida, Georgia, Colorado, North and South Carolina and Nevada. These include properties where infrastructure services have been laid but where the construction of properties has not yet commenced. In addition, Reinet has invested in residential golf communities, owning the land for sale to future homeowners together with infrastructure assets. Reinet has also purchased mortgage debt linked to such developments from financial institutions, usually at significant discounts to face value.

During the year under review, Reinet invested an additional € 19 million in these projects and repaid funding provided by a minority partner in the amount of € 7 million.

At 31 March 2015, Reinet had invested € 161 million in these projects (31 March 2014: € 99 million). The increase in amounts invested includes some € 36 million in respect of foreign exchange gains due to the strengthening of the US dollar against the euro during the year.

The investment is carried at the estimated fair value of € 207 million (31 March 2014: € 134 million), of which € 199 million is attributable to Reinet (31 March 2014: € 116 million) and € 8 million to its partners (31 March 2014: € 18 million).

The current valuation is based on independent valuations of underlying assets as at 31 December 2014. The increase in the valuation reflects the capital contributions made during the year, the increase in value of underlying assets and the strengthening of the US dollar against the euro during the year which amounts to some € 43 million.

During the year under review, Vanterra distributed a part of its minority holding in United States land development and mortgages to Reinet Fund; the value of this distributed interest amounted to € 5 million. In addition, Reinet Fund purchased the remaining minority shares by repaying funding provided by another minority partner in the amount of € 8 million. These transactions did not impact the aggregate fair value of the investment in United States land development and mortgages, but did result in a reduction in the liability to minority partners and reduced the value attributable to minority interests.

Reinet has no further commitment to invest in these investments as at 31 March 2015.

John Kunkel, Chief Executive Officer of Arendale Holdings Corporation, commented:

'Arendale Holdings Corp. and its affiliated companies have placed investments in the US residential land development sector with a bias towards the Southeastern United States, and also a bias toward two distinct sectors of the market. The first sector is a portfolio of 'production' communities which supply completed lots to production builders who, in turn, supply housing to the populous of the market. The second sector emphasises investments in high-end private golf and club communities, each of which are a marquis community and have been recognised in the past for their quality.

This second sector has been the focus of more recent attention and the investments made have been at favourable values, in distressed situations. Each of the projects in this sector has been through a bankruptcy, foreclosure, or both prior to Arendale's investment. Therefore, each now require time and attention to re-establish the quality of the brand, the confidence in the new ownership group, and the direction of the development. Several steps have been taken to showcase the credibility of Arendale and the quality of these communities. In 2014 and early 2015, we have been honoured to be recognised in the forefront of many industry awards and rankings.

Our task has been to continue to divest the first sector portfolio which is now ripe for sale, and to continue to re-create the brand for the second sector holdings. It stands to reason that the more seasoned production communities are providing better results year-over-year with improvements in the industry. The high-end community segment is expected to outperform within two to five years once key investment projects within these communities are complete, remnant inventory held by third parties is sold off, credibility is re-established, and targeted marketing resumes. Values within these communities should continue to rise as the market cures.

From a macro-economic standpoint, we are pleased with the continual growth in the US residential real estate market and the market positions we hold. While we are not experiencing the robust demand of the early 2000's, we believe that the complete fallout of the industry in the latter 2000's is now done; healing has occurred, and the underlying demand drivers are now stabilising. Our industry thrives on household creations, which over the past several decades have been fuelled primarily from population growth, immigration, employment growth, and general wealth creation. All indicators point toward continued improvement in housing starts for the next decade at levels that are well above today's activity. This growth is expected to touch all price points and consumer groups, with the younger and older homeowners leading the demand. Once again, our portfolio is well positioned to capitalise in growth markets and in the specific sectors which should experience greater growth.

The industry is still not without challenges which come from economic and political uncertainty, interest rate sensitivity, real wages relative to the cost of housing (particularly in urban areas), and the relatively stringent underwriting criteria which still exists for home financing. We are mindful of each and continue to manage current holdings attempting to mitigate risk wherever possible. As capital is returned, new investments will be placed with an eye on diversity and positioned in markets that are best positioned for household growth.'

DIAMOND INTERESTS

Reinet has invested in two projects in South Africa.

In total these projects are carried at their estimated fair value of € 92 million at 31 March 2015 (31 March 2014: € 76 million).

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

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

'Rooipoort has delivered a number of high-value diamonds during the past year, the highlight being a 164.74 ct stone sold for USD 2.1 million in South Africa. The company has partnered on a trial basis with a local beneficiator to enable the company to meet its minimum target of 15 per cent sold to South African beneficiators/polishers.

Jagersfontein has implemented various measures to address operational efficiencies throughout the plant and the conveyor system, which have resulted in lower operational costs. The company is currently experimenting with primary crushing on the courser material which to date has shown good promise on the delivery of larger stones. The majority of the Jagersfontein production revenue however remains in the smaller goods on run of mine production. The demand for these goods is significantly higher in the Antwerp market than in South Africa.

Both projects have continued with the route to market being through two tenders – the South African Diamond Exchange and Export Centre in South Africa and our tenders in Antwerp. There is a continued price appreciation in Antwerp compared to South Africa on the exported goods.'

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Jagersfontein
Project cost: € 65 million (EUR equivalent of ZAR cost)
Invested amount: € 63 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.

Of the proceeds of diamond sales during the year, € 7 million (ZAR 85 million) was used to repay loans and interest due to Reinet with the balance retained to fund on-going operations.

As at 31 March 2015, Reinet held equity interests of € 18 million (31 March 2014: € 15 million) in the above investment and had outstanding loans of € 22 million (31 March 2014: € 25 million). In addition, € 8 million (31 March 2014: € 6 million) is receivable from third parties in respect of sales of part of the equity investments and Reinet has accrued income of € 5 million (31 March 2014: € 3 million) in respect of funding provided in connection with the project to date.

The investment is carried at the estimated fair value of € 53 million at 31 March 2015 (31 March 2014: € 49 million). The current valuation is based on discounted cash flow analyses prepared by local management.

Reinet is committed to invest a further € 2 million in this project as at 31 March 2015.

Rooipoort
Project cost: € 29 million (EUR equivalent of ZAR cost)
Invested amount: € 28 million (EUR equivalent of ZAR cost)

Reinet has a 49 per cent interest in a separate project, which has acquired rights to source diamonds on a previously unexploited site at Rooipoort near Kimberley in South Africa. Other shareholders include a BEE organisation and the parties responsible for the day-to-day operations.

During the year under review, Reinet made loans of € 2 million (ZAR 25 million) to Rooipoort. Of the proceeds of diamond sales during the year, € 3 million (ZAR 40 million) was used to repay loans and interest due to Reinet with the balance retained to fund on-going operations.

As at 31 March 2015, Reinet held equity interests of € 11 million (31 March 2014: € 4 million) in the above investment and had outstanding loans of € 20 million (31 March 2014: € 17 million). In addition, € 4 million (31 March 2014: € 3 million) is receivable from third parties in respect of sales of part of the equity investments and Reinet has accrued income of € 4 million (31 March 2014: € 3 million) in respect of the funding that it has provided in connection with the project to date.

The investment is carried at the estimated fair value of € 39 million at 31 March 2015 (31 March 2014: € 27 million). The current valuation is based on discounted cash flow analyses prepared by local management.

Reinet is committed to invest a further € 1 million in this project as at 31 March 2015.

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 € 11 million at 31 March 2015 (31 March 2014: € 10 million).

Committed Funds

The table below summarises Reinet's outstanding investment commitments as at 31 March 2015.

	As at 31 March 2014(1) € m	Exchange rate effects(2) € m	Committed during the year(3) € m	Funded during the year(3) € m	**As at 31 March 2015(3) € m**	As at 31 March 2015 %
Pension Corporation(4)	91	13	–	(104)	**–**	–
Private equity and related partnerships						
Trilantic Capital Partners						
Fund IV, Fund V, TEP and related management companies(5)	112	29	–	(18)	**123**	30.4
Renshaw Bay and related investments						
Renshaw Bay advisory and investment management company	–	–	5	(3)	**2**	0.5
JPS Credit Opportunities Fund	–	–	–	–	**–**	–
Renshaw Bay Real Estate Finance Fund	82	11	–	(10)	**83**	20.5
Renshaw Bay Structured Finance Opportunity L.P.	106	29	–	(51)	**84**	20.7
Asian private equity and portfolio funds						
Milestone China Opportunities funds, investment holdings and management company participation	44	13	–	(35)	**22**	5.4
GEMS	–	–	–	–	**–**	–
Prescient China Balanced Fund and investment management company	1	1	–	(2)	**–**	–
Specialised private equity funds						
Vanterra Flex Investments	29	8	–	5	**42**	10.4
Vanterra C Change TEM	3	1	–	(3)	**1**	0.2
NanoDimension funds and co-investment opportunities	16	4	1	(5)	**16**	4.0
Fountainhead Expert Fund	–	–	19	–	**19**	4.7
Other fund investments	5	1	–	(3)	**3**	0.7
United States land development and mortgages(5)	9	2	23	(34)	**–**	–
Diamond interests	6	2	–	(5)	**3**	0.7
Other investments	4	–	12	(9)	**7**	1.8
	508	114	60	(277)	**405**	100.0

(1) Commitments are calculated using 31 March 2014 exchange rates.

(2) Reflects exchange rate movements between 31 March 2014 and 31 March 2015.

(3) Amounts calculated using 31 March 2015 exchange rates.

(4) The amount paid to Pension Corporation in the year amounts to € 94 million using actual exchange rates, the additional € 10 million relates to exchange differences between the date of payment and the year end rate.

(5) Commitments noted represent only Reinet's share of the investments at 31 March 2015, additional commitments payable by minority partners amount to € 4 million in respect of Trilantic and € nil in respect of United States 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 2015 exchange rates.

MANAGEMENT REPORT

BUSINESS OVERVIEW
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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	€ 76 m
Undrawn borrowing facilities	€ 414 m
Cash required for unfunded commitments (refer to table on previous page)	€ (405) m
Cash required to meet ZAR borrowing obligations (refer to note below)	€ (34) m

Existing bank borrowings of € 440 million under the collar financing arrangements noted below 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 Merrill Lynch of £ 150 million and a facility with Morgan Stanley of £ 150 million, in total £ 300 million (€ 414 million). As at 31 March 2015, these facilities had not been drawn upon.

BANK BORROWINGS AND RELATED DERIVATIVE CONTRACTS

BORROWINGS

In February 2012, in order to meet its ongoing commitments, Reinet entered into a £ 300 million medium-term collar financing arrangement. At 31 March 2015, the fair value of the borrowing was € 415 million (31 March 2014: € 358 million). The increase in fair value reflects lower market interest rates and the strengthening of sterling against the euro during the year. The collar financing arrangement involves the purchase by Reinet of put options and the sale by Reinet of call options over 13.7 million BAT shares. The remaining unpaid net option premium is payable over the period to 2017 and is carried as a liability at its fair value of € 25 million as at 31 March 2015 (31 March 2014: € 32 million). 1.4 million BAT shares have also been pledged to guarantee the balance of the net option premium and a portion of the interest payments.

Reinet has also borrowed ZAR 443 million to fund its investments in South African projects. At 31 March 2015, the fair value of the borrowing was € 34 million (31 March 2014: € 30 million). The increase in fair value is due to the strengthening of the South African rand during the year.

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

Put and call options in respect of the £ 300 million medium-term collar financing arrangement noted above are carried at their respective fair values at the balance sheet date. The net derivative liability is carried at its fair value of € 26 million at 31 March 2015 (31 March 2014: € 16 million).

Reinet has entered into forward exchange contracts to sell ZAR 715 million (31 March 2014: ZAR 890 million). The net derivative liability in respect of the forward exchange contracts is carried at its fair value of € 6 million at 31 March 2015 (31 March 2014: asset value € 3 million).

OTHER LIABILITIES

FEES PAYABLE AND OTHER LIABILITIES, NET OF OTHER ASSETS

Fees payable and other liabilities comprise principally of an accrual of € 78 million in respect of the performance fee payable as at 31 March 2015, together with the half-yearly management fee payable of € 18 million. The performance fee and management fee are payable to the Investment Advisor. The management fee for the year under review amounted to € 39 million (31 March 2014: € 35 million).

In addition, a provision for deferred taxes of € 24 million relating to unrealised gains arising from the investments in the Trilantic funds has been made. Withholding taxes of € 14 million relating to the investment in United States land development and mortgages have also been provided for, together with other operating expenses currently payable.

FUNDING BY MINORITY PARTNERS

Reinet invests in certain investments, principally the Trilantic funds and United States 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. During the year under review, Reinet Fund purchased a part of the minority interests in United States land development and mortgages. In addition Vanterra Flex distributed a part of its minority holding in the same investment to Reinet Fund. These transactions reduced the amounts due to minorities.

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.

MANAGEMENT REPORT

BUSINESS OVERVIEW
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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 2015		Year ended 31 March 2014	
	€ m	€ m	€ m	€ m
Income				
BAT dividends	133		126	
Interest and other investment income	21		20	
Realised gains on investments – BAT	–		108	
– Others	20		6	
Realised gains on foreign exchange contracts	–		9	
Carried interest earned on investments	3	177	2	271
Expenses				
Performance fee	(78)		(12)	
Management fee	(39)		(35)	
Operating expenses, foreign exchange and transaction-related costs	(7)		(8)	
Interest expense	(12)		(11)	
Tax expense	(6)	(142)	(10)	(76)
Realised investment income, net of expenses		35		195
Fair value adjustments				
BAT – unrealised gain/(loss) on shares held	582		(111)	
– reversal of unrealised gain on shares sold[(1)]	–		(105)	
Other investments	448		115	
Derivative instruments	(19)		(2)	
Borrowings	(62)	949	7	(96)
		984		99
Effect of exchange rate changes on cash balances		14		(3)
Net profit		998		96
Minority interest		(6)		(4)
Profit attributable to the shareholders of the Company		992		92

(1) The reversal of the unrealised gain on shares sold represents the unrealised gain as at 1 April 2013 on the 5 million BAT shares sold during the year ended 31 March 2014.

INCOME

Dividends received from BAT increased by 6 per cent in euro terms from € 126 million (£ 106 million) to € 133 million (£ 107 million) during the year under review. The increase is due to an increase of £ 0.07 in the dividend per BAT share and a strengthening in the sterling/euro exchange rate at the time of the dividend payments, offset by the reduced number of BAT shares held following the sale of 5 million BAT shares in April 2013. The dividends received from BAT represent the final 2013 dividend, paid in May 2014, as well as the interim 2014 dividend paid in September 2014. The BAT final 2014 dividend was approved at the BAT AGM held on 29 April 2015 and was paid on 7 May 2015. This dividend has not been accrued at 31 March 2015 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 € 20 million include € 18 million in respect of investments realised by the Trilantic funds. Reinet's share of the Trilantic gains amounts to € 16 million with a further € 2 million being attributable to the minority partner.

Carried interest of € 3 million was attributable to Reinet in respect of investments realised by the Trilantic funds.

EXPENSES

The performance fee for the year ended 31 March 2015 amounts to € 78 million (31 March 2014: € 12 million). The performance fee is calculated as 10 per cent of the Cumulative Total Shareholder Return as defined in the Reinet Prospectus, published on 10 October 2008, including dividends paid, over the period since completion of the rights issue in December 2008 up to 31 March 2015, less the sum of all performance fees paid in respect of previous periods.

The management fee for the year ended 31 March 2015 amounts to € 39 million (31 March 2014: € 35 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 € 6 million.

Interest expense relates to sterling and rand denominated borrowings.

The net tax expense of € 6 million includes corporate and withholding taxes payable 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 the Trilantic funds and other United States investments.

FAIR VALUE ADJUSTMENTS

The investment in the 74.3 million BAT shares increased in value by € 582 million during the year under review. Of this, € 158 million was attributable to the increase in value of the underlying BAT shares in sterling terms and € 424 million due to the appreciation of sterling against the euro over the course of the year.

The unrealised fair value adjustment of € 448 million in respect of other investments includes the increase in the fair value of the investment in Pension Corporation of € 265 million, United States land development and mortgages of € 31 million, Renshaw Bay and related investments of € 41 million, Prescient China of € 27 million, NanoDimension investments of € 24 million, and Trilantic funds of € 14 million, along with increases in value of other smaller investments including the positive effect of changes in foreign exchange rates against the euro during the year.

The fair value of the collar financing derivative liability increased by € 9 million during the year reflecting the increase in the price of the BAT shares underlying the put and call options and the strengthening of sterling against the euro. The fair value of the forward exchange contracts decreased by € 10 million. In total these items increased the derivative liabilities by € 19 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 loss of € 4 million arose in respect of the rand borrowing due to the strengthening of that currency during the year. An unrealised loss of € 58 million arose in respect of the sterling borrowing. Of this, a loss of € 55 million is due to the strengthening of the sterling/euro exchange rate during the year and a loss of € 3 million arose due to the effect of lower interest rates used in discounting future cash flows.

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 United States land development and mortgages interests, respectively.

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CONSOLIDATED CASH FLOW STATEMENT

	Year ended 31 March 2015		Year ended 31 March 2014	
	€ m	€ m	€ m	€ m
Investing activities				
Purchase of investments, net of repayments	(216)		(380)	
Proceeds from sales of investments	36	(180)	230	(150)
Financing activities				
Dividend paid	(30)		–	
Repayment of funding to minority partners	(14)		(2)	
Proceeds from settlement of derivative assets	–		9	
Movements in bank borrowings	(8)	(52)	(10)	(3)
Operating activities				
Dividends, interest and other income received	133		128	
Carried interest earned on investments	3		2	
Interest expense	(12)		(9)	
Operating and related expenses	(45)		(45)	
Performance fee paid	(12)		(32)	
Taxation refunded	4	71	9	53
Net cash outflow		(161)		(100)
Opening liquid funds position		223		326
Effects of exchange rate changes on cash balances		14		(3)
Closing liquid funds position		76		223

INVESTING ACTIVITIES

Investments totalling € 216 million were made during the year, including Pension Corporation, United States land development and mortgages, Trilantic, Milestone, Renshaw Bay and Renshaw Bay funds. Amounts invested were partially offset by repayments of € 10 million in respect of loans and interest received from Jagersfontein and Rooipoort.

Proceeds from the sale of investments include € 27 million realised through Trilantic and € 9 million on the sale of other investments.

FINANCING ACTIVITIES

A dividend of € 30 million was paid to shareholders in September 2014.

Funding is received from minority partners in respect of investments made in Trilantic and United States 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 increased by 6 per cent from € 126 million (£ 106 million) to € 133 million (£ 107 million) during the year under review. The increase is due to 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 2013 dividend, paid in May 2014, as well as the interim 2014 dividend paid in September 2014.

Carried interest of € 3 million was received in respect of the investment in Trilantic.

Interest of € 10 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 € 12 million was paid in respect of the year ending 31 March 2014. The performance fee payable in respect of the current year will be paid in May 2015.

US tax repayments of € 4 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 € 147 million over the year to € 76 million as the amounts invested in new investments together with payment of the performance fee and operating expenses exceeded 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.

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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 arises 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.

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, and 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 starting 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 simplifies Reinet's obligations under FATCA. The Company and its controlled affiliates have taken the steps they considered necessary to be and remain compliant with FATCA, and where relevant, have registered 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

The Company relies on distributions from Reinet Fund as its principal source of income from which it may pay dividends.

A cash dividend of € 0.153 per share totalling € 30 million was paid to shareholders in September 2014, following approval at the Annual General Meeting on 9 September 2014.

The General Partner has proposed a cash dividend of € 0.157 per share subject to shareholder approval at the Annual General Meeting, which is scheduled to take place in Luxembourg on Tuesday, 25 August 2015.

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

The Company has sought clarification from the South African Revenue Service ('SARS') as to the treatment of any dividends to be declared and paid to holders of Reinet Depository Receipts ('DRs'). SARS has confirmed 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 exempted 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, 28 August 2015. Both the shares and the DRs will trade ex-dividend from Monday, 31 August 2015. The record date for the Company's shares will be Wednesday, 2 September 2015 and for the Company's DRs will be Friday, 4 September 2015.

The dividend on the Company's shares will be paid on Thursday, 3 September 2015 and is payable in euros.

The dividend in respect of the Company's DRs will be payable on Friday, 11 September 2015. 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 28 May 2015 on the Johannesburg stock exchange news service ('SENS').

MANAGEMENT REPORT

CORPORATE GOVERNANCE

INTRODUCTION

Reinet recognises the importance of appropriate corporate governance procedures in the management and oversight of its business. The Company acknowledges the obligations placed upon it as a public company listed in Luxembourg with a secondary listing of its DRs on the Johannesburg Stock Exchange. The Company's corporate governance principles are codified in its prospectus, published on 10 October 2008 (the 'Reinet Prospectus'), in the Statutes of the Company ('the Statutes'), as well as in the Corporate Governance Charter adopted by the Company, all of which are available on the Company's website, www.reinet.com. The requirements of the Statutes, the principles set out in the Reinet Prospectus and the Corporate Governance Charter adequately establish the framework of corporate governance within which Reinet and its management companies operate.

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., which was a subsidiary of Compagnie Financière Richemont SA ('CFR SA'), a Swiss company with significant luxury goods interests (CFR SA, together with its subsidiaries are referred to as 'Richemont'). 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 British American Tobacco p.l.c. ('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 Reinet Fund Manager S.A. (the 'Fund Manager') are owned and controlled by Rupert family interests.

During the year ended 31 March 2015, the Board of Directors of the General Partner met four times. Two directors attended four meetings and two directors attended three meetings. One director did not stand for re-election to the Board in September 2014; he attended one meeting during the period he held office. A new director was elected to the Board in September 2014; he attended two meetings since being elected. 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 directors of the General Partner are:

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 CFR SA up to September 2013, when he indicated his intention to step down from the board of that company during a sabbatical year. He was re-elected as Chairman of CFR SA in September 2014. He is also 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.

WILHELM VAN ZYL
Chief Executive Officer
South African, born 1965
Mr van Zyl was appointed to the Board of Directors in 2014 and appointed Chief Executive Officer with effect from January 2015.

Mr van Zyl holds a BCom degree from the University of Stellenbosch and qualified as a Fellow member of the Institute and Faculty of Actuaries (United Kingdom) in 1994. He is also a Fellow member of the Actuarial Society of South Africa and completed the Harvard AMP program in 2005. Mr van Zyl was group actuary of the financial services group Metropolitan Holdings from 2001 and headed up its corporate business from 2006. In 2008 he was appointed as a director and chief executive of Metropolitan Holdings. Following the listing of MMI Holdings in 2010, resulting from the merger between Metropolitan and Momentum, he was appointed as a director and deputy group chief executive with oversight of the group's health, international, investments and employee benefit operations. He currently serves on the board of Pension Insurance Corporation Limited and is also a director of various subsidiaries of Reinet Fund S.C.A., F.I.S.

ALAN GRIEVE
Non-Executive Director
British, born 1952
Mr Grieve was appointed to the Board of Directors in 2008, he retired as Chief Executive Officer in December 2014.

Mr Grieve served as Chief Financial Officer from 2008 to 2011 and as Chief Executive Officer from 2012 to 2014. He remains on the Board of Directors as a Non-Executive Director for both Reinet Investments Manager S.A. and Reinet Fund Manager S.A.

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 CFR SA 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.

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CORPORATE GOVERNANCE
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JOSUA MALHERBE
Non-Executive Director
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 CFR SA in September 2010 and assumed the role of Deputy Chairman in September 2014. He also serves as a director on boards of a number of companies, including Remgro Limited (appointed Deputy Chairman in November 2014), Pension Corporation Group Limited and Renshaw Bay Limited.

ELOY MICHOTTE
Non-Executive Director
Belgian, born 1948
Mr Michotte was appointed to the Board of Directors 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.

FORMER MEMBER OF THE BOARD OF DIRECTORS
Dr Mostert was appointed to the Board of Directors in 2009 and did not stand for re-election in September 2014.

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 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.

BOARD OF DIRECTORS OF THE FUND MANAGER

The directors of the Fund Manager are:

JOHANN RUPERT
Chairman
(For biographical details see page 33)

WILHELM VAN ZYL
Chief Executive Officer
(For biographical details see page 33)

ALAN GRIEVE
Non-Executive Director
(For biographical details see page 33)

SWEN GRUNDMANN
General Counsel and 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 in 2009, Ms Longden worked in the accountancy profession and international insurance industry. She is also a director of various subsidiaries of Reinet Fund S.C.A., F.I.S.

FORMER MEMBERS OF THE BOARD OF DIRECTORS

Mr Malherbe was appointed to the Board of Directors in 2009 and resigned in March 2015. Mr Michotte was appointed to the Board of Directors in 2008 and resigned in March 2015. Dr Mostert was appointed to the Board of Directors in 2009 and did not stand for re-election in September 2014.

MANAGEMENT REPORT

CORPORATE GOVERNANCE
CONTINUED

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, amongst others, 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 of a public company established in Luxembourg are not directly applicable to the Company.

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 the Company 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 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.

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 and Reinet Fund. 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 internal and external audit of the Company and Reinet Fund; and
- Verifying the existence and adequacy of internal control and risk management procedures.

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 24 April 2015 and met on 12 May 2015 to consider and approve the statutory and consolidated financial statements of the Company.

The members of the Board of Overseers are:

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.

FORMER MEMBER OF THE BOARD OF OVERSEERS

Mr Whitecourt was appointed to the Board of Overseers in 2009 and resigned from the Board of Overseers in December 2014.

THE MEMBERS OF THE BOARD OF OVERSEERS

The Statutes provide for a Board of Overseers composed of at least three members. 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.

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 overleaf).

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 9 September 2014. Fees of € 50 000 were paid to each of the members of the Board of Overseers in the year ended 31 March 2015.

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 13 to the consolidated financial statements on page 74 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, the Fund Manager and 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 2015.

At 31 March 2015, the Company owed € 0.8 million to the General Partner and Reinet Fund owed € 1.3 million to the Fund Manager.

MANAGEMENT REPORT

CORPORATE GOVERNANCE
CONTINUED

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 and any other disbursements, and pays an annual administration fee equal to 10 per cent of such expenses. During the year ended 31 March 2015, the Company paid € 1.2 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 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 and Mr E Michotte 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 the 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.

The management fee for the year under review amounted to € 39 million.

As detailed in the Reinet Prospectus, issued when the Company 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 the Company's 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.

The performance fee is payable as of 31 March 2015 in the amount of € 78 million. A performance fee of € 12 million was paid in May 2014 in respect of the year ended 31 March 2014.

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 2015, the Company had 195 941 286 ordinary registered shares and 1 000 management registered shares of no par value in issue.

The total number of voting rights at 31 March 2015 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 on the Johannesburg Stock Exchange.

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.

MANAGEMENT REPORT

CORPORATE GOVERNANCE
CONTINUED

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 48.5 million Reinet Investments S.C.A. shares representing 24.77 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.

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 shareholders' meeting. The business ordinarily to be considered at a shareholders' 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 cast, 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 9 September 2014. Out of a total of 195 941 286 ordinary shares and 1 000 management shares in issue, a total of 135 248 506 ordinary shares (some 69.03 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 present or 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 2015 Annual General Meeting of shareholders is given on pages 85 and 86 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 57 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, the Company publishes its half-yearly unaudited 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 report is distributed to all parties who have requested a copy 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).

Copies of the annual report and half-yearly unaudited financial report, the announcement of the results, trading statements and ad hoc press releases may also be downloaded from the Company's website. A copy of the Statutes of the Company and the Corporate Governance Charter 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.

CORPORATE GOVERNANCE
CONTINUED

AUDITORS

The statutory and consolidated financial statements of the Company for the accounting year ended 31 March 2015 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 law of 22 March 2004 on securitisation as amended.

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, Rooipoort 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') imposes reporting and other requirements on payers and recipients of certain categories of income starting 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 simplifies Reinet's obligations under FATCA. The Company and its controlled affiliates have taken the steps they considered necessary to be and remain compliant with FATCA, and where relevant, have registered 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

The Company 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

The Company 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.

At 31 March 2015, 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.

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 attached 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 40 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.

MANAGEMENT REPORT

CORPORATE GOVERNANCE
CONTINUED

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 2015. 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 in respect of these shares may be exercised by the Investment Advisor.

SHAREHOLDERS' MEETINGS AND VOTING RIGHTS

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 cast.

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 and the Statutes. 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, it 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 page 38 of this report.

APPROVAL

The General Partner, represented by Wilhelm van Zyl, 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 The Company financial statements have been prepared in accordance with Luxembourg legal and regulatory requirements and give a true and fair view of the Company's assets, liabilities, financial position and profit for the year; and

3. 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 2015 on pages 48 to 76 and the Company financial statements on pages 78 and 82 of this report were approved by the Board of the General Partner and signed on its behalf by Wilhelm van Zyl and Diane Longden.

Wilhelm van Zyl
Chief Executive Officer

Diane Longden
Chief Financial Officer

Reinet Investments Manager S.A.

General Partner

18 May 2015

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 2015 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 pages 77 and 84 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 who is 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.

12 May 2015

FINANCIAL STATEMENTS

Reinet Investments S.C.A. (the 'Company') has determined that it meets the definition of an investment entity under International Financial Reporting Standards ('IFRS') 10. As a result, in the year ended 31 March 2014, the Company 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 S.C.A., F.I.S. ('Reinet Fund' or the '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

	Notes	31 March 2015 € m	31 March 2014 € m
ASSETS			
Non-current assets			
Financial assets held at fair value through profit or loss	*4, 5*	5 078	4 123
Total assets		5 078	4 123
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	*8*	220	220
Share premium		770	770
Non-distributable reserve	*9*	22	22
Retained earnings		4 065	3 103
Total equity		5 077	4 115
LIABILITIES			
Current liabilities			
Amounts owed to affiliated undertakings			
– becoming due and payable after less than one year	*10*	1	8
Total liabilities		1	8
Total equity and liabilities		5 078	4 123

Net asset value per ordinary share	€ 25.91	€ 21.00

The notes on pages 52 to 76 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year ended 31 March 2015 € m	Year ended 31 March 2014 € m
Income			
Dividend received from Reinet Fund S.C.A., F.I.S.		40	–
Net change in the fair value of financial assets at fair value through profit or loss	*4*	955	94
Total income		995	94
Expenses			
Operating expenses		3	2
Total expenses		3	2
Profit for the year		992	92
Earnings per share from profit for the year			
– basic and diluted	*12*	€ 5.06	€ 0.47

The notes on pages 52 to 76 are an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent			
	Equity holders' capital € m	Non-distributable reserve € m	Retained earnings € m	Total € m
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
Dividend paid	–	–	(30)	(30)
Profit attributable to the shareholders	–	–	992	992
Balance at 31 March 2015	990	22	4 065	5 077

The notes on pages 52 to 76 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

	Year ended 31 March 2015 € m	Year ended 31 March 2014 € m
Cash flows from operating activities		
Dividend received from Reinet Fund S.C.A., F.I.S.	40	–
Operating expenses paid	(3)	(2)
Net cash from/(used in) operating activities	37	(2)
Cash flow from financing activities		
(Paid to)/received from affiliated undertakings	(7)	2
Dividend paid	(30)	–
Net cash (used in)/from financing activities	(37)	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	–	–

The notes on pages 52 to 76 are an integral part of these 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. References to Reinet Fund or the Fund include all underlying subsidiaries.

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 significant 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 (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 Johannesburg stock exchange ('JSE'). DRs trade in the ratio of 10 DRs to each Company share.

1.3 APPROVAL OF THESE FINANCIAL STATEMENTS

These consolidated financial statements have been approved by the Board of Overseers on 12 May 2015 and by the Board of Directors of the General Partner on 18 May 2015.

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:

There were no new standards, interpretations and amendments to existing standards that were effective for the year beginning 1 April 2014 that had a significant effect on the consolidated financial statements of the Company.

(b) New standards, amendments and interpretations issued but not effective for the year beginning 1 April 2014 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.

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 adopted IFRS 10 as at 31 March 2014, which requires that investment entities measure their subsidiaries at fair value through profit or loss. At the time the Company adopted IFRS 10, the General Partner considered all the facts and circumstances when assessing whether the Company qualified as an investment entity under IFRS 10, such as, but not limited to, its objective of long-term capital appreciation (as reflected in the Company's prospectus), and its classification of financial assets at fair value through profit and loss.

IFRS 10 determines that an investment entity is defined as an entity which meets the following conditions:

(a) obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;

(b) commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

(c) measures and evaluates the performance of substantially all of its investments on a fair value basis.

In assessing whether the Company meets the definition of an investment entity as set out in IFRS 10, the General Partner considered whether the Company has the following typical characteristics, while noting that the absence of any one or more of these characteristics does not necessarily disqualify an entity from being classified as an investment entity:

(a) it has more than one investment;

(b) it has more than one investor;

(c) it has investors that are not related parties of the entity; and

(d) it has ownership interests in the form of equity or similar interests.

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.

Although the Company does not have multiple investments, the General Partner believes that the Company can be classified as an investment entity due to the fact that it was formed to give its shareholders exposure to the underlying assets held by Reinet Fund. In that respect it is to be noted that an investment entity may hold a portfolio of investments directly or indirectly, for example by holding a single investment in another investment entity that itself holds several investments. The Company's investments are all held through Reinet Fund.

The Fund Manager further deems Reinet Fund to meet the definition of an investment entity.

Where applicable, the notes to the consolidated financial statements give information at the level of the Fund and its subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

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 2015 and 31 March 2014 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'.

3.3 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, if any, are included in the statement of comprehensive income.

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 within the Fund are reported in a manner consistent with the internal reporting provided by the Fund Manager in respect of the Fund. 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 the Company on the JSE, 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 72.

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.

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

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 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 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. 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 the assets and liabilities held by 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 International 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 most recent International Private Equity and Venture Capital Association guidelines), 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.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

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

	31 March 2015 € m	31 March 2014 € m
Financial assets held at fair value through profit or loss – non-current:		
– Unlisted investments – Reinet Fund	5 078	4 123
Total financial assets at fair value through profit or loss	5 078	4 123
Net changes in fair value on financial assets at fair value through profit or loss:		
– Realised	–	–
– Unrealised	955	94
Total	955	94

The investment held is in Reinet Fund, which is considered to be a related party of the Company. Also refer to note 13 for related party disclosures.

The following table presents the movement of the investments held by Reinet Fund for the year ended 31 March 2015:

Assets held at fair value through profit or loss	Opening balance 1 April 2014 € 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 2015 € m
Listed investments						
British American Tobacco p.l.c. ('BAT')	2 997	–	–	–	582	3 579
Unlisted investments						
Pension Corporation Group Limited ('Pension Corporation')	548	94	–	–	265	907
Trilantic Capital Partners private equity funds and related management companies	210	16	(27)	18	14	231
Renshaw Bay and related investments	128	54	–	–	41	223
36 South macro/volatility funds	72	(1)	–	–	6	77
Asian private equity and portfolio funds	104	27	–	–	36	167
Specialised private equity funds[2]	141	5	(9)	2	41	180
United States land development and mortgages	134	19	–	–	54	207
Diamond interests	76	(6)	–	–	22	92
Other investments	10	8	–	–	(7)	11
	4 420	216	(36)	20	1 054	5 674
Cash and liquid funds	223					76
Other assets and liabilities	(520)					(672)
Total	4 123					5 078

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

(2) During the year under review, Vanterra distributed a part of its minority holdings in United States land development and mortgages to Reinet Fund; the value of this distributed interest amounted to € 5 million.

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 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						
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
Unites States land development and mortgages	105	28	–	–	1	134
Diamond 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 accrued interest income from investments.

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

5. FINANCIAL RISKS

5.1 FINANCIAL RISK FACTORS

The Company has a sole investment in Reinet Fund, therefore 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 investment policy allows it to use derivative financial instruments to both moderate and create certain risk exposures. All 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.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

5. FINANCIAL RISKS CONTINUED

5.1.1 MARKET RISK

Reinet Fund – Financial assets and liabilities subject to market risks

31 March 2015	Total € m	Price risk € m	Foreign exchange risk € m	Interest rate risk € m
Assets				
Listed equity securities	3 579	3 579	3 579	–
Unlisted equity securities and funds	1 852	1 852	1 655	–
Loans and interest receivable	243	–	234	243
	5 674	5 431	5 468	243
Cash and cash equivalents	76	–	71	–
Total assets	5 750	5 431	5 539	243
Liabilities				
Derivative financial instruments	(32)	(26)	(32)	(26)
Funding from minority partners	(5)	–	(5)	(5)
Borrowings	(474)	–	(474)	(474)
	(511)	(26)	(511)	(505)
Other assets and liabilities	(161)	–	(41)	–
Total liabilities	(672)	(26)	(552)	(505)
Total investment in Reinet Fund	5 078			

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			

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 2015, the Fund's exposure to price risk in respect of long-term assets and liabilities was as follows:

	31 March 2015 € m	31 March 2014 € m
Listed equity securities		
– BAT	3 579	2 997
Unlisted equity securities and funds		
– Pension Corporation	907	548
– others	945	694
	5 431	4 239
Derivative financial liabilities	(26)	(16)
Total exposure to price risk	5 405	4 223

During the years ended 31 March 2015 and 31 March 2014, 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 88 per cent of the net asset value of Reinet Fund as at 31 March 2015 (31 March 2014: 86 per cent).

The table below summarises the sensitivity of the Fund's assets to price movements as at 31 March 2015 and 31 March 2014.

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 a reasonable possible change in the fair value of the investments held as at 31 March 2015.

Effect of a 10 per cent increase in prices	31 March 2015 € m	31 March 2014 € m
Effect on equity securities and funds	543	424
Effect on derivative financial liabilities	(32)	(27)
Effect on net assets	509	397

Effect of a 10 per cent decrease in prices	31 March 2015 € m	31 March 2014 € m
Effect on equity securities and funds	(543)	(424)
Effect on derivative financial liabilities	25	24
Effect on net assets	(516)	(400)

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.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

5. FINANCIAL RISKS CONTINUED

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 61 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 a forward exchange contract to sell ZAR 715 million. The exposure to the South African rand and sterling has also been partially 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.

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

Concentration of assets and liabilities by currency

	GBP		EURO		USD		ZAR	
	2015 € m	2014 € m	2015 € m	2014 € m	2015 € m	2014 € m	2015 € m	2014 € m
Assets								
Monetary assets	66	188	5	24	5	11	–	–
Non-monetary assets	4 580	3 613	206	198	795	535	93	77
Liabilities								
Monetary liabilities	440	390	120	41	46	44	34	31
Non-monetary liabilities	26	16	6	–	–	–	–	–

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.

5. FINANCIAL RISKS CONTINUED

The table below summarises the sensitivity of Reinet Fund's assets and liabilities to changes in foreign exchange movements at 31 March 2015 and 31 March 2014. The analysis is based on the assumptions that the relevant foreign exchange rate increased/decreased by 10 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 2015 Increase or decrease € m	31 March 2014 Increase or decrease € m
Sterling		
Monetary	**38**	20
Non-monetary	**456**	360
US dollar		
Monetary	**4**	4
Non-monetary	**80**	56

Applying current year exchange rates to the March 2014 assets and liabilities would have resulted in an increase in value of some € 630 million, of which some € 484 million relates to appreciation of sterling and some € 142 million relates to the appreciation of the US dollar against the euro.

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 2015, Reinet Fund held financial assets with fixed interest rates amounting to € 171 million (31 March 2014: € 125 million) and with variable interest rates amounting to € 72 million (31 March 2014: € 56 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 2015 (31 March 2014: € 1 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 € 34 million at 31 March 2015 (31 March 2014: € 31 million).

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 2015 (31 March 2014: € 0.3 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 € 9 million at 31 March 2015 (31 March 2014: € 7 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

5. FINANCIAL RISKS CONTINUED

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 2015		31 March 2014	
	€ m	%	€ m	%
Aa3	52	68	160	72
Baa2	24	32	63	28
Total	76	100	223	100

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

	31 March 2015		31 March 2014	
	€ m	%	€ m	%
Loans to private equity interests at fair value	243	100	181	98
Derivative assets	–	–	3	2
Total	243	100	184	100

Investments in loans are reviewed periodically and revalued 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.

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 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 € 25 million at 31 March 2015 (31 March 2014: € 32 million) in respect of the collar is also due to Deutsche Bank.

Reinet Fund has put in place additional 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 2015 Reinet Fund had not drawn down on these facilities.

As at 31 March 2015, 37 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.

5. FINANCIAL RISKS CONTINUED

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

Payments due in year ended

	31 March 2015 € m	31 March 2016 € m	31 March 2017 € m	31 March 2018 € m
As at 31 March 2015				
Borrowings ZAR 443.4 million	–	3	3	37
Borrowings GBP 300 million	–	20	434	–
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 2015, Reinet Fund has a derivative financial liability in the amount of € 26 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.

5.2 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 other than any minimum capital requirement imposed by applicable laws and regulations (currently a minimum capital of € 1 250 000 is required by law).

During the year Reinet Fund complied with the above requirement and reported a net asset value of € 5 078 million as at 31 March 2015 (31 March 2014: € 4 123 million).

During the year under review, a dividend of € 30 million was paid to shareholders, there have been no other changes in capital in the year other than profits generated in the ordinary course of business.

5.3 FAIR VALUE ESTIMATION

The Company and Reinet Fund have 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 on a quarterly basis of all fair values based on latest available financial information. 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 judgment 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

5. FINANCIAL RISKS CONTINUED

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.

The following table analyses, within the fair value hierarchy, the Company's financial assets and liabilities measured at fair value at 31 March 2015 and 31 March 2014:

	Level 1 € m	Level 2 € m	Level 3 € m	Total € m
31 March 2015				
Assets				
Financial assets designated at fair value through profit or loss:				
– Investment in Reinet Fund	–	–	5 078	5 078
Total financial assets	–	–	5 078	5 078
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

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 2015 and 31 March 2014:

	31 March 2015 € m	31 March 2014 € m
Opening balance	4 123	4 029
Gains and losses recognised in profit or loss	955	94
Closing balance	5 078	4 123

5. FINANCIAL RISKS CONTINUED

The following tables analyse, within the fair value hierarchy, the Fund's financial assets and liabilities measured at fair value at 31 March 2015 and 31 March 2014:

	Level 1 € m	Level 2 € m	Level 3 € m	Total € m
31 March 2015				
Assets				
Financial assets designated at fair value through profit or loss:				
– Equity securities and funds	3 579	229	1 623	5 431
– Loans	–	–	243	243
Total financial assets	3 579	229	1 866	5 674
Liabilities				
Derivative financial instruments	–	(32)	–	(32)
Borrowings	–	(474)	–	(474)
Total financial liabilities	–	(506)	–	(506)
Net financial assets				5 168
Non-financial assets/(liabilities)				(90)
Reinet Fund net asset value				5 078

	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:				
– 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

5. FINANCIAL RISKS CONTINUED

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 inputs, 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 and unaudited financial 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.

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 2015. 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.

5. FINANCIAL RISKS CONTINUED

Unlisted investments	Fair value at 31 March 2015 € m	Primary valuation technique	Unobservable inputs	Range (weighted average)	Reasonable possible change +/- (absolute value)(1) € m
Pension Corporation	907	Market comparable companies(2)	Market multiples	1.05-1.29 (1.17)	+91/-91
			Discount	15 %-25 % (20 %)	+57/-57
Trilantic Capital Partners private equity funds and related management companies	219	Net asset value(3)	n/a	n/a	n/a
	12	Discounted cash flows	Discount rate	n/a	Not material
Renshaw Bay and related investments	105	Net asset value(3)	n/a	n/a	n/a
	33	Invested cost(4)	n/a	n/a	n/a
36 South macro/volatility funds	8	Discounted cash flow	n/a	n/a	Not material
Asian private equity and portfolio funds	121	Net asset value(3)	n/a	n/a	n/a
Specialised private equity funds	113	Net asset value(3)	n/a	n/a	n/a
	38	Recent financing round	Discount rate	n/a	Not material
United States land development and mortgages	207	Discounted cash flow(5)	Discount rate	6 %-30 % (15.5 %)	+19/-11
Diamond interests including receivables from third parties	92	Discounted cash flow(6)	Discount rate	14.6 %-22 % (18.3 %)	Not material
Other investments	11	Net asset value(3)	n/a	n/a	n/a
Total	1 866				

(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 20 per cent was applied to recognise the lack of liquidity in the unlisted shares and lack of dividends. 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. 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 it is not unreasonable that the investment be held at cost.

(5) Included in this investment are United States land lots and properties which have been valued at 31 December 2014 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 6 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 affect the value of the investment.

(6) Reinet Fund has relied upon cash flows provided by local management as at 31 March 2015. 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 14.6 per cent and 22 per cent to take account of the risks and variables described above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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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. 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 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.

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 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.

Although the Company does not have multiple investments, the General Partner believes that the Company can be classified as an investment entity due to the fact that it was formed to give its shareholders exposure to the underlying assets held by Reinet Fund. In that respect it is to be noted that an investment entity may hold a portfolio of investments directly or indirectly, for example by holding a single investment in another investment entity that itself holds several investments. The Company's investments are all held through Reinet Fund.

The Fund Manager further deems Reinet Fund to meet the definition of an investment entity.

7. SEGMENT INFORMATION

Due to the Company's sole investment 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.

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

	31 March 2015		31 March 2014	
	€ m	€ m	€ m	€ m
Assets				
(i) Listed investments				
– BAT		3 579		2 997
(ii) Cash and liquid funds		76		223
(iii) Unlisted investments				
– long-term investments	2 095		1 423	
– derivative financial instruments	–	2 095	3	1 426
Total segment assets		5 750		4 646
Liabilities				
(ii) Cash and liquid funds				
– borrowings		440		390
(iii) Unlisted investments				
– derivative financial instruments	32		16	
– funding from minority partners	5		19	
– borrowings	34	71	30	65
Total segment liabilities		511		455

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 payments of cash to acquire new investments and receipt of sales proceeds for existing investments.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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7. SEGMENT INFORMATION CONTINUED

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

	31 March 2015 € m	31 March 2014 € m
Total segment assets	5 750	4 646
Other assets	–	1
Total assets	5 750	4 647
Total segment liabilities	511	455
Other liabilities	161	69
Total liabilities	672	524
Total investment in Reinet Fund	5 078	4 123

Reinet Fund's income per segment is as follows:

	31 March 2015		31 March 2014	
	€ m	€ m	€ m	€ m
(i) Listed investments				
– BAT dividends	133		126	
– realised gains	–		108	
– unrealised gains/(losses)	582	715	(216)	18
(ii) Cash and liquid funds				
– interest income	–		2	
– foreign exchange effect	14	14	(3)	(1)
(iii) Unlisted investments				
– interest income	21		18	
– realised gains	20		15	
– carried interest	3		2	
– unrealised gains	367	411	120	155
Total income		1 140		172

Expenses and taxes cannot be allocated over the above segments.

8. SHARE CAPITAL

Ordinary share capital	31 March 2015 € m	31 March 2014 € m
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 2015 € 000's	31 March 2014 € 000's
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.

9. NON-DISTRIBUTABLE RESERVE

The legal reserve amounting to € 22 million at 31 March 2015 and 2014 is not available for distribution.

10. AMOUNTS OWED TO AFFILIATED UNDERTAKINGS

The amount payable includes the fee payable to the General Partner of € 0.8 million and € 0.2 million due to Reinet Fund at 31 March 2015 (31 March 2014: € 2 million and € 6 million).

11. TAX EXPENSE

Under the current laws of Luxembourg, the Company pays corporation tax on profits at rates enacted in Luxembourg. 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, and given that the Company has assessed operating losses available to it at the year-end.

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12. 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 2015 € m	31 March 2014 € m
Profit for the year	37	955	992	92
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)	0.19	4.87	5.06	0.47

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 2015.

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 2015	31 March 2014
Unadjusted earnings per share	€ 5.06	€ 0.47
Headline earnings per share	€ 5.06	€ 0.47

13. 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 Rupert is the Chairman of CFR SA and is Non-executive Chairman of Remgro Limited.

Although the management of the Company is quite distinct from CFR SA, 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 CFR SA. CFR SA is not responsible in any way for the services provided by the executives concerned to the Company.

SIGNIFICANT SHAREHOLDERS

Mr 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 Rupert in his personal capacity, are as follows:

	31 March 2014	Acquired during the year	Sold during the year	31 March 2015
Number of shares	48 434 776	93 080	–	48 527 856

	31 March 2013	Acquired during the year	Sold during the year	31 March 2014
Number of shares	48 434 776	–	–	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 has not been notified of any other holdings in excess of 3 per cent of its issued capital.

13. RELATED PARTY TRANSACTIONS CONTINUED

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.

The Investment Advisor owns 995 850 shares of the Company as at 31 March 2015 (31 March 2014: 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 2015 € m	31 March 2014 € m
Investment Advisor	31	30
Fund Manager	8	5
Total management fee	39	35

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 € 12 million was paid in May 2014 in respect of the year ended 31 March 2014. 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 2014 of € 15.8192.

The performance fee payable at 31 March 2015 amounts to € 78 million (31 March 2014: € 12 million), based on the volume weighted average price in March 2015 of € 19.6718.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

13. 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 33 to 35 of this annual report.

KEY SHAREHOLDINGS

Aggregate shareholdings of directors of the General Partner and the Fund Manager (excluding Mr Rupert – see page 72).

	31 March 2014	Acquired during the year	Sold during the year	**31 March 2015**
Number of shares	1 206 711	27 893 (1)	(19 023) (1)	**1 215 581**

	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

(1) These shares represent the holdings of directors who were appointed and/or resigned from the Board during the year.

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 2015, such fees are split equally between the Company and Reinet Fund (2014: € 50 000).

Aggregate shareholdings of the members of the Board of Overseers	31 March 2014	Acquired during the year	Sold during the year	**31 March 2015**
Number of shares	44 307	–	–	**44 307**

	31 March 2013	Acquired during the year	Sold during the year	31 March 2014
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 Rupert is the Non-executive Chairman of Remgro Limited.

13. 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 2015.

Reinet Investments Manager S.A.

	31 March 2015 € m	31 March 2014 € m
Expenses charged by the General Partner to the Company during the year	1.1	0.8
Administration fee for the year	0.1	0.1
Balance payable by the Company to the General Partner	0.8	2.0

Reinet Fund S.C.A., F.I.S.

	31 March 2015 € m	31 March 2014 € m
Balance payable by the Company to the Fund	0.2	6.6

Reinet Fund Manager S.A.

	31 March 2015 € m	31 March 2014 € m
Expenses charged to the Fund during the year	7.9	5.8
Balance payable/(receivable) by the Fund to/(from) the Fund Manager	1.3	(0.6)

Reinet Investment Advisors Limited

	31 March 2015 € m	31 March 2014 € m
Management fee charged during the year	30.9	30.3
Performance fee charged during the year	78.5	12.3
Balance payable by the Fund to the Investment Advisor	95.9	27.4

There are no commitments between the Company and its related parties as at 31 March 2015.

14. AUDIT AND OTHER FEES PAID TO PRICEWATERHOUSECOOPERS

Fees for the year ended 31 March 2015 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 € 0.1 million (31 March 2014: € 0.2 million). Such fees are presented under 'Operating expenses' in the statement of comprehensive income.

Audit fees relating to Reinet Fund and its principal subsidiaries shown in note 19 amounted to € 0.3 million for the year ended 31 March 2015 (31 March 2014: € 0.3 million).

15. CAPITAL COMMITMENTS

At 31 March 2015, the Company had no capital commitments, however its wholly-owned subsidiary Reinet Fund had committed to invest a further € 405 million (31 March 2014: € 508 million) in unlisted investments. See table on page 23. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

16. 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.

A subsidiary of Reinet Fund has pledged a total of 15.1 million BAT shares in respect of its borrowings from Deutsche Bank.

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

17. DIVIDEND

A dividend of € 0.153 per share totalling € 30 million was paid to shareholders in September 2014, following approval at the Annual General Meeting on 9 September 2014.

The proposed cash dividend payable to shareholders of € 0.157 per share, being € 31 million in total, will be payable on 3 September 2015, once approved by the shareholders at the Annual General Meeting to be held on 25 August 2015.

18. SUBSEQUENT EVENTS

Reinet Fund, through a wholly-owned subsidiary, received a final dividend of some € 100 million (£ 74 million) from its investment in BAT. The dividend was approved by the shareholders of BAT on 29 April 2015 and paid on 7 May 2015.

During May 2015, Reinet Fund made an additional commitment of € 7 million to Trilantic Energy Partners (North America) L.P.

During April and May 2015, Reinet Fund made payments in the amount of € 1 million in respect of its commitments shown in note 15.

19. INVESTMENTS HELD IN SUBSIDIARIES AND AFFILIATES

The principal companies held by Reinet Fund are as follows:

Investments area	Company	Domicile	Percentage held
BAT	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 %
	RSF S.A.	Luxembourg	100 %
	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 %
United States land development and mortgages	RSF II Limited	Jersey, Channel Islands	80 %
	Reinet Stokes Holdings S.A.	Luxembourg	100 %
	RPH Limited	Jersey, Channel Islands	100 %
	RPH 2 Limited	Jersey, Channel Islands	100 %
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 %
	Reinet SPG Limited	Jersey, Channel Islands	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 2015, 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 2015, 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 2015

Represented by

Véronique Lefebvre

COMPANY FINANCIAL STATEMENTS

BALANCE SHEET

as at 31 March 2015

	Notes	31 March 2015 € 000's	31 March 2014 € 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		34	19
Prepayments and accrued income		47	48
Total assets		1 929 370	1 929 356
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	877 951	910 102
Result for the financial year		37 525	(2 171)
		1 927 989	1 920 444
Provisions			
Other provisions		293	333
Non-subordinated debts			
Amounts owed to affiliated undertakings			
– becoming due and payable after less than one year	8	1 058	8 543
Other creditors			
– becoming due and payable after less than one year		30	36
		1 088	8 579
Total liabilities		1 929 370	1 929 356

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

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2015

	Year ended 31 March 2015 € 000's	Year ended 31 March 2014 € 000's
Charges		
Other operating charges	2 419	2 174
Value adjustments and fair value adjustments on financial current assets/loss on disposal of transferable securities	53	–
Tax on profit	3	4
Profit for the financial year	37 525	–
Total charges	40 000	2 178
Income		
Value adjustments and fair value adjustments on financial current assets/loss on disposal of transferable securities	–	7
Dividend received from Reinet Fund	40 000	–
Loss for the financial year	–	2 171
Total income	40 000	2 178

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 financial statements 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 financial statements 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 financial statements in the period in which the assumptions changed. The General Partner believes that the underlying assumptions are appropriate and that the financial statements 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 reason 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 reason 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 2015 € 000's	31 March 2014 € 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 2015, the net asset value of Reinet Fund was € 5 078 million (2014: € 4 123 million) and it recorded a profit for the year of € 995 million (2014: € 93 million).

4. SUBSCRIBED CAPITAL

	31 March 2015 € 000's	31 March 2014 € 000's
Ordinary shares		
The subscribed capital at 31 March 2015 amounts to € 220 102 100 (31 March 2014: € 220 102 100) and is divided into 195 941 286 ordinary shares (31 March 2014: 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 2015 amounts to € 1 000 (31 March 2014: € 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 € 770 310 129 (31 March 2014: € 770 310 129), available for distribution subject to the approval of the shareholders.

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

The legal reserve amounting to € 22 100 000 (31 March 2014: € 22 100 000) is not available for distribution.

7. PROFIT BROUGHT FORWARD

	31 March 2015 € 000's	31 March 2014 € 000's
Opening balance	910 102	912 349
Dividend paid	(29 980)	–
	880 122	912 349
Result for the prior year	(2 171)	(2 247)
Balance at end of the year	877 951	910 102

8. AMOUNTS OWED TO AFFILIATED UNDERTAKINGS

	31 March 2015 € 000's	31 March 2014 € 000's
Becoming due and payable after less than one year	1 058	8 543

9. PAYMENTS TO THE SUPERVISORY AND MANAGERIAL BODIES

	Year ended 31 March 2015 € 000's	Year ended 31 March 2014 € 000's
General Partner	1 189	855
Board of Overseers	95	100
	1 284	955

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 2015, 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 2015 which would have any material impact on these financial statements.

PROPOSED APPROPRIATION OF RETAINED EARNINGS

as at 31 March 2015

	€ 000's
Available retained earnings	
Profit and loss brought forward	907 931
Dividend paid	(29 980)
	877 951
Net profit for the financial year	37 525
Balance at the end of the year	915 476

PROPOSED APPROPRIATION

The proposed cash dividend payable to the Company's shareholders of € 0.157 per share, being € 31 million in total, will be payable on 3 September 2015, once approved by the shareholders at the Annual General Meeting to be held on 25 August 2015.

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, 18 May 2015

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 2015, 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 2015, 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 financial statements and includes the information required by the law with respect to the corporate governance statement.

PricewaterhouseCoopers, Société coopérative
Luxembourg, 28 May 2015

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 25 August 2015.

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

As provided for in the Statutes of the Company, the Annual General Meeting will take place on: Tuesday, 25 August 2015 at 2:30 pm at Hotel Le Royal, 12, boulevard Royal, L-2449 Luxembourg.

AGENDA

Business reports for the accounting year ended 31 March 2015

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 2015.

Financial statements

2. To approve the statutory financial statements of the Company for the accounting year ended 31 March 2015.

3. To approve the consolidated financial statements of the Company for the accounting year ended 31 March 2015.

Appropriations

4. At 31 March 2015, the retained earnings available for distribution amounted to € 915 475 652. The General Partner proposes that a cash dividend of € 0.157 per share be paid. This represents a total dividend of € 30 762 939. The General Partner proposes that the remaining available retained earnings of the Company at 31 March 2015 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 and all the members of the Board of Overseers of the Company who have been in office during the accounting year ended 31 March 2015 for the proper performance of their duties.

Board of Overseers

6. To re-elect Mr D Falck, Dr P Kaul and Mr Y Prussen as members of the Board of Overseers for the year ending at the next Annual General Meeting.

7. To elect Mr J Li as a member of the Board of Overseers for the year ending at the next Annual General Meeting.

8. 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 2015, 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 3 August 2015.

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 18 August 2015. The Registrar will draw up a list of shareholders and proxy holders 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 11 August 2015 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 18 August 2015 indicating clearly the precise identity of the shareholder and confirming the number of shares being held by the shareholder as at midnight on 11 August 2015 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 18 August 2015. 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 18 August 2015 at the latest. No admission cards will be issued after that day and shareholders or proxy holders 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, 18 May 2015

EXCHANGE RATES AND SHARE PRICES

EXCHANGE RATES AGAINST THE EURO

	Year ended 31 March 2015	Year ended 31 March 2014
Average for the year		
Sterling	**0.7845**	0.8436
US dollar	**1.2612**	1.3409
Swiss franc	**1.1739**	1.2295
South African rand	**13.9772**	13.5743
Closing – as at the end of the year		
Sterling	**0.7242**	0.8268
US dollar	**1.0731**	1.3771
Swiss franc	**1.0438**	1.2181
South African rand	**13.0229**	14.5024

SHARE INFORMATION

PRIMARY LISTING

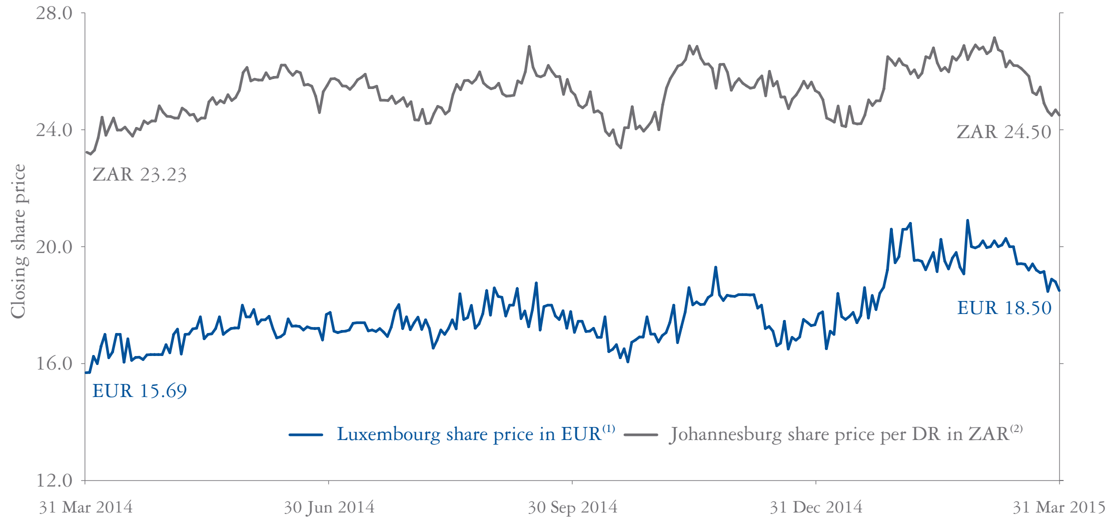
Reinet Investments S.C.A. shares are listed on the Luxembourg Stock Exchange with the ISIN number LU0383812293 (symbol 'ReinetInvest'). Thomson Reuters code REIT.LU. Reinet shares are included in the 'LuxX' index of the principal shares traded on the Luxembourg Stock Exchange.

SECONDARY LISTING

Reinet Investments S.C.A. South African Depository Receipts are traded on the Johannesburg stock exchange under the ISIN number CH 0045793657 (symbol 'REI'). Thomson Reuters code REIJ.J. 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 2015 and 31 March 2014 there were 195 942 286 shares in issue.

DAILY CLOSING PRICES FROM 31 MARCH 2014 TO 31 MARCH 2015[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 (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 1:14.5024 on 31 March 2014 and 1:13.0229 on 31 March 2015.

Source: Bloomberg

STATUTORY INFORMATION

Reinet Investments S.C.A.

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Grand Duchy of Luxembourg
Telephone: +352 22 42 10

Company Secretary: Mr S H Grundmann

REGISTERED NUMBER

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Registre de commerce et des sociétés, Luxembourg B 16.576

GENERAL PARTNER

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FURTHER INFORMATION

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