REINET INVESTMENTS S.C.A.

Interim Report at 30 September 2013

CONTENTS

HIGHLIGHTS

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

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

- Net asset value at 30 September 2013: € 4 024 million (31 March 2013: € 4 023 million)
- Net asset value per ordinary share at 30 September 2013: € 20.54 (31 March 2013: € 20.53)
- Sale of 5 million British American Tobacco ('BAT') shares in the period realised proceeds of € 212 million
- Additional investment of € 262 million in Pension Corporation during the period

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

BUSINESS OVERVIEW

CONSOLIDATED NET ASSET VALUE ('NAV')

The NAV of Reinet Investments S.C.A. at 30 September 2013 comprised:

	30 September 2013		31 March 2013	
	€ m	%	€ m	%
Listed investments				
British American Tobacco p.l.c.[1]	2 913	72.4	3 317	82.5
Unlisted investments				
Private equity and related partnerships	657	16.3	549	13.7
Trilantic Capital Partners	186	4.6	163	4.0
Fund IV, Fund V and related management companies				
Renshaw Bay and related investments	153	3.8	75	1.9
Renshaw Bay advisory and investment management company	26		14	
JPS Credit Opportunities Fund	60		61	
Renshaw Bay Real Estate Finance Fund	67		–	
36 South macro/volatility funds	76	1.9	83	2.1
Asian private equity and portfolio funds	109	2.7	92	2.3
Milestone China Opportunities funds, co-investment and related opportunities	80		61	
GEMS	8		8	
Prescient China Balanced Fund	21		23	
Specialised private equity funds	133	3.3	136	3.4
Vanterra Flex Investments	46		47	
Vanterra C Change TEM	28		37	
NanoDimension Funds and co-investment opportunities	28		25	
Fountainhead Expert Fund	23		21	
Other fund investments	8		6	
Pension Corporation	484	12.0	134	3.3
US land development and mortgages	99	2.5	105	2.6
Jagersfontein and other diamond exploration interests	114	2.8	102	2.5
Other investments	24	0.6	30	0.7
	4 291	106.6	4 237	105.3
Cash and liquid funds	229	5.7	326	8.1
Bank borrowings and collar financing				
Borrowings	(425)	(10.6)	(435)	(10.8)
Derivative assets/(liabilities)	(4)	(0.1)	(11)	(0.3)
Other liabilities				
Fees payable and other liabilities, net of other assets	(33)	(0.8)	(60)	(1.5)
Funding by minority partners	(20)	(0.5)	(21)	(0.5)
	4 038	100.3	4 036	100.3
Minority interests	(14)	(0.3)	(13)	(0.3)
	4 024	100.0	4 023	100.0

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

(1) Of 74.3 million BAT shares held, some 13.7 million shares are subject to put and call options.

LISTED INVESTMENT IN BRITISH AMERICAN TOBACCO P.L.C.

British American Tobacco p.l.c. is a leading tobacco group, employing more than 55 000 people and selling over 200 brands in 180 markets globally.

The investment in BAT is Reinet's single largest investment position and is kept under constant review, considering the company's performance, the industry outlook, cash flows from dividends, stock market performance, volatility and liquidity. The share price of BAT has increased significantly from around £ 17.00 in October 2008 to £ 32.77 at 30 September 2013, largely driving the growth in Reinet's NAV over that period.

At 30 September 2013, Reinet held some 74.3 million shares in BAT, representing 3.9 per cent of BAT's issued share capital. The value of the investment in BAT in the balance sheet of Reinet was € 2 913 million, being 72.4 per cent of Reinet's NAV. The BAT share price on the London Stock Exchange decreased over the period under review from £ 35.27 to £ 32.77.

During the period under review Reinet sold 5 million BAT shares at an average price of £ 35.88 per share. Aggregate proceeds of this share sale programme amounted to some € 212 million. These funds are being utilised to meet Reinet's commitments to fund new and existing investment opportunities. In total, Reinet has sold 10 million of its initial holding of 84.3 million BAT shares.

Reinet received dividends from BAT during the period amounting to € 126 million (£ 106 million), being BAT's final 2012 dividend and its 2013 interim dividend. Given the timing of BAT's dividend payments, no further dividends from BAT are anticipated during the remainder of Reinet's current financial year.

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

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. In evaluating these opportunities, Reinet applies a minimum hurdle rate of return, taking into account the performance of the investment in BAT.

In addition to investments funded since its formation, Reinet is committed to provide further funding of € 504 million over the lives of its current investments. Details of the funding commitments outstanding at 30 September 2013 are given in the table on page 11 of this report. New commitments during the period under review amounted to € 150 million.

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

The table on page 2 shows the value of the 100 per cent investment in Trilantic Capital Partners and United States land development and mortgages. In each case, Reinet co-invests with minority parties. Amounts attributable to minority parties are shown in the table either as 'funding by minority partners' or 'minority interests'.

Funding commitments are entered into in various currencies including pounds sterling, US dollars and South African rand and are converted into euro below using 30 September 2013 exchange rates.

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, Renshaw Bay and Vanterra. Under the terms of the Investment Advisory Agreement, Reinet pays no management fee to Reinet Investment Advisors Limited ('the Investment Advisor') on such investments except in the case where no fee or a reduced fee below 1 per cent is paid to the third-party manager. In such cases, the aggregate fee payable to the Investment Advisor and the third-party manager is capped at 1 per cent.

MANAGEMENT REPORT

BUSINESS OVERVIEW
CONTINUED

TRILANTIC CAPITAL PARTNERS

Fund IV

Original commitments: € 163 million (EUR commitment and EUR equivalent of USD commitment)

Trilantic Capital Partners ('Trilantic') is a global private equity firm focused on controlling and significant minority interest investments in North America and Europe. Trilantic employs flexible transaction structures and has a strong record of partnering with family-owned businesses and providing growth capital to management teams. Current investments held in the Fund IV portfolio in the United States include interests in natural gas and oil exploration; aggregates extraction and distribution; sports and casual accessories; soft goods and electronics; electricity transmission component manufacture and supply; and outdoor and fitness accessories. In Europe, Fund IV has interests in gaming machines and video-lotteries; events management; publishing; commodities broking; mobile telephony and high-speed rail equipment manufacture and maintenance.

Reinet has a 90 per cent interest in an equity which invests in two funds, Trilantic Capital Partners Fund IV Global L.P., which invests primarily in the United States, and Trilantic Capital Partners Fund IV (Europe) L.P. (together 'Fund IV').

Reinet and its minority partner also invest in the Trilantic Capital Partners 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 the existing funds and to any future funds to be launched by Trilantic. Reinet's share of any carried interest earned by Trilantic Management is 11.25 per cent.

As at 30 September 2013, Reinet and its partner have invested the equivalent of € 106 million (31 March 2013: € 113 million), net of capital repayments, in Trilantic Management and Fund IV. Capital repayments were received during the period under review, as Fund IV continues the process of realising investments.

The investment is carried at the estimated fair value of € 178 million at 30 September 2013 (31 March 2013: € 163 million). The investment in Fund IV is based on unaudited valuation data provided by Trilantic Management as at 30 June 2013. The increase in the valuation is due to increases in unrealised gains on underlying investments. Of the € 178 million carrying value, some € 160 million is attributable to Reinet, with the balance being attributable to its minority partner.

During the period under review, Reinet and its partner earned net carried interest and realised gains amounting to € 2 million, before tax, on their share of the investments realised by Fund IV. Total cash proceeds received from Fund IV during the period, being gains, carried interest and repayments of capital, amounted to € 8 million.

At 30 September 2013, Reinet had remaining commitments of € 39 million to invest in Fund IV.

Fund V

Original commitment: € 76 million (EUR equivalent of USD commitment)

Reinet has committed some € 74 million to Trilantic Capital Partners V (North America) L.P. ('Fund V') together with a commitment of some € 2 million to Fund V's general partner. Fund V will invest principally in North America. Fund V has now completed its fundraising activities and commenced its investment activities in line with the philosophy applied to earlier funds.

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

During the period under review, Reinet invested € 8 million in Fund V. The investment is carried at the estimated fair value of € 8 million at 30 September 2013 (31 March 2013: € nil), based on unaudited valuation data provided by Trilantic Management as at 30 June 2013.

At 30 September 2013, Reinet had remaining commitments of € 68 million to invest in Fund V.

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

RENSHAW BAY AND RELATED INVESTMENTS

Renshaw Bay Advisory and Investment Management Entity
Original commitments: € 26 million (including additional interest acquired during the period) (EUR equivalent of GBP commitment)

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

During the period under review, Reinet purchased additional shares in the business from RIT Capital Partners and participated in a capital increase bringing its total holding to 43.5 per cent and reducing RIT Capital Partners' holding to 6.5 per cent. Mr Winters and senior management continue to hold 50 per cent of the entity.

Reinet has invested € 26 million to date in Renshaw Bay (31 March 2013: € 14 million). The investment is carried at the estimated fair value of € 26 million at 30 September 2013 (31 March 2013: € 14 million). The current carrying value is based on a recent independent valuation of Renshaw Bay.

At 30 September 2013, Reinet had no further commitment to invest in Renshaw Bay.

To date, Reinet has also invested in the JPS Credit Opportunities Fund and the Renshaw Bay Real Estate Finance Fund, both opportunities identified and developed by Renshaw Bay. Reinet has also committed to invest € 111 million in the Renshaw Bay Structured Finance Opportunity Fund.

JPS Credit Opportunities Fund (Cayman) Ltd. ('JPS Credit Fund')
Original commitment: € 52 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 € 60 million at 30 September 2013 (31 March 2013: € 61 million) based on the valuation at that date provided by the fund manager.

Renshaw Bay Real Estate Finance Fund
Original commitment: € 120 million (EUR equivalent of GBP commitment)

In November 2012, Reinet committed to invest € 120 million in this fund.

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.

Reinet has invested € 71 million in the fund to date (31 March 2013: € 9 million). The investment is carried at the estimated fair value of € 67 million at 30 September 2013 (31 March 2013: € nil) based on unaudited valuation data provided by the fund manager as at 30 June 2013.

Reinet is committed to invest a further € 49 million in the fund.

Further information on Renshaw Bay is available at www.renshawbay.com.

MANAGEMENT REPORT

BUSINESS OVERVIEW
CONTINUED

36 SOUTH GLOBAL MACRO/VOLATILITY FUNDS
Original commitment: € 88 million

36 South is an absolute return fund manager that specialises in managing global macro/volatility funds. The fund management philosophy is to invest when market estimates of volatility are mis-priced. The volatility may apply to a wide range of underlying asset classes ranging from currencies and interest rates to equities. 36 South's strategies are designed to perform well in most market environments, but substantially outperform in periods of extreme market movement and volatility.

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

Reinet's commitment of € 88 million to 36 South has been invested in full.

The fund investment is carried at its estimated fair value of € 68 million based on unaudited capital statements received from the fund manager as at 30 September 2013 (31 March 2013: € 71 million) and the fair value of the short-term loan and investment in the fund management companies amounted to € 8 million (31 March 2013: € 12 million). The investments in total have a fair value of € 76 million (31 March 2013: € 83 million). The change in value principally reflects movements in the value of the underlying funds.

Further information on 36 South is available at www.36south.com.

ASIAN PRIVATE EQUITY AND PORTFOLIO FUNDS
Milestone China Opportunities Funds ('Milestone'), Investment Holdings And Management Company Participation
Original commitments: € 13 million ('Milestone II'), € 74 million ('Milestone III') and € 60 million (investments and management companies) (EUR equivalent of USD commitments)

The Milestone China Opportunities Fund II L.P. ('Milestone II') and Fund III L.P. ('Milestone III') invest primarily in domestic Chinese high-growth companies seeking expansion or acquisition capital. Milestone funds seek to maximise medium to long-term capital appreciation by making direct investments to acquire minority or majority equity stakes in those companies identified by Milestone's investment team. Milestone has a strong track record in helping portfolio companies list on either domestic or foreign stock exchanges. Current areas of investment include: restaurants; B2B and B2C online travel services; bio-technology; branded sportswear; online group buying services; power generation equipment; fashion retailing; and retail pharmacies.

Reinet assumed the participation in Milestone II from Richemont when Reinet was formed in 2008. At 30 September 2013, this investment is estimated to have a fair value of € 6 million based on unaudited capital statements received from the fund manager as at 30 June 2013 (31 March 2013: € 6 million). The fund is at a mature stage and assets are being realised over the remaining life of the fund. Reinet's remaining commitment to Milestone II is € 2 million.

In June 2011, Reinet entered into an agreement to invest in Milestone III and its general partner and to co-invest, at its option, in certain of Milestone III's proposed investments. As at 30 September 2013, capital contributions of € 30 million had been made to Milestone III (31 March 2013: € 22 million). The investment in the fund together with the co-investment are carried at the estimated fair value of € 33 million at 30 September 2013, based on a recent independent valuation (31 March 2013: € 20 million).

Reinet has also invested in the general partner of Milestone III. The investment is carried at an estimated fair value of € 4 million at 30 September 2013, taking into account estimated future discounted cash flows in respect of management fees receivable from the underlying fund.

Reinet has invested € 27 million in a long-term investment vehicle in partnership with certain of the Milestone general partner principals and other partners, including Remgro Limited. This vehicle will invest in opportunities identified by the Milestone principals. The investment is carried at the estimated fair value of € 37 million at 30 September 2013 (31 March 2013: € 28 million) based on the unaudited financial statements at that date. The increase in value reflects increases in the value of its underlying listed investments.

The investments in Milestone III, its general partner and long-term investments are carried at a total estimated fair value of € 74 million as at 30 September 2013 (31 March 2013: € 55 million).

At 30 September 2013, Reinet's remaining commitment to Milestone III and long-term investment opportunities is € 49 million.

Further information in respect of the Milestone funds is available at www.mcmchina.com.

General Enterprise Management Services International Limited ('GEMS')
Original commitment: 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. At 30 September 2013, GEMS II was in the process of being liquidated with any remaining assets to be held in trust for the investors. 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 due course. At 30 September 2013, the aggregate investment in the GEMS funds is carried at the estimated fair value of € 8 million based on a recent independent valuation (31 March 2013: € 8 million).

Further information on GEMS is available at www.gems.com.hk.

Prescient China Balanced Fund ('Prescient China')
Original commitment: € 24 million (EUR equivalent of USD commitment)

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

In March 2013, Reinet committed to invest € 22 million in Prescient China and € 2 million in its management company. Reinet invested its full capital commitment of € 22 million in the fund in March 2013. This investment is carried at the estimated fair value of € 21 million (31 March 2013: € 23 million) based on unaudited valuation statements provided by the fund manager at 30 September 2013. Reinet's commitment to invest € 2 million in the management company structure remained uncalled at 30 September 2013.

Further information on Prescient is available at www.prescient.co.za.

MANAGEMENT REPORT

BUSINESS OVERVIEW
CONTINUED

SPECIALISED PRIVATE EQUITY FUNDS

Vanterra Flex Investments L.P. ('Vanterra')
Original commitment: € 74 million (EUR equivalent of USD commitment)

Vanterra was established in March 2010 to invest in listed and unlisted funds and to make direct investments in the United States and emerging markets. Vanterra seeks to construct a globally diversified private equity portfolio providing investors with long-term capital appreciation. Vanterra has co-invested alongside Reinet in Trilantic, in the United States land development and mortgages and in Vanterra C Change Transformative Energy & Materials I, L.P. In addition, Vanterra has investments in US healthcare, in a specialist fund in Brazil and in a Spanish high-speed train manufacturer.

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

As at 30 September 2013, € 45 million of committed funds (31 March 2013: € 43 million), together with € 3 million in respect of expenses (31 March 2013: € 3 million) had been invested in the fund. This investment is carried at the estimated fair value of € 46 million at 30 September 2013 (31 March 2013: € 47 million), based on unaudited financial information as at 30 June 2013.

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

Vanterra C Change Transformative Energy & Materials I, L.P. ('Vanterra C Change TEM')
Original commitment: € 48 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.

As at 30 September 2013, capital contributions of € 44 million had been made to the fund (31 March 2013: € 41 million). This investment is carried at the estimated fair value of € 28 million (31 March 2013: € 37 million), based on unaudited financial information as at 30 June 2013.

Reinet is committed to invest a further € 5 million in Vanterra C Change TEM.

Further information on Vanterra is available at www.vanterra.com.

NanoDimension Funds and co-investment opportunities
Original commitments: € 46 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: pharmaceutical 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 € 41 million to invest in the second NanoDimension fund and to co-invest with the fund in one specific project.

At 30 September 2013, the fair value of Reinet's investment in the two funds and the co-investment amounted to € 28 million (31 March 2013: € 25 million). The estimate of fair value is based on valuation statements received from the fund manager as at 30 June 2013 together with an independent valuation of the co-investment. Reinet's remaining commitments to the funds amounted to € 18 million at 30 September 2013.

Further information on NanoDimension is available at www.nanodimension.com.

Fountainhead Expert Fund
Original commitment: € 15 million (EUR equivalent of USD commitment)

Fountainhead Expert Fund ('Fountainhead') is an absolute return fund investing in a concentrated manner in global equities offering superior potential for capital appreciation and value realisation.

In February 2012, Reinet invested € 15 million in Fountainhead. The amount invested represents Reinet's full commitment to the fund.

As at 30 September 2013, the fair value of the investment was € 23 million (31 March 2013: € 21 million), based on the valuation at that date provided by the fund manager.

Further information on Fountainhead is available 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 € 8 million at 30 September 2013 (31 March 2013: € 6 million), based on valuation statements received from the fund managers. The listed investment was sold during the period under review, proceeds received amounted to € 2 million.

PENSION CORPORATION GROUP LIMITED
Original commitment: € 479 million (EUR equivalent of GBP commitment)

Pension Corporation Group Limited's wholly-owned subsidiary, Pension Insurance Corporation is one of the UK's leading providers of risk management solutions to defined benefit pension funds. Pension Insurance Corporation is authorised and regulated as an insurance company by the Prudential Regulation Authority in the United Kingdom. It has over £ 8 billion in assets and has insured more than 85 000 pension fund members. Clients include FTSE 100 companies, multinationals and the public sector.

In October 2012, Reinet invested an initial € 120 million in Pension Corporation Group Limited. The initial investment represents a 16 per cent ordinary shareholding in Pension Corporation Group Limited, a newly-established group holding company. In accordance with its commitment, Reinet invested a further € 59 million in Pension Corporation Group Limited in April 2013, and a further € 203 million in July 2013, bringing its equity holding to 38 per cent.

Reinet is committed to invest a further € 90 million in one or several tranches to finance new business over the period to 2017. This will lead to Reinet ultimately having an equity position of 43 per cent in the company. Reinet's shareholding in Pension Corporation Group Limited carries at all times voting rights commensurate with its ultimate 43 per cent shareholding.

The investment is carried at an estimated fair value of € 484 million at 30 September 2013 (31 March 2013: € 134 million) based on the results of an independent valuation, taking into account the embedded value at 31 July 2013 and reflecting valuation multiples drawn from industry data.

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

UNITED STATES LAND DEVELOPMENT AND MORTGAGES
Original commitment: € 101 million (including increase of € 27 million in period) (EUR equivalent of USD commitment)

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

During the period under review Reinet increased its commitment by € 27 million including the provision of a short-term loan to provide additional liquidity alongside its minority partners.

At 30 September 2013, Reinet had invested € 76 million in these projects (31 March 2013: € 78 million). The investment is carried at the estimated fair value of € 99 million (31 March 2013: € 105 million) of which € 83 million is attributable to Reinet and € 16 million to its minority partners.

MANAGEMENT REPORT

BUSINESS OVERVIEW
CONTINUED

The current valuation is based on independent valuations of underlying assets and liabilities as at 30 June 2013. The decrease in the valuation reflects the weakening of the US dollar against the euro during the period.

Reinet has a further commitment of € 25 million to invest in these investments as of 30 September 2013.

JAGERSFONTEIN AND OTHER DIAMOND EXPLORATION INTERESTS
Project cost: € 91 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. The local community trust has been funded by Reinet.

Reinet has also invested in a separate project, which has acquired rights to source diamonds on an as yet unexploited site near Kimberley in South Africa.

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

As at 30 September 2013, Reinet held equity interests with a fair value of € 25 million (31 March 2013: € 22 million) in the above investments and had provided loans of € 64 million (31 March 2013: € 60 million). In addition, € 10 million (31 March 2013: € 7 million) is receivable from third parties in respect of sales of part of the equity investments and Reinet has accrued income of € 15 million (31 March 2013: € 13 million) in respect of funding provided to the projects to date.

In aggregate, these investments are carried at their estimated fair value of € 114 million at 30 September 2013 (31 March 2013: € 102 million). The current valuations are prepared by independent experts based on discounted cash flow analyses prepared by management of the projects. Reinet is committed to invest a further € 7 million in these projects.

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

OTHER INVESTMENTS
This portfolio includes small businesses with significant growth potential 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 € 24 million at 30 September 2013 (31 March 2013: € 30 million), based on an independent valuation and management analysis of each of the investments. The decrease in value is due to a change in the valuation basis of one of the investments, together with the effect of the weakening of the US dollar against the euro during the period.

COMMITTED FUNDS

The table below summarises Reinet's outstanding investment commitments as at 30 September 2013.

	As at 31 March 2013[1] € m	Exchange rate effects[2] € m	Commitments in period € m	Funded € m	As at 30 September 2013 € m	As at 30 September 2013 %
Private equity and related partnerships						
Trilantic Capital Partners[3]	121	(5)	1	(10)	107	21.2
Renshaw Bay and related investments						
Renshaw Bay advisory and investment management company	2	–	10	(12)	–	–
JPS Credit Opportunities Fund	–	–	–	–	–	–
Renshaw Bay Real Estate Finance Fund	118	–	–	(69)	49	9.7
Renshaw Bay Structured Finance Opportunity Fund	–	–	111	–	111	22.0
Asian private equity and portfolio funds						
Milestone China Opportunities funds co-investment and related opportunities	63	(3)	–	(9)	51	10.1
GEMS	–	–	–	–	–	–
Prescient China Balanced Fund	2	–	–	–	2	0.4
Specialised private equity funds						
Vanterra Flex Investments	35	(2)	–	(4)	29	5.8
Vanterra C Change TEM	10	(1)	–	(4)	5	1.0
NanoDimension funds and co-investments opportunities	19	(1)	–	–	18	3.6
Other fund investments	4	–	–	–	4	0.8
Pension Corporation	356	(4)	–	(262)	90	17.9
US land development and mortgages[3]	–	–	27	(2)	25	5.0
Jagersfontein and other diamond exploration interests	22	(3)	–	(12)	7	1.3
Other investments	11	–	1	(6)	6	1.2
	763	(19)	150	(390)	504	100.0

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

(2) Reflects exchange rate movements between 31 March 2013 and 30 September 2013.

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

MANAGEMENT REPORT

BUSINESS OVERVIEW
CONTINUED

CASH AND LIQUID FUNDS

Reinet holds cash on deposit principally in European banks. Interest rates remain exceptionally low in respect of both euro and sterling deposits, the currencies in which the bulk of funds are held.

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 financing facility. At 30 September 2013, the fair value of the borrowing was € 355 million (31 March 2013: € 356 million). The transaction incorporates the purchase by Reinet of put options and the sale by Reinet of call options over 13.7 million BAT shares. The unpaid net option premium is payable over the period to 2017 and is carried as a liability at its fair value of € 37 million as at 30 September 2013 (31 March 2013: € 42 million).

Reinet has also borrowed ZAR 443 million to fund its investments in South African projects. At 30 September 2013, the fair value of the borrowing was € 33 million (31 March 2013: € 37 million).

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

As part of the £ 300 million financing facility, Reinet has purchased put options which provide protection should the value of the BAT shares used to secure the borrowings fall below a certain amount. Reinet has also sold call options over an equal number of BAT shares. Both the put options and the call options are carried at their respective fair values at the balance sheet date. The net derivative liability is carried at its fair value of € 4 million at 30 September 2013 (31 March 2013: € 15 million).

Reinet has entered into forward exchange contracts to sell ZAR 890 million (31 March 2013: ZAR 600 million). Outstanding contracts amounting in total to ZAR 840 million were settled on 30 September 2013 realising a gain of € 9 million. New forward exchange contracts to sell ZAR 890 million in one year's time were entered into the same date. The net asset in respect of the forward exchange contracts is carried at its fair value of € nil at 30 September 2013 (31 March 2013: € 4 million).

OTHER LIABILITIES

FEES PAYABLE AND OTHER LIABILITIES, NET OF OTHER ASSETS

Fees payable and other liabilities comprise principally an accrual of € 15 million in respect of the management fee payable at 30 September 2013 (31 March 2013: € 15 million), a provision for deferred taxes of € 14 million relating to gains arising from the investments in Trilantic Capital Partners and withholding taxes relating to the investment in US land development and mortgages, together with other operating expenses currently payable. No provision has been made in respect of a performance fee as at 30 September 2013 (31 March 2013: € 32 million) as the conditions required to pay a fee had not been met at that date. The performance fee and management fee are payable to the Investment Advisor.

The management fee for the period under review amounted to € 18 million (30 September 2012: € 16 million).

FUNDING BY MINORITY PARTNERS

Reinet invests in certain investments, principally Trilantic Capital Partners and US land development and mortgages, along with minority partners. As capital calls are received, minority partners fund their share by advancing funds to Reinet; as distributions are received from investees, Reinet refunds their pro-rata share to the minority partners. The net amounts received of € 20 million (31 March 2013: € 21 million), are shown as 'Funding by minority partners' in the table on page 2.

SUMMARISED CONSOLIDATED INCOME STATEMENT

	Six-month period ended			
	30 September 2013		30 September 2012	
	€ m	€ m	€ m	€ m
Income				
BAT dividends	126		136	
Interest and other investment income	10		8	
Realised gains on investments				
– BAT	108		–	
– Others	2		3	
Realised gains on foreign exchange contracts	9	255	–	147
Expenses				
Performance fee	–		(9)	
Management fee	(18)		(16)	
Operating expenses and transaction-related costs	(3)		(2)	
Interest expense	(6)		(6)	
Tax expense	(5)	(32)	(7)	(40)
Realised investment income, net of expenses		223		107
Fair Value Adjustments				
BAT				
– unrealised (loss)/gain on shares held	(195)		178	
– gain on shares sold(1)	(106)		–	
Other investments	70		23	
Derivative instruments	7		(3)	
Borrowings	7	(217)	(27)	171
Effect of exchange rate changes on cash balances		(4)		14
Net profit		2		292
Minority interest		(1)		(2)
Profit attributable to the shareholders of the Company		1		290

(1) Gain on shares sold represents the reversal of the unrealised gain on 5 million shares as at 31 March 2013.

INCOME

Dividends received from BAT decreased by 7 per cent from € 136 million (£ 110 million) in the period to September 2012 to € 126 million (£ 106 million) during the period under review. The decrease is due to the reduced number of BAT shares held, offset by an increase of £ 0.05 per share in the underlying dividends paid by BAT. The dividends received from BAT represent the final 2012 dividend, paid in May 2013, as well as the interim 2013 dividend paid in September 2013.

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

Total realised gains of € 119 million includes € 108 million in respect of the sale of 5 million BAT shares calculated by reference to the cost of the investment when the BAT shares were first carried at fair value when Reinet was established in 2008, gains of € 2 million in respect of investments realised by the Trilantic funds and a gain of € 9 million realised on settlement of the forward exchange contracts during the period.

MANAGEMENT REPORT

BUSINESS OVERVIEW
CONTINUED

EXPENSES
A performance fee may be payable for the year ended 31 March 2014, if certain conditions are met. The provision for the performance fee in respect of the period ended 30 September 2013 amounts to € nil (30 September 2012: € 9 million).

The management fee for the period ended 30 September 2013 amounts to € 18 million (30 September 2012: € 16 million) with other operating expenses of € 1 million in respect of charges from Reinet Investments Manager S.A. (the 'General Partner'), transaction costs and other expenses, including legal and other fees, which amounted to € 2 million.

Interest expense relates to rand and sterling borrowings.

FAIR VALUE ADJUSTMENTS
The investment in the remaining 74 million BAT shares decreased in value by € 195 million during the period under review. Of this, € 221 million was attributable to the decrease in value of the underlying BAT shares in sterling terms offset by € 26 million due to the appreciation of sterling against the euro during the period under review. The sale of 5 million BAT shares resulted in a reversal of the previously recorded unrealised gain in respect of the shares sold of € 106 million at 31 March 2013.

The unrealised fair value adjustment of € 70 million reflects the increase in the fair value of the investments in Pension Corporation, Trilantic and the Milestone investments which are offset by decreases in the value of the investments in US land development and mortgages, Vanterra C Change TEM and Vanterra Flex.

The fair value of the collar financing derivative increased by € 11 million during the period, reflecting mainly the decrease in the price of the BAT shares underlying the put and call options. The fair value of the forward exchange contracts decreased by € 4 million; the contracts were settled on 30 September 2013 realising a gain of € 9 million.

Borrowings are carried at fair value reflecting the discounted cash flow value of future principal and interest payments taking into account prevailing interest rates. An unrealised gain of € 4 million arose in respect of the rand borrowing due to the weakening of the South African rand during the period. An unrealised gain of € 3 million arose in respect of the sterling borrowing. Of this, a loss of € 3 million is due to the strengthening of the sterling/euro exchange rate during the period and a gain of € 6 million arose due to the effect of higher interest rates used in discounting future cash flows.

OTHER CHARGES
The net tax expense of € 5 million includes corporate and withholding taxes accrued in respect of gains realised on Trilantic investments, a deferred tax provision in respect of unrealised gains and expected distributions related to Trilantic investments, together with withholding taxes in respect of accrued interest on other US investments.

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

PROFIT FOR THE PERIOD
Net realised income for the period, reflecting the gains realised on the sale of BAT shares and other income, amounted to € 223 million (30 September 2012: € 107 million). Net profit attributable to shareholders, taking into account unrealised fair value adjustments, was € 1 million. As noted above, the movement in unrealised fair value adjustments reflected the recycling of unrealised gains amounting to € 106 million in respect of the 5 million BAT shares sold during the period.

DIVIDEND
No dividend is proposed for the interim period. Barring unforseen developments, the General Partner will consider a dividend for the full year to be funded out of realised income, excluding the proceeds of asset disposals.

This interim financial report should be read in conjunction with the annual report for the year ended 31 March 2013, which includes a description of the principal risks and uncertainties the Company and its subsidiaries face. This description is equally applicable for the remaining six months of the current financial year.

APPROVAL

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

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

The unaudited interim consolidated financial statements for the six-month period ended 30 September 2013 on pages 16 to 35 of this report were approved by the Board of the General Partner and signed on its behalf by Alan Grieve and Diane Longden.

Alan Grieve
Chief Executive Officer

Diane Longden
Chief Financial Officer

Reinet Investments Manager S.A.
General Partner

12 November 2013

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2013

CONSOLIDATED BALANCE SHEET

	Note	30 September 2013 € m	31 March 2013 € m
ASSETS			
Non-current assets			
Financial assets at fair value through profit or loss	6	4 281	4 223
Non-current assets – held for sale		–	7
		4 281	4 230
Current assets			
Derivative financial instruments	7	–	4
Receivables		20	19
Financial assets at fair value through profit or loss	6	–	62
Cash and cash equivalents		229	264
		249	349
Total assets		4 530	4 579
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		220	220
Share premium		770	770
Non-distributable reserve		22	22
Cumulative translation adjustment reserve		(203)	(203)
Retained earnings		3 215	3 214
		4 024	4 023
Minority interest		14	13
Total equity		4 038	4 036
LIABILITIES			
Non-current liabilities			
Derivative financial instruments	7	4	15
Deferred tax liability		23	19
Funding from minority partners	8	20	21
Borrowings	9	406	416
		453	471
Current liabilities			
Payables		17	51
Accruals and provisions		3	2
Borrowings	9	19	19
		39	72
Total liabilities		492	543
Total equity and liabilities		4 530	4 579

The notes on pages 21 to 35 are an integral part of these interim consolidated financial statements.

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Six-month period ended 30 September 2013 € m	Six-month period ended 30 September 2012 € m
Income			
Dividends received	*10*	126	136
Interest income		10	8
Net change in the fair value of financial assets and financial liabilities at fair value through profit or loss	*6*	(98)	174
Effect of exchange rate changes on cash balances		(4)	14
Total income		34	332
Expenses			
Performance fee	*13*	–	9
Management fee	*11*	18	16
Custodian, secretarial and administration fees		3	2
Transaction costs		–	–
Interest expense		6	6
Total expenses		27	33
Profit for the period before tax		7	299
Tax expense		5	7
Profit for the period after tax		2	292
Other comprehensive income			
Currency translation adjustment		–	–
Total comprehensive income		2	292
Attributable to:			
– owners of the parent		1	290
– minority interest		1	2
Total comprehensive income		2	292
Profit for the period		2	292
Attributable to:			
– owners of the parent		1	290
– minority interest		1	2
		2	292
Earnings per share from profit for the period			
– basic and diluted	*12*	€ 0.01	€ 1.48

The notes on pages 21 to 35 are an integral part of these interim consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent						
	Equity holders' capital € m	Non-distributable reserve € m	Cumulative translation adjustment reserve € m	Retained earnings € m	Total € m	Minority interest € m	Total equity € m
Balance at 31 March 2012	990	22	(203)	2 840	3 649	12	3 661
Purchase of minority interest	–	–	–	(1)	(1)	(4)	(5)
Profit attributable to the shareholders	–	–	–	290	290	2	292
Balance at 30 September 2012 – unaudited	990	22	(203)	3 129	3 938	10	3 948
Profit attributable to the shareholders	–	–	–	85	85	3	88
Balance at 31 March 2013	990	22	(203)	3 214	4 023	13	4 036
Profit attributable to the shareholders	–	–	–	1	1	1	2
Balance at 30 September 2013 – unaudited	990	22	(203)	3 215	4 024	14	4 038

The notes on pages 21 to 35 are an integral part of these interim consolidated financial statements.

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED CASH FLOW STATEMENT

	Six-month period ended	
	30 September 2013 € m	30 September 2012 € m
Cash flows from operating activities		
Purchase of non-current financial assets	(390)	(101)
Purchase of current financial assets	–	(38)
Redemption of current financial assets	62	–
Proceeds from sale of financial assets	232	16
Dividends and investment income received	128	138
Interest paid	(6)	(6)
Performance fee paid	(32)	(38)
Operating expenses paid	(20)	(26)
Net cash used in operating activities	(26)	(55)
Cash flow from financing activities		
Funding from minority partners	(1)	1
Payment to minority partner	–	(15)
Repayment of bank borrowings	(4)	(4)
Net cash used in financing activities	(5)	(18)
Net decrease in cash and cash equivalents	(31)	(73)
Cash and cash equivalents – beginning of period	264	249
Effect of exchange rate changes on cash balances	(4)	14
Cash and cash equivalents – end of period	229	190

The notes on pages 21 to 35 are an integral part of these interim consolidated financial statements.

NOTES TO THE INTERIM 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, 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, Luxembourg.

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

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

1.2 SECURITIES LISTINGS AND TRADING

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

1.3 APPROVAL OF THESE FINANCIAL STATEMENTS

These consolidated financial statements have been approved by the Board of Overseers on 5 November 2013 and by the Board of Directors of the General Partner on 12 November 2013.

2. BASIS OF PREPARATION

These interim consolidated financial statements have not been audited.

This interim financial information for the half year ended 30 September 2013 has been prepared in accordance with IAS 34, *Interim Financial Reporting*. The interim financial report should be read in conjunction with the annual consolidated financial statements for the year ended 31 March 2013, which have been prepared in accordance with IFRS as adopted by the European Union.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

3. ACCOUNTING POLICIES

The Company adopted IFRS 13, *fair value measurement*, with effect from 1 April 2013. The following describes the Company's policy for fair value estimation.

The fair value of financial assets traded in active markets (such as publicly traded securities) are based on quoted market prices at the balance sheet date. The quoted market price used for financial assets is the closing bid price.

The fair value of financial assets that are not traded in an active market is determined by the Fund Manager using valuation techniques in accordance with European Private Equity and Venture Capital Association guidelines. Reinet uses a variety of valuation methods in each case considered to be most appropriate to the assets concerned. Valuations may be obtained by the Fund Manager from third-party experts to support the valuations being used in the financial statements. Valuation techniques used include the use of comparable recent arm's-length transactions, reference to other instruments that have substantially the same characteristics, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

For recent investments in unquoted investments, cost may be considered to be the best estimate of fair value (in accordance with the International Private Equity and Venture Capital Association guidelines issued in December 2012), for a limited period after the date of the transaction and in the absence of any indications to the contrary.

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

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

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

Consideration is also given to the classification of each investment into the fair value hierarchy, as described in note 4, to reflect the level of judgement involved in estimating fair values. Where a transfer between levels is required in the reporting period, the transfer is deemed to have occurred at the beginning of the reporting period.

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

In accordance with IFRS 13, additional disclosures are included in note 4 to these interim financial statements.

All other accounting policies are consistent with those described in the annual consolidated financial statements for the year ended 31 March 2013.

There are currently no new standards, amendments to standards or interpretations which are mandatory for the financial year beginning 1 April 2013 that will have a material effect on Reinet's financial position.

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

4. FINANCIAL RISKS

4.1 FINANCIAL RISK FACTORS

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

The unaudited interim consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the group's annual financial statements as at 31 March 2013.

There have been no changes in the risk management policies since the year end.

4.2 FAIR VALUE ESTIMATION

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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).

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

The following table analyses, within the fair value hierarchy, Reinet's financial assets measured at fair value at 30 September 2013:

	Fair value measurement at the end of the reporting period			
Description	Level 1 € m	Level 2 € m	Level 3 € m	Total € m
Listed investments				
British American Tobacco p.l.c.	2 913	–	–	2 913
Unlisted investments				
Trilantic Capital Partners private equity funds and related management companies	–	–	186	186
Renshaw Bay and related investments	–	60	93	153
36 South macro/volatility funds	–	68	8	76
Asian private equity and portfolio funds	–	21	88	109
Specialised private equity funds	–	23	110	133
Pension Corporation	–	–	484	484
US land development and mortgages	–	–	99	99
Jagersfontein and other diamond exploration interests	–	–	104	104
Other investments	–	–	24	24
Receivables from third parties in respect of sales of assets held for sale	–	–	10	10
Total financial assets	2 913	172	1 206	4 291

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

4. FINANCIAL RISKS CONTINUED

4.2 FAIR VALUE ESTIMATION CONTINUED

The following table analyses, within the fair value hierarchy, Reinet's financial liabilities measured at fair value at 30 September 2013:

Description	Fair value measurement at the end of the reporting period Level 1 € m	Level 2 € m	Level 3 € m	Total € m
Bank borrowings and collar financing	–	(425)	–	(425)
Derivative financial instruments				
Call options	–	(4)	–	(4)
Total financial liabilities	–	(429)	–	(429)

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

Description	Fair value measurement at the end of the reporting period Level 1 € m	Level 2 € m	Level 3 € m	Total € m
Listed investments				
British American Tobacco p.l.c.	3 317	–	–	3 317
Other	1	–	–	1
Unlisted investments				
Trilantic Capital Partners private equity funds and related management companies	–	–	163	163
Renshaw Bay and related investments	–	61	14	75
36 South macro/volatility funds	–	71	12	83
Asian private equity and portfolio funds	–	23	69	92
Specialised private equity funds	–	21	115	136
Pension Corporation	–	–	134	134
US land development and mortgages	–	–	105	105
Jagersfontein and other diamond exploration interests	–	–	95	95
Other investments	–	–	29	29
Liquidity funds	62	–	–	62
Receivables from third parties in respect of sales of assets held for sale	–	–	7	7
Derivative financial instruments				
Forward exchange contracts	–	4	–	4
Total financial assets	3 380	180	743	4 303

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

Description	Fair value measurement at the end of the reporting period Level 1 € m	Level 2 € m	Level 3 € m	Total € m
Bank borrowings and collar financing	–	(435)	–	(435)
Derivative financial instruments				
Call options	–	(15)	–	(15)
Total financial liabilities	–	(450)	–	(450)

4. FINANCIAL RISKS CONTINUED

4.2 FAIR VALUE ESTIMATION CONTINUED

Financial instruments that trade in markets that are not considered to be active are classified within level 2. Investments classified within level 2 are valued using current data provided by fund managers to all investors on a regular basis.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As observable prices are not available for these instruments, Reinet has used valuation techniques to derive the fair value as described in the summary of significant accounting policies presented in note 3 to the consolidated financial statements for the year ended 31 March 2013.

4.3 FAIR VALUE MEASUREMENTS USING SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)

The fair value of financial assets that are not traded in an active market is determined by the Fund Manager using valuation techniques in accordance with European Private Equity and Venture Capital Association guidelines. Reinet 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.

The Board of Overseers as part of their control and oversight function meets formally on a quarterly basis and approves the fair values of all investments.

The following table presents the movement in level 3 investments for the period ended 30 September 2013:

Assets at fair value	Opening balance 1 April 2013 € m	Transfers into/out of level 3[(1)] € m	Purchases € m	Sales € m	Interest earned € m	Realised gains or losses in the period[(2)] € m	Unrealised gains or losses in the period[(2)] € m	Closing balance 30 September 2013 € m
Unlisted investments								
Trilantic Capital Partners private equity funds and related management companies	163	–	10	(8)	–	1	20	186
Renshaw Bay and related investments	14	–	78	–	–	–	1	93
36 South macro/volatility funds	12	–	–	–	–	–	(4)	8
Asian private equity and portfolio funds	69	–	11	–	–	–	8	88
Specialised private equity funds	115	–	10	–	–	–	(15)	110
Pension Corporation	134	–	262	–	–	–	88	484
US land development and mortgages	105	–	2	–	5	–	(13)	99
Jagersfontein and other diamond exploration interests	95	–	12	(4)	3	–	(2)	104
Other investments	29	–	6	–	–	–	(11)	24
Receivables from third parties in respect of sales of assets held for sale	7	–	3	–	–	–	–	10
Total	743	–	394	(12)	8	1	72	1 206

(1) There were no transfers between levels during the period ended 30 September 2013.

(2) All gains and losses are included in the statement of comprehensive income.

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

4. FINANCIAL RISKS CONTINUED

4.3 FAIR VALUE MEASUREMENTS USING SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3) CONTINUED

The following table presents the movement in level 3 investments for the comparative period ended 30 September 2012:

Assets at fair value	Opening balance 1 April 2012 € m	Transfers into/out of level 3[1] € m	Purchases € m	Sales € m	Interest earned € m	Realised gains or losses in the period[2] € m	Unrealised gains or losses in the period[2] € m	Closing balance 30 September 2012 € m
Unlisted investments								
Trilantic Capital Partners private equity funds and related management companies	149	–	21	(4)	–	2	21	189
Renshaw Bay and related investments	58	(54)	4	–	–	–	–	8
36 South macro/volatility funds	90	(78)	–	–	–	–	–	12
Asian private equity and portfolio funds	44	–	7	–	–	–	(4)	47
Specialised private equity funds	79	(16)	39	–	–	–	3	105
US land development and mortgages	95	–	6	–	4	–	–	105
Jagersfontein and other diamond exploration interests	82	–	13	(12)	3	–	(3)	83
Other investments	21	–	11	(1)	–	1	(1)	31
Receivables from third parties in respect of sales of assets held for sale	–	–	8	–	–	–	–	8
Derivative financial instruments	30	(30)	–	–	–	–	–	–
Total	648	(178)	109	(17)	7	3	16	588

(1) The transfer of funds from level 3 to level 2 relates to certain funds which, at the time of initial investment, were relatively inactive and illiquid; hence Reinet would not have been able to easily realise its investments and considered them to be level 3 investments. Recent evaluation of these funds indicates that they are now more established and liquid, Reinet therefore considers the funds to be level 2 investments. In respect of the derivative financial instrument, the issuing bank has advised that in the current period, all inputs to the valuation model are observable, whereas this was not the case in the prior period. The transfer values above are based on 31 March 2012 values.

(2) All gains and losses are included in the statement of comprehensive income.

4. FINANCIAL RISKS CONTINUED

Sensitivity of level 3 investment valuations

Unobservable inputs and the resulting fair values are based on information available at the reporting date. Significant changes in fair values 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 the valuation methodology and significant unobservable inputs used for Reinet's investments that are categorised with level 3 of the fair value hierarchy as of 30 September 2013. The table is not intended to be all-inclusive, but rather provides information which Reinet regards as significant in respect of unobservable inputs and their sensitivity to reasonable change.

Description	Fair value at 30 September 2013 € m	Valuation technique	Unobservable inputs	Range (weighted average)	Reasonable possible change +/- (absolute value)[1] € m
Unlisted investments					
Trilantic Capital Partners private equity funds and related management companies	173	Net Asset Value[2]	n/a	n/a	n/a
	10	Discounted cash flows	Discount rate – USD cash flows	4.75 %-6.75 % (5.75 %)	+0.4/-0.4
	3	Discounted cash flows	Discount rate – EUR cash flows	3.50 %-5.50 % (4.50 %)	+0.1/-0.1
Renshaw Bay and related investments	67	Net Asset Value[2]	n/a	n/a	n/a
	26	Invested cost[3]	n/a	n/a	n/a
36 South macro/volatility funds	8	Discounted cash flow[4]	Timing of repayments	2013-2015 (2014)	+0.6/-0.5
			Amount of repayments	€ 2 m-€ 4 m (€ 3 m)	+0.7/-1.1
			Discount rate	3.0 %-7.0 % (5.0 %)	+0.7/-0.6
Asian private equity and portfolio funds	79	Net Asset Value[2]	n/a	n/a	n/a
	5	Market comparable companies	Revenue multiple	2.5x-2.6x (2.55x)	+0.1/-0.1
			Discount rate	35 %-45 % (40 %)	+0.4/-0.4
	4	Adjusted cost	Discount rate	40 %-50 % (44 %)	+0.3/-0.4
Specialised private equity funds	92	Net Asset Value[2]	n/a	n/a	n/a
	18	Relative value[5]	Discount rate	10 %-20 % (15 %)	+1.1/-1.1
Pension Corporation	484	Market comparable companies[6]	Market multiples	0.76-1.01 (0.98)	+15/-109
			Discount rate	5 %-15 % (10 %)	+27/-27
US land development and mortgages	99	Discounted cash flow[7]	Discount rate	4 %-30 % (12.4 %)	+8/-10
Jagersfontein and other diamond exploration interests including receivables from third parties	114	Discounted cash flow[8]	Discount rate	16.7 %-21.5 % (18.1 %)	+2/-2
Other investments	13	Adjusted cost	Discount rate	20 %-30 % (25 %)	+0.8/-0.9
	11	Net Asset Value[2]	n/a	n/a	n/a
Total	1 206				

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

4. FINANCIAL RISKS CONTINUED

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

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

(4) Timing and amount of repayments are key to the value of this asset, a range of scenarios has been considered in arriving at the estimated value. Changes in these inputs would not result in a significant change in fair value.

(5) Valuation based on the implied post-money valuation of the latest financing round in June 2013. A discount range of 10 per cent to 20 per cent was applied to the post-money valuation in consideration of the relatively low liquidity of the issued shares.

(6) 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 range of 5 per cent to 15 per cent was applied to recognise the lack of liquidity of the shares.

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

(8) Reinet has relied upon cash flows provided by local management as at 30 September 2013. 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 only be determined by management of the underlying entities. The discounted cash flow used by Reinet in determining the fair value applies discounts in the range of 16.7 per cent and 21.5 per cent to take account of the risks and variables described above.

5. SEGMENT INFORMATION

Segment reporting is prepared 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.

Allocation of assets and liabilities:

	30 September 2013		31 March 2013	
	€ m	€ m	€ m	€ m
Assets				
(i) Listed investments				
– BAT		2 913		3 317
– other		–		1
(ii) Cash and liquid funds		229		326
(iii) Unlisted investments				
– long-term	1 368		905	
– held for sale	–		7	
– derivative asset	–		4	
– receivable	19	1 387	17	933
Total segment assets		4 529		4 577
Liabilities				
(ii) Cash and liquid funds				
– borrowings		392		398
(iii) Unlisted investments				
– derivative financial instruments	4		15	
– deferred tax liability	23		19	
– funding from minority partners	20		21	
– borrowings	33	80	37	92
Total segment liabilities		472		490

All assets, other than cash and liquid funds, and all liabilities are held at fair value through profit or loss. There were no transactions between reportable segments other than receipts and payments of cash in respect of new investments, receipt of sales proceeds for existing investments and receipt and repayment of borrowings.

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

5. SEGMENT INFORMATION CONTINUED

A reconciliation of reportable segments' assets to total assets is as follows:

	30 September 2013 € m	31 March 2013 € m
Total segment assets	4 529	4 577
Other assets	1	2
Total assets	4 530	4 579
Total segment liabilities	472	490
Other liabilities	20	53
Total liabilities	492	543

	30 September 2013		30 September 2012	
Income per segment	€ m	€ m	€ m	€ m
(i) Listed investments				
– dividend	126		136	
– fair value adjustment	(301)		177	
– realised gains	108	(67)	–	313
(ii) Cash and liquid funds				
– interest income	2		1	
– effect of changes in exchange rates	(4)		14	
– fair value adjustment – borrowings	3	1	(29)	(14)
(iii) Unlisted investments				
– interest income	8		7	
– realised gains/(losses)	11		3	
– fair value adjustment – assets	77		21	
– fair value adjustment – borrowings	4	100	2	33
Total income		34		332

Expenses and taxes cannot be allocated over the above segments.

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

	30 September 2013 € m	31 March 2013 € m
Financial assets at fair value through profit or loss – non-current:		
– Listed investments	2 913	3 318
– Unlisted investments	1 368	905
Total financial assets at fair value through profit or loss – non-current	4 281	4 223
Financial assets at fair value through profit or loss – current:		
– Investment in liquidity funds	–	62
Total financial assets at fair value through profit or loss	4 281	4 285

	30 September 2013 € m	30 September 2012 € m
Net changes in fair value of financial assets and liabilities at fair value through profit or loss:		
– Realised	119	3
– Unrealised	(231)	201
	(112)	204
Unrealised gain/(loss) on derivative instruments	7	(3)
Unrealised foreign exchange gain on borrowings	7	(27)
Total gains	(98)	174

7. DERIVATIVE FINANCIAL INSTRUMENTS

As part of the £ 300 million financing facility, Reinet has purchased put options which provide protection should the value of the BAT shares used to secure the borrowings fall below a certain amount. Proceeds received as a result of the put option being exercised would be used to repay the amounts borrowed. Reinet has also sold call options over an equal number of BAT shares. Both the put options and the call options are carried at their respective fair values at the balance sheet date.

In addition, Reinet entered into forward exchange contracts to sell ZAR 890 million in connection with the investment in and loans related to Jagersfontein and the related diamond exploration interests.

The derivative financial instruments comprise:

	30 September 2013 € m	31 March 2013 € m
Net value of put and call options	(4)	(15)
Forward exchange contracts	–	4
Total	(4)	(11)

The derivative financial instruments are classified as non-current assets, the maturity being after more than 12 months. Changes in fair value are included in the statement of comprehensive income.

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

8. FUNDING FROM MINORITY PARTNERS

Reinet receives funding from its minority partners in respect of their shares of underlying investments made and expenses paid. Funding provided by minority partners amounts to € 20 million at 30 September 2013 (31 March 2013: € 21 million) and is repayable as distributions of capital and profit are received from the underlying investments.

Reinet owns 90 per cent of the subsidiary company which invest in Trilantic.

Minority partners own a 20 per cent interest in the subsidiary companies which invest in US land development and mortgages.

9. BORROWINGS

In March 2011, a loan of ZAR 443.4 million (€ 46 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 Reinet's own resources. The loan is unsecured and carries interest at a rate of Johannesburg Interbank Agreed Rate plus 1.75 per cent payable quarterly in arrears.

In February 2012, a loan of £ 300 million (€ 358 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's holding of BAT shares. The transaction incorporates put and call options over approximately 13.7 million BAT shares. The net premium cost of some £ 44 million in respect of the options is payable to the counterparty over the life of the transactions, which run to 2017. The outstanding premium is carried as a liability. BAT shares have also been pledged to guarantee the balance of the net option premium and a portion of the interest payments.

	30 September 2013 € m	31 March 2013 € m
Non-current		
Bank borrowings	406	416
Current		
Bank borrowings	19	19
	425	435

The face value and fair value of the borrowings are as follows:

		Face value	Fair value	
	Discount rate		30 September 2013 € m	31 March 2013 € m
Variable interest rate loans	6.90 %	ZAR 443 m	33	37
Fixed interest rate loans	2.05-2.11 %	GBP 328 m	392	398
			425	435

Fair values are based on cash flows discounted at market interest rates.

10. DIVIDENDS RECEIVED

	30 September 2013 € m	30 September 2012 € m
Dividends received	126	136

During the period ended 30 September 2013, Reinet Fund received a final dividend in respect of the 2012 financial year of € 86 million (£ 73 million) and an interim dividend for 2013 of € 40 million (£ 33 million) from BAT.

11. MANAGEMENT FEE, ADMINISTRATION FEE AND REIMBURSEMENT OF EXPENSES

The Company is managed by its General Partner. As detailed in note 13, the Company reimburses expenses incurred by the General Partner together with an annual administration fee equal to 10 per cent of such expenses. During the period ended 30 September 2013, the Company paid € 0.6 million (2012: € 0.5 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. As set out in note 13, Reinet Fund reimburses those expenses incurred by the Fund Manager. Amounts reimbursed to the Fund Manager are deducted from any management fees payable to the Investment Advisor by the Fund.

The management fee is payable to the Investment Advisor. As detailed in note 13, the management fee is calculated semi-annually based on the closing NAV at the end of the previous six-month period.

Management fee	30 September 2013 € m	30 September 2012 € m
Investment Advisor	15	13
Fund Manager	3	3
Total management fee	18	16

12. EARNINGS PER SHARE

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

	Realised € m	Unrealised € m	30 September 2013 € m	30 September 2012 € m
Profit for the period (after tax)	223	(222)	1	290
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 period – basic and diluted (€ per share)	€ 1.14	€ (1.13)	€ 0.01	€ 1.48

The Company has not issued any shares or other instruments that are considered to have dilutive potential. There were no movements in the period ended 30 September 2013.

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:	30 September 2013	30 September 2012
Unadjusted earnings per share	€ 0.01	€ 1.48
Headline earnings per share	€ 0.01	€ 1.48

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

13. RELATED PARTY TRANSACTIONS

Reinet 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')

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

SIGNIFICANT SHAREHOLDERS

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

Details of shareholdings by the Anton Rupert Trust and parties affiliated with it, including Mr Johann Rupert in his personal capacity, were provided in the Reinet Annual Report 2013. There have been no changes during the period under review.

On 10 May 2013, the Public Investment Corporation ('PIC') notified the Company that it held 15.49 per cent of the shares and voting rights in the Company, PIC previously held 14.98 per cent of the shares.

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

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

MANAGEMENT AND ADVISORY COMPANIES

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

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

The Investment Advisor owns 995 850 shares of the Company as at 30 September 2013 (31 March 2013: 995 850). These shares have been acquired to hedge share appreciation rights and related awards to key executives.

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

13. RELATED PARTY TRANSACTIONS CONTINUED

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 Reinet Prospectus, published on 10 October 2008), adjusted for all dividends and returns of capital to Reinet shareholders, less the sum of all performance fees paid in previous Performance Measurement Periods.

A performance fee of € 32 million was paid in May 2013, reflecting the appreciation in the Reinet share price over the year to 31 March 2013. A performance fee will only be payable in respect of the current financial year if the volume weighted average closing price of the Reinet 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 the respect of the financial year ended 31 March 2013 of € 15.1931.

Reinet's share price was below € 15.1931 as at 30 September 2013 and therefore no provision has been made in respect of any performance fee which may become payable at 31 March 2014.

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

OTHER RELATED PARTIES

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

No fees were charged or paid to significant shareholders or to Remgro Limited during the period and no balances were outstanding with these parties at 30 September 2013.

14. CONTINGENT LIABILITIES

At 30 September 2013, the Company had no contingent liabilities.

15. CAPITAL COMMITMENTS

At 30 September 2013, Reinet had committed to invest a further € 504 million (31 March 2013: € 763 million) in unlisted investments.

16. SUBSEQUENT EVENTS

There have been no events subsequent to 30 September 2013, which would have any material impact on these interim consolidated financial statements.

EXCHANGE RATES AND SHARE INFORMATION

EXCHANGE RATES AGAINST THE EURO

	Six months to 30 September 2013	Six months to 30 September 2012
Average for the period		
pound sterling	0.8525	0.8013
US dollar	1.3160	1.2671
Swiss franc	1.2327	1.2025
South African rand	12.8125	10.3770

	As at 30 September 2013	As at 31 March 2013
Closing – as at the end of the period		
pound sterling	0.8358	0.8432
US dollar	1.3526	1.2821
Swiss franc	1.2242	1.2171
South African rand	13.5645	11.8408

SHARE INFORMATION

PRIMARY LISTING

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

SECONDARY LISTING

Reinet Investments S.C.A. South African Depository Receipts are traded on the stock exchange in Johannesburg under the ISIN number CH 0045793657. Thomson Reuters code REIJ.J and Bloomberg code REI:SJ.

As at 30 September 2013 and 31 March 2013 there were 195 942 286 shares in issue.

STATUTORY INFORMATION

REGISTERED OFFICE

REINET INVESTMENTS S.C.A.
35, boulevard Prince Henri
L-1724 Luxembourg
Grand Duchy of Luxembourg
Telephone: +352 22 42 10

Company Secretary: Mr S H Grundmann

REGISTERED NUMBER

Reinet Investments, Société en commandite par actions
Registre de commerce et des sociétés, Luxembourg B 16.576

GENERAL PARTNER

REINET INVESTMENTS MANAGER S.A.
35, boulevard Prince Henri
L-1724 Luxembourg
Grand Duchy of Luxembourg
Telephone: +352 22 42 10

Company Secretary: Mr S H Grundmann

CUSTODIAN

BANQUE DE LUXEMBOURG S.A.
14, boulevard Royal
L-2449 Luxembourg
Grand Duchy of Luxembourg

REGISTRAR AND PAYING AGENT

EUROPEAN FUND ADMINISTRATION S.A.
2, rue d'Alsace
P.O. Box 1725
L-1017 Luxembourg
Grand Duchy of Luxembourg

RÉVISEUR D'ENTREPRISES AGRÉÉ

PRICEWATERHOUSECOOPERS SOCIÉTÉ COOPÉRATIVE
400, route d'Esch
B.P. 1443
L-1014 Luxembourg
Grand Duchy of Luxembourg

FURTHER INFORMATION

Website: **www.reinet.com**
Email: **info@reinet.com**

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