REINET INVESTMENTS S.C.A.

Annual Report and Accounts 2009

CONTENTS

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.

HIGHLIGHTS

- Reinet was established on 20 October 2008 upon the separation of the investments currently held from the luxury businesses retained by Compagnie Financière Richemont SA
- 195 941 286 Reinet ordinary shares are currently in issue
- Net asset value at 31 March 2009: € 1 846 million
- Net asset value per share at 31 March 2009: € 9.42
- Reported net profit for the period: € 426 million
- Underlying operating loss for the period: € 116 million

Reinet Investments S.C.A. 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 a securitisation company which 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., a specialised investment fund also incorporated in Luxembourg. Reinet shares are listed on the Luxembourg Stock Exchange and Reinet South African Depository Receipts are listed in Johannesburg. Reinet shares are included in the 'LuxX' index of the principal shares traded on the Luxembourg exchange and the South African Depository Receipts are included in the JSE 'Top 40' Share Index.

REPORT TO THE SHAREHOLDERS

BUSINESS OVERVIEW

Reinet was created on 20 October 2008 to hold the non-luxury assets formerly held by Richemont SA.

Changes to the fiscal rules in Luxembourg forced Richemont to review its corporate structure, which had been established 20 years ago. Richemont had changed significantly during that period. Although the twinned unit structure served unitholders well, it was viewed by some as unnecessarily complex and no longer appropriate to what had become a largely Swiss-oriented group.

Following a detailed review of the alternatives open to Richemont, it was concluded that a separation of the luxury businesses from the investment in British American Tobacco plc ('BAT') was the right course of action to take.

THE CREATION OF REINET

Following shareholder approvals in early October 2008, Reinet was established as an independent investment vehicle on 20 October. Upon the restructuring, Reinet retained the investment in BAT, together with a portfolio of smaller investments and some € 350 million in cash, whilst Richemont continued to hold the luxury goods businesses.

Subsequent to the separation of Reinet and Richemont, in accordance with the proposals approved by Richemont unitholders, Reinet distributed 90 per cent of its interest in BAT to shareholders. That was effected on 3 November. On the same date, Remgro Limited contributed 10 per cent of its shareholding in BAT to Reinet in exchange for Reinet depository receipts being distributed to Remgro shareholders.

As a final step in the restructuring process, Reinet offered shareholders the opportunity to participate in a rights issue, which concluded in mid-December. The terms of the rights issue required participating shareholders to contribute BAT shares in exchange for new Reinet shares. The rights issue was very successful with 93 per cent of the rights being taken up. The balance of the rights were bought by Compagnie Financière Rupert, which was the underwriter, by way of a public auction and the proceeds of the auction were distributed to shareholders who chose not to exercise their rights.

DEVELOPMENTS DURING THE PERIOD

Following all of the restructuring steps, Reinet has been actively looking at how best to build on its strengths and has been fortunate in securing an interest in the fund management business formerly owned by Lehman Brothers. That transaction closed in April of this year, following extensive negotiations, a competitive tender and the need to obtain the approval of the limited partner investors in the two funds currently under management. Reinet was successful in that process and looks forward to working with the management team and other partners to ensure the success of this venture, now renamed Trilantic Capital Partners.

For a small initial investment, Reinet has gained access to a team of experienced asset managers, committed itself to invest alongside the current limited partners in new investments to be made by the two funds under Trilantic Capital Partners' management and has secured rights to co-invest alongside the funds in new opportunities to be identified by the fund managers. Reinet's commitment is to invest up to US$ 230 million over the remaining lives of the two funds.

This positions Reinet to partner in the funds' deals and capitalise on the strengths of the management team.

BRITISH AMERICAN TOBACCO

Following the restructuring, Reinet remains one of the largest shareholders in BAT. At 31 March 2009, the value of the investment in BAT in the balance sheet of Reinet was € 1 470 million or some 80 per cent of Reinet's net asset value.

BAT is a global enterprise which generates virtually all of its cash flow and profits outside the United Kingdom. The weakening of sterling should therefore contribute to higher reported profitability, in sterling terms, over time. BAT is a very sound business, well run and with a strong portfolio of tobacco brands. Although the investment policy will require Reinet to diversify its portfolio over time, we believe that BAT is a safe haven for Reinet's funds in these difficult times.

DIVIDENDS

In the future, Reinet will pay regular dividends out of realised investment income. However, this is the first year of activity for Reinet and it is considered premature to pay a dividend at this time.

REPORT TO THE SHAREHOLDERS

BUSINESS OVERVIEW
CONTINUED

CONSOLIDATED NET ASSET VALUE ('NAV')

The NAV of Reinet Investments S.C.A. at 31 March 2009 comprised:

	31 March 2009	
	€ m	%
Listed portfolio investment		
– British American Tobacco plc	1 470	79.7
Cash and liquid funds	331	17.9
Other assets, net of other liabilities	45	2.4
	1 846	100.0

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

Prior to the Richemont restructuring effected on 20 October 2008, Reinet Investments S.C.A. ('the Company') existed as Richemont SA, a Luxembourg '1929' holding company. The ordinary share capital of Richemont SA was owned by Compagnie Financière Richemont SA ('CFR SA') and the participation certificates issued by Richemont SA were twinned with the share capital of CFR SA to form Richemont 'A' and 'B' equity units. On the restructuring of Reinet, the ordinary share capital was redeemed and the assets and liabilities relating to the luxury goods business were transferred to CFR SA, whilst Reinet retained the tobacco interests, € 351 million in cash and some smaller investments. Full details of the restructuring are set out in note 1 to the consolidated financial statements on page 25 of this report.

The pro forma comparative figures presented in the consolidated financial statements on pages 20 to 46 of this annual report represent those assets and liabilities which were retained within Reinet after the restructuring. The consolidated balance sheet on page 20 of this report also shows the estimated values of the assets and liabilities relating to the luxury goods businesses, which were transferred to CFR SA on 20 October 2008.

Following the restructuring and the distribution of 90 per cent of Reinet's interest in BAT to its own shareholders, Reinet has accounted for its interest in BAT as a portfolio investment, marked to fair value at each balance sheet date.

Reinet Fund now holds some 84 million shares in BAT. Following the distribution of BAT shares to Reinet shareholders on 3 November, Reinet retained 10 per cent of its interest in BAT or some 39 million shares. Pursuant to the restructuring proposals, Remgro Limited contributed 21 million BAT shares to Reinet in November 2008 in exchange for Reinet depository receipts which were distributed directly to the former Remgro shareholders. The rights issue in December 2008 resulted in the contribution by Reinet shareholders of a further 24 million BAT shares. The investment in BAT is the single biggest asset held by Reinet Fund and its NAV has been adversely impacted by the weakness of sterling and adverse price movements in respect of the BAT shares in the period up to 31 March 2009.

Reinet Fund's cash is held on deposit with banks in Luxembourg and the UK. In addition, the Fund has invested € 100 million in a euro-denominated government bond fund. This holds exclusively short-dated bonds issued by western European governments and short-term loans backed by government bonds. Reinet's principal criterion at this time is to ensure the return of capital rather than attempting to maximise the return on capital on its liquid funds.

Each of the companies in the portfolio of small, venture capital investments that we have taken over from Richemont has been requested to review its business plan and to rework its growth forecasts. These are very challenging times for start-up and developing companies in whatever field and, whilst supporting the management of the companies we have invested in, we have taken a very prudent view as to the valuations being applied to them such that some are now carried at significantly below the amounts that previously Richemont and more recently Reinet Fund have invested to date. Nonetheless, we believe that prudent oversight and an extremely conservative approach to valuation are called for at this time. The portfolio of small investments is valued at € 46 million in the balance sheet at 31 March.

SUMMARISED CONSOLIDATED INCOME STATEMENT

	Recurring € m	Non-recurring € m	As reported € m
Financial income	5	–	5
Operating expenses and transaction-related costs	(7)	(2)	(9)
	(2)	(2)	(4)
Income from discontinued luxury activities	–	23	23
Realisation of holding gain on BAT shares retained	–	530	530
Elimination of cumulative foreign currency adjustments in respect of the holding gain on BAT	–	(55)	(55)
Equity accounted share of BAT results pre-distribution to shareholders	–	46	46
Unrealised fair value adjustments			
– BAT	(66)	–	(66)
– Other investments	(48)	–	(48)
Profit attributable to the shareholders	(116)	542	426

Profit attributable to shareholders for the six-month period amounted to € 426 million. This figure includes a number of non-recurring accounting adjustments, which have been eliminated in arriving at the underlying result for the period.

Although Reinet was created in its current form only on 20 October 2008, the publicly-listed company previously existed as Richemont SA. As the prior accounting period of Richemont SA terminated on 30 September 2008, the consolidated financial statements of Reinet for the period under review run from 1 October 2008 to 31 March 2009. As such, they include the results for a 20-day period of the luxury goods operations, which were transferred to Compagnie Financière Richemont SA on 20 October 2008. The income statement also includes the equity accounted share of the results of the 19.5 per cent interest in BAT held through the R&R Holdings S.A. joint venture with Remgro Limited for the period from 1 October to 3 November 2008. In both cases, estimates have been used to arrive at the figures reported.

Reinet's recurring, realised loss for the period was € 2 million. In addition, non-realised fair value adjustments, made in respect of the Fund's investment portfolio, amounted to € 114 million. A further € 220 million was charged to reserves in respect of currency translation differences related to the investment in BAT as a result of the weakening of sterling against the euro. Non-recurring items amounted to a net gain of € 542 million during the period under review.

Financial income represents interest income received on the Fund's cash and liquid resources.

REPORT TO THE SHAREHOLDERS

BUSINESS OVERVIEW
CONTINUED

Operating expenses include € 2 million in respect of capital and stamp duties paid in respect of the rights issue, concluded in December 2008, which are shown as a non-recurring expense. Other transactional costs include fees paid in respect of the Lehman Brothers Merchant Banking transaction, which closed in April 2009.

The figure of € 426 million includes an estimate of the results in respect of the luxury goods businesses which were transferred to Compagnie Financière Richemont SA on 20 October. That amounted to € 23 million for the 20 days.

The result for the period reflects a one-off gain on the revaluation of the interest in BAT once Reinet had spun-off 90 per cent of its holding to the shareholders and switched to carrying the investment at its 'fair value' rather than equity accounting it as an associated company. The net one-off gain on the BAT stake is € 475 million, after taking into account an accounting adjustment to eliminate a cumulative foreign exchange translation adjustment of € 55 million from the Company's reserves.

Reinet also recorded 'income' of € 46 million in terms of its estimated equity accounted share of the profits of BAT for the period from 1 October up to 3 November 2008, when the shares were transferred out to shareholders. This is quite distinct from any cash flow from BAT.

CASH FLOW

		€ m
Amounts invested:		
Government bond fund	(100)	
Other investments	(19)	(119)
Interest and related income received		5
Operating and related expenses		(6)
Net cash outflow		(120)
Opening cash position	1 482	
Less cash flow relating to discontinued operations	(1 131)	351
Closing cash position		231

In addition to the € 231 million in cash and cash equivalents at 31 March 2009, the Fund held € 100 million in a euro-denominated government bond fund. This is shown as an investment rather than liquid funds in the balance sheet.

The opening cash position at 1 September 2008 reflected the cash held in both the Reinet structure and those entities which were transferred to CFR SA. € 351 million was retained in Reinet following the reconstruction.

No dividends were received from BAT during the period under review. The BAT interim dividend in respect of that company's financial year ended 31 December 2008 was received in September 2008 and is reflected in the opening cash balance of € 351 million. The BAT final dividend in respect of its 2008 financial year was approved by BAT shareholders in April 2009 and received by Reinet in May 2009.

REPORT TO THE SHAREHOLDERS

CORPORATE GOVERNANCE

INTRODUCTION

Reinet recognises the importance of appropriate corporate governance procedures in the management and oversight of its business. It acknowledges the obligations placed upon it as a public company listed in Luxembourg with a secondary listing of its depository receipts in Johannesburg.

Reinet's corporate governance principles are codified in the Reinet Prospectus, published on 10 October 2008, and the statutes of the Company, both of which may be downloaded from the Reinet website, www.reinet.com. Reinet believes that its principles of corporate governance are fully set out in the prospectus published last October and has not codified these further by way of a formal corporate governance charter.

RESTRUCTURING

The Company is a securitisation vehicle established as a partnership limited by shares (société en commandite par actions) under the laws of Luxembourg, the object of which is to give its shareholders exposure to the underlying assets held by the Company, being the shares in Reinet Fund, by issuing securities which can be traded on capital markets.

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

For the period from 1 October 2008 to 20 October 2008, Richemont SA existed as a société anonyme. At a meeting of shareholders and participation certificate holders held on 8 October 2008, the restructuring proposals were approved and, on 20 October 2008, Richemont SA redeemed its ordinary share capital, held by CFR SA, and transferred its luxury assets to CFR SA; converted its participation certificate capital into share capital; changed its legal form to that of a partnership limited by shares ('société en commandite par actions'); and changed its name to Reinet Investments S.C.A.

MANAGEMENT

For the period from 1 October 2008 up to 20 October 2008, Richemont SA, as a société anonyme, had a board of directors which served as the management committee of Richemont. The board was composed of senior Richemont executives, representing the central administration of the Group and the principal operating entities. That board ceased to exist with effect from 20 October, when the Company changed its form to that of a partnership limited by shares, which is managed by a general partner rather than a board of directors. Since 20 October 2008, the Company has been 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 and which has unlimited liability for any obligations of the Company that cannot be met from the assets of the Company.

The General Partner is in charge of the overall management of the Company and is vested with the broadest powers to perform all acts of administration and disposition in compliance with the Company's corporate objects set forth in the Articles of Association (the 'Articles') of the Company except for matters expressly reserved by Luxembourg law or the Articles to be approved by the general meeting of shareholders. In addition, certain decisions of the General Partner are subject to the approval of the Board of Overseers.

REPORT TO THE SHAREHOLDERS

CORPORATE GOVERNANCE
CONTINUED

REINET FUND

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

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

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

BOARD OF DIRECTORS OF THE GENERAL PARTNER

The following were directors of the General Partner during the period ended 31 March 2009.

JOHANN RUPERT
Chairman
South African, born 1950
Mr Rupert studied economics and corporate law at the University of Stellenbosch, South Africa and has had an extensive career in international business, banking and finance. After working for the Chase Manhattan Bank and Lazard Frères in New York, he founded Rand Merchant Bank in 1979. In 1985 he joined the Rembrandt Group. Mr Rupert founded Richemont in 1988 and was appointed to the board of directors of Compagnie Financière Richemont SA in that year, where he has served as Executive Chairman since 2002. He is Non-Executive Chairman of Remgro Limited and VenFin Limited. Mr Rupert is also the Managing Partner of Compagnie Financière Rupert.

The University of Stellenbosch awarded him an honorary doctorate in Economics in 2004. He is Chairman of the Peace Parks Foundation and a Trustee of the Nelson Mandela Children's Foundation.

JOACHIM SCHWENKE
Chief Executive Officer
South African, born 1951
Mr Schwenke was Managing Director of Business Partners Limited, a South African small and medium-sized business investor, until 31 December 2008, having previously held various positions in that organisation since 1984. He has also worked for the Anglo-American Group for ten years with companies including Timbrik, SA Forest Investments and Bruply Limited and has managed his own businesses. Mr Schwenke was the founding Chairman of the South African Venture Capital and Private Equity Association. Mr Schwenke qualified as a chartered accountant in 1975.

ALAN GRIEVE
Chief Financial Officer
British, born 1952
Mr Grieve was appointed to the board of directors of Richemont SA (the predecessor company to Reinet Investments S.C.A.) in 2004. He is a member of the Institute of Chartered Accountants of Scotland. Prior to joining Richemont's predecessor companies in 1986, he worked in the accountancy profession with PricewaterhouseCoopers and Ernst & Young. He served as Company Secretary of Richemont from 1988 until 2004 and is Corporate Affairs director of Richemont. He is a director of various subsidiary companies of Compagnie Financière Richemont SA and of VenFin Limited, and is a founding member of the Laureus Sport for Good Global Foundation.

ELOY MICHOTTE
Belgian, born 1948
Mr Michotte was appointed to the board of directors of Richemont SA (the predecessor company to Reinet Investments S.C.A.) in 1988. 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. As Head of Corporate Finance for Richemont, Mr Michotte has responsibility for mergers and acquisitions and serves on the boards of a number of companies in which Richemont holds an interest.

All of the directors of Reinet Investments Manager SA were appointed when the company was established in August 2008. The company took up the role of General Partner on 20 October 2008 when the statutes and legal form of Richemont SA were amended to establish the Company in its present form.

Reinet has no executive management or employees. As a consequence, aspects of corporate governance which relate to the establishment of board committees, the determination of remuneration policy and related processes linked to the establishment of a management structure are not applicable to Reinet.

BOARD OF OVERSEERS

In accordance with Luxembourg law, a Board of Overseers ('Collège des Commissaires') has been appointed to review and audit 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 Articles. It has no executive responsibility for the management of Reinet except that the Board of Overseers may be consulted by the General Partner on such matters as the General Partner may determine and no action of the General Partner that may exceed its powers shall be valid unless authorised by the Board of Overseers.

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

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

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

The initial Board of Overseers was appointed by a meeting of the shareholders and participation certificate holders of Richemont SA held on 8 October 2008, which also approved the restructuring proposals. The Board of Overseers took up its duties on 20 October 2008.

REPORT TO THE SHAREHOLDERS

CORPORATE GOVERNANCE
CONTINUED

The members of the Board of Overseers during the period under review were:

YVES-ANDRÉ ISTEL
Chairman
American, born 1936
Mr Istel graduated from Princeton University and has had an extensive career in investment banking.

Mr Istel was Managing Director of Lehman Brothers from 1977 to 1983, Co-Chairman of First Boston International from 1984 to 1988, Chairman of Wasserstein Perella & Co International from 1988 to 1992 and Vice Chairman of Rothschild Inc. from 1993 to 2002. He is currently Senior Advisor to Rothschild Inc. A member of the board of Compagnie Financière Richemont SA, Mr Istel is also a Non-Executive Director of Imperial Sugar Company and a member of its Audit Committee and Chairman of its Nominations and Governance Committee; a director of Analog Devices, Inc., and a member of its Nominating and Governance Committee; a Non-Executive Director of Tiedemann Trust Company and a member of Healthpoint Partners LLC's Advisory Board.

Mr Istel is Chairman of the Advisory Board of the Remarque Institute and the Center for French Civilisation and Culture, New York University, as well as the European Institute and the Fondation Saint-John Perse. He is a member of the Economic Club of New York and the Bretton Woods Committee.

RUGGERO MAGNONI
Italian, born 1951
Mr Magnoni graduated from Bocconi University, Italy and holds an MBA from Columbia University, USA.

Mr Magnoni is currently Chairman of Investment Banking – Europe, Middle East and Africa at Nomura International plc. Previously, he had an extensive career at Lehman Brothers, where he played a leading role in developing its operations in Europe. In 2000, Mr Magnoni became Head of the European Private Equity division, Vice Chairman of Lehman Brothers Inc. and Vice Chairman of Lehman Brothers International Europe. In 2002, he became Chairman of Lehman Brothers International Italy. Mr Magnoni is a member of the board of Compagnie Financière Richemont SA and a partner in Compagnie Financière Rupert.

Mr Magnoni is involved in various philanthropic activities, among them Fondazione Laureus Italia, Lehman Brothers Foundation Europe and Fondazione Dynamo. He is a member of the Campaign Board of Bocconi University in Milan.

ALAN QUASHA
American, born 1949
Mr Quasha is a graduate of Harvard College, Harvard Business School, Harvard Law School and New York University Law School.

After practising law, he moved into commerce and has been President of Quadrant Management Inc. since 1987. He is currently a member of the board of Compagnie Financière Richemont SA and was previously Chief Executive Officer at North American Resources Limited, a former joint venture between Richemont and the Quasha family between 1988 and 1998. He is Chairman of HKN Inc. and Carret Asset Management Group LLC and was a Director of American Express Funds from 2002 to 2005. He is a former Governor of the American Stock Exchange, a former Chairman of the Visiting Committee of Harvard University's Weathermead Centre for International Affairs and is Chairman of the American Brain Trauma Foundation.

JÜRGEN SCHREMPP
German, born 1944
Dr Schrempp holds a Professorship of the Federal State of Baden-Württemberg in Germany, an honorary Doctorate of the University of Graz, Austria and an honorary Doctorate in Commerce of the University of Stellenbosch, South Africa.

Dr Schrempp served previously as Chairman of DaimlerChrysler AG; President of Mercedes-Benz of South Africa; President of EUCLID, USA; Chairman of Daimler-Benz Aerospace AG; and Chairman of Daimler-Benz AG. He continues to serve as Non-Executive Chairman of Mercedes-Benz, South Africa and is the Independent Lead Director of the South African Coal, Oil and Gas Corporation (SASOL) and a Non-Executive Director of South African Airways. In June 2008 he joined Jonah Capital (Pty) Limited as a Non-Executive Director as well as Iron Mineral Beneficiation Services (Pty) Limited (IMBS) as a Non-Executive Director and Deputy Chairman. He is a member of the International Investment Council of the President of South Africa and Chairman of the Southern Africa Initiative of German Business (SAFRI). He is also a member of the board of Compagnie Financière Richemont SA and a partner in Compagnie Financière Rupert.

Dr Schrempp is Chairman Emeritus of the Global Business Coalition on HIV/AIDS and Honorary Consul-General of the Republic of South Africa. Amongst other distinctions, he is a Commander of the French Legion of Honour and holds South Africa's highest civilian award, the Order of Good Hope.

Each of the members of the Board of Overseers is independent from the General Partner.

During the period under review, the Board of Overseers met formally on one occasion, primarily to consider the terms of the rights issue, and met regularly with the Board of the General Partner. The Board of Overseers met subsequent to the year end on 13 May 2009 to consider and approve the financial statements of the Company and the consolidated financial statements of Reinet.

The Board of Overseers of the Company has also been appointed as the Board of Overseers of Reinet Fund.

RULES GOVERNING THE APPOINTMENT AND REPLACEMENT OF THE GENERAL PARTNER AND THE MEMBERS OF THE BOARD OF OVERSEERS

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 Articles.

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

The management shares held by the General Partner are exclusively transferable to a successor or additional manager with unlimited liability for the Company's financial obligations.

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

REPORT TO THE SHAREHOLDERS

CORPORATE GOVERNANCE
CONTINUED

REMUNERATION

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

In accordance with the Articles, the Company reimburses the General Partner for its expenses incurred in the ordinary course of business and pays an annual administration fee equal to 10 per cent of such expenses. During the period ended 31 March 2009, the Company paid € 0.5 million to the General Partner in respect of the costs that it had incurred and the related administration fee.

No fees were paid to the members of the Board of Overseers during the period.

Although the management of Reinet is quite 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 continue to have executive roles in and are employed by Richemont. An appropriate share of the employment costs incurred by Richemont in respect of those executives who have responsibilities in the Reinet structure is recovered from the General Partner and the Fund Manager and therefore indirectly from the Company and the Fund.

During the period under review, CFR SA charged € 0.3 million to the General Partner and € 0.5 million to the Fund Manager in respect of staff seconded to Reinet. These amounts were included in the amounts charged by the General Partner to the Company and by the Fund Manager to Reinet Fund during the period.

Although Reinet does not operate any share or share option-based remuneration programme, the Richemont employees seconded to Reinet had received options in previous years over Richemont 'A' units as part of Richemont's long-term, share-based incentive programme. Following the separation of Richemont and Reinet, all Richemont options were converted into options over CFR shares, BAT shares and Reinet shares in a manner which sought to treat Richemont optionholders in the same way as unitholders. At 31 March 2009, Richemont held 646 854 Reinet shares in order to hedge its potential obligations to those employees seconded to Reinet, in respect of their holdings of Reinet options.

SHAREHOLDINGS AND LOANS

Details of shareholdings by members of the board of the General Partner and the Board of Overseers are given in note 17 to the financial statements on page 40 of this report. As noted above, the General Partner holds 1 000 management shares in the Company.

The Company has procedures in place requiring persons connected with the Company, the Fund, the General Partner and the Fund Manager together with Reinet Investment Advisors Limited 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 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 the General Partner or the Board of Overseers during the period or at 31 March 2009.

At 31 March 2009, the Company owed € 0.5 million to the General Partner and Reinet Fund owed € 0.9 million to the Fund Manager.

SIGNIFICANT AGREEMENTS

The Company is managed by its General Partner, Reinet Investments Manager S.A. The Company reimburses the General Partner for its expenses incurred in the ordinary course of business, including but not limited to the remuneration of its staff, taxes, rentals, directors' fees and any other disbursements, and pays an annual administration fee equal to 10 per cent of such expenses. During the period ended 31 March 2009, the Company paid € 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 Reinet Fund Manager S.A. (the 'Fund Manager'). Reinet Fund reimburses the Fund Manager for its expenses incurred in the ordinary course of business including but not limited to the remuneration of its staff, taxes, rentals, directors' fees and any other disbursements. Any such amounts payable to the Fund Manager are deductible from any management and performance fees payable to Reinet Investment Advisors Limited (the 'Investment Advisor').

Under the terms of the Investment Advisory Agreement dated 9 October 2008 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 at a rate of 1 per cent per annum of the NAV of the Fund which is attributable to the consolidated assets of the Fund excluding cash and interests in funds managed by third parties. 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 interests in funds managed by third parties.

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

During the period ended 31 March 2009, no management fee and no performance fee was payable to the Investment Advisors as that company has waived its entitlement to a management fee for the period up to 31 March 2009 and has agreed that the first performance fee should only be calculated as of 31 March 2011. Accordingly, the expenses incurred by the Fund Manager have been reimbursed in full by Reinet Fund. These amounted to € 1.3 million for the period.

REPORT TO THE SHAREHOLDERS

CORPORATE GOVERNANCE
CONTINUED

CAPITAL STRUCTURE

At 31 March 2009, 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 a 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 from the assets of the Company. The management shares are not listed.

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

The total number of voting rights at 31 March 2009 was 195 942 286.

The ordinary shares are freely transferable. In accordance with the Articles of the Company, shareholders exceeding certain thresholds are obliged to notify the Company, failing which the General Partner may disregard the voting rights attaching to the shares and certain restrictions may apply to such shareholdings in accordance with the terms of Article 10 of the Company's Articles.

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

REINET SOUTH AFRICAN DEPOSITORY RECEIPTS ('DRs')

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

DRs were issued to the former Richemont DR holders when Reinet was established and additional DRs were issued to the shareholders of Remgro Limited in exchange for the contribution to Reinet 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.

Richemont Securities AG was previously a wholly-owned subsidiary of CFR SA and is now owned in equal part by the Fund and CFR SA. It acts as Depository for the issuance, transfer and cancellation of Reinet DRs. Richemont Securities also operates the Richemont DR programme.

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

Any dividends received by Richemont Securities AG from the Company are payable in rand to South African residents. Dividends are converted upon receipt by Richemont Securities AG 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 Richemont Securities AG are not entitled to attend the shareholders' meeting of the Company or to vote in person. Rather, DR holders are canvassed as to their voting instructions by Richemont Securities AG, which then represents the holders as their proxy at shareholder meetings.

AUTHORITY TO PURCHASE OWN SHARES

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 SHAREHOLDERS

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

Following completion of the rights issue in December 2008, the Company received a formal notification that parties affiliated to the Anton Rupert Trust held 47.9 million Reinet Investments S.C.A. shares, representing 24.45 per cent of the Company's share capital. Mr Johann Rupert, Chairman of the General Partner and the Fund Manager is a trustee of the Anton Rupert Trust.

On 23 October 2008, the Public Investment Corporation ('PIC'), a South African institution, notified the Company that it held 6.06 per cent of the shares and voting rights in the Company. This was prior to the partial capital reduction by way of the distribution of BAT shares to shareholders on 3 November and the rights issue which was completed in December 2008. Under Luxembourg law, the shareholder would be obliged to notify whether the percentage interest had fallen below 5 per cent or increased above 10 per cent of the voting rights in the Company. No such notification has been received from PIC.

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.

SHAREHOLDER MEETINGS AND VOTING RIGHTS

Shareholder 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 Richemont Securities AG to represent them at such meetings of shareholders.

REPORT TO THE SHAREHOLDERS

CORPORATE GOVERNANCE
CONTINUED

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

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

The last meeting of the shareholders and participation certificate holders of the then Richemont SA was held on 8 October 2008 to approve the restructuring proposals and adopt revised statutes in respect of the Company. The entirety of the share capital and 33 per cent of the participation certificates were present or represented at that meeting and the proposals were approved by an overwhelming majority.

In accordance with the Articles, a record date for the admission to a general meeting may be set. The Articles further provide that certificates on the shareholdings and proxies be received by the Company a certain time before the date of the relevant meeting. In accordance with the Articles, 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 2009 Annual General Meeting of shareholders is given on pages 58 and 59 of this report.

FINANCIAL REPORTING AND RISK MANAGEMENT

The preparation of the annual consolidated financial statements and the entity financial statements of the Company is the responsibility of the General Partner. The Company's role as a securitisation vehicle means that its function is limited to the holding of the investment in Reinet Fund, the issuance of its own shares and related activities; its own entity financial statements are straightforward. For the time being, given the level of investment activity, financial reporting for Reinet Fund and its investments is also straightforward. 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 at this time.

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.

POST-BALANCE SHEET EVENT

Immediately after the year end, Reinet Fund concluded a transaction to acquire, together with the management team, the fund management businesses in New York and London of Lehman Brothers. Reinet gained access to a team of experienced asset managers, committed itself to invest alongside the current limited partners in new investments to be made by the two funds and secured rights to co-invest alongside the funds in new opportunities to be identified by the fund managers. The Fund's commitment is to invest up to US$ 230 million over the remaining lives of the funds.

AUDITORS

The annual consolidated accounts as well as the entity accounts of the Company for the accounting period ended 31 March 2009 were audited by PricewaterhouseCoopers Sàrl, Réviseur d'entreprises, Luxembourg, who were the auditors of Richemont SA prior to the restructuring. They fall to be reappointed by the General Partner in accordance with the terms of the Securitisation Law.

APPROVAL

The General Partner confirms that, to the best of its knowledge:

1. The consolidated financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the consolidated assets, liabilities, financial position and profit or loss of the issuer and the undertakings included in the consolidation taken as a whole;
2. The report of the General Partner includes a fair review of the development and performance of the business and position of the Company and the undertakings included within the consolidation.

The consolidated financial statements for the period ended 31 March 2009 on pages 20 to 46 of this annual report were approved by the Board of the General Partner and signed on its behalf by Joachim Schwenke and Alan Grieve, directors of the General Partner.

Reinet Investments Manager S.A.

General Partner

13 May 2009

REPORT OF THE BOARD OF OVERSEERS

Pursuant to Articles 103 and 62 of the Luxembourg company law and Article 18 of the Articles of Incorporation of the Company, we hereby report to the shareholders' meeting in respect of the accounting period ended 31 March 2009 and the financial statements prepared for such period.

The financial statements of the Company and the consolidated financial statements have been audited by the Independent Auditors, PricewaterhouseCoopers S.à.r.l., Luxembourg, in accordance with international standards on auditing.

We refer to those financial statements, which we have reviewed and discussed with the Independent Auditors, and we are of the opinion that these provide a true and fair view of the financial situation of the Company.

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

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

The Board of Overseers

Reinet Investments S.C.A.

13 May 2009

FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

	Note	31 March 2009 € m	Reinet 30 September 2008 unaudited (pro forma) € m	Luxury goods 30 September 2008 unaudited (pro forma) € m	Total Richemont SA as at 30 September 2008 unaudited € m
ASSETS					
Non-current assets					
Property, plant and equipment		–	–	1 040	1 040
Intangible assets		–	–	361	361
Investments in associated undertakings	6	–	3 043	12	3 055
Deferred income tax assets		–	–	266	266
Financial assets held at fair value through profit and loss	7	1 517	76	6	82
Other non-current assets		–	–	188	188
		1 517	3 119	1 873	4 992
Current assets					
Inventories		–	–	2 402	2 402
Trade and other receivables	8	2	3	977	980
Derivative financial instruments		–	–	6	6
Prepayments and accrued income		–	–	178	178
Financial assets held at fair value through profit and loss	7	100	–	–	–
Cash and cash equivalents	9	231	351	1 771	2 122
		333	354	5 334	5 688
Total assets		1 850	3 473	7 207	10 680

The notes on pages 25 to 45 are an integral part of these financial statements.

	Note	31 March 2009 € m	Reinet 30 September 2008 unaudited (pro forma) € m	Luxury goods 30 September 2008 unaudited (pro forma) € m	Total Richemont SA as at 30 September 2008 unaudited € m
EQUITY AND LIABILITIES					
Equity					
Share capital	*10*	220	–	215	215
Share premium		770	–	427	427
Participation reserve		–	645	–	645
Non-distributable reserve	*11*	793	–	–	–
Treasury units		–	–	(298)	(298)
Hedge and unit option reserves		–	–	145	145
Cumulative translation adjustment reserve		(203)	(532)	201	(331)
Retained earnings		266	3 358	2 813	6 171
Total equity holders' equity		1 846	3 471	3 503	6 974
Minority interest		–	–	5	5
Total equity		1 846	3 471	3 508	6 979
Liabilities					
Non-current liabilities					
Borrowings		–	–	260	260
Deferred income tax liabilities		–	–	66	66
Retirement benefit obligations		–	–	41	41
Provisions		–	–	81	81
Other long-term liabilities		–	–	27	27
		–	–	475	475
Current liabilities					
Trade and other payables		–	–	1 612	1 612
Current income tax liabilities		–	–	219	219
Borrowings		–	–	3	3
Derivative financial instruments		–	–	87	87
Provisions		–	–	89	89
Accruals and deferred income		4	2	275	277
Short-term loans		–	–	299	299
Bank overdrafts		–	–	640	640
		4	2	3 224	3 226
Total liabilities		4	2	3 699	3 701
Total equity and liabilities		1 850	3 473	7 207	10 680

The notes on pages 25 to 45 are an integral part of these financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

	Note	6-month period ended 31 March 2009 € m	6-month period ended 30 September 2008 re-presented unaudited € m
Income			
Dividend and investment income	*13*	1	–
Interest income	*13*	4	5
Income from associated undertakings	*6*	46	321
Recognition of holding gain – in respect of the interest in British American Tobacco plc	*5.2*	530	–
Total income		581	326
Expenses			
Custodian, secretarial and administration fees	*14*	3	1
Transaction costs		3	–
Other net changes in fair value of financial assets and financial liabilities at fair value through profit or loss	*7*	114	–
Recycling of cumulative translation adjustment		55	–
Other operating expenses		3	–
Total expenses		178	1
Net result of continuing activities		403	325
Net result of operations discontinued during the period – luxury businesses	*21*	23	540
Profit attributable to shareholders	*12*	426	865
Basic earnings per share – basic and diluted, from continuing operations	*12*	€ 2.39	€ 0.58
Basic earnings per share – basic and diluted, from attributable profit	*12*	€ 2.53	€ 1.54

The notes on pages 25 to 45 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to equity holders								
	Note 10 Equity holders' capital € m	Note 11 Non-distributable reserves € m	Treasury units € m	Other reserves € m	Cumulative translation adjustment reserve € m	Retained earnings € m	Total € m	Minority interest € m	Total equity € m
Balance at 1 April 2008	1 287	21	(268)	175	(347)	5 799	6 667	3	6 670
Currency translation adjustments	–	–	–	–	16	–	16	–	16
Cash flow hedges:									
– net losses	–	–	–	(34)	–	–	(34)	–	(34)
– recycle to income statement	–	–	–	(11)	–	–	(11)	–	(11)
Net share of income of associated undertakings recognised directly in equity	–	–	–	–	–	107	107	–	107
Net income/(expense) recognised directly in equity	–	–	–	(45)	16	107	78	–	78
Net profit	–	–	–	–	–	866	866	(1)	865
Total recognised income/(expense)	–	–	–	(45)	16	973	944	(1)	943
Minority interest in business combinations	–	–	–	–	–	–	–	3	3
Net share of transactions of associated undertakings with their equity holders	–	–	–	–	–	(75)	(75)	–	(75)
Net changes in treasury units	–	–	(30)	–	–	(8)	(38)	–	(38)
Employee unit option scheme	–	–	–	15	–	–	15	–	15
Dividends paid	–	–	–	–	–	(539)	(539)	–	(539)
Balance at 30 September 2008 – unaudited	1 287	21	(298)	145	(331)	6 150	6 974	5	6 979
Income from discontinued operations	–	–	–	–	–	23	23	–	23
Redemption of ordinary share capital	(642)	215	298	(145)	(201)	(3 051)	(3 526)	(5)	(3 531)
Equity after capital redemption	645	236	–	–	(532)	3 122	3 471	–	3 471
Currency translation	–	–	–	–	(220)	–	(220)	–	(220)
Capital reduction – 90% of BAT interest	(557)	–	–	–	494	(2 702)	(2 765)	–	(2 765)
Transfer to non-distributable reserve	–	557	–	–	–	(557)	–	–	–
Capital increase – Remgro contribution	460	–	–	–	–	–	460	–	460
Rights issue	442	–	–	–	–	–	442	–	442
Recycling of CTA on the change of accounting treatment of BAT	–	–	–	–	55	–	55	–	55
Net result of continuing operations	–	–	–	–	–	403	403	–	403
Balance at 31 March 2009	990	793	–	–	(203)	266	1 846	–	1 846

The notes on pages 25 to 45 are an integral part of these financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED CASH FLOW STATEMENT

	Note	6-month period ended 31 March 2009 € m	30 September 2008 re-presented unaudited € m
Cash flows from operating and investing activities			
Purchase of financial assets and settlement of financial liabilities	*7*	(119)	–
Dividends and investment income received	*13*	1	342
Interest received	*13*	4	4
Operating expenses paid		(6)	(1)
Net cash (used in)/generated from operating and investing activities		(120)	345
Cash flow related to discontinued operations and capital reduction		(1 131)	(626)
Net decrease in cash and cash equivalents		(1 251)	(281)
Cash and cash equivalents at beginning of the period		1 482	1 763
Cash and cash equivalents at end of the period	*9*	231	1 482

The notes on pages 25 to 45 are an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1 STATUS

Reinet Investments S.C.A. (the 'Company') is a securitisation vehicle established as a partnership limited by shares (société en commandite par actions) under the laws of Luxembourg. The registered office is at 35 Boulevard Prince Henri, Luxembourg.

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

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, Luxembourg.

The Company owns the entire ordinary share capital of Reinet Fund S.C.A. F.I.S. ('Reinet Fund'), a specialised investment fund established as a partnership limited by shares (société en commandite par actions) under the laws of Luxembourg. In its role as a securitisation vehicle, the Company permits its shareholders to participate in the Fund.

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 Management Company is the general partner in the Fund, with unlimited liability. 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.

1.2 FORMATION OF REINET

The Company and Reinet Fund (together 'Reinet') were created on 20 October 2008 from the restructuring of the assets previously held in Richemont SA and the transfer of those assets related to the luxury goods operations (the 'luxury assets') of the Company to its then parent company, CFR SA. The luxury assets included cash and luxury-related investments formerly held by the Company and its subsidiaries.

The transfer of the luxury assets was effected by redemption of the ordinary share capital of Richemont SA. In addition to its ordinary capital, Richemont SA had 574 200 000 participation certificates ('PCs') in issue. These had been twinned with shares issued by CFR SA to form Richemont 'A' and 'B' equity units. Richemont 'A' units were listed on SIX, the Swiss stock exchange, whilst the privately-held, 'B' units were not listed.

On 20 October 2008, resolutions of the shareholders and PC holders which approved the restructuring in its entirety were implemented, which resulted in the redemption of the ordinary share capital and the distribution of the luxury assets to CFR SA; the conversion of the PCs into ordinary shares; the conversion of Richemont SA from a limited company into a partnership limited by shares with the status of a securitisation vehicle under Luxembourg law; and the change of the Company's name to Reinet Investments S.C.A.

The changes having been effected and the luxury assets having been transferred to CFR SA, after the restructuring Reinet continued to hold Richemont SA's former interest in BAT, a portfolio of small venture capital investments and some € 351 million in cash.

Up to 1 November 2008, Reinet held its interest in BAT through a joint-venture vehicle, R&R Holdings SA. Reinet's joint venture partner was Remgro Limited. Pursuant to the restructuring referred to above, R&R Holdings SA distributed to Reinet its 19.5 per cent share of the underlying holding of BAT shares by way of a partial liquidation. Reinet subsequently distributed 90 per cent of its BAT shares to its shareholders and Remgro Limited contributed 10 per cent of its holding of BAT shares to the Company in exchange for the issuance of Reinet securities to its shareholders. Further information on these transactions are given in notes 5.2, 6 and 7.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

1. GENERAL INFORMATION CONTINUED

As a consequence of these steps, the joint-venture with Remgro Limited was terminated and Reinet considered itself no longer to be in a position to exercise significant influence over BAT.

Following the BAT distribution and the issue of depository receipts to the former Remgro Limited shareholders, Reinet issued warrants to all of its shareholders enabling them to participate in a subsequent capital increase by way of a rights issue. The terms of the rights issue required that warrant holders subscribe by contributing BAT shares to Reinet in exchange for new shares. The rights issue concluded on 15 December 2008 with the auction of unexercised rights. The proceeds of the auction were remitted to the holders of the unexercised rights. New shares pursuant to the rights issue were issued on 17 December 2008.

1.3 ACCOUNTING FOR REINET AND RICHEMONT DURING THE PERIOD ENDED 31 MARCH 2009

These financial statements include the results of Reinet for the six-month period from 1 October 2008 to 31 March 2009. Comparative figures cover the six-month period from 1 April 2008 to 30 September 2008.

The consolidated income statement for the six-month period ended 31 March 2009 includes the results of the ongoing operations of Reinet – being the investment holding activities – for the period and the results attributable to the luxury assets for the 20-day period ended 20 October 2008. The results of the luxury goods operations have been classified as discontinued operations. The estimated results for the six-month period have been pro-rated to provide an estimate of the results for the 20-day period to 20 October 2008. In the consolidated income statement for the six-month period, the results of the luxury activities are shown as "Net results of operations discontinued during the period – luxury businesses".

The comparative figures presented in the consolidated income statement and cash flow statement for the period ended 30 September 2008 represent the consolidated results of the assets transferred to Reinet, with the results of the luxury business also reported as discontinued operations. The figures in respect of Reinet's activities in both periods are therefore comparable.

The consolidated balance sheet at 31 March 2009 includes only the assets held by Reinet post the restructuring, presented in accordance with the accounting policies set out on the following pages. The comparative figures as at 30 September 2008 represent the consolidated balance sheet of Richemont SA at that date, reflecting those assets which continue to be held by Reinet as well as the luxury assets which were transferred to CFR on 20 October 2008. To facilitate a comparison of the Reinet balance sheet at 31 March 2009 with the position at 30 September 2008, the Richemont SA balance sheet has been analysed between the estimated Reinet position at that date and the luxury assets at that date. The consolidated balance sheet figures at 30 September 2008 and the income statement for the period then ended have not been audited.

Specific accounting principles for the luxury business have been disclosed separately at note 21 as they are not relevant to Reinet's ongoing activities in the future.

Information in respect of the results attributable to the luxury assets is based on reasonable estimates for the second half of Richemont's financial year. It is not necessarily an accurate presentation of the results of the luxury business for the period ended 20 October 2008.

1.4 SECURITIES LISTINGS AND TRADING

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

1.5 APPROVAL OF THESE FINANCIAL STATEMENTS

These financial statements were authorised for issue by the General Partner on 13 May 2009.

2. INTERNATIONAL FINANCIAL REPORTING STANDARDS

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; where relevant all such IFRSs have been applied in the preparation of these financial statements. The IASB has also issued additional IFRSs and interpretations thereof which will become effective in due course. Reinet has implemented the provisions of IFRS 3 (revised) and IAS 27 (revised) in terms of the expensing of transaction costs through the income statement as incurred. These standards would take effect from the Company's financial year ending 31 March 2010.

Other new IFRSs and interpretations, such as IAS 1 (revised), IAS 1 (amendment), IAS 36 (amendment) and IAS 39 (amendment) have not yet been implemented by Reinet.

There are a number of minor amendments to IFRS 7, *Financial instruments: Disclosures*, IAS 8, *Accounting policies, changes in accounting estimates and errors*, IAS 10, *Events after the reporting period*, IAS 18, *Revenue* and IAS 34, *Interim financial reporting*, which are part of the IASB's annual improvements project published in May 2008 (not addressed above). These amendments are unlikely to have an impact on the Company's accounts and have therefore not been analysed in detail.

The following standards, amendments and interpretations are effective but not relevant:
IFRIC 11, IFRS 2 – *Group and treasury share transactions*
IFRIC 14, IAS 19 – *The limit on a defined benefit asset, minimum funding requirements and their interaction*
IFRIC 12, *Service concession arrangements*
IFRIC 13, *Customer loyalty programmes*

As this is the initial reporting period for Reinet, no prior period adjustment in respect of the new standards which have come into effect has been required.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accounting policies applicable to the luxury goods operations of Richemont which are treated as operations discontinued during the period are set out in note 21 to these financial statements.

3.1 BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including any derivative financial instruments) at fair value through profit or loss.

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union.

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 Reinet'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 5.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3.2 CONSOLIDATION

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement. Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Assets and liabilities held in subsidiaries where the functional currency is not the euro are translated to euros at exchange rates ruling at the balance sheet date. The revenues and expenses of these subsidiaries are translated into euros at rates approximating to the exchange rates ruling at the dates of the transactions or at average exchange rates for the period. Translation differences arising on the translation of the financial statements of such subsidiaries into euros are recognised directly as a separate component of equity and are released back to profit or loss upon disposal of the non-euro-denominated entity.

(b) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20 per cent and 50 per cent of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss. The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the income statement.

3.3 FOREIGN CURRENCY TRANSLATION

(a) Functional and presentation currency

The primary activity of Reinet is to invest globally in companies, joint ventures and partnerships by way of shares, debt or a combination of such instruments.

The performance of Reinet 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 Reinet's results. The financial statements are presented in euros. The euro is Reinet's functional and presentation currency.

Reinet Fund's largest investment remains its interest in BAT, which is a UK-based company with global operations. Its shares are listed on the London Stock Exchange. Although BAT shares are denominated in sterling, its profits are largely generated outside the United Kingdom. As such, the underlying value generation in respect of BAT may be viewed as being in a basket of currencies rather than sterling.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(b) 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 income statement.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the income statement within “net foreign currency gains or losses on cash and cash equivalents”.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the income statement within “other net changes in fair value on financial assets and financial liabilities at fair value through profit or loss”.

3.4 FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

(a) Classification

Reinet classifies its investments in debt and equity securities and related derivatives as financial assets or financial liabilities at fair value through profit or loss.

This category has two sub-categories: financial assets or financial liabilities held for trading and those designated at fair value through profit or loss at inception.

(i) Financial assets and liabilities held for trading

A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Derivatives are also categorised as held for trading.

(ii) Financial assets and liabilities designated at fair value through profit or loss at inception

Financial assets and financial liabilities 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 Reinet’s investment strategy.

Reinet’s policy requires the Fund Manager and the General Partner to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

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

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(b) Recognition, derecognition and measurement

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

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or Reinet has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets and financial liabilities 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 or financial liabilities at fair value through profit or loss' category are presented in the income statement within 'other net changes in fair value of financial assets and liabilities at fair value through profit or loss' in the period in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the income statement within 'dividend and investment income' when Reinet's right to receive payments is established. Interest on debt securities at fair value through profit or loss is recognised in the income statement within 'interest income' based on the effective interest rate.

(c) Fair value estimation

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the balance sheet date. The quoted market price used for financial assets and liabilities is the closing mid-market price. When Reinet holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this price to the net open position, as appropriate.

The fair value of financial assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined by the Fund Manager using valuation techniques. Reinet uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. 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 are substantially the same, 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.

3.5 OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

3.6 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.

3.7 TRADE AND OTHER RECEIVABLES

Trade and other receivables are carried at fair value.

3.8 ACCRUED EXPENSES

Accrued expenses are recognised at fair value.

3.9 DIVIDEND INCOME

Dividends from investments are recognised in the income statement when they are appropriately authorised by the shareholders and are no longer at the discretion of the Company. This typically occurs when a proposed distribution is ratified at the Annual General Meeting.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3.10 INTEREST INCOME

Interest income is recognised on a time-proportionate basis and includes interest income from cash and cash equivalents and on debt securities at fair value though profit or loss.

3.11 TRANSACTIONS COSTS

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in profit or loss as an expense.

3.12 TAXATION

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax is the expected tax payable on the taxable income for the period and any adjustments in respect of the previous year.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The Group's liability for deferred tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet.

Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

4. FINANCIAL RISKS

4.1 FINANCIAL RISK FACTORS

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

Reinet 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 Reinet's financial performance. Reinet's policy allows it to use derivative financial instruments to both moderate and create certain risk exposures.

All securities investments present a risk of loss of capital. The maximum loss of capital on purchased options, long equity and debt securities is limited to the fair value of those positions. On written call options, short future positions and on equity and debt sold short the maximum loss of capital can be unlimited. The maximum loss of capital on written put options, long futures and forward currency contracts is limited to the notional contract values of those positions.

The management of these risks is carried out by the Fund Manager.

Reinet's use of leverage and borrowings may increase its exposure to these risks, which in turn, can also increase the potential returns Reinet can achieve. The Fund Manager manages these exposures on an individual securities level. Reinet has specific limits on these instruments to manage the overall potential exposure.

Reinet will use different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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4. FINANCIAL RISKS CONTINUED

4.1.1 MARKET RISK

(a) Price risk

Reinet is exposed to equity securities price risk and derivative price risk. This arises from investments held by Reinet for which prices in the future are uncertain. Where non-monetary financial instruments, for example equity securities, are denominated in currencies other than the euro, the price initially expressed in foreign currency and then converted in euro will also fluctuate because of changes in foreign exchange rates. Paragraph (b) ‘Foreign exchange risk’ below sets out how this component of price risk is managed and measured.

Reinet’s policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the board of the Fund Manager. It is expected that this policy will be implemented on a measured basis, over a period of time.

At 31 March 2009, the fair value of equities and related derivatives exposed to price risk were as follows:

	At 31 March 2009 Fair value € m
Equity securities designated at fair value through profit and loss	
Held as current assets	100
Held as long-term assets	1 517
	1 617

Equity securities held for trading as current assets represent an investment in a euro denominated fund which holds exclusively short-dated European government bonds and related debt instruments.

At 31 March 2009, Reinet’s overall exposure to price risk was as follows:

	At 31 March 2009 € m
Net equity securities	1 517
Net notional exposure from futures contracts	–
Net notional exposure from options	–
Total exposure to price risk from equities and equity-related derivatives	1 517

During the period ended 31 March 2009, Reinet’s exposure to various industry sectors was principally in respect of its investment in BAT. This represented some 80 per cent of the net asset value of Reinet as at 31 March 2009.

The table below summarises the sensitivity of Reinet’s net assets attributable to shareholders to equity price movements, including the effect of movements in foreign currency exchange rates on its holding of BAT shares, as at 31 March 2009.

The analysis is based on the assumption that the BAT share price would increase or decrease by 10 per cent with all other variables held constant. The impact below arises from the reasonable possible change in the fair value of the investment in BAT shares as at 31 March 2009.

	At 31 March 2009 € m
Effect on net assets attributable to shares of a 10% increase or decrease in the share price	147

4. FINANCIAL RISKS CONTINUED

(b) Foreign exchange risk

Reinet operates internationally and may hold both monetary and non-monetary assets denominated in currencies other than the euro, the functional currency. 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. Management, however, monitors the exposure on all foreign currency denominated assets and liabilities, and hence, the table below has been analysed between monetary and non-monetary items to meet the requirements of IFRS 7.

Reinet's policy is currently to minimise its exposure to monetary foreign exchange movements by holding its liquid funds in euros; 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 enter into foreign exchange hedging transactions. Non-monetary assets are in general not hedged.

When the Fund Manager formulates a view on the future direction of foreign exchange rates and the potential impact on Reinet, the Fund Manager factors that into its resource allocation decisions. While Reinet 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 Reinet invests, most notably BAT. For that reason, the sensitivity analysis below will not necessarily indicate the total effect on Reinet's net assets attributable to shareholders of future movements in foreign exchange rates.

The table below summarises Reinet's assets and liabilities, monetary and non-monetary, which are denominated in a currency other than the euro.

Concentration of foreign currency assets and liabilities

	At 31 March 2009		
	USD € m	GBP € m	EURO € m
Assets			
Monetary assets	2	–	332
Non-monetary assets	42	1 471	4
Liabilities			
Monetary liabilities	1	–	3
Non-monetary liabilities	–	–	–

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

The table below summarises the sensitivity of Reinet's monetary and non-monetary assets and liabilities to changes in foreign exchange movements at 31 March 2009. The analysis is based on the assumptions that the relevant foreign exchange rate increased/decreased by 5 per cent to the euro, with all other variables held constant. This increase or decrease in the net assets attributable to shareholders arises mainly from a change in the fair value of UK equities, notably the investment in BAT, and other, smaller investments denominated in USD that are classified as financial assets and liabilities at fair value through profit or loss.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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4. FINANCIAL RISKS CONTINUED

Movement in each currency against euro

	At 31 March 2009 Increase or decrease € m
Pounds sterling	
Monetary	–
Non-monetary	74
US dollar	
Monetary	–
Non-monetary	2

(c) Cash flow and fair value 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 flow. Reinet may hold fixed interest securities that expose Reinet to fair value interest rate risk.

As at 31 March 2009, Reinet did not hold any funds in fixed interest securities.

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

4.1.2 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 concentration to which Reinet is exposed arises from Reinet's bank deposits and other short-term investments. Reinet is also exposed to counterparty credit risk on trading foreign exchange and derivative products, amounts due from brokers and other receivable balances.

Reinet'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's bank deposits at 31 March 2009.

Banks by rating category (Moody's)

	At 31 March 2009 % of bank deposits
AA2	50
A1	50
Total	100

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.

4. FINANCIAL RISKS CONTINUED

4.1.3 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.

Only a limited proportion of Reinet's assets in investments are not actively traded on a stock exchange. Reinet's listed investment in BAT is considered readily realisable as it is listed on the London Stock Exchange.

4.1.4 CAPITAL RISK MANAGEMENT

The Fund's objective when managing capital is to safeguard the Fund's 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 the investment activities of the Fund.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

5.1 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 period are outlined below.

Fair value of derivative financial instruments

Reinet may, from time to time, hold financial instruments that are not quoted in active markets, such as over-the-counter derivatives. Fair values of such instruments are determined by using suitable valuation techniques.

5.2 CRITICAL JUDGEMENTS

Functional currency

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

Distributions to shareholders

The redemption of the ordinary share capital which occurred on 20 October 2008 has been accounted for at the book value of the luxury goods business which was distributed to the shareholders. The alternative approach of recognising a holding gain in respect of the luxury assets and accounting for the distribution at fair value (as required by the recently issued but not yet effective guidance IFRIC 17, *Distribution of non-cash assets to owners*) was not applied since, in the opinion of the General Partner, the recognition of the holding gain on the luxury goods business would not provide the current shareholders with useful information.

The redemption of the Reinet shares, which resulted in the distribution of 90 per cent of the BAT shares held by the Company on 3 November 2008 has also been recorded at book value, in line with this policy.

Accounting for BAT holding gain

The restructuring was approved by shareholders as a series of linked steps by way of a resolution adopted at a meeting of shareholders and participation certificate holders held on 8 October 2008 and, for accounting purposes, is considered by the General Partner to be a single transaction. As a result of this approach, the holding gain which was recorded in the income statement upon the reclassification of BAT from an associate to an asset held at fair value through profit and loss, has only been taken on the 10 per cent of the BAT shares retained by the Company. The cumulative translation adjustment in respect of this 10 per cent holding has also been recycled through the income statement in the period under review.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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6. INVESTMENTS IN AND INCOME FROM ASSOCIATES

As described in note 1 the joint venture with Remgro Limited was effectively terminated after the partial liquidation of R&R Holdings SA and the distribution of 90 per cent of Reinet's holding of BAT shares to its shareholders. In consequence, Reinet considered itself no longer to be in a position to exercise significant influence over BAT. Accordingly, the investment in BAT was reclassified as a "financial asset at fair value through profit or loss" as of that date and the latent holding gain on the retained holding in BAT was recognised in the income statement as a non-recurring adjustment.

	BAT € m	Other € m	Total € m
At 30 September 2008	3 043	12	**3 055**
Assets transferred pursuant to capital reduction on 20 October 2008	–	(12)	**(12)**
Equity accounted income from BAT to 1 November 2008	46	–	**46**
Exchange adjustments	(17)	–	**(17)**
Carrying value of BAT at 1 November 2008	3 072	–	**3 072**
Distribution to Reinet shareholders	(2 765)	–	**(2 765)**
Transfer to financial assets at fair value through profit and loss	(307)	–	**(307)**
At 31 March 2009	**–**	**–**	**–**

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	31 March 2009 **€ m**	30 September 2008 unaudited (pro forma) € m
Financial assets held at fair value through profit and loss – non-current:		
– listed equity securities	1 472	5
– unlisted equity securities	45	71
Total financial assets held at fair value through profit and loss – non-current	1 517	76
Financial assets held at fair value through profit and loss – current:		
– investment in money market funds	100	–
Total financial assets held at fair value through profit and loss – current	100	–
Total designated at fair value through profit and loss at inception	1 617	76
Total financial assets at fair value through profit and loss	1 617	76
Net changes in fair value on financial assets at fair value through profit and loss:		
– realised	–	–
– unrealised	(114)	–
Total gains/(losses)	(114)	–

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS CONTINUED

The movement in non-current financial assets at fair value through profit and loss may be summarised as follows:

		€ m
Non-current financial assets		
Balance at 30 September 2008		82
Distributed to shareholders as part of ordinary share capital redemption – 20 October 2008		(6)
Transfer from investment in associates – BAT	307	
Recognition of holding gain on BAT shares retained	530	837
Contribution of BAT shares by Remgro Limited		460
Rights issue – BAT shares contributed		442
Investments in non-current assets		19
Fair value movements		(114)
Exchange movements		(203)
Balance at 31 March 2009		1 517
Current financial assets		
Balance at 30 September 2008		–
Investment in money market funds		100
Balance at 31 March 2009		100

Investments in money market funds relate to an investment in shares of the JP Morgan Euro Government Liquidity Fund. The portfolio of the fund as at 31 March 2009 consists of short-term (ie with maturities of less than one year) euro denominated fixed and floating rate debt securities issued by European governments and repurchase agreements with highly rated counterparties. Such repurchase agreements are fully collateralised by euro denominated securities issued by the issuers described above with no maturity constraints. This is to ensure liquidity on demand as the shares in the fund are callable on a daily basis. Distributions from this fund are disclosed as dividend income. These instruments carry very low risk and provide daily liquidity but cannot be classified as cash and cash equivalents as the individual instruments held by the fund do not meet the criteria of IAS 7. These investments are considered to be equity instruments categorised as financial assets at fair value through profit or loss. The value of the investment corresponds to the net asset value of the instruments held by the fund as it is the best indicator of the fair value at the balance sheet date.

8. TRADE AND OTHER RECEIVABLES

The balance receivable at 31 March 2009 includes a loan of US$ 2 million to a company in which Reinet intends to make an equity investment in due course. The loan is fully repayable in the event that no investment is made in the entity by 30 June 2009 and is interest bearing at market-related rates.

9. CASH AND CASH EQUIVALENTS

	31 March 2009 € m	30 September 2008 € m
Short-term deposits	231	2 122

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10. SHARE CAPITAL

ORDINARY SHARE CAPITAL

	31 March 2009 € m
Authorised capital	
999 999 000 ordinary shares with no par value	1 123.3
Issued capital	
195 941 286 ordinary shares issued and fully paid	**220.1**

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 a 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 2009 € 000's
Authorised capital	
1 000 shares with no par value	1.0
Issued capital	
1 000 shares issued and fully paid	**1.0**

The Management shares are held by the General Partner, Reinet Investments Manager S.A. and 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 from the assets of the Company.

SUBSCRIBED CAPITAL AT 30 SEPTEMBER 2008

At 30 September 2008, Richemont SA had 1 914 000 fully paid shares of no par value in issue with an aggregate value of € 215.0 million and a participation reserve of € 645.0 million in respect of which 522 000 000 bearer participation certificates with no par value and 52 200 000 registered participation certificates with no par value had been issued.

11. NON-DISTRIBUTABLE RESERVES

The legal reserve amounting to € 21 million is not available for distribution.

In terms of Luxembourg law, a non-distributable reserve must be created from retained earnings each time the Company has a capital reduction. The transfer to this reserve must equal the value of share capital reduced. In the period to 31 March 2009, the total amount transferred to this reserve amounted to € 772 million. Subject to the approval of the shareholders at the 2009 annual meeting, this amount may be transferred back to retained earnings.

12. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit/(loss) for the period by the weighted average number of ordinary shares in issue during the period.

	31 March 2009 € m	30 September 2008 € m
Profit for the period from continuing operations	403	325
Profit for the period from discontinued operations	23	540
Weighted average number of ordinary shares in issue (millions of shares)	168.6	562.1
Basic earnings per share – basic and diluted from continuing operations (€ per share)	€ 2.39	€ 0.58
Basic earnings per share – basic and diluted from attributable profit (€ per share)	€ 2.53	€ 1.54

The Company has not issued any shares or other instruments that are considered to have dilutive potential. The weighted average number of shares is calculated by reference to the number of shares in issue post the distribution of the luxury goods assets and BAT shares to shareholders. Movements thereafter include the issue of shares following the contribution by Remgro of BAT shares and the rights issue.

13. FINANCIAL INCOME AND EXPENSE

	31 March 2009 € m	30 September 2008 € m
Interest arising from cash and cash equivalents	4	5
Investment income	1	–
	5	5

During the period ended 31 March 2009, Reinet did not recognise any dividend income from BAT as BAT's final dividend for the year ended 31 December 2008 was only approved by its shareholders on 30 April 2009. In the comparative period, BAT's final dividend for the year ended 31 December 2007 and the interim 2008 dividend were received.

14. ADMINISTRATION FEES

The Company is managed by its General Partner, Reinet Investments Manager S.A. The Company reimburses the General Partner for its expenses incurred in the ordinary course of business, including but not limited to the remuneration of its staff, taxes, rentals, directors' fees and any other disbursements, and pays an annual administration fee equal to 10 per cent of such expenses. During the period ended 31 March 2009, the Company paid € 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, Reinet Fund Manager S.A. Reinet Fund reimburses the Fund Manager for its expenses incurred in the ordinary course of business including but not limited to the remuneration of its staff, taxes, rentals, directors' fees and any other disbursements. Any such amounts payable to the Fund Manager are deductible from any management and performance fees payable to Reinet Investment Advisors Limited (see note 17) in respect of any accounting period.

During the period ended 31 March 2009, no management fee or performance fee was payable to Reinet Investment Advisors Limited as that company has waived its entitlement to a management fee for the period up to 31 March 2009 and has agreed that the first performance fee should only be calculated as of 31 March 2011. Accordingly, the expenses incurred by the Fund Manager have been reimbursed in full by the Fund. These amounted to € 1.3 million for the period.

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15. DIVIDEND PAYABLE

No cash dividend was paid by the Company during the six-month period ended 31 March 2009. No dividend for the period ended 31 March 2009 will be proposed at the Annual General Meeting to be held on 8 September 2009.

16. SHARE-BASED PAYMENTS

Although the management of Reinet is quite distinct from Richemont following the restructuring effected in 2008, a number of executives who have management responsibilities for Reinet continue to have executive roles in and are employed by Richemont. They had received options over Richemont 'A' units as part of their Richemont remuneration package. Following the separation of Richemont and Reinet in October 2008, these unit options were converted into options over CFR shares, BAT shares and Reinet shares. Full disclosures are given in the Richemont annual report. An appropriate share of the employment costs incurred by Richemont in respect of these executives is recovered from the General Partner and the Fund Manager and therefore indirectly from the Company and the Reinet Fund.

Reinet itself does not currently operate a share-based remuneration system.

17. 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 – CFR SA

Reinet began operations in its current form on 20 October 2008, having transferred its luxury assets to its former parent, CFR SA. Further details of the restructuring are given in note 1 to these financial statements. In the context of the restructuring during the current period, CFR SA is therefore regarded as a related party, as are its subsidiary companies.

As noted above, although the management of Reinet is quite distinct from Richemont following the restructuring effected in 2008, a number of executives who have management responsibilities for Reinet continue to have executive roles in and are employed by Richemont. CFR SA has charged an applicable share of the cost of the executives to the General Partner and the Fund Manager, and hence indirectly to the Company and Reinet Fund, in respect of the period ended 31 March 2009. CFR SA is not responsible in any way for the services provided by the executives in connection with Reinet.

SIGNIFICANT SHAREHOLDERS

Following completion of the rights issue in December 2008, the Company received a formal notification that parties affiliated to the Anton Rupert Trust held 47.9 million Reinet Investments S.C.A. shares, representing 24.45 per cent of the Company's share capital. 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, are as follows:

	As at 20 October 2008 (formation of Reinet)	Redeemed per capital reduction	Acquired during the period	Sold during the period	As at 31 March 2009
Number of shares	52 362 064	(45 194 358)	40 741 076	–	**47 908 782**

On 23 October 2008, the Public Investment Corporation ('PIC') notified the Company that it held 6.06 per cent of the shares and voting rights in the Company. This was prior to the partial capital reduction by way of the distribution of BAT shares to shareholders on 3 November and the rights issue which was completed in December 2008. Under Luxembourg law, the shareholder would be obliged to notify whether the percentage interest had fallen below 5 per cent or increased above 10 per cent of the voting rights in the company. No such notification has been received from PIC.

17. RELATED-PARTY TRANSACTIONS CONTINUED

MANAGEMENT COMPANIES

The Company is a partnership limited by shares ('société en commandite par actions') which is managed by the 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.

The Company's subsidiary, Reinet Fund is managed by the Fund Manager and, 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 fee or performance fee payable to Reinet Investment Advisors Limited (the 'Investment Advisors') by the Fund. Both the General Partner and the Fund Manager are controlled by Rupert Family interests.

Under the terms of the Investment Advisory Agreement dated 9 October 2008 between Reinet Fund and the Investment Advisors, Reinet Fund pays both management fees and performance fees to the Investment Advisors. No management fee is payable in respect of the period ended 31 March 2009. No performance fee is to be calculated until 31 March 2011.

The management fee is payable at a rate of 1 per cent per annum of the NAV of the Fund which is attributable to the consolidated assets of the Fund, excluding cash and interests in funds managed by third parties. 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 interests in funds managed by third parties.

The performance fee in any period is to be calculated as 10 per cent of the Cumulative Total Shareholder Return at the end of the Performance Measurement Period, adjusted for all dividends and returns of capital to Reinet shareholders, less the sum of all performance fees paid in previous Performance Measurement Periods. The Cumulative Total Shareholder Return will be the difference between the volume weighted average closing price of the Reinet share on the Luxembourg Stock Exchange over the last 20 trading days of each financial year of the Company less the Initial Price, calculated as the volume weighted average market price of the share on the Luxembourg Stock Exchange over the first 60 trading days following the third day after the conclusion of the rights issue in December 2008.

The Initial Price, calculated over the trading period from 22 December 2008 to 19 March 2009, is € 7.1945.

No performance fee has been calculated or is payable in respect of the period ended 31 March 2009.

BOARDS OF THE GENERAL PARTNER AND THE FUND MANAGER

Members of the boards of the General Partner and the Fund Manager are considered to be related parties. Details of the Boards are set out in the Corporate Governance Report on pages 7 to 17 of the Reinet annual report.

KEY SHAREHOLDINGS

Aggregate shareholdings of directors of the General Partner and the Fund Manager (excluding Mr J.P. Rupert – see above)

	As at 20 October 2008 (formation of Reinet)	Redeemed per capital reduction	Acquired during the period	Sold during the period	As at 31 March 2009
Number of shares	51 783	(1 539)	16 121	(50 000)	**16 365**

BOARD OF OVERSEERS

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

No fees were paid to the Board of Overseers in respect of the period ended 31 March 2009.

Aggregate shareholdings of the members of the Board of Overseers

	As at 20 October 2008 (formation of Reinet)	Redeemed per capital reduction	Acquired during the period	Sold during the period	As at 31 March 2009
Number of shares	–	–	40 000	–	**40 000**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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17. RELATED-PARTY TRANSACTIONS CONTINUED

OTHER RELATED PARTIES

In addition to CFR SA, the General Partner, the Fund Manager together with their respective Boards of Directors and the Board of Overseers, Reinet has identified the following other related parties:

- Remgro Limited, a public company incorporated in South Africa;
- VenFin Limited, a public company incorporated in South Africa; and
- V&R Management Services, a company incorporated in Switzerland which is owned jointly by Remgro Limited and VenFin Limited.

TRANSACTIONS AND BALANCES WITH RELATED PARTIES

	€ m
Compagnie Financière Richemont SA	
Distribution of the luxury assets pursuant to the capital reduction of 20 October 2008	3 531
Expenses charged directly by CFR SA to Reinet during the period	0.4
Balance payable by Reinet to CFR SA at 31 March 2009	0.4
Reinet Investments Manager S.A., the General Partner	
Expenses charged by the General Partner to Reinet during the period	0.4
Administration fee for the period	0.1
Balance payable by Reinet to the General Partner at 31 March 2009	0.5
Included in the amount charged by Reinet Investments Manager S.A. are charges of € 0.3 million from CFR SA in respect of staff seconded to Reinet	
Reinet Fund Manager S.A., the Fund Manager	
Expenses charges to Reinet during the period	1.3
Balance payable by Reinet to the Fund Manager at 31 March 2009	0.9
Included in the amount charged by Reinet Fund Manager S.A. are charges of € 0.5 million from CFR SA in respect of staff seconded to Reinet	
Reinet Investment Advisors Limited	
Management fee paid by Reinet during the period	–
Performance fee paid by Reinet during the period	–
Balance payable by Reinet to the Investment Advisor at 31 March 2009	–

No fees were charged or paid to significant shareholders or to Remgro Limited or VenFin Limited during the period and no balances were outstanding with these parties at 31 March 2009.

18. CAPITAL COMMITMENTS

At 31 March 2009, the Group had committed to invest a further € 16 million in unlisted undertakings during the period up to 31 March 2010.

19. POST-BALANCE SHEET EVENT

On 16 April 2009, Reinet announced that it had completed the acquisition of the Lehman Brothers' Merchant Banking ('LBMB') businesses.

Reinet has acquired a 49 per cent interest in a newly-created entity, Trilantic Capital Partners ('Trilantic'), for a consideration amounting to US$ 10 million, which was paid in April 2009. The balance of Trilantic is held by the former management team of LBMB. In addition to its equity interest in Trilantic, Reinet has taken over Lehman Brothers' US$ 230 million un-invested limited partner commitments to invest in the former Lehman Brothers' Fund IV funds.

To date, the Global and Europe Funds IV funds have made investments of some US$ 800 million in aggregate and limited partners have committed to invest a further US$ 1.7 billion in the two funds.

No drawdown in terms of the limited partner commitments assumed by Reinet has been made as of the date of this report.

20. SCOPE OF THE CONSOLIDATION

Companies included within the scope of the consolidation:

Name	Domicile	Percentage held
Subsidiaries		
Reinet Investments S.C.A.	Luxembourg	100%
Reinet Fund S.C.A. F.I.S.	Luxembourg	100%
Columbus VC SA	Luxembourg	100%
J & R Investments Ltd	British Virgin Islands	100%
Reinet Sárl	Luxembourg	100%
Reinet GmbH	Switzerland	100%
Reinet Jersey Holdings Ltd	Channel Islands	100%
Reinet Ltd	United Kingdom	100%
Associated undertaking		
Richemont Securities AG	Switzerland	50%

Note 21 below comprises disclosures relating to the discontinued luxury goods activities.

21. LUXURY GOODS ACTIVITIES' ACCOUNTING POLICIES

The information set out below relates exclusively to the luxury goods activities of Richemont which were separated from the ongoing Reinet activities on 20 October 2008. As such, these disclosures relate to the comparative balance sheet information at 30 September 2008 and the discontinued operations reflected in the income statement for the six-month period to 31 March 2009.

21.1 In addition to the accounting policies of the continuing Reinet activities which are described in note 3, the following policies were used by the luxury goods businesses. Complete details of Richemont's accounting policies are available in the Richemont Annual Report for the year ended 31 March 2009.

Property, plant and equipment

All property, plant and equipment is shown at cost less subsequent depreciation and impairment, except for land, which is shown at cost less impairment. Cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

21. LUXURY GOODS ACTIVITIES' ACCOUNTING POLICIES CONTINUED

Intangible assets

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Computer software, licences, patents and trademarks are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the asset's expected useful life.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. All other fixed and financial assets are tested for impairment whenever events or changes in circumstance indicate that the carrying amount may not be fully recoverable.

An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell, and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Inventories

Inventories are stated at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Cost is determined using either a weighted average or specific identification basis depending on the nature of the inventory. The cost of finished goods and work in progress comprises raw materials, direct labour, related production overheads and, where applicable, duties and taxes.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The movement of the provision is recognised in the income statement.

Employee benefits

Retirement benefit obligations

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive post-employment, usually dependent on one or more factors such as age, years of service and compensation. The liability recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligations at the balance sheet date less the fair values of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs.

For defined contribution plans, the Group paid contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due.

Share-based payments

Richemont operated an equity-settled share-based compensation plan based on options granted in respect of Richemont units. The fair value of the employee services received in exchange for the grant of options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable.

21. LUXURY GOODS ACTIVITIES' ACCOUNTING POLICIES CONTINUED

Revenue recognition

Sales revenue comprises the fair value of the sale of goods and services, net of value-added tax, duties, other sales taxes, rebates and trade discounts and after eliminating sales within the Group. Revenue is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Where there is a practice of agreeing to customer returns, accumulated experience is used to estimate and provide for such returns at the time of sale.

21.2 DISCONTINUED OPERATIONS

As described in note 1, on 20 October 2008 the Company redeemed 100 per cent of its ordinary share capital and in the process distributed the assets and activities of the luxury goods business to its former parent company, CFR SA. The luxury goods business represents a discontinued operation and the income statement presentation has been restated to reflect this.

The current year income from discontinued operations of € 23 million represents the General Partner's best estimate of the results of the luxury goods businesses for the stub period from 1 October to 20 October 2009. The estimate is based solely on the publicly available information provided by CFR SA to its shareholders and is a pro rata allocation of the results of the period from 1 October 2008 to 31 March 2009.

The prior period comparative figures have been restated based on publicly available information adjusted using estimates to arrive at figures in respect of the assets held by Richemont SA. Estimates have been required to determine the ongoing operating expenses and interest income of the continuing Reinet operations as many of these costs were not recorded separately from those relating to the luxury assets.

The key elements of the discontinued operations are as follows:

	Estimated 20-day period ended 20 October 2008 € m	Estimated 6-month period ended 30 September 2008 € m
Sales	291	2 800
Cost of sales	(109)	(1 010)
Gross margin	182	1 790
Operating expenses	(144)	(1 136)
Operating profit	38	654
Net finance costs	(13)	(3)
Taxation	(2)	(111)
Net profit	23	540

Since the luxury goods activities were distributed to shareholders as part of the Reinet capital reduction, there is no gain or loss recorded in the books of Reinet.

21.3 COMPARATIVE INFORMATION – BALANCE SHEET

The Board of Directors has reviewed the requirements of IAS 1 with regards the requirement to provide detailed comparative information for the balance sheet items related to the luxury goods business. The items have zero balances at 31 March 2009 and the Board has concluded that the preparation of the detailed disclosure requirements for these items does not provide any useful information to the current Reinet shareholders. The comparative balance sheet information is therefore limited to the information available on the face of the balance sheet.

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S 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. and its subsidiaries (the 'Group'), which comprise the consolidated statement of balance sheet as at 31 March 2009, and the consolidated income statement, consolidated statement of changes in equity and consolidated statement of cash flows for the six-month period then ended and a summary of significant accounting policies and other explanatory notes.

Manager's responsibility for the consolidated financial statements

The Manager 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. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of annual accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted by the 'Institut des Réviseurs d'Entreprises'. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts 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 Auditor's judgment, 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 Auditor 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 Manager, 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 accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as of 31 March 2009, and of its consolidated financial performance and its consolidated cash flows for the six-month period then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

The Report to the Shareholders, which is the responsibility of the Manager is consistent with the consolidated financial statements.

PricewaterhouseCoopers S.à r.l.
Luxembourg, 20 May 2009

Réviseur d'entreprises
Represented by

Véronique Lefebvre

COMPANY FINANCIAL STATEMENTS

BALANCE SHEET

as at 31 March 2009

	Notes	31 March 2009 € 000's	30 September 2008 € 000's
Fixed assets			
Financial assets			
Shares in affiliated undertakings	*3.2, 4*	1 933 289	5 376 704
Current assets			
Debtors			
Amounts owed by affiliated undertakings:			
– becoming due and payable within one year	*3.3, 5*	48	13 633 571
Cash and cash equivalents		717	1 427
		765	13 634 998
Prepayments and accrued income		61	2
Total assets		1 934 115	19 011 704
Capital and reserves			
Subscribed capital	*6*	220 103	215 000
Share premium account	*7*	770 310	426 979
Participation reserve	*8*	–	645 000
Legal reserve	*9*	21 500	21 500
Non-distributable reserve	*10*	771 707	–
Reserve for own participation certificates	*11*	–	223 811
Profit or loss brought forward	*12*	446 443	2 210 323
Profit or loss for the period		(298 553)	14 867 358
		1 931 510	18 609 971
Creditors			
Amounts owed to affiliated undertakings:			
– becoming due and payable within one year	*13*	1 424	391 695
Other creditors:			
– becoming due and payable within one year		33	49
– derivative financial instruments	*14*	–	8 677
Tax liabilities		–	566
		1 457	400 987
Accruals and deferred expenses		1 148	746
Total liabilities and equity		1 934 115	19 011 704

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

COMPANY FINANCIAL STATEMENTS

PROFIT AND LOSS ACCOUNT

for the six months ended 31 March 2009

	Notes	6-month period 1 October 2008 – 31 March 2009 € 000's	6-month period 1 April 2008 – 30 September 2008 € 000's
Charges			
Realised losses on investments	*15*	307 372	100 256
Other operating charges	*16*	1 293	(5 497)
Interest payable and similar charges:			
– concerning affiliated undertakings		–	17
– other interest payable and similar charges	*14, 17*	(8 677)	8 677
Stamp duty and duty on share transfer		1 890	–
Taxation		(17)	677
Foreign exchange loss		143	–
		302 004	104 130
Profit for the financial period		–	14 867 358
		302 004	14 971 488
Income			
Income from investments in affiliated undertakings	*18*	2 817	14 957 474
Other interest receivable and similar income	*19*	634	13 966
Foreign exchange gain		–	48
		3 451	14 971 488
Loss for the financial period		298 553	–
		302 004	14 971 488

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

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Reinet Investments S.C.A. (the 'Company') is a securitisation vehicle established as a partnership limited by shares (société en commandite par actions) under the laws of Luxembourg. The registered office is at 35 Boulevard Prince Henri, Luxembourg. The Company owns the entire ordinary issued capital of Reinet Fund S.C.A. F.I.S. ('Reinet Fund'), a partnership limited by shares established in Luxembourg.

The Company was formerly known as Richemont SA 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, Luxembourg.

On 15 September 2008 the shareholders decided at an Extraordinary Shareholder Meeting to change the year-end to 30 September 2008. Consequently, the comparative figures refer to a six-month period from 1 April to 30 September 2008.

At a subsequent meeting held on 10 October 2008, the shareholders and participation certificate holders of the Company adopted revised statutes of the Company. The revised statutes provided for the financial year of the Company to run to 31 March each year. Accordingly, the first accounting period, reflected in the financial statements, is for the period 1 October 2008 to 31 March 2009.

The Company has also prepared consolidated financial statements which will be made available as required by Luxembourg law.

2. FORMATION OF REINET

The Company was created on 20 October 2008 from the restructuring of the assets previously held in Richemont SA and the transfer of those assets related to the luxury goods operations (the 'luxury assets') of the Company to its then parent company, CFR. The luxury assets included cash and luxury-related investments formerly held by the Company and its subsidiaries.

The transfer of the luxury assets was effected by redemption of the ordinary share capital of Richemont SA. In addition to its ordinary capital, Richemont SA had 574 200 000 participation certificates ('PCs') in issue. These had been twinned with shares issued by CFR to form Richemont 'A' and 'B' equity units. Richemont 'A' units were listed on SIX, the Swiss stock exchange, whilst the privately-held, 'B' units were not listed.

On 20 October 2008, resolutions of the shareholders and PC holders were implemented which resulted in the redemption of the ordinary share capital and the distribution of the luxury assets to CFR SA; the conversion of the PCs into ordinary shares; the conversion of Richemont SA from a limited company into a partnership limited by shares with the status of a securitisation vehicle under Luxembourg law; and the change of the Company's name to Reinet Investments S.C.A.

On 3 November 2008, Reinet distributed to its shareholders by way of a capital reduction, 90 per cent of its interest in the shares of British American Tobacco plc ('BAT'). At that time, Remgro Limited contributed 10 per cent of its holding of BAT shares to the Company in exchange for the issuance of Reinet securities to its shareholders.

Following the BAT distribution and the issue of shares and depositary receipts to the former Remgro Limited shareholders, Reinet issued warrants to all of its shareholders enabling them to participate in a subsequent capital increase by way of a rights issue. The terms of the rights issue required that warrant holders subscribe by contributing BAT shares to Reinet in exchange for new shares. The rights issue concluded on 15 December 2008 with the auction of unexercised rights. The proceeds of the auction were remitted to the holders of the unexercised rights. New shares issued pursuant to the rights issue were issued on 17 December 2008.

COMPANY FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements as well as with generally accepted accounting principles in Luxembourg.

3.1. FORMATION EXPENSES

The formation expenses of the Company are directly charged to the profit and loss account of the period.

3.2. 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.

3.3. DEBTORS AND CREDITORS

Debtors and creditors are valued at their nominal value. The debtors are subject to value adjustments where their recovery is compromised.

3.4. PROVISIONS FOR LIABILITIES AND CHARGES

Provisions for liabilities and charges are intended to cover losses or debts the nature of which is clearly defined and which, at the date of the balance sheet are either likely to be certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

3.5. FOREIGN CURRENCY TRANSLATION

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

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

Fixed assets expressed in currencies other than euro are translated into euro 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.

3.6 PREPAYMENTS AND ACCRUED INCOME

This asset includes expenditure incurred in the financial year but relating to a subsequent financial year.

4. SHARES IN AFFILIATED UNDERTAKINGS

The movements in the period to 31 March 2009 are as follows:

	€ 000's
Gross book value – opening balance as at 1 October 2008	5 376 704
Additions in the period	1 933 289
Disposals in the period	(5 376 704)
Gross book value – closing balance as at 31 March 2009	1 933 289
Depreciation – opening balance as at 1 October 2008	–
Depreciation in the period	–
Reversals in the period	–
Transfers in the period	–
Depreciation – closing balance as at 31 March 2009	–
Net book value – opening balance at 1 October 2008	5 376 704
Net book value – closing balance as at 31 March 2009	1 933 289

The Company holds the entire share capital of Reinet Fund S.C.A. F.I.S., whose functional currency is the euro. At 31 March 2009, Reinet Fund S.C.A. F.I.S.'s net asset value was € 1 848 million and it had recorded a loss for the period then ended of € 85 million. The General Partner considers that the shortfall between the underlying net asset value of Reinet Fund S.C.A. F.I.S. and its carrying value in the balance sheet of the Company at 31 March 2009 not to be of a permanent nature. Accordingly, no provision has been made during the period in respect of any impairment of this investment.

5. AMOUNTS OWED BY AFFILIATED UNDERTAKINGS

	31 March 2009 € 000's	30 September 2008 € 000's
Becoming due and payable within one year	48	13 633 571

The amounts owed by and to affiliated undertakings are interest free and are repayable on demand.

COMPANY FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

6. SUBSCRIBED CAPITAL

	31 March 2009 € 000s	30 September 2008 € 000s
Ordinary share capital		
The subscribed capital at 31 March 2009 amounts to € 220 103 100 (30 September € 215 000 000) and is divided into 195 941 286 ordinary shares (30 September 1 914 000 000), fully paid with no par value	215 000	215 000
20 October 2008 – Capital reduction and spin out of luxury business	(215 000)	–
20 October 2008 – Capitalisation of PC reserve	645 000	–
3 November 2008 – Capital reduction on spin out of 90% of BAT	(556 707)	–
3 November 2008 – Capital increase on Remgro's contribution of 10% of its holding of BAT shares to the Company	33 986	–
17 December 2008 – Issue of new shares following conclusion of rights issue on 15 December 2008	97 823	–
Total ordinary share capital	220 102	215 000
Management share capital		
20 October 2008 – Issue of 1 000 shares with no par value	1	–
Total subscribed capital	220 103	215 000

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 a 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, Reinet Investments Manager S.A. and 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 from the assets of the Company.

7. SHARE PREMIUM ACCOUNT

The share premium account relates to a reserve amounting to € 770 310 429 (30 September 2008: € 426 979 407), available for distribution subject to the approval of the shareholders.

8. PARTICIPATION RESERVE

	31 March 2009 € 000's	30 September 2008 € 000's
Reserve established in respect of 574 200 000 participation certificates with no par value.	–	645 000

In the period to 20 October 2008, the Company had set aside a participation reserve amounting to € 645 000 000. It had issued, in respect of this reserve, 522 000 000 bearer participation certificates with no par value and 52 200 000 registered participation certificates with no par value. Bearer and registered participation certificates had identical rights. Following the restructuring this reserve was capitalised as detailed in note 6 above.

9. LEGAL RESERVE

The legal reserve amounting to € 21 500 000 (30 September 2008: € 21 500 000) is not available for distribution.

10. NON-DISTRIBUTABLE RESERVE

In terms of Luxembourg law, a non-distributable reserve must be created from retained earnings each time the Company has a capital reduction. The transfer to this reserve must equal the value of share capital reduced. In the period to 31 March 2009, the total amount transferred to this reserve amounted to € 771 706 661.

11. RESERVE FOR OWN PARTICIPATION CERTIFICATES

The reserve was created in respect of Richemont 'A' units purchased by a former subsidiary company of Richemont SA.

During the period, the Group acquired 1 706 974 'A' units through the exercise of call options. The Group did not purchase any 'A' units in the open market or from executives in this period. During the period to 30 September 2008, 2 708 291 'A' units were sold to executives under the Richemont stock option plan.

At 30 September 2008, following these transactions, Richemont held 14 144 792 Richemont 'A' units with a cost of € 298.4 million. The reserve for own participation certificates of € 223.8 million represented 75 per cent of this amount. The remaining 25 per cent was recorded in the balance sheet of Compagnie Financière Richemont SA.

A Richemont 'A' unit was composed of one 'A' bearer share issued by Compagnie Financière Richemont SA and one participation certificate issued by the Company. At the time of formation of Richemont, 25 per cent of the value of an 'A' unit was attributed to the 'A' bearer share issued by Compagnie Financière Richemont SA and 75 per cent to the participation certificate issued by the Company. In terms of the reserve for own participation certificates established in respect of the units purchased, an amount of € 21.9 million to 30 September 2008, being 75 per cent of the cost of units sold to Group executives during the period, was transferred out of the reserve for own participation certificates. The remaining 25 per cent of the cost of units sold was transferred out of a reserve for own shares in the balance sheet of Compagnie Financière Richemont SA. Following the restructuring this reserve was transferred to the luxury goods group.

COMPANY FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

12. PROFIT OR LOSS BROUGHT FORWARD

	31 March 2009 € 000's	30 September 2008 € 000's
Opening balance as at 1 October/1 April	2 210 323	1 434 331
Result from prior year	14 867 358	1 336 772
Transfer of luxury assets on restructuring	(8 236 134)	–
Spin out of 90% of BAT	(7 623 397)	–
Transfer to non-distributable reserve – 20 October 2008	(215 000)	–
Transfer to non-distributable reserve – 3 November 2008	(556 707)	–
Dividend paid on share capital	–	(135 658)
Dividend paid on participation reserve	–	(403 212)
Balance after appropriation	446 443	2 232 233
Net transfer (to)/from reserve for own participation certificates	–	(21 910)
Balance at end of the reporting period	446 443	2 210 323

13. AMOUNTS OWED TO AFFILIATED UNDERTAKINGS

	31 March 2009 € 000's	30 September 2008 € 000's
Becoming due and payable within one year	1 424	391 695

14. DERIVATIVE FINANCIAL INSTRUMENTS

Pursuant to the restructuring proposals, the Company entered into a derivative financial instrument whereby Remgro Limited could contribute 10 per cent of its holding of BAT shares to the Company. The derivative financial instrument was carried at its fair market value at 30 September 2008 and the notional loss thereon charged to the income statement during the period then ended. The financial instrument expired when Remgro Limited contributed the BAT shares to Reinet in November 2008 in exchange for the issue of shares. The liability in respect of the derivative instrument at 30 September 2008 was therefore reversed during the period to 31 March 2009.

15. REALISED LOSSES ON INVESTMENTS

These losses relate to the differences between the book value of subsidiary entities and the fair value at which they were subsequently contributed to Reinet Fund S.C.A., F.I.S. The amount relating to the prior period corresponds to a loss on liquidation of a wholly-owned subsidiary company.

16. OTHER OPERATING CHARGES

In the period ended 30 September 2008, it was agreed that the luxury goods business would absorb the full costs of the reorganisation. The incurred costs and remaining accrual were therefore transferred to the luxury goods group by 20 October 2008, resulting in a reversal of the accrual previously made.

	6-month period 1 October 2008 – 31 March 2009 € 000's	6-month period 1 April 2008 – 30 September 2008 € 000's
Reorganisation cost accrual reversed	–	(7 402)
Other operating charges	1 293	1 905
	1 293	(5 497)

17. OTHER INTEREST PAYABLE AND SIMILAR CHARGES

	6-month period 1 October 2008 – 31 March 2009 € 000's	6-month period 1 April 2008 – 30 September 2008 € 000's
Fair value of derivative instruments created/(liquidated)	(8 677)	8 677

18. INCOME FROM INVESTMENTS

The amount in the current period relates principally to a gain on the partial liquidation of R&R Holdings SA, a joint venture between the Company and Remgro Limited, which held the BAT shares. Income in the prior year relates to distributions from subsidiaries of Richemont SA, largely linked to the restructuring process.

19. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

In the period to 31 March 2009, the Company received bank interest and related income of € 634 428. In the period to 30 September 2008, the Company received interest of € 13 965 917 from bank deposits and government bond fund investments.

20. EMOLUMENTS GRANTED TO MEMBERS OF THE ADMINISTRATIVE, MANAGERIAL AND SUPERVISORY BODIES

	6 months 31 March 2009 € 000's	6 months 30 September 2008 € 000's
Administrative and managerial bodies	–	135

21. CONTINGENT LIABILITIES

At 31 March 2009, the Company has no contingent liabilities. At 30 September 2008, the Company had given guarantees totalling € 187 million to cover obligations of various subsidiaries amounting to € 3.9 million. At this date, the Company did not foresee any liability arising under these guarantees and, therefore, no provision was made.

22. TAXATION

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

23. SUBSEQUENT EVENTS

On 16 April 2009, Reinet announced that it had completed the acquisition of the Lehman Brothers' Merchant Banking ('LBMB') businesses.

Reinet Fund has acquired a 49 per cent interest in a newly-created entity, Trilantic Capital Partners, for a consideration amounting to US$ 10 million, which was paid in April 2009. The balance of Trilantic is held by the former management team of LBMB. In addition to its equity interest in Trilantic, Reinet has taken over Lehman Brothers' US$ 230 million un-invested limited partner commitments to invest in the former Lehman Brothers' Fund IV funds.

To date, the Global and Europe Funds IV funds have made investments of some US$ 800 million in aggregate and limited partners have committed to invest a further US$ 1.7 billion in the two funds.

No drawdown in terms of the limited partner commitments assumed by Reinet Fund has been made as of the date of this report.

COMPANY FINANCIAL STATEMENTS

PROPOSED APPROPRIATION OF RETAINED EARNINGS

as at 31 March 2009

	€ 000's
Available retained earnings	
Profit and loss brought forward	446 443
Net transfer from non-distributable reserves	771 707
Net loss for the financial period	(298 553)
	919 597
Proposed appropriation	
Transfer to legal reserve	600
Balance to be carried forward	918 997
	919 597

Reinet Investments Manager S.A.

General Partner
Luxembourg, 13 May 2008

INDEPENDENT AUDITOR'S REPORT

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

REPORT ON THE ANNUAL ACCOUNTS

We have audited the accompanying annual accounts of Reinet Investments S.C.A., which comprise the balance sheet as at 31 March 2009, the profit and loss account for the period from 1 October 2008 to 31 March 2009 and a summary of significant accounting policies and other explanatory notes.

Managers' responsibility for the annual accounts

The Manager is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted by the 'Institut des Réviseurs d'Entreprises'. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the Auditor considers internal control relevant to the entity's preparation and fair presentation of the annual accounts 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 Manager, as well as evaluating the overall presentation of the annual accounts.

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, these annual accounts give a true and fair view of the financial position of Reinet Investments S.C.A. as of 31 March 2009, and of the results of its operations for the period from 1 October 2008 to 31 March 2009 in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

PricewaterhouseCoopers S.à r.l.
Luxembourg, 20 May 2009

Réviseur d'entreprises
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 15 SEPTEMBER 2009

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

As provided for in the Articles of Incorporation of the Company, the Annual General Meeting will take place on:
Tuesday, 15 September 2009 at 2:30pm at Hotel Le Royal, 12 Boulevard Royal, Luxembourg.

AGENDA

Business reports for the accounting period ended 31 March 2009

1. To consider the report of the General Partner to the shareholders; the report of the Board of Overseers; and the reports by the Independent Auditors of the Company in respect of the statutory financial statements of the Company and in respect of the consolidated financial statements for the accounting period ended 31 March 2009;

Financial statements

2. To approve the statutory financial statements of the Company for the accounting period ended 31 March 2009;
3. To approve the consolidated financial statements of the Company for the accounting period ended 31 March 2009;

Appropriations

4. To approve the release of the non-distributable reserve of € 771 707 000 created in connection with the reductions of capital on 20 October 2008 and 3 November 2008 to retained earnings;
5. To approve the proposed appropriation of the retained earnings of the Company at 31 March 2009, including the amounts transferred from the non-distributable reserve, as follows:

	€
Transfer to Legal Reserve	600 000
Balance to be carried forward	918 996 851

Discharge of the General Partner and Board of Overseers

6. To discharge the General Partner from its obligations in respect of the accounting period ended 31 March 2009 and to discharge the members of the Board of Overseers who held office in respect of the accounting period ended 31 March 2009 from their obligations;

Board of Overseers

7. To elect the Board of Overseers for the financial year ending 31 March 2010
8. To fix the remuneration of the Board of Overseers in respect of the financial year ending 31 March 2010.

The statutory financial statements of the Company and the consolidated financial statements for the accounting period ended 31 March 2009, together with the reports of the Independent Auditors, of the Board of Overseers and of the General Partner, 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 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 9 September 2009. The Registrar will draw up a list of shareholders and proxyholders authorised to attend the meeting.

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

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 (i) block their shares and (ii) send a blocking certificate (the 'Blocking Certificate') to European Fund Administration S.A. Shares so deposited shall be blocked until the close of the meeting.

The Blocking Certificate should indicate clearly the precise identity of the shareholder, the number of shares being blocked, the date from which such shares are being blocked, which must be no later than 9 September 2009, and a statement that the shares are deposited in the shareholder's name and shall be blocked by the financial intermediary until the close of the meeting.

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. 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 9 September 2009. A Blocking Certificate in respect of the shares must be provided to the Company or to the Registrar by that date. Failure to provide the Blocking 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 Blocking Certificates should be delivered to the Registrar by 9 September 2009. No admission cards will be issued on the day of the meeting and shareholders or proxyholders not registered to attend the meeting will not be allowed to participate.

Reinet Investments Manager S.A.

General Partner

STATUTORY INFORMATION

Reinet Investments S.C.A.

REGISTERED OFFICE

35 boulevard Prince Henri
L-1724 Luxembourg
Grand Duchy of Luxembourg

BOARD OF OVERSEERS

Mr Yves-André Istel
Mr Ruggero Magnoni
Mr Alan Quasha
Mr Jürgen Schrempp

GENERAL PARTNER

Reinet Investments Manager S.A.
35 boulevard Prince Henri
L-1724 Luxembourg
Grand Duchy of Luxembourg

DIRECTORS OF REINET INVESTMENTS MANAGER S.A.

Johann P. Rupert
Alan Grieve
Eloy Michotte
Joachim Schwenke

CUSTODIAN

Banque de Luxembourg S.A.
14 boulevard Royal
L-2449 Luxembourg
Grand Duchy of Luxembourg

REGISTRAR AND PAYING AGENT

European Fund Administration SA
2 rue d'Alsace
P.O. Box 1725
L-1017 Luxembourg
Grand Duchy of Luxembourg

SHARES AND DEPOSITORY RECEIPTS

Reinet Investments S.C.A. shares are listed on the Luxembourg Stock Exchange with the ISIN number LU0383812293. Thomson Reuters code REIT.LU and Bloombergs code REIN:LX.

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 Bloombergs code REI:SJ.

REGISTERED NUMBER

Reinet Investments, Société en commandite par actions
Registre de commerce et des sociétés, Luxembourg B 140794

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