REINET INVESTMENTS S.C.A.

Annual Report and Accounts 2010

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The Chairman's review will be available to download from the Reinet website at the time of the Company's Annual General Meeting.

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

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

- Net asset value at 31 March 2010: € 2 537 million, an increase of 37 per cent from 31 March 2009
- Net asset value per ordinary share at 31 March 2010: € 12.95 (31 March 2009: € 9.42)
- Continued strong performance of Reinet's investment in British American Tobacco p.l.c.
- Profit for the year: € 691 million
- New investments with funding commitments of € 312 million closed during the year

Reinet Investments S.C.A. (the 'Company') is a partnership limited by shares incorporated in the Grand Duchy of Luxembourg and having its registered office at 35, boulevard Prince Henri, L-1724 Luxembourg. It is governed by the Luxembourg law on securitisation and in this capacity allows its shareholders to participate indirectly in the portfolio of assets held by its wholly-owned subsidiary Reinet Fund S.C.A., F.I.S. ('Reinet Fund' or 'the Fund'), a specialised investment fund also incorporated in Luxembourg. The Company's shares are listed on the Luxembourg Stock Exchange and Reinet South African Depository Receipts are listed in Johannesburg. The Company's 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. The Company and the Fund together with the Fund's subsidiaries are referred to as 'Reinet'.

REPORT TO THE SHAREHOLDERS

BUSINESS OVERVIEW

CONSOLIDATED NET ASSET VALUE ('NAV')

The NAV of Reinet Investments S.C.A. at 31 March 2010 comprised:

	31 March 2010		31 March 2009	
	€ m	%	€ m	%
Listed investments				
– British American Tobacco p.l.c.	2 159	85.1	1 470	79.7
– Other	5	0.2	1	–
Cash and liquid funds	343	13.5	331	17.9
Unlisted investments				
– Trilantic Capital Partners funds(1)	29	1.1	–	–
– US land development and mortgages	23	0.9	–	–
– Other	35	1.4	46	2.5
Fees payable and other liabilities, net of other assets	(55)	(2.2)	(2)	(0.1)
	2 539	100.0	1 846	100.0
Minority interest	(2)	–	–	–
	2 537	100.0	1 846	100.0

(1) This amount represents the 100 per cent investment in Trilantic, whereas the discussion below uses figures which represent Reinet's 90 per cent investment.

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

LISTED INVESTMENT IN BRITISH AMERICAN TOBACCO P.L.C. ('BAT')

Reinet remains one of the largest shareholders in BAT, holding some 84 million shares representing 4.2 per cent of BAT's capital. At 31 March 2010, the value of the investment in BAT in the balance sheet of Reinet was € 2 159 million, being 85 per cent of Reinet's net asset value.

Reinet Fund's NAV has been positively impacted by the strengthening of the BAT share price from £ 16.13 to £ 22.72 during the year. BAT shares are listed principally on the London Stock Exchange and are denominated in pounds sterling.

Although BAT's share price is denominated in sterling, its revenues are generated substantially outside the United Kingdom in a basket of currencies. Although the value of the share in euro terms is subject to exchange rate fluctuations, in the long run, the share price is indirectly hedged against sterling weakness. Reported profits measured in sterling should grow in the event that the currency would continue to weaken. Reinet does not hedge the sterling value of the investment against the euro for this reason.

Reinet received dividends from BAT during the year amounting to € 84 million.

Other listed investments are small portfolio investments, previously reported under 'other investments'.

CASH AND LIQUID FUNDS

Reinet Fund's cash is held on deposit with banks in Luxembourg and the United Kingdom. In addition, Reinet Fund has invested € 200 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.

The cash balance also includes approximately € 2 million of funds advanced to an investee company and held by it awaiting investment.

UNLISTED INVESTMENTS

During the year under review, Reinet has considered numerous potential investment opportunities. In evaluating these opportunities, Reinet applies a minimum hurdle rate of return, recognising the performance target set by the investment in BAT.

To date, funding commitments in the amount of € 312 million have been entered into in respect of the businesses detailed below, excluding the smaller investments acquired as part of the Richemont restructuring.

TRILANTIC CAPITAL PARTNERS FUNDS

Amount committed: € 164 million

Early last year, Reinet announced its decision to invest in the private equity management business formerly owned by Lehman Brothers. Reinet bought this interest, in conjunction with the management team, from the bankruptcy estate for US$ 10 million in April 2009. This business is now known as Trilantic Capital Partners ('Trilantic').

At the time of the acquisition of the Trilantic interests, informal commitments were made to colleagues who were instrumental in helping Reinet participate in the Trilantic opportunity. It was agreed that Mr Ruggero Magnoni and Mr Alan Quasha would be allowed to participate alongside Reinet in the Trilantic investment once their involvement as members of the Board of Overseers terminated after last year's Annual General Meeting.

Recognising the role played by Mr Magnoni in introducing Reinet to the potential investment in Trilantic, a company in which he is a major investor purchased a 10 per cent interest in the Reinet subsidiary company which holds the Trilantic investment. The acquiring company fully funded its participation in the subsidiary and has and will continue to contribute its pro rata share of the capital calls received from Trilantic, reducing Reinet's overall commitment to Trilantic.

Mr Quasha was instrumental in negotiating the acquisition of the buy-out transaction, working with the bankruptcy estate and the Trilantic management team to structure this complex transaction. Recognising his contribution, Mr Quasha will receive a one-sixth share of any carried interest attributable to Reinet and its co-investors from Trilantic. This is in lieu of any fee for his work in connection with the acquisition.

Also reflecting the commitment made when Reinet initially invested in Trilantic, funds in which Mr Quasha is an investor and has a management role (including Vanterra Flex Investments L.P. – see below) will, during the year ahead, acquire a 15 per cent interest in the Reinet subsidiary company which holds the Trilantic investment. The acquiring funds will also contribute their pro rata share of the capital calls received from Trilantic, thus further reducing Reinet's commitment to Trilantic.

REPORT TO THE SHAREHOLDERS

BUSINESS OVERVIEW
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The combined effect of the two transactions implemented to date is to reduce Reinet's remaining commitment to Trilantic by 10 per cent from € 170 million to € 153 million and to reduce Reinet's share of the carried interest attributable to the management company on the realisation of investments from 15 per cent to 11.25 per cent. The transaction that is to be completed during the year ahead will reduce Reinet's commitment to Trilantic by a further 15 per cent. Reinet's direct share of the carried interest attributable to the management company on the realisation of investments will therefore be reduced from 11.25 per cent to 9.375 per cent.

Up to 31 March 2010, Reinet Fund and its minority partner had invested the equivalent of € 7.6 million in the initial Trilantic management company investment, € 2.1 million to acquire an interest in Trilantic Fund IV Europe and a further € 12 million in the funds under Trilantic management. The investment in Trilantic is carried at the estimated fair value of € 29 million at 31 March 2010, based on valuations prepared by Trilantic. Accordingly, of the year-end valuation of € 29 million, some € 3 million is attributable to the minority partner, being shown as € 2 million in respect of minority interest and € 1 million under other liabilities.

At 31 March 2010, Reinet Fund had remaining commitments of € 153 million, being US$ 106 million and € 75 million to invest in these funds, after taking into account the amounts payable by the existing minority partner.

UNITED STATES LAND DEVELOPMENT AND MORTGAGES
Amount committed: € 74 million

During the year under review, Reinet invested € 25 million in property-related investments located mainly in Florida and North and South Carolina. This was principally mortgage debt in respect of land held for future development. The debts were acquired from local lenders at substantial discounts to nominal value, reflecting the depressed economic situation in the United States and the risk that the development companies may not be able to meet their obligations. Alongside its partners, Reinet is committed to invest a further € 49 million in total to acquire further mortgage debt and to fund development projects. Reinet is working closely with its partners and co-investors in the United States, who have considerable experience in managing such projects, recognising that this is an area where industry knowledge is critical to making the right investment decisions.

VANTERRA FLEX INVESTMENTS L.P.
Amount committed: € 74 million

In March 2010, Reinet entered into an agreement with Vanterra Flex Investments L.P. ('Vanterra'), a newly created fund which was established for the purpose of investing in other listed and unlisted funds and direct investments in the United States and emerging markets. Reinet's commitment is to invest up to US$ 100 million over the life of the fund. As at 31 March 2010, no capital contributions had been made to the fund in respect of this commitment, however, in April 2010, capital contributions totalling US$ 5 million were made.

Vanterra will seek to construct a globally diversified private equity portfolio, providing investors with long-term capital appreciation through private equity funds investments and direct investments.

OTHER UNLISTED INVESTMENTS

Amount committed: € 34 million

In addition, Reinet continues to hold the small portfolio of unlisted investments that it acquired as a consequence of the Richemont restructuring. The portfolio includes small businesses with growth potential as well as investments in specialised investment funds focused on developing markets and niche sectors. This portfolio is valued at its fair value of € 35 million in the balance sheet at 31 March 2010, based on a detailed independent evaluation of each of the investments. Given the difficult economic conditions and the difficulties in raising supplementary funding for development capital investments, Reinet has aggressively marked down the valuations of certain of these investments. During the year under review, two investments were realised.

COMMITTED FUNDS

The table below summarises Reinet's outstanding investment commitments as at 31 March 2010.

	Original commitment € m	Funded in previous year € m	Funded in current year € m	Remaining commitment € m
Trilantic Capital Partners funds(1)	164	–	11	153
US land development and mortgages	74	–	25(2)	49
Vanterra Flex Investments L.P.	74	–	–	74
	312	–	36	276
Other	34	13	6	15
	346	13	42	291

(1) Amounts represent 90 per cent of the initial commitment assumed by Reinet, 10 per cent having been sold during the year.

(2) Shown in the NAV statement as € 23 million in investments and € 2 million in cash.

FEES PAYABLE AND OTHER LIABILITIES, NET OF OTHER ASSETS

Fees payable and other liabilities comprise principally a provision of € 40 million in respect of the potential performance fee payable after 31 March 2011, together with the management fee and other operating expenses currently payable.

The performance fee is only payable if certain conditions are met. Specifically the volume weighted average closing market price of the Company's share on the Luxembourg Stock Exchange over the last 20 trading days prior to 31 March 2011 must exceed € 7.1945. Whilst no performance fee is currently payable and no fee will be payable if the market price would fall below € 7.1945, it is considered prudent to make a pro rata provision at this time, based on the latest available share price information.

The management fee for the year under review amounted to € 17 million, of which € 8 million was payable at 31 March 2010.

REPORT TO THE SHAREHOLDERS

BUSINESS OVERVIEW
CONTINUED

SUMMARISED CONSOLIDATED INCOME STATEMENT

	Year ended 31 March 2010 € m	Six-month period ended 31 March 2009 € m
Financial income	87	5
Operating expenses and transaction-related costs	(23)	(7)
	64	(2)
Realised losses on investments	(2)	–
Unrealised fair value adjustments		
– BAT	689	(66)
– Other investments	(19)	(48)
Provision for performance fee	(40)	–
	692	(116)
Non-recurring items related to the Richemont restructuring in 2008	–	542
Minority interest	(1)	–
Profit attributable to the shareholders of the Company	691	426

Financial income represents the dividend received from BAT, other dividends and interest income received on Reinet Fund's cash and liquid resources. During the year under review, Reinet received € 84 million in dividends from BAT and earned € 3 million on other investments and liquid funds.

Operating expenses include € 17 million in respect of the management fee for the year ended 31 March 2010. The management fee in respect of the period ended 31 March 2009 was waived. Also included are € 2 million in charges from the General Partner and transaction-related expenses, including legal and other advisory fees, amounting to € 2 million.

The investment in BAT increased in value by € 689 million during the year under review. Of this, € 600 million was attributable to the increase in value of the underlying BAT shares in sterling terms and € 89 million arose due to the appreciation of sterling against the euro over the course of the year. The unrealised fair value adjustment in respect of other investments reflects the decision to further write down the carrying value of certain small investments, offset to some extent by increases in the value of others.

A performance fee may become payable after 31 March 2011, if certain conditions are met. As detailed above, a provision of € 40 million has been made during the year under review.

The minority interest arises in respect of a third party's 10 per cent holding of the vehicle which owns the Trilantic interests as described above.

Profit attributable to shareholders for the year amounted to € 691 million.

In the comparative period ended 31 March 2009, Reinet's results were impacted by transactions linked to the restructuring of Richemont. These included the one-off holding gain realised when 90 per cent of Reinet's holding of BAT shares was distributed to shareholders in November 2008, the equity-accounted share of BAT's income for the period from 1 October 2008 up to the date of the distribution of the shares as well as the contribution received from Richemont's luxury goods activities held by Reinet during the period from 1 October 2008 to 20 October 2008, when the current Reinet structure was created. These restructuring-related items were non-recurring and had no impact on Reinet's net income in the year under review.

CASH FLOW

		Year ended 31 March 2010		Six-month period ended 31 March 2009
	€ m	€ m	€ m	€ m
Investing activities				
Government bond fund	(100)		(100)	
Investments made	(71)		(19)	
Proceeds of sale of investments	5	(166)	–	(119)
Dividends, interest and other income received		87		5
Operating and related expenses		(9)		(6)
Net cash outflow		(88)		(120)
Opening cash position	231		1 482	
Less cash flow relating to discontinued operations	–	231	(1 131)	351
Closing cash position		143		231
Liquid funds were held as follows:				
Cash		143		231
Government bond fund		200		100
Total		343		331

An additional € 100 million was added to the euro-denominated government bond fund during the year. In accordance with International Financial Reporting Standards ('IFRS'), this is shown as an investment rather than liquid funds in the balance sheet, notwithstanding that the funds are readily realisable and short-term in nature. These funds are invested principally in short-term French and German bonds. In addition to bank deposits of € 143 million, Reinet held € 200 million on deposit in the government bond fund at 31 March 2010. In total, available liquid funds therefore amounted to € 343 million at the balance sheet date.

Liquid funds increased by € 12 million over the year to € 343 million as the inflow from dividends received from BAT, net of operating expenses, was substantially offset by the amounts invested in new investments.

Investments totalling € 71 million were made during the year, including € 25 million in respect of US real-estate-related opportunities and € 22 million in respect of investments in Trilantic. The balance relates to other unlisted investments. Two small investments were sold during the year, generating proceeds of € 5 million.

Dividends of € 84 million were received from BAT in the year, comprising a final dividend in respect of the 2008 financial year of € 59 million (£ 52 million) and an interim dividend for 2009 of € 25 million (£ 23 million).

Recognising the need to accumulate retained earnings within Reinet Fund and taking into account the uncertain economic environment, the Board of the General Partner believes it prudent not to propose any dividend at this time.

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 ('the Statutes'), both of which may be downloaded from the Reinet website, www.reinet.com. The requirements of the Statutes and the principles set out in the prospectus adequately set out the framework of corporate governance within which Reinet and its management companies operate and no supplementary corporate governance charter has been adopted by the Company.

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

MANAGEMENT

The Company is a partnership limited by shares, which is managed by a General Partner rather than a Board of Directors. 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 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 in compliance with the Company's corporate objects set out in the Statutes except for matters expressly reserved by Luxembourg law or the Statutes to be approved by the general meeting of shareholders. Certain decisions of the General Partner must be approved by the Board of Overseers.

During the year ended 31 March 2010, the Board of Directors of the General Partner met four times. All directors attended all meetings after their date of appointment. The statutes of the General Partner require that the Board of Directors consists of a minimum of three directors.

BOARD OF DIRECTORS OF THE GENERAL PARTNER

The following were directors of the General Partner during the year ended 31 March 2010.

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

Mr Rupert studied economics and company law at the University of Stellenbosch, South Africa 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 Rembrandt Group. Three years later he founded Richemont and became Group Chief Executive. Appointed as Executive Chairman in September 2002, he also served as Group Chief Executive Officer during the period from October 2003 to September 2004. With effect from 1 April 2010, Mr Rupert again serves as Richemont's Group Chief Executive. He is Non-Executive Chairman of Remgro Limited and the Managing Partner of Compagnie Financière Rupert.

Mr Rupert holds honorary doctorates in Economics and in Commerce and was appointed Chancellor of the University of Stellenbosch in 2009.

JOACHIM SCHWENKE
Chief Executive Officer
South African, born 1951
Mr Schwenke was appointed to the Board of Directors in 2008.

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 and has a degree in commerce from the University of Witwatersrand, South Africa and in law from the University of South Africa.

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

Mr Grieve was appointed to the board of directors of Richemont S.A. (the predecessor company to Reinet Investments S.C.A.) in 2004. Mr Grieve holds a degree in business administration from Heriot-Watt University, Edinburgh and is a member of the Institute of Chartered Accountants of Scotland. Prior to joining Richemont's predecessor companies in 1986, he worked with Price Waterhouse & Co (now PricewaterhouseCoopers) and Arthur Young (now Ernst & Young). He served as Company Secretary of Richemont from 1988 until 2004 and is Corporate Affairs director of Richemont. He is a director of various subsidiary companies of CFR SA, a director of Klinik Hirslanden AG, the Swiss subsidiary of the Medi-Clinic organisation and is a founding member of the Laureus Sport for Good Global Foundation.

REPORT TO THE SHAREHOLDERS

CORPORATE GOVERNANCE
CONTINUED

ELOY MICHOTTE
Belgian, born 1948
Mr Michotte was appointed to the Board of Directors in 2008.

Mr Michotte was appointed to the board of directors of Richemont S.A. (the predecessor company to Reinet Investments S.C.A.) in 1988. Mr Michotte graduated in engineering from the University of Louvain in Belgium and holds an MBA from the University of Chicago. He has had an extensive career in international business and finance and worked for Ford, McKinsey & Co and Bankers Trust Company prior to joining Richemont at the time of its formation in 1988. As Head of Corporate Finance for Richemont, Mr Michotte has responsibility, in particular, for mergers and acquisitions and serves on the boards of a number of companies in which Richemont holds an interest, including Net-à-Porter Limited.

All of the above directors of the General Partner were appointed when the Company was established in August 2008. It took up the role of General Partner on 20 October 2008 when the statutes and legal form of Richemont S.A. were amended to establish the Company in its present form.

The following directors were appointed on 15 September 2009:

JOSUA MALHERBE
South African, born 1955
Mr Malherbe qualified as a chartered accountant in South Africa in 1984 having commenced his career with the predecessor firm to PricewaterhouseCoopers. He then joined the Corporate Finance Department of Rand Merchant Bank in 1985 and was a general manager of the Bank before he moved to Rembrandt Group Limited in 1990, also being involved with Richemont at that time.

He was appointed as Director – Investments of Rembrandt in 1993 and served in this position until the formation of VenFin Limited in 2000. He held the position of Chief Executive Officer of Venfin Limited until May 2006 at which time he was appointed as Deputy Chairman. He serves as a director on boards of a number of companies, including Dimension Data Holdings PLC, Sabido Investments (Pty) Limited (the holding company of e.tv) and Remgro Limited.

FREDERICK MOSTERT
South African, born 1959
Dr Mostert holds a masters degree from Columbia University School of Law in New York City and a doctorate from the University of Johannesburg. He is a member of the New York Bar and is a solicitor of England and Wales. He practised corporate law at Shearman and Sterling and international intellectual property law at Fross, Zelnick, Lehrman & Zissu in New York.

He joined Richemont in 1990 and was appointed Chief Counsel to Richemont in March 2010, having formerly been Chief Intellectual Property Counsel.

Dr Mostert is a past President of the International Trademark Association, serves on the Advisory Council of the McCarthy Center for Intellectual Property and Technology Law, is a guest professor at Peking University and a Fellow of the London School of Economics. He is a director of Net-à-Porter Limited, Largenta Limited, 4D Innovative Capital International Limited, The Walpole Committee Limited, Laureus World Sports Awards Limited and Freedom Under Law.

REINET FUND

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

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

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

KURT NAUER
Chief Investment Officer
Swiss, born 1950
Mr Nauer was appointed to the Board of Directors in 2008.

Mr Nauer has many years of experience in banking and international business, having worked with the Cantonal Bank of Zug, Merrill Lynch and the Metro organisation in Switzerland, Canada and Germany. Since joining Richemont's predecessor companies in 1981, he has held various positions in accounting and finance. He was Group Treasurer for Richemont and for its subsidiary, Vendôme Luxury Group S.A., in Luxembourg. He has been a director of various subsidiary companies within Richemont.

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

BOARD COMMITTEES AND MANAGEMENT

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

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

REPORT TO THE SHAREHOLDERS

CORPORATE GOVERNANCE
CONTINUED

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

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

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

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

The members of the initial Board of Overseers who served from 20 October 2008 to 15 September 2009 were:

YVES-ANDRÉ ISTEL, ***American, born 1936***
RUGGERO MAGNONI, ***Italian, born 1951***
ALAN QUASHA, ***American, born 1949***
JÜRGEN SCHREMPP, ***German, born 1944***

The biographies of the former members of the Board of Overseers may be found in the 2009 annual report of the Company, which may be downloaded from the website, www.reinet.com.

The mandate of each of the members of the initial Board of Overseers of the Company ended at the Annual General Meeting ('AGM') held on 15 September 2009 in accordance with the terms of their election.

At the AGM held on 15 September 2009, the following new members of the Board of Overseers were appointed:

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

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

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

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

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

During the year under review, the Board of Overseers met formally on five occasions. The Board of Overseers met subsequent to the year-end on 14 April 2010 to approve the Fund NAV and on 17 May 2010 to consider and approve the financial statements of the Company and the consolidated financial statements of Reinet.

REPORT TO THE SHAREHOLDERS

CORPORATE GOVERNANCE
CONTINUED

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 Statutes.

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

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

REMUNERATION

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

No fees were paid to the members of the initial Board of Overseers during the period ended 15 September 2009. The payment of an annual compensation of € 40 000 per annum to each of the new members of the Board of Overseers was approved at the AGM held on 15 September 2009. Fees of € 20 000 were paid to each of the new members of the Board of Overseers in the six-month period ended 31 March 2010.

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 has been recovered from the General Partner and the Fund Manager and therefore indirectly from the Company and the Fund. With effect from 1 April 2010, separate employment arrangements in respect of their Richemont and Reinet duties apply in respect of those individuals having roles within both organisations.

During the year under review, CFR SA charged € 0.9 million to the General Partner and € 2.1 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.

SHAREHOLDINGS AND LOANS

Details of shareholdings by members of the Board of Directors of the General Partner and the Board of Overseers are given in note 17 to the consolidated financial statements on page 45 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 (the 'Investment Advisor') not to trade in the Company's securities during closed periods in advance of the release of financial information in respect of the Company or at other times when they may be in possession of price-sensitive information. Approval to buy or sell securities is required from the Chairman of the General Partner and transactions by members of the Board of Directors of the General Partner and the Board of Overseers are disclosed through the regulatory mechanism operated by the Luxembourg financial sector regulator and on the Company's website.

There were no loans outstanding to members of the Board of Directors of the General Partner or the Board of Overseers during the year or at 31 March 2010.

At 31 March 2010, the Company owed € 0.6 million to the General Partner and Reinet Fund was owed € 0.1 million by the Fund Manager.

SIGNIFICANT AGREEMENTS

The Company is managed by its General Partner. The Company reimburses the General Partner for its expenses incurred in the ordinary course of business, including but not limited to the remuneration of its staff, taxes, rentals, directors' fees and any other disbursements, and pays an annual administration fee equal to 10 per cent of such expenses. During the period ended 31 March 2010, the Company paid € 1.5 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 reimburses the Fund Manager for its expenses incurred in the ordinary course of business including but not limited to the remuneration of its staff, taxes, rentals, directors' fees and any other disbursements. Any such amounts payable to the Fund Manager are deductible from any management fees payable to the Investment Advisor.

Under the terms of the Investment Advisory Agreement dated 9 October 2008 between the Fund and the Investment Advisor, the Fund pays both management fees and performance fees to the Investment Advisor.

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

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

REPORT TO THE SHAREHOLDERS

CORPORATE GOVERNANCE
CONTINUED

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

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

The management fee for the year under review amounted to € 17 million.

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.

The first performance fee is payable if due on 31 March 2011. No fee will be payable if the volume weighted average market price in March 2011 would be below the Initial Price.

As detailed in note 16 to the financial statements, a provision of € 40 million has been made in respect of the performance fee in the year under review.

CONFLICTS OF INTEREST

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

Specifically, it is expected that any investments in luxury goods businesses will be made by CFR SA.

* as defined in the Reinet Prospectus, published on 10 October 2008.

CAPITAL STRUCTURE

At 31 March 2010, 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 2010 was 195 942 286.

The ordinary shares are freely transferable. In accordance with the Statutes 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 Statutes.

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

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.

REPORT TO THE SHAREHOLDERS

CORPORATE GOVERNANCE
CONTINUED

DRs trade in the ratio of ten DRs to each Company share. The terms and conditions applicable to DRs are set out in the Deposit Agreement entered into between 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' meetings 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 shareholders' 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. In February 2010, Mr Johann Rupert informed the Company that he had purchased 403,394 shares. Parties affiliated to the Anton Rupert Trust now hold a total of 48.3 million Reinet Investments S.C.A. shares representing 24.65 per cent of the Company's share capital.

On 6 May 2010, the Public Investment Corporation ('PIC'), a South African institution, notified the Company that it held the equivalent of 15.06 per cent of the shares and voting rights in the Company in the form of DRs.

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

SHAREHOLDERS' MEETINGS AND VOTING RIGHTS

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

Other than as required by law, resolutions to be approved at a meeting of shareholders will be passed by an absolute majority of those present and voting. There is no quorum requirement for a meeting convened to consider the business ordinarily to be considered by a shareholder meeting. The business ordinarily to be considered at a shareholder meeting is the approval of the 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 of the Company was held on 15 September 2009. Out of a total of 195 941 286 ordinary shares and 1 000 management shares in issue, a total of 144 009 381 ordinary shares (some 73 per cent of the total) and all the 1 000 management shares were represented by proxy at that meeting. The proposals of the General Partner in respect of the agenda to be considered at the meeting were approved by an overwhelming majority of the votes represented at the meeting.

In accordance with the Statutes, a record date for the admission to a general meeting may be set. The Statutes further provide that certificates of the shareholdings and proxies be received by the Company a certain time before the date of the relevant meeting. In accordance with the Statutes, the General Partner may determine such other conditions that must be fulfilled by shareholders for them to take part in any meeting of shareholders in person or by proxy.

The notice of the 2010 Annual General Meeting of shareholders is given on pages 57 and 58 of this report.

REPORT TO THE SHAREHOLDERS

CORPORATE GOVERNANCE
CONTINUED

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

The Company is subject to certain financial risks which are discussed in note 4 to the consolidated financial statements on page 33 of this report.

INFORMATION POLICY

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

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

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

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

In addition, the Company publishes the Fund's Net Asset Value statements within ten business days of each quarter end. These statements are also available on the website.

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

AUDITORS

The annual consolidated accounts as well as the entity accounts of the Company for the accounting year ended 31 March 2010 were audited by PricewaterhouseCoopers S.à r.l. Réviseur d'entreprises agréé, Luxembourg. 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 IFRS as adopted by the European Union and give a true and fair view of the consolidated assets, liabilities, financial position and profit of the Company and its subsidiaries taken as a whole;

2. This report includes a fair review of the development and performance of the business and position of the Company and its subsidiaries taken as a whole.

The consolidated financial statements for the year ended 31 March 2010 on pages 24 to 47 of this 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

24 May 2010

REPORT OF THE BOARD OF OVERSEERS

Pursuant to Articles 103 and 62 of the Luxembourg company law and Article 18 of the Statutes of the Company, we hereby report to the shareholders' meeting in respect of the accounting period ended 31 March 2010 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 auditor, PricewaterhouseCoopers S.à r.l., Luxembourg, in accordance with international standards on auditing. The independent auditor's report on the financial statements of the Company and on the consolidated financial statements are presented on page 56 and page 48 of this report, respectively.

We refer to those financial statements, which we have reviewed and discussed with the independent auditor, 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.

17 May 2010

FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

	Note	31 March 2010 € m	31 March 2009 € m
ASSETS			
Non-current assets			
Financial assets at fair value through profit and loss	*4, 7*	2 251	1 517
		2 251	1 517
Current assets			
Trade and other receivables	*8*	–	2
Financial assets at fair value through profit and loss	*4, 7*	200	100
Cash and cash equivalents	*4, 9*	143	231
		343	333
Total assets		2 594	1 850
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	*10*	220	220
Share premium		770	770
Non-distributable reserve	*11*	22	793
Cumulative translation adjustment reserve		(203)	(203)
Retained earnings		1 728	266
		2 537	1 846
Minority interest		2	–
Total equity		2 539	1 846
LIABILITIES			
Current liabilities			
Trade and other payables	*12*	12	–
Accruals and provisions	*16*	43	4
Total liabilities		55	4
Total equity and liabilities		2 594	1 850

The notes on pages 28 to 47 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 March 2010 € m	Six-month period ended 31 March 2009 € m
Income			
Dividend and investment income	*14*	86	1
Interest income	*14*	1	4
Income from associated undertakings		–	46
Net change in the fair value of financial assets and financial liabilities at fair value through profit and loss	*7*	668	–
Recognition of holding gain – in respect of the interest in British American Tobacco p.l.c. ('BAT')		–	530
Total income		755	581
Expenses			
Management fee	*15*	13	–
Custodian, secretarial and administration fees	*15*	8	3
Provision for performance fee	*16*	40	–
Transaction costs		2	3
Net change in the fair value of financial assets and financial liabilities at fair value through profit and loss	*7*	–	114
Recycling of cumulative translation adjustment		–	55
Other operating expenses		–	3
Total expenses		63	178
Profit from continuing operations		692	403
Net result of operations discontinued during the period – luxury businesses		–	23
Profit for the year / period		692	426
Other comprehensive income			
Currency translation adjustment		–	128
Total comprehensive income		692	554
Attributable to:			
– owners of the parent		691	554
– minority interest		1	–
Total comprehensive income		692	554
Profit from continuing operations		692	403
Attributable to:			
– owners of the parent		691	403
– minority interest		1	–
		692	403
Earnings per share from continuing operations			
– basic and diluted	*13*	€ 3.53	€ 2.39
Profit for the year / period		692	426
Attributable to:			
– owners of the parent		691	426
– minority interest		1	–
		692	426
Earnings per share from profit for the year / period			
– basic and diluted	*13*	€ 3.53	€ 2.53

The notes on pages 28 to 47 are an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to equity holders								
	Equity holders' capital € m	Non-distributable reserve € 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 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)
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
Currency translation	–	–	–	–	(220)	–	(220)	–	(220)
Net result of continuing operations	–	–	–	–	–	403	403	–	403
Balance at 31 March 2009	990	793	–	–	(203)	266	1 846	–	1 846
Transfer from non-distributable reserve	–	(771)	–	–	–	771	–	–	–
Minority interest arising on sale of 10% of a subsidiary	–	–	–	–	–	–	–	1	1
Profit attributable to the shareholders	–	–	–	–	–	691	691	1	692
Balance at 31 March 2010	990	22	–	–	(203)	1 728	2 537	2	2 539

Items highlighted in grey above relate to the restructuring and the rights issue in 2008.

The notes on pages 28 to 47 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

	Note	Year ended 31 March 2010 € m	Six-month period ended 31 March 2009 € m
Cash flows from operating activities and investing activities			
Purchase of non-current financial assets	*7*	(71)	(19)
Purchase of current financial assets	*7*	(100)	(100)
Proceeds from sale of financial assets		5	–
Dividends and investment income received	*14*	86	1
Interest received	*14*	1	4
Operating expenses paid		(9)	(6)
Net cash used in operating activities		(88)	(120)
Cash flow related to discontinued operations and capital reduction		–	(1 131)
Net decrease in cash and cash equivalents		(88)	(1 251)
Cash and cash equivalents at beginning of the year / period		231	1 482
Cash and cash equivalents at end of the year / period		143	231

The notes on pages 28 to 47 are an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1 STATUS

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

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

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' or 'the 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 Fund Manager 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. The Fund is advised by Reinet Investment Advisors Limited (the 'Investment Advisor') under the terms of the Investment Advisory Agreement.

The Company and Reinet Fund together with the Fund's subsidiaries are referred to as 'Reinet'.

1.2 SECURITIES LISTINGS AND TRADING

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

1.3 APPROVAL OF THESE FINANCIAL STATEMENTS

These consolidated financial statements have been approved by the Board of Overseers on 17 May 2010 and by the Board of Directors of the General Partner on 24 May 2010.

2. INTERNATIONAL FINANCIAL REPORTING STANDARDS

As part of its ongoing programme, the International Accounting Standards Board ('IASB') has issued new or revised International Financial Reporting Standards ('IFRS') during the period covered by these financial statements; where relevant, all such IFRS have been applied in the preparation of these financial statements. The IASB has also issued additional IFRS and interpretations thereof which will become effective in due course.

The following new standards and amendments to standards have been implemented for the financial year beginning 1 April 2009:

– IAS 1 (revised), *Presentation of financial statements* – effective 1 January 2009. The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income. As a result, Reinet has adopted a single consolidated statement of comprehensive income. Comparative information has been re-presented so that it also is in conformity with the revised standard. As the change in accounting policy only impacts presentation aspects, there is no impact on earnings.

2. INTERNATIONAL FINANCIAL REPORTING STANDARDS CONTINUED

- IFRS 7 (amendment), *Financial instruments – Disclosures* – effective 1 January 2009. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. As the change in accounting policy only results in additional disclosures, there is no impact on earnings.
- IFRS 8, *Operating segments*. Reinet is required to report financial and descriptive information about its reportable segments. A 'management approach' is to be used under which segment information is presented on the same basis as that used for internal reporting purposes.

Certain new accounting standards issued by IASB and new interpretations issued by the International Financial Reporting Interpretations Committee are not yet effective for the year ended 31 March 2010 and have not been applied in preparing these consolidated financial statements.

- IFRS 9, *Financial instruments* – effective for financial reporting periods commencing on or after 1 January 2013.
- IAS 1 (amendment), *Presentation of financial statements* – effective for financial reporting periods commencing on or after 1 January 2010.
- IFRIC 19, *Extinguishment of financial liabilities with equity instruments* – effective for reporting periods beginning on or after 1 February 2010.
- IAS 24 (amendment), *Related party disclosures* – effective on or after 1 January 2011.
- IAS 27 (revised), *Consolidated and separate financial statements* – effective from 1 July 2009.
- IFRS 3 (revised), *Business combinations* – effective from 1 July 2009.

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 comparative figures presented are for the six months ended 31 March 2009. Due to the reorganisation noted in 1.1 above, full-year comparative figures are not available. It should be noted, however, that the figures for the six-month period ended 31 March 2009 include certain specific, non-recurring items linked to the restructuring; these amounts are shown separately in the consolidated statement of comprehensive income and in the statement of changes in equity.

The comparative figures include results for the luxury goods operations of Richemont for the period 1 October to 20 October 2009. 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 the financial statements contained in pages 43 to 45 of the 2009 annual report and are not included here due to their immaterial and non-recurrent nature.

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

3.1 BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit and loss.

The financial statements are prepared in accordance with IFRS as issued by the 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.

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 Reinet 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 Reinet controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to Reinet. 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 Reinet. 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 Reinet'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 statement of comprehensive income. 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 Reinet.

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 Reinet 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. Reinet's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss. Reinet's share of its associates' post-acquisition profits or losses is recognised in the statement of comprehensive income, 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 Reinet's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, Reinet does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between Reinet and its associates are eliminated to the extent of Reinet'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 Reinet. Dilution gains and losses arising on investments in associates are recognised in the statement of comprehensive income.

(c) Minority interests

Reinet applies a policy of treating transactions with minority interests as transactions with external parties.

3.3 FOREIGN CURRENCY TRANSLATION

(a) Functional and presentation currency

The primary activity of the Fund 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'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 statement of comprehensive income.

Foreign exchange gains and losses relating to cash and cash equivalents are included in the statement of comprehensive income within 'Dividend and investment income'.

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

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

(a) Classification

Reinet classifies its investments in debt and equity securities, as financial assets held at fair value through profit and loss.

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

3.4.1 Financial assets and liabilities held for trading

A financial asset 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.

3.4.2 Financial assets designated at fair value through profit and loss at inception

Financial assets designated at fair value through profit and 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 to evaluate the information about these financial assets 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 12 months from the balance sheet date. Long-term assets are those where no realisation is currently expected within a 12-month time period from the balance sheet date.

(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 held at fair value through profit and loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(c) Fair value estimation

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

The fair value of financial assets that are not traded in an active market is determined by the Fund Manager by 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.

For recent investments in unquoted investments in the last 12 months, cost is normally considered to be the best estimate of fair value in the absence of any indications to the contrary (in accordance with the European Private Equity and Venture Capital Association guidelines issued in September 2009).

3.5 SEGMENT REPORTING

Segments are reported in a manner consistent with the internal reporting provided in respect of the Fund to the Fund Manager.

3.6 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.

3.7 NON-IFRS DISCLOSURES

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

Due to the secondary listing of the ordinary shares of Reinet Investments S.C.A. on the exchange operated by the JSE Limited ('JSE') in South Africa, Reinet is required to present 'headline' earnings per share and diluted 'headline' earnings per share, as alternative measures of earnings per share, calculated in accordance with Circular 8/2007 'Headline Earnings' issued by the South African Institute of Chartered Accountants. This is shown on page 42.

3.8 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.

3.9 TRADE AND OTHER RECEIVABLES

Trade and other receivables are carried at fair value.

3.10 ACCRUED EXPENSES

Accrued expenses are recognised at fair value.

3.11 DIVIDEND INCOME

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

3.12 INTEREST INCOME

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

3.13 TRANSACTION COSTS

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3.14 PERFORMANCE FEE

Reinet is committed to pay a performance fee calculated by reference to the volume weighted average closing share price of Reinet Investments S.C.A. Where the price to be used for the calculation of the performance fee is to be determined at some point in the future, the Board of the General Partner will make a best estimate of any potential liability in respect of the fee payable based on the latest available market price and taking into account the period remaining before the fee will be payable.

3.15 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 statement of comprehensive income 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. Reinet'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. Reinet's liability for deferred tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

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 including market risk (i.e. currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Fund Manager seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on 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 management of these risks is carried out by the Fund Manager.

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

4.1.1 MARKET RISK

(a) Price risk

Reinet is exposed to equity securities 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 into euros 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 Fund Manager. It is expected that this policy will be implemented on a measured basis, over a period of time.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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4. FINANCIAL RISKS CONTINUED

At 31 March 2010, the fair value of equities exposed to price risk were as follows:

Equity securities designated at fair value through profit and loss	31 March 2010 Fair value € m	31 March 2009 Fair value € m
Held for trading as current assets	200	100
Held as long-term assets	2 251	1 517
	2 451	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 2010, Reinet's overall exposure to price risk was as follows:

	31 March 2010 € m	31 March 2009 € m
Net equity securities	2 251	1 517
Total exposure to price risk from equities	2 251	1 517

During the period ended 31 March 2010 and 31 March 2009, Reinet's exposure to various industry sectors was principally in respect of its investment in BAT. This represented some 85 per cent of the net asset value of Reinet as at 31 March 2010 (2009: 80 per cent).

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 2010 and 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 2010 and 31 March 2009.

	31 March 2010 € m	31 March 2009 € m
Effect on net assets attributable to shares of a 10% increase or decrease in the share price	216	147

(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. The Fund Manager, 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.

4. FINANCIAL RISKS CONTINUED

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 assets and liabilities by currency:

	USD		GBP		EURO	
	2010 € m	2009 € m	2010 € m	2009 € m	2010 € m	2009 € m
Assets						
Monetary assets	13	2	–	–	330	332
Non-monetary assets	75	42	2 159	1 471	17	4
Liabilities						
Monetary liabilities	4	1	2	–	49	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 the Fund Manager 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 2010 and 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 held at fair value through profit and loss.

Movement in each currency against euro:

	31 March 2010 Increase or decrease € m	31 March 2009 Increase or decrease € m
Pounds sterling		
Monetary	–	–
Non-monetary	108	74
US dollar		
Monetary	1	–
Non-monetary	4	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 flows. Reinet may hold fixed interest securities that expose Reinet to fair value interest rate risk.

As at 31 March 2010 and 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 bank deposits and other short-term investments. Reinet is also exposed to counterparty credit risk on 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.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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4. FINANCIAL RISKS CONTINUED

Banks by rating category (Moody's)

	31 March 2010		31 March 2009	
	€ m	%	€ m	%
Aa1	1	1	–	–
Aa2	81	56	115	50
Aa3	1	1	–	–
A1	–	–	116	50
A2	60	42	–	–
Total	143	100	231	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.

4.1.3 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.

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

4.2 CAPITAL RISK MANAGEMENT

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

4.3 FAIR VALUE ESTIMATION

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

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange and those prices represent actual and regularly occurring market transactions on an arm's-length basis.

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. Reinet uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet.

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-specifics inputs. Recent investments in unquoted investments are carried at cost, which is considered to be the best estimate of fair value.

Reinet adopted the amendment to IFRS 7, effective 1 April 2009. This requires Reinet to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

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

4. FINANCIAL RISKS CONTINUED

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

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

The following table analyses, within the fair value hierarchy, Reinet’s financial assets measured at fair value at 31 March 2010:

Assets	Level 1 € m	Level 2 € m	Level 3 € m	Total € m
Financial assets held for trading:				
Equity securities	200	–	–	200
Financial assets designated at fair value through profit or loss at inception:				
Equity securities	2 164	–	87	2 251
Total financial assets	2 364	–	87	2 451

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

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

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. Level 3 instruments include unlisted investments. As observable prices are not available for these securities, Reinet has used valuation techniques to derive the fair value.

The following table presents the movement in level 3 instruments for the year ended 31 March 2010:

	Total € m
Opening balance	46
Purchases	71
Sales	(5)
Transfers into level 3	–
Gains and losses recognised in profit and loss	(25)
Closing balance	**87**
Total gains or losses for the year included in the statement of comprehensive income for assets held at the end of the year	(23)

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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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.

Performance fee

Reinet is committed to pay a performance fee (see note 16) calculated by reference to the volume weighted average closing share price of Reinet Investments S.C.A. Where the price to be used for the calculation of the performance fee is to be determined at some point in the future, the Board of the General Partner will make a best estimate of any potential liability in respect of the fee payable based on the latest available market price and taking into account the period remaining before the fee will be payable.

Using the closing price of the Reinet share of € 10.99 on 21 May 2010, a provision of € 40 million has been made in these financial statements, being approximately one-half of the amount which would become payable after 31 March 2011 if the share price would remain at this level.

The following sensitivity analysis illustrates the change in the Company's share price and the resultant performance fee that would be payable. The table presents actual data at three dates and the effect of a hypothetical 10 per cent deterioration in each of the key factors from 21 May 2010:

	Actual 31 March 2009	Actual 31 March 2010	Actual 21 May 2010	Effect of a 10% change
BAT share price (£)	16.13	22.72	19.77	17.79
Euro / GBP rate	0.9248	0.8870	0.8687	0.9556
NAV per share (€)	9.42	13.14	12.31	10.52
Discount rate (%)	26.23	9.04	10.69	11.76
Reinet share price (€)	6.95	11.95	10.99	9.29
Initial price (€)	7.1945	7.1945	7.1945	7.1945
Performance fee (€ m)	nil	93.2	74.4	41.0
Provision (€ m)	nil	40.0	40.0	40.0

5.2 CRITICAL JUDGEMENTS

Functional currency

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

6. SEGMENT INFORMATION

Segment reporting is prepared at the level of the Fund.

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

The Fund considers its investment portfolio as three distinct segments, i.e. listed investments, unlisted investments and cash and liquid funds.

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

6. SEGMENT INFORMATION CONTINUED

The asset allocation between the segments is as follows:

	31 March 2010 € m	31 March 2009 € m
Segment		
Listed investments		
BAT	2 159	1 470
Other	5	1
Cash and liquid funds	343	331
Unlisted investments	87	46
	2 594	1 848

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

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

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

	31 March 2010 € m	31 March 2009 € m
Total segment assets	2 594	1 848
Other assets	–	2
Total assets	2 594	1 850

Other assets include trade and other receivables.

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

	31 March 2010 € m	31 March 2009 € m
Financial assets held at fair value through profit and loss – non-current:		
Listed investments	2 164	1 471
Unlisted investments	87	46
Total financial assets held at fair value through profit and loss – non-current	2 251	1 517
Financial assets held at fair value through profit and loss – current		
Investment in euro-denominated government bond fund	200	100
Total financial assets at fair value through profit and loss	2 451	1 617
Net changes in fair value on financial assets at fair value through profit and loss:		
Realised	(2)	–
Unrealised	670	(114)
Total gains (losses)	668	(114)

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

7. FINANCIAL ASSETS HELD 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:

Non-current financial assets		€ m
Balance at 30 September 2008		82
Distributed to shareholders as part of the ordinary share capital redemption on 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
Investments in non-current assets – Unlisted investments		**71**
Sales proceeds		**(5)**
Fair value movements		**668**
Balance at 31 March 2010		**2 251**

Current financial assets	€ m
Balance at 31 March 2009	100
Investment in euro-denominated government bond fund	**100**
Balance at 31 March 2010	**200**

The portfolio of the euro-denominated government bond fund as at 31 March 2010 and 31 March 2009 consisted of short-term (i.e. 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. These investments are considered to be equity instruments categorised as financial assets at fair value through profit and 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 represented a loan made to a company in which Reinet subsequently made an equity investment.

9. CASH AND CASH EQUIVALENTS

	31 March 2010 € m	31 March 2009 € m
Short-term deposits	143	231

10. SHARE CAPITAL

ORDINARY SHARE CAPITAL	31 March 2010 € m	31 March 2009 € m
Authorised capital		
999 999 000 ordinary shares with no par value	1 123	1 123
Issued capital		
195 941 286 ordinary shares issued and fully paid	220	220

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

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

The ordinary shares are listed on the Luxembourg Stock Exchange.

MANAGEMENT SHARE CAPITAL	31 March 2010 € 000's	31 March 2009 € 000's
Authorised capital		
1 000 shares with no par value	1	1
Issued capital		
1 000 shares issued and fully paid	1	1

The management shares are held by the General Partner and confer the same rights with regard to voting, dividends and the distribution of assets on liquidation as the ordinary shares. In addition, as 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.

11. NON-DISTRIBUTABLE RESERVES

The legal reserve amounting to € 22 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 € 771 million pursuant to the restructuring steps effected in October and November 2008. Following the approval of the shareholders at the 2009 annual meeting, this amount was transferred back to retained earnings.

12. TRADE AND OTHER PAYABLES

The balance payable includes the management fee payable to the Investment Advisor of € 8 million as at 31 March 2010 (2009: € nil).

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13. EARNINGS PER SHARE

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

	Realised € m	Unrealised € m	31 March 2010 € m	31 March 2009 € m
Profit for the year / period from continuing operations	62	629	691	403
Profit for the year / period from discontinued operations	–	–	–	23
Profit for the year / period	62	629	691	426
Weighted average number of ordinary shares in issue (millions of shares)	195.9	195.9	195.9	168.6
Earnings per share from continuing operations – basic and diluted (€ per share)	€ 0.32	€ 3.21	€ 3.53	€ 2.39
Earnings per share from profit for the year / period – basic and diluted (€ per share)	€ 0.32	€ 3.21	€ 3.53	€ 2.53

The Company has not issued any shares or other instruments that are considered to have dilutive potential. There were no movements in the year ended 31 March 2010. For the period ended 31 March 2009, 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 in November 2008 and the rights issue in December 2008.

The presentation of headline earnings per share, as an alternative measure of earnings per share, is mandated under the JSE Listing Requirements. It is calculated in accordance with Circular 8/2007 'Headline Earnings', as issued by the South African Institute of Chartered Accountants.

Headline earnings per share are calculated by taking the following adjustments into account:

	31 March 2010	31 March 2009
Unadjusted earnings per share	€ 3.53	€ 2.53
Effect of gains on disposal of businesses and trademarks	–	(0.14)
Headline earnings per share	€ 3.53	€ 2.39

14. FINANCIAL INCOME AND EXPENSE

	31 March 2010 € m	31 March 2009 € m
Dividend and other investment income	86	1
Interest income arising from cash and cash equivalents	1	4
	87	5

During the year ended 31 March 2010, Reinet Fund received a final dividend in respect of the 2008 financial year of € 58.8 million (£ 51.9 million) and an interim dividend for 2009 of € 25.5 million (£ 23.5 million) from BAT.

Other dividends and investment income amounted to € 1.9 million (2009: € 1.0 million).

During the period ended 31 March 2009, the Company 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.

15. MANAGEMENT FEE, ADMINISTRATION FEE AND REIMBURSEMENT OF EXPENSES

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

During the year ended 31 March 2010, the Company paid € 1.5 million (2009: € 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 reimburses the Fund Manager for its expenses incurred in the ordinary course of business including but not limited to the remuneration of its staff, taxes, rentals, directors' fees and any other disbursements. Any such amounts payable to the Fund Manager are deductible from any management fees payable to the Investment Advisor in respect of any accounting period.

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

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

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

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

MANAGEMENT FEE PAYABLE	31 March 2010 € m	31 March 2009 € m
Investment Advisor	12.9	–
Fund Manager	4.4	1.3
Total management fee	17.3	1.3

16. ACCRUALS AND PROVISIONS

	31 March 2010 € m	31 March 2009 € m
Accruals	3	4
Provision for performance fee	40	–
	43	4

As detailed in note 17, Reinet Fund may, if certain conditions are met, be liable to pay a performance fee to the Investment Advisor in respect of the first Performance Measurement Period* ending on 31 March 2011. The level of any performance fee payable will be determined by reference to the volume weighted average closing price of the Reinet Investments S.C.A. share on the Luxembourg Stock Exchange over the last 20 trading days prior to 31 March 2011, compared to the Initial Price* of € 7.1945.

The level of any performance fee payable currently cannot be determined exactly and no fee will be payable if the volume weighted average price in March 2011 would be below the Initial Price.

The performance fee is payable together with the management fee in terms of the Investment Advisory Agreement which compensates the Investment Advisor for the provision of services which include identifying potential investment opportunities, identifying potential disposals, monitoring investee companies and various other ancillary services.

* as defined in the Reinet Prospectus, published on 10 October 2008.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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16. ACCRUALS AND PROVISIONS CONTINUED

The recognition and measurement of this liability are described in the critical accounting estimates outlined in note 5.1, above. The first Performance Measurement Period is from 22 December 2008 to 31 March 2011.

The liability being recognised is the amount that the Company is liable to pay as a result of the Investment Advisory Agreement for services rendered by the Investment Advisor and accordingly, the amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of 31 March 2010. The Board of the General Partner considers that only a portion of the total is an expected outflow as a liability at the reporting date (time weighted amount) and, therefore, a provision of € 40 million is considered as the best estimate of the present obligation.

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

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 the Fund, in respect of the periods ended 31 March 2010 and 31 March 2009. CFR SA is not responsible in any way for the services provided by the executives concerned to Reinet. During this coming year, separate contracts of employment will be established for these executives.

SIGNIFICANT SHAREHOLDERS

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

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

	31 March 2009	Redeemed per capital reduction	Acquired during the year	Sold during the year	**31 March 2010**
Number of shares	47 908 782	–	403 394	–	**48 312 176**

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

On 6 May 2010, the Public Investment Corporation ('PIC') notified the Company that it held 15.06 per cent of the shares and voting rights in the Company.

MANAGEMENT AND ADVISORY 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 15, 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 wholly-owned subsidiary, Reinet Fund, is managed by the Fund Manager. As set out in note 15, Reinet Fund reimburses those expenses incurred by the Fund Manager. Amounts reimbursed to the Fund Manager are deducted from any management fees payable to the Investment Advisor by the Fund.

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.

17. RELATED-PARTY TRANSACTIONS CONTINUED

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.

The first performance fee is payable, if due, on 31 March 2011. No fee will be payable if the volume weighted average market price in March 2011 would be below the Initial Price.

As detailed in note 16, a provision of € 40 million has been made at 31 March 2010.

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

BOARDS OF THE GENERAL PARTNER AND THE FUND MANAGER

Members of the Boards of Directors of the General Partner and the Fund Manager are considered to be related parties. Details of the Boards of Directors are set out in the corporate governance report on pages 9 to 11 of this annual report.

KEY SHAREHOLDINGS

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

	31 March 2009	Redeemed per capital reduction	Acquired during the year(1)	Sold during the year	**31 March 2010**
Number of shares	16 365	–	60 984	–	**77 349**

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

(1) The shares acquired during the year represent holdings of the two new directors at the date they joined the Board of Directors of the General Partner and the Fund Manager.

BOARD OF OVERSEERS

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

Fees of € 20 000 per board member were paid to the new Board of Overseers in respect of the period ended 31 March 2010 (2009: € nil).

Aggregate shareholdings of the members of the Board of Overseers

	31 March 2009	Redeemed per capital reduction	Acquired during the year(1)	Sold during the year(2)	**31 March 2010**
Number of shares	40 000	–	44 309	(40 000)	**44 309**

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

(1) The shares acquired during the year represent holdings of the new Board members at the date they joined the Board of Overseers.

(2) The shares sold during the year represent the holdings of the former members of the Board of Overseers when they left the Board.

* as defined in the Reinet Prospectus, published on 10 October 2008.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

17. RELATED-PARTY TRANSACTIONS CONTINUED

OTHER RELATED PARTIES

Reinet has also identified Remgro Limited, a public company incorporated in South Africa, as a related party.

TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Compagnie Financière Richemont SA (CFR SA)

	31 March 2010 € m	31 March 2009 € m
Distribution of the luxury assets pursuant to the capital reduction of 20 October 2008	–	3 531
Expenses charged by CFR SA to Reinet during the period	–	0.4
Balance payable by Reinet to CFR SA	–	0.4

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

	31 March 2010 € m	31 March 2009 € m
Expenses charged by the General Partner to the Company during the period	1.4	0.4
Administration fee for the period	0.1	0.1
Balance payable by the Company to the General Partner	0.5	0.5

Included in the amount charged by the General Partner are charges of € 0.9 million (2009: € 0.3 million) from CFR SA in respect of staff seconded to the General Partner.

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

	31 March 2010 € m	31 March 2009 € m
Expenses charged to the Fund during the period	4.4	1.3
Balance (receivable) / payable by the Fund (from) / to the Fund Manager	(0.1)	0.9

Included in the amount charged by the Fund Manager are charges of € 2.1 million (2009: € 0.5 million) from CFR SA in respect of staff seconded to the Fund Manager.

Reinet Investment Advisors Limited (the Investment Advisor)

	31 March 2010 € m	31 March 2009 € m
Management fee charged during the period	12.9	–
Performance fee paid by the Fund during the period	–	–
Balance payable by the Fund to the Investment Advisor	8.0	–

No fees were charged or paid to significant shareholders or to Remgro Limited during the period and no balances were outstanding with these parties at 31 March 2010.

18. AUDIT AND OTHER FEES PAID TO PRICEWATERHOUSECOOPERS S.À R.L.

Fees for the year ended 31 March 2010 billed and unbilled by PricewaterhouseCoopers S.à r.l., Luxembourg and other member firms of the PricewaterhouseCoopers network, which relate to the audit of the consolidated and individual company accounts, amounted to € 0.3 million.

Fees for the six months ended 31 March 2009 from PricewaterhouseCoopers S.à r.l., Luxembourg and other member firms of the PricewaterhouseCoopers network amounted to € 0.3 million.

Such fees are presented under ‘custodian, secretarial and administration fees’ in the statement of comprehensive income.

19. CAPITAL COMMITMENTS

At 31 March 2010, Reinet had committed to invest a further € 291 million (2009: € 16 million) in unlisted investments.

20. DIVIDEND PAYABLE

Recognising the need to accumulate retained earnings within Reinet Fund and taking into account the uncertain economic environment, the Board of the General Partner believes it prudent not to propose any dividend at this time.

21. SUBSEQUENT EVENTS

As at 31 March 2010, no capital contributions had been made in respect of the commitment to Vanterra Flex Investments L.P., however, in April 2010 capital contributions totalling US$ 5 million were made.

Reinet received a final dividend of approximately £ 60 million from its investment in BAT. The dividend was approved by the shareholders of BAT on 28 April 2010 and was paid on 6 May 2010.

Reflecting the commitment made when Reinet initially invested in Trilantic, funds in which Mr Quasha is an investor and has a management role (including Vanterra Flex Investments L.P.) will, during the year ahead, acquire a 15 per cent interest in the Reinet subsidiary company which holds the Trilantic investment. The acquiring funds will also contribute their pro-rata share of the capital calls received from Trilantic, thus further reducing Reinet's commitment to Trilantic.

22. SCOPE OF THE CONSOLIDATION

Companies included within the scope of the consolidation:

Name	Domicile	Percentage held
Parent company:		
Reinet Investments S.C.A.	Luxembourg	
Subsidiaries:		
Reinet Fund S.C.A., F.I.S.	Luxembourg	100 %
Columbus VC S.A.	Luxembourg	100 %
J & R Investments Ltd	British Virgin Islands	100 %
Reinet S.à r.l.	Luxembourg	100 %
Reinet GmbH	Switzerland	100 %
Reinet Jersey Holdings Ltd	Jersey, Channel Islands	100 %
Reinet Limited	United Kingdom	100 %
Reinet TCP Holdings Limited	Jersey, Channel Islands	90 %
Reinet Stokes Holdings S.A.	Luxembourg	100 %
RSF S.A.	Luxembourg	100 %
Reinet Flex Holdings Limited	Jersey, Channel Islands	100 %
Associates:		
Richemont Securities AG	Switzerland	50 %

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated financial statements of Reinet Investments S.C.A. and its subsidiaries (the 'Group'), which comprise the consolidated balance sheet as at 31 March 2010, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year 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 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.

Responsibility of the 'Réviseur d'entreprises agréé'
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the 'Commission de Surveillance du Secteur Financier'. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 judgement of the 'Réviseur d'entreprises agréé', including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the 'Réviseur d'entreprises agréé' considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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, these consolidated financial statements give a true and fair view of the consolidated financial position of the Group as of 31 March 2010, and of its consolidated financial performance and its consolidated cash flow for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements
The Shareholders' report, which is the responsibility of the Manager is consistent with the consolidated financial statements.

PricewaterhouseCoopers S.à r.l.
Luxembourg, 1 June 2010

Represented by

Véronique Lefebvre

COMPANY FINANCIAL STATEMENTS

BALANCE SHEET

as at 31 March 2010

	Notes	31 March 2010 € 000's	31 March 2009 € 000's
Fixed assets			
Financial assets			
Shares in affiliated undertakings	*2.2, 3*	1 929 289	1 933 289
Current assets			
Debtors			
Amounts owed by affiliated undertakings:			
– becoming due and payable within one year	*2.3, 4*	175	48
Cash and cash equivalents		300	717
		475	765
Prepayments and accrued income		1	61
Total assets		1 929 765	1 934 115
Capital and reserves			
Subscribed capital	*5*	220 103	220 103
Share premium account	*6*	770 310	770 310
Legal reserve	*7*	22 100	21 500
Non-distributable reserve	*8*	–	771 707
Profit brought forward	*9*	918 997	446 443
Loss for the period		(2 552)	(298 553)
		1 928 958	1 931 510
Creditors			
Amounts owed to affiliated undertakings:			
– becoming due and payable within one year	*10*	556	1 424
Other creditors:			
– becoming due and payable within one year		–	33
		556	1 457
Accruals and deferred expenses		251	1 148
Total liabilities and equity		1 929 765	1 934 115

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

COMPANY FINANCIAL STATEMENTS

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2010

	Notes	**Year ended 31 March 2010 € 000's**	Six-month period ended 31 March 2009 € 000's
Charges			
Realised losses on investments	*12*	–	307 372
Other operating charges		2 546	1 293
Interest payable and similar charges:			
– payable to affiliated undertakings		16	–
– other interest payable and similar charges	*11*	–	(8 677)
Stamp duty and duty on share transfer		–	1 890
Taxation		–	(17)
Foreign exchange loss		–	143
		2 562	302 004
Income			
Income from investments in affiliated undertakings	*13*	–	2 817
Other interest receivable and similar income	*14*	8	634
Foreign exchange gain		2	–
		10	3 451
Loss for the financial period		2 552	298 553
		2 562	302 004

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

On 15 September 2008, the shareholders decided at an Extraordinary Shareholder Meeting to change the year-end 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 comparative figures reflected in the financial statements, are for the six-month period 1 October 2008 to 31 March 2009.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1. FORMATION EXPENSES

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

2.2. 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.

2.3. DEBTORS AND CREDITORS

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

2.4. 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 the 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.

2.5. PREPAYMENTS AND ACCRUED INCOME

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

COMPANY FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

3. SHARES IN AFFILIATED UNDERTAKINGS
The movements in the period are as follows:

	Year ended 31 March 2010 € 000's	Six-month period ended 31 March 2009 € 000's
Book value – opening balance	**1 933 289**	5 376 704
Additions in the period	–	1 933 289
Repayments of share premium	(4 000)	–
Disposals in the period	–	(5 376 704)
Book value – closing balance	**1 929 289**	1 933 289

The Company holds the entire share capital of Reinet Fund S.C.A., F.I.S. ('Reinet Fund'), whose functional currency is the euro. At 31 March 2010, the net asset value of Reinet Fund S.C.A., F.I.S. was € 2 537.4 million and it had recorded a profit for the period then ended of € 693.6 million.

Following a meeting of the shareholders of Reinet Fund on 28 January 2010, a repayment of share premium amounting to € 4 million was made to the Company.

4. AMOUNTS OWED BY AFFILIATED UNDERTAKINGS

	31 March 2010 € 000's	31 March 2009 € 000's
Becoming due and payable within one year	**175**	48

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

5. SUBSCRIBED CAPITAL

	31 March 2010 € 000's	31 March 2009 € 000's
Ordinary shares		
The subscribed capital at 31 March 2010 amounts to € 220 102 100 (2009: € 220 102 100) and is divided into 195 941 286 ordinary shares (2009: 195 941 286), fully paid with no par value	**220 102**	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**	220 102
Management shares		
The subscribed capital at 31 March 2010 amounts to € 1 000 (2009: € 1 000) and is divided into 1 000 ordinary shares with no par value	1	–
20 October 2008 – Issue of 1 000 shares	–	1
Total management share capital	1	1
Total capital	**220 103**	220 103

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

5. SUBSCRIBED CAPITAL CONTINUED

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

6. SHARE PREMIUM ACCOUNT

The share premium account relates to a reserve amounting to € 770 310 429 (31 March 2009: € 770 310 429), available for distribution subject to the approval of the shareholders.

7. LEGAL RESERVE

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

The legal reserve amounting to € 22 100 000 (31 March 2009: € 21 500 000) is not available for distribution.

8. 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.

At the Annual General Meeting held on 15 September 2009, the shareholders approved the release of the non-distributable reserve to retained earnings.

9. PROFIT OR LOSS BROUGHT FORWARD

	31 March 2010 € 000's	31 March 2009 € 000's
Opening balance	446 443	2 210 323
Result from the prior year	(298 553)	14 867 358
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)
Transfer from non-distributable reserve – 15 September 2009	771 707	–
Transfer to legal reserve	(600)	–
Balance at end of the reporting period	918 997	446 443

10. AMOUNTS OWED TO AFFILIATED UNDERTAKINGS

	31 March 2010 € 000's	31 March 2009 € 000's
Becoming due and payable within one year	556	1 424

11. DERIVATIVE FINANCIAL INSTRUMENTS

Pursuant to the restructuring proposals in 2008, 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 and amounted to income of € 8.7 million.

COMPANY FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

12. REALISED LOSSES ON INVESTMENTS

These losses related 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.

13. INCOME FROM INVESTMENTS IN AFFILIATED UNDERTAKINGS

The amount in the prior 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.

14. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

In the period to 31 March 2010, the Company received bank interest and related income of € 7 952 (2009: € 634 428).

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

	Year ended 31 March 2010 € 000's	Six-month period ended 31 March 2009 € 000's
Board of Overseers	40	–
General Partner	1 549	472

16. CONTINGENT LIABILITIES

At 31 March 2010, the Company has no contingent liabilities.

17. TAXATION

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

18. SUBSEQUENT EVENTS

There have been no events subsequent to 31 March 2010, which would have any material impact on these financial statements.

PROPOSED APPROPRIATION OF RETAINED EARNINGS

as at 31 March 2010

	€ 000's
Available retained earnings	
Profit and loss brought forward	147 890
Net transfer from non-distributable reserves	771 707
Transfer to legal reserve	(600)
Net loss for the financial period	(2 552)
	916 445
Proposed appropriation	
Balance to be carried forward	916 445
	916 445

Reinet Investments Manager S.A.

General Partner
Luxembourg, 24 May 2010

COMPANY FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying annual accounts of Reinet Investments S.C.A., which comprise the balance sheet as at 31 March 2010, the profit and loss account for the year ended 31 March 2010 and a summary of significant accounting policies and other explanatory notes.

Manager's 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.

Responsibility of the 'Réviseur d'entreprises agréé'
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 for Luxembourg by the 'Commission de Surveillance du Secteur Financier'. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 judgement of the 'Réviseur d'entreprises agréé', 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 'Réviseur d'entreprises agréé' 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 at 31 March 2010, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

PricewaterhouseCoopers S.à r.l.
Luxembourg, 1 June 2010

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 14 September 2010.

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

As provided for in the Statutes of the Company, the Annual General Meeting will take place on: Tuesday, 14 September 2010 at 2:30 pm at Hotel Le Royal, 12, boulevard Royal, Luxembourg.

AGENDA

Business reports for the accounting year ended 31 March 2010

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 Auditor of the Company in respect of the statutory financial statements of the Company and in respect of the consolidated financial statements for the accounting year ended 31 March 2010;

Financial statements

2. To approve the statutory financial statements of the Company for the accounting year ended 31 March 2010;
3. To approve the consolidated financial statements of the Company for the accounting year ended 31 March 2010;

Appropriations

4. To approve the proposed appropriation of the retained earnings of the Company at 31 March 2010 as follows:

	€
Balance to be carried forward	916 445 389

Discharge of the General Partner and Board of Overseers

5. To discharge the General Partner from its obligations in respect of the accounting year ended 31 March 2010 and to discharge the members of the Board of Overseers who held office in respect of the accounting year ended 31 March 2010 from their obligations;

Board of Overseers

6. To re-elect Mr D Falck, Dr P Kaul, Mr Y Prussen and Mr I Whitecourt as members of the Board of Overseers for the year ending at the next Annual General Meeting;
7. To fix the remuneration of each member of the Board of Overseers at € 40 000 per annum.

NOTICE OF ANNUAL GENERAL MEETING
CONTINUED

The statutory financial statements of the Company and the consolidated financial statements for the accounting year ended 31 March 2010, together with the reports of the independent auditor, 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 7 September 2010. 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 7 September 2010 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 7 September 2010. 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 7 September 2010. 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
Luxembourg, 24 May 2010

EXCHANGE RATES AND SHARE PRICES

EXCHANGE RATES AGAINST THE EURO

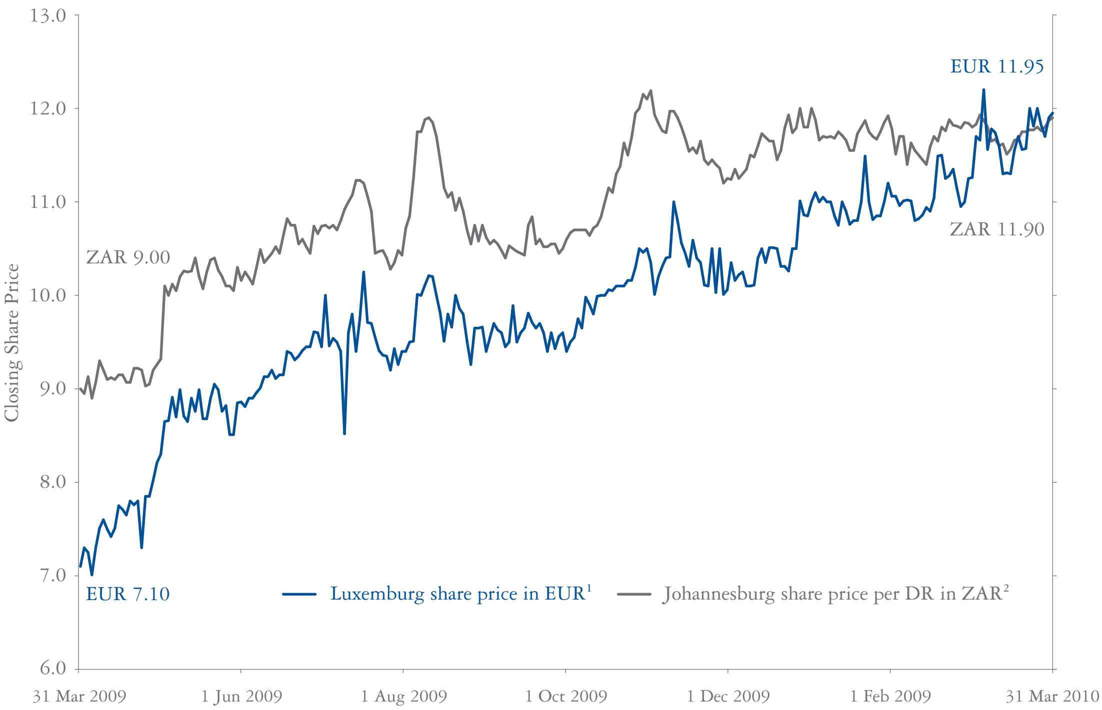
	Year ended 31 March 2010	Six-month period ended 31 March 2009
Average for the period		
pound sterling	0.8855	0.8760
U.S. dollar	1.4137	1.3135
Swiss franc	1.5011	1.5108
Closing – as at the end of the period		
pound sterling	0.8869	0.9248
U.S. dollar	1.3511	1.3249
Swiss franc	1.4238	1.5099

SHARE INFORMATION

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

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

DAILY CLOSING PRICES FROM 31 MARCH 2009 TO 31 MARCH 2010[3]



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

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

3 The EUR:ZAR exchange rate was 1 : 12.58 on 31 March 2009 and 1 : 9.839 on 31 March 2010.

Source: Bloomberg

STATUTORY INFORMATION

Reinet Investments S.C.A.

REGISTERED OFFICE

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35, boulevard Prince Henri
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Telephone: +352 22 42 10

Company Secretary: Mr S H Grundmann

REGISTERED NUMBER

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

GENERAL PARTNER

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

Company Secretary: Mr S H Grundmann

CUSTODIAN

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Grand Duchy of Luxembourg

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EUROPEAN FUND ADMINISTRATION S.A.
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Grand Duchy of Luxembourg

AUDITOR

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FURTHER INFORMATION

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