

Remgro

Remgro Limited

(Incorporated in the Republic of South Africa)
Registration number 1968/006415/06
Share code: REM ISIN: ZAE000026480
("Remgro")

Terms announcement in respect of the acquisition by Remgro of an additional interest in British American Tobacco Plc ("BAT") ("the acquisition")

1. INTRODUCTION

Shareholders are advised that Remgro has reached agreement with R&R Holdings S.A. ("R&R") and Compagnie Financière Richemont S.A. ("Richemont") to effectively acquire an additional 0.6% interest in the issued share capital of BAT. In terms of the JSE Securities Exchange South Africa ("JSE") Listings Requirements this is a small related party transaction. The terms of the acquisition are set out below.

2. RATIONALE FOR THE ACQUISITION

As a result of the conversion and sale during 2004, of BAT preference shares held by R&R Remgro's effective interest in BAT has diluted to below 10%. It has been Remgro's intention to maintain an effective interest in BAT in excess of 10%. This acquisition achieves that goal by increasing Remgro's effective interest in BAT to 10.01%.

3. TERMS OF THE ACQUISITION

3.1 Acquisition consideration and mechanism

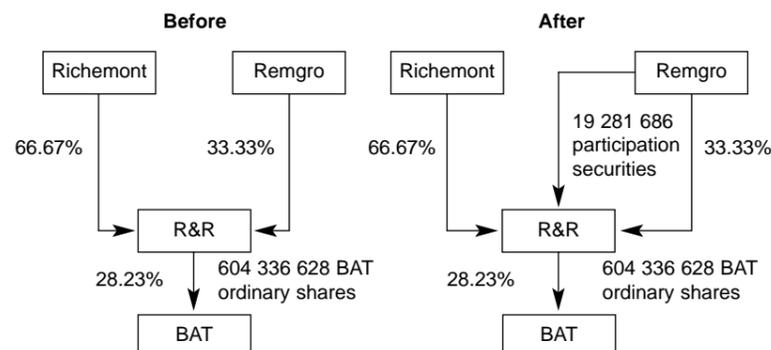
Remgro will subscribe for 19 281 686 participation securities in R&R ("the participation securities"). The participation securities acquired by Remgro will entitle it to all the rewards and risks of directly owning ordinary shares in BAT. The participation securities can be redeemed by R&R either by delivery of the appropriate number of BAT ordinary shares on a one-for-one basis, or by the payment by R&R to the holder of the proceeds from the disposal of the appropriate number of BAT ordinary shares.

The net effect is that Remgro will increase its effective stake in BAT by 12 854 457 shares at an effective acquisition consideration of £124.9 million, excluding transaction costs, which will be settled from existing cash resources.

This acquisition will not affect the total number of BAT shares held by R&R.

3.2 Capital structure

The joint holding structure in respect of BAT, before and after the transaction, is as follows:



3.3 Effective date

The effective date of the acquisition is 28 February 2005 and the transaction is expected to be implemented by no later than 4 March 2005.

4. DESCRIPTION OF BAT

BAT is the world's second largest listed tobacco group. BAT has more than 300 brands in its portfolio, holds robust market positions in each of its regions and has leadership in more than 50 of the 180 markets where they do business. BAT, including associated companies, employs more than 85 000 people worldwide.

5. FINANCIAL EFFECTS ON REMGRO

The *pro forma* financial effects on Remgro of the acquisition are not significant (below 3%) and are therefore not provided.

6. INDEPENDENT EXPERT'S OPINION

Remgro has appointed Rand Merchant Bank, a division of FirstRand Bank Limited ("RMB") as the independent professional expert in accordance with paragraph 10.7(b) of the JSE Listings Requirements. RMB has provided the independent sub-committee of the board of Remgro with an opinion that the acquisition is both fair and reasonable to the shareholders of Remgro. The fair and reasonable statement will be open to inspection at the Remgro office for a period of 28 days from the date of this announcement.

Remgro Limited
Stellenbosch
4 March 2005



RAND MERCHANT BANK

A division of FirstRand Bank Limited

CORPORATE FINANCE

Independent advisor and sponsor to Remgro