

Remgro Limited

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

Circular to Remgro shareholders

regarding:

- the creation of a new investment vehicle, based in Luxembourg, under the name Reinet Investments S.C.A. ("Reinet Investments") to which Remgro intends to contribute 21 430 000 ordinary shares in British American Tobacco plc ("BAT") in exchange for 302 555 410 depositary receipts in respect of ordinary shares in Reinet Investments ("Reinet depositary receipts");
- the distribution by Remgro, as an interim dividend *in specie*, of 192 870 000 ordinary shares in BAT and 302 555 410 Reinet depositary receipts to Remgro shareholders in proportion to their shareholding;
- the cancellation of 969 836 Remgro ordinary shares held in the Remgro Share Scheme and 8 554 019 Remgro ordinary shares held as treasury shares; and
- the winding up of the Remgro Share Trust and the Remgro Share Scheme and the creation and implementation of a new share appreciation rights scheme;

and including:

- preliminary information on Reinet Investments and the listing of ordinary shares in Reinet Investments on the Luxembourg Stock Exchange and depositary receipts in respect of such ordinary shares on the exchange operated by the JSE Limited;
- information on the proposed rights offer by Reinet Investments;
- notice of a general meeting of Remgro shareholders; and
- a form of proxy (*green*) for the general meeting (for certificated Remgro shareholders or Remgro shareholders with "own name" registration only).

15 August 2008



Merchant bank and sponsor

Independent reporting
accountants

Attorneys

Hofmeyr

Hofmeyr Herbstein & Gihwala Inc.
(Registration number 1997/001523/21)

PRICEWATERHOUSECOOPERS 

PricewaterhouseCoopers Inc
Chartered Accountants (SA)
Registered Accountants and Auditors
(Registration no 1998/012055/21)

CORPORATE INFORMATION

Company secretary and registered office

Mrs M Lubbe
Remgro Limited
Carpe Diem Office Park
Quantum Street
Techno Park
Stellenbosch, 7600
(PO Box 456, Stellenbosch, 7599)

Transfer secretaries

Computershare Investor Services (Proprietary) Limited
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Merchant bank and sponsor

Rand Merchant Bank,
a division of FirstRand Bank Limited
1 Merchant Place
Corner Fredman Drive and Rivonia Road
Sandton, 2196
(PO Box 786273, Sandton, 2146)

Independent reporting accountants

PricewaterhouseCoopers Incorporated
Chartered Accountants (SA)
Registered Accountants and Auditors
1 Waterhouse Place
Century City
Cape Town, 8001
(PO Box 2799, Cape Town, 8000)

Attorneys

Hofmeyr Herbstein & Gihwala Incorporated
6 Sandown Valley Crescent
Sandown
Sandton, 2196
(Private Bag X40, Benmore, 2010)

**If you have any questions regarding the contents of this
circular, please call the
Client Shareholder Information Line 0861 100 925
(or +27 11 870 8222 if you are calling from outside
South Africa)**



**This line is available from 09:00 to 17:00 South African time
from Friday 15 August 2008.**

**Please note that your call will be recorded for
customer safety.**

CONTENTS

	<i>Page</i>
CORPORATE INFORMATION	Inside front cover
IMPORTANT DATES AND TIMES	3
DEFINITIONS AND INTERPRETATION	4
ACTION REQUIRED BY REMGRO SHAREHOLDERS	11
TRANSACTION SUMMARY	13
TRANSACTION DESCRIPTION	15
1. Introduction	15
2. Background	15
3. Rationale for the transaction	16
4. Information on the Remgro restructuring and the Richemont reconstruction	16
5. The distribution	17
6. Information regarding BAT	21
7. Information regarding Reinet and the Reinet depositary receipts	23
8. Information regarding the Reinet rights offer and the optional placing	45
9. Impact of the distribution on the Remgro Share Scheme	45
GENERAL INFORMATION REGARDING REMGRO	48
10. Share capital of Remgro	48
11. Major beneficial shareholders	48
12. Directors	49
13. Material changes	49
14. Litigation	49
15. Directors' responsibility statement	49
16. Consents	50
17. Documents available for inspection	50
Annexure 1 Table of entitlement to distributed shares	51
Annexure 2 Unaudited <i>pro forma</i> financial information of Remgro pursuant to the transaction	53
Annexure 3 Independent reporting accountants' report on the unaudited <i>pro forma</i> financial information following the transaction	58
Annexure 4 Extracts from the historical financial information of BAT for the financial years ended 31 December 2006 and 31 December 2007	60
Annexure 5 Legal notices and information for Remgro ADR holders and foreign Remgro shareholders	64
Annexure 6 Information on the possible tax consequences of the distribution for Remgro shareholders	66
Annexure 7 Details of the directors of Remgro and its material subsidiaries	67
Notice of general meeting	68
Form of proxy (<i>green</i>)	Attached

IMPORTANT DATES AND TIMES

The definitions and interpretation commencing on page 4 of this circular apply to this section on important dates and times.

2008

This circular posted on	Friday 15 August
Last day for the receipt of proxy forms for the general meeting by 14:30 on	Friday 3 October
General meeting to be held at 14:30 on	Tuesday 7 October
Results of the general meeting released on SENS on	Tuesday 7 October
Results of the general meeting published in the press on	Wednesday 8 October
Reinet prospectus available on or about	Friday 10 October
Finalisation and salient dates announcement in respect of the distribution on	Monday 20 October
Expected listing date for the Reinet depositary receipts on the JSE on	Tuesday 21 October
Last day to trade in Remgro shares on the JSE to participate in the distribution on	Monday 27 October
Expected listing of BAT on the JSE on or before	Tuesday 28 October
Remgro shares trade "ex" the entitlement to the distribution on	Tuesday 28 October
Distribution record date on	Monday 3 November

Assuming that the BAT ordinary shares are registered in the name of Remgro on Monday 3 November 2008, the following dates will apply:

Dematerialised Remgro shareholders will have their accounts with their broker or CSDP credited with their proportional share of the distributed shares on or about	Tuesday 4 November
Share certificates in respect of a certificated Remgro shareholder's proportional share of the distributed shares will be posted, by registered post, at the risk of the certificated Remgro shareholder concerned, to certificated Remgro shareholders on or about	Tuesday 4 November

Reinet Investments intends undertaking a rights offer during the period from Monday 10 November 2008 to Friday 5 December 2008, the salient features of which are described in section 8 of this circular and in the Reinet prospectus expected to be issued on or about Friday 10 October 2008

Notes:

1. It is expected that Remgro shareholders will be able to trade the BAT ordinary shares and Reinet depositary receipts which they will receive pursuant to the distribution, from Tuesday 28 October 2008, being five days before it is anticipated that these shares will reflect in the accounts of dematerialised Remgro shareholders. However, as the settlement process is dependent on a number of steps, it is advisable to exercise caution when trading the BAT ordinary shares and Reinet depositary receipts which Remgro shareholders will receive pursuant to the distribution.
2. All times shown in this circular are South African local times.
3. These dates and times are subject to change. Any material change will be released on SENS and published in the South African press.
4. No dematerialisation or rematerialisation of Remgro share certificates may take place after the last day to trade in Remgro shares in order to participate in the distribution until the day following the distribution record date.
5. Unless otherwise instructed, the transfer secretaries will withhold the certificates in respect of BAT ordinary shares received pursuant to the distribution until after the Reinet rights offer in order to facilitate the subscription by certificated Reinet depositary receipt holders of new Reinet depositary receipts in terms of the Reinet rights offer.

DEFINITIONS AND INTERPRETATION

Throughout this circular, unless otherwise stated or the context otherwise requires, the words in the first column have the meanings stated opposite them in the second column, words in the singular include the plural and *vice versa*, words signifying one gender include the other and words denoting natural persons include juristic persons and associations of persons:

“BAT”	British American Tobacco plc, a public company registered in England and Wales (Registration number 03407696), the ordinary shares of which have been admitted to the official list maintained by the United Kingdom Listing Authority under the ticker BATS and which is to seek a secondary listing in respect of such ordinary shares on the JSE;
“BAT ordinary shares”	ordinary shares of par value GBPO.25 each in the issued ordinary share capital of BAT;
“BAT pre-listing statement”	document to be issued by BAT in South Africa on or before Tuesday 21 October 2008 regarding the secondary listing of BAT ordinary shares on the JSE;
“CF Richemont”	Compagnie Financière Richemont SA, (Registration number CH – 170.3.013.862 – 4), a company duly incorporated in Switzerland;
“CF Richemont A-ordinary shares”	bearer ‘A’ ordinary shares of par value CHF1.00 each in the issued share capital of CF Richemont which forms part of the Richemont A-units, which are listed on the SWX;
“CF Richemont ordinary shares”	ordinary shares in the issued share capital of CF Richemont which, following the Richemont reconstruction and the de-twinning will be listed on the SWX, independently of the Reinet ordinary shares;
“CF Rupert”	Compagnie Financière Rupert, a <i>société en commandite par actions</i> (partnership limited by shares) incorporated under the laws of Switzerland which is the holding vehicle for Rupert family interests in Richemont;
“CGT”	Capital Gains Tax as envisaged in the Income Tax Act;
“CHF”	the lawful currency of Switzerland, being Swiss franc;
“CIPRO”	the Companies and Intellectual Property Registration Office of South Africa;
“this circular”	this circular dated 15 August 2008 regarding, <i>inter alia</i> , the transaction, including the annexures hereto, the attached notice of general meeting and form of proxy (<i>green</i>);
“common monetary area”	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“Companies Act”	Companies Act, 1973 (Act 61 of 1973), as amended;
“Computershare”	Computershare Investor Services (Proprietary) Limited (Registration number 2004/003647/07), a private company incorporated in South Africa and situated at 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) and the agent of the Depository in South Africa;
“CSDP”	Central Securities Depository Participant, accepted as a participant in terms of the Securities Services Act;
“dematerialisation”	the process by which certificated securities are converted to or held in an electronic form as uncertificated securities and recorded in the sub-register of security holders maintained by a CSDP;

“dematerialised Remgro shares”	Remgro shares which have been through the dematerialisation process;
“Deposit Agreement”	Deposit Agreement between CF Richemont, Richemont SA and the Depositary concluded in 1988, superseded in 1992 and amended in 2001 and conditional upon the implementation of the de-twinning, in 2008, which contains the terms governing the Richemont depositary receipts and which, upon implementation of the de-twinning will govern the New CF Richemont depositary receipts and the Reinet depositary receipts;
“Depositary”	Richemont Securities AG (Registration number CH-170.3.013.861-6), a company duly incorporated in Switzerland, being a wholly-owned subsidiary of CF Richemont, which issues Richemont depositary receipts and which will, pursuant to the Richemont reconstruction, issue New CF Richemont depositary receipts and Reinet depositary receipts;
“Depositary Agent”	Computershare, the agent of the Depositary in South Africa;
“de-twinning”	bringing to an end the existing twinning arrangement of the Richemont units, thereby enabling the separate dealing in the Reinet ordinary shares and the CF Richemont ordinary shares;
“directors”	the directors of Remgro from time to time;
“distributed shares”	collectively, the 192 870 000 BAT ordinary shares and 302 555 410 Reinet depositary receipts to be distributed by Remgro to Remgro shareholders pursuant to the distribution;
“distribution”	distribution of the distributed shares to Remgro shareholders in proportion to their shareholding in Remgro, as an interim dividend <i>in specie</i> , in terms of section 90 of the Companies Act;
“distribution date”	the date on which the distribution takes place, expected to be on or about Tuesday 4 November 2008;
“distribution record date”	the record date for the distribution, expected to be Monday 3 November 2008;
“documents of title”	Remgro share certificates, certified transfer deeds, balance receipts or any other documents of title to certificated Remgro shares acceptable to Remgro;
“EPS”	earnings per share;
“Exchange Control Regulations”	Exchange Control Regulations 1961, as amended, enforced in terms of section 9 of the Currency and Exchanges Act, 1933 (Act 9 of 1933), as amended;
“finalisation date”	day by which the suspensive conditions, as detailed in section 5.3 below, in respect of the distribution are required to be fulfilled or waived, as the case may be, which is expected to be Friday 24 October 2008;
“first capital increase”	the increase in authorised share capital of Reinet Investments to facilitate the issue of Reinet ordinary shares to the Depositary in connection with the Remgro contribution;
“foreign Remgro shareholders”	Remgro shareholders who are resident in, or who are nationals or citizens of, or who have registered addresses in, countries other than South Africa;
“GBP”	the lawful currency of the United Kingdom, being pounds sterling;
“general meeting”	meeting of Remgro shareholders convened in terms of the notice of general meeting attached to and forming part of this circular to vote on, <i>inter alia</i> , the ordinary and special resolutions required to approve the distribution, which is expected to take place at 14:30 on Tuesday 7 October 2008 at The Conference Centre, Erinvale Estate Hotel & Spa, Lourensford Road, Somerset West, 7130;

“HEPS”	headline earnings per share;
“IFRS”	International Financial Reporting Standards;
“Income Tax Act”	Income Tax Act, 1962 (Act 58 of 1962), as amended;
“Independent reporting accountants”	PricewaterhouseCoopers Incorporated (Chartered Accountants SA, Registered Accountants and Auditors) (Registration number 1998/012055/21), a company duly incorporated in South Africa;
“Investment Advisor”	Reinet Investments Advisors Limited (Registration number 101466), a company incorporated in Jersey;
“Investment advisory agreement”	the investment advisory agreement between the Investment Advisor and Reinet Fund;
“JSE”	the exchange, licensed under the Security Services Act, operated by JSE Limited (Registration number 2005/022939/06), a public company duly incorporated in South Africa;
“last practicable date”	Wednesday 6 August 2008, being the last practicable date prior to the finalisation of this circular;
“Listings Requirements”	Listings Requirements of the JSE, as amended from time to time;
“LuxSE”	Luxembourg Stock Exchange;
“Lux 1929 Holding Company”	a form of company created under a 1929 Luxembourg law which is a partly tax exempt vehicle that pays no withholding tax on dividend distributions;
“NAV”	net asset value;
“New CF Richemont depositary receipts”	depositary receipts to be listed on the JSE (pursuant to the Richemont reconstruction), each entitling the holder to a one tenth economic and voting participation in one CF Richemont A-ordinary share;
“New CF Richemont depositary receipt holders”	holders of New CF Richemont depositary receipts;
“New Reinet ordinary shares”	Reinet ordinary shares to be issued on the exercise of warrants issued pursuant to the Reinet rights offer;
“NTAV”	net tangible asset value;
“optional placing”	the optional placing pursuant to which the underwriters will have the opportunity to subscribe for additional Reinet ordinary share to the extent that they have not done so under the Reinet rights offer;
“Proposals”	the proposals for which the approval of the holders of the CF Richemont ordinary shares and holders of Richemont SA participation certificates is being sought by way of the resolutions set out in Appendices I and II to the Richemont information memorandum;
“R&R”	R&R Holdings SA (Registration number B53822), a company duly incorporated in Luxembourg, the ordinary shares of which are indirectly owned one third by Remgro and two thirds by Richemont SA;
“R&R partial capital reduction”	the proposed reduction of share capital of R&R, pursuant to which all of R&R’s assets attributable to Reinet Investments (being principally 390 036 627 BAT ordinary shares) will be transferred to Reinet Investments or a subsidiary thereof;
“Rand” or “R” or “cents”	the lawful currency of South Africa, being South African Rand and cents;
“registered office”	the registered office of Remgro, Carpe Diem Office Park, Quantum Street, Techno Park, Stellenbosch, 7600;
“Reinet”	Reinet Investments Manager, Reinet Fund Manager, and Reinet Investments and its subsidiaries from time to time (including Reinet Fund);

“Reinet agreement”	conditional agreement entered into between Remgro, Richemont SA and CF Richemont on Thursday 7 August 2008 which will enable Remgro to contribute 21 430 000 of the Remgro BAT shares to Reinet Fund in exchange for 302 555 410 Reinet depositary receipts;
“Reinet depositary receipt”	a depositary receipt in respect of a Reinet ordinary share, to be issued by the Depositary and for which the Depositary will seek a listing on the JSE, each entitling the holder to a one tenth economic and voting participation in a Reinet ordinary share;
“Reinet depositary receipt holder”	holder of Reinet depositary receipts;
“Reinet Fund”	Reinet Fund S.C.A., a <i>société en commandite par actions</i> (partnership limited by shares) incorporated under the laws of Luxembourg, having the objects and tax status of a Luxembourg specialised investment fund;
“Reinet Fund Manager”	Reinet Fund Manager S.A., in its capacity as manager of Reinet Fund;
“Reinet Investments”	Reinet Investments S.C.A., a <i>société en commandite par actions</i> (partnership limited by shares) incorporated under the laws of Luxembourg, having the objects and tax status of a securitisation company established under the Luxembourg law of 22 March 2004. Richemont SA will be converted into Reinet Investments on the Richemont reconstruction date;
“Reinet Investments Manager”	Reinet Investments Manager S.A., in its capacity as manager of Reinet Investments;
“Reinet ordinary shares”	ordinary shares, to be listed on the LuxSE, of no par value in the issued share capital of Reinet Investments;
“Reinet ordinary shareholders”	holders of Reinet ordinary shares;
“Reinet prospectus”	the document to be issued on or about Friday 10 October 2008 by Richemont SA in Luxembourg in terms of its proposed listing on the LuxSE and which will be accompanied by a wrapper prepared in South Africa regarding the listing of Reinet depositary receipts on the JSE;
“Reinet reduction of capital”	reduction of capital of Reinet Investments in terms of which Reinet ordinary shareholders and Reinet depositary receipt holders will receive 90% of the BAT ordinary shares currently indirectly held by Richemont SA, on the cancellation of approximately 86.3% of their holding in Reinet Investments;
“Reinet rights offer”	the proposed renounceable rights offer by Reinet Investments to all Reinet ordinary shareholders and Reinet depositary receipt holders;
“Rembrandt Trust”	Rembrandt Trust (Proprietary) Limited (Registration number 1959/003277/07), a company duly incorporated in South Africa which is the holding vehicle for Rupert family interests in Remgro;
“Remgro” or “the company”	Remgro Limited (Registration number 1968/006415/06), a public company duly incorporated in South Africa and whose ordinary shares are listed on the JSE;
“Remgro ADR”	American depositary receipt entitling the holder to economic and voting participation in respect of one Remgro ordinary share for every Remgro American depositary receipt held;
“Remgro ADR holder”	holder of a Remgro ADR;
“Remgro B ordinary shares”	ordinary shares of par value R0.10 each in the issued ordinary share capital of Remgro, which are not listed on any exchange and are held by Rembrandt Trust;
“Remgro BAT shares”	214 300 000 BAT ordinary shares, being Remgro’s effective indirect shareholding of BAT ordinary shares, which are currently held by R&R;

“Remgro board”	the board of directors of Remgro;
“Remgro contribution”	the exchange by Remgro of 21 430 000 of the Remgro BAT shares for 302 555 410 Reinet depositary receipts, as contemplated in the Reinet agreement;
“Remgro Group”	collectively, Remgro and its subsidiaries;
“Remgro Investments”	Remgro Investments Limited (Registration number 64052), a company duly incorporated in Jersey and an indirect wholly owned subsidiary of Remgro;
“Remgro loan note”	promissory note issued by Remgro to R&R as consideration for the Remgro BAT shares acquired from R&R in terms of the Remgro restructuring;
“Remgro ordinary shares”	ordinary shares, listed on the JSE, of par value R0.01 each in the issued ordinary share capital of Remgro;
“Remgro restructuring”	restructuring of Remgro’s indirect shareholding in BAT which will result in Remgro becoming the registered holder of the Remgro BAT shares immediately prior to the distribution;
“Remgro shares”	collectively, the Remgro ordinary shares and Remgro B ordinary shares;
“Remgro shareholders”	holders of the Remgro shares;
“Remgro Share Scheme”	the Remgro Share Scheme, adopted by ordinary resolution at the annual general meeting of Remgro on 21 September 2000;
“Remgro Share Trust”	the trust constituted in terms of the trust deed executed on 21 September 2000, for purposes of establishing the Remgro Share Scheme which owns 3 396 319 Remgro ordinary shares as at the last practicable date;
“Remgro Scheme shares”	Remgro ordinary shares held by the Remgro Share Trust for purposes of the Remgro Share Scheme;
“Richemont”	collectively CF Richemont and Richemont SA;
“Richemont A-units”	A-units listed on the SWX comprising of CF Richemont A-ordinary shares of par value CHF1.00 indivisibly twinned with participation certificates issued by Richemont SA;
“Richemont B-units”	unlisted B-units comprising of CF Richemont B-ordinary shares of par value CHF0.10 indivisibly twinned with Richemont SA participation certificates;
“Richemont depositary receipts”	depositary receipts listed on the JSE under the ticker RCH, each entitling the holder to a one tenth economic and voting participation right in one Richemont A-unit, prior to the Richemont reconstruction;
“Richemont depositary receipt holders”	holders of Richemont depositary receipts;
“Richemont information memorandum”	document issued by CF Richemont and Richemont SA on Friday 15 August 2008 providing information to Richemont unitholders and Richemont depositary receipt holders on the Richemont reconstruction;
“Richemont reconstruction”	proposed reconstruction of Richemont which will result in, principally: the de-twinning of the CF Richemont ordinary shares from the Richemont SA participation certificates; the cancellation of CF Richemont’s shareholding in Richemont SA on the transfer to CF Richemont of the luxury goods businesses currently held under Richemont SA; the conversion of Richemont SA into Reinet

	Investments and the conversion of the Richemont SA participation certificates into Reinet ordinary shares; the listing of the Reinet ordinary shares on the LuxSE and Reinet depositary receipts and New CF Richemont depositary receipts on the JSE, as more fully described in the Richemont information memorandum;
“Richemont reconstruction date”	effective date of the Richemont reconstruction, expected to be on or about Monday 20 October 2008;
“Richemont SA”	Richemont SA (Registration number B16576), a company duly incorporated in Luxembourg which will, as a result of the Richemont reconstruction, be converted into a <i>société en commandite par actions</i> , and be renamed Reinet Investments;
“Richemont SA participation certificates”	participation certificates of Richemont SA which, pursuant to the Richemont reconstruction, will be converted into Reinet ordinary shares;
“Richemont units”	collectively, the Richemont A-units and Richemont B-units;
“Richemont unitholders”	holders of Richemont units;
“RIH”	Remgro International Holdings (Proprietary) Limited (Registration number 1968/006356/07), a private company duly incorporated in South Africa and a wholly owned subsidiary of Remgro;
“RMB” or “Rand Merchant Bank”	Rand Merchant Bank, a division of FirstRand Bank Limited (Registration number 1929/001225/06), a public company duly incorporated in South Africa;
“SARS”	the South African Revenue Services;
“SAR scheme”	the Remgro Equity Settled Share Appreciation Right Scheme 2008, the salient terms of which are set out in section 9.3 of this circular;
“scheme participants”	participants in the Remgro Share Scheme;
“second capital increase”	the increase in authorised share capital of Reinet Investments to enable the issue of New Reinet ordinary shares in connection with the Reinet rights offer and the optional placing;
“Securities Services Act”	Securities Services Act, 2004 (Act 36 of 2004), as amended;
“SENS”	Securities Exchange News Service of the JSE;
“South Africa”	the Republic of South Africa;
“STC”	secondary tax on companies levied in terms of the Income Tax Act;
“Strate”	electronic custody and settlement system operated by Strate Limited (Registration number 1998/022242/06), a company duly registered and incorporated with limited liability under the laws of South Africa and registered as a central securities depositary in terms of the Securities Services Act;
“securities transfer tax”	securities transfer tax levied in terms of the provisions of the Securities Transfer Tax Act, 2007 (Act 25 of 2007);
“subsidiary”	a subsidiary company as defined in section 1(3) of the Companies Act;
“SWX”	Swiss Stock Exchange, licensed as an exchange under the laws of Switzerland;
“transaction”	collectively, the Remgro restructuring, the Remgro contribution, the cancellation of 969 836 Remgro ordinary shares held in the Remgro Share Scheme and 8 554 019 Remgro ordinary shares held as treasury shares and the distribution;
“transfer secretaries”	Computershare, the transfer secretaries of Remgro;

“twinning”	the arrangement, established in the constitutional documents of CF Rlichemont and Rlichemont SA, in terms of which the CF Rlichemont ordinary shares and the Rlichemont SA participation certificates can only be traded and transferred together as indivisible Rlichemont units;
“underwriters”	CF Rupert and Rembrandt Trust, in their capacity as underwriters of the New Reinet ordinary shares to be issued in connection with the Reinet rights offer;
“unvested”	in relation to Remgro Scheme shares, means that scheme participants have not yet become entitled to take delivery of their Remgro Scheme shares in accordance with the rules of the Remgro Share Scheme;
“unvested pre 30 September 2004 Remgro Scheme shares”	those Remgro Scheme shares purchased by scheme participants before 30 September 2004 and which, in terms of the rules of the Remgro Share Scheme, have not vested in scheme participants as at the last practicable date;
“unvested post 30 September 2004 Remgro Scheme shares”	those Remgro Scheme shares purchased by scheme participants after 30 September 2004 and which, in terms of the rules of the Remgro Share Scheme, have not vested in scheme participants as at the last practicable date;
“VAT”	value added tax, levied in terms of the provisions of the Value Added Tax Act, 1991 (Act 89 of 1991), as amended;
“vested”	in relation to Remgro Scheme shares, means that scheme participants have become entitled to take delivery of their Remgro Scheme shares against payment therefor in accordance with the rules of the Remgro Share Scheme;
“vested pre 30 September 2004 Remgro Scheme shares”	those Remgro Scheme shares purchased by scheme participants before 30 September 2004 and which, in terms of the rules of the Remgro Share Scheme, have already vested in scheme participants as at the last practicable date;
“vested post 30 September 2004 Remgro Scheme shares”	those Remgro Scheme shares purchased by scheme participants after 30 September 2004 and which, in terms of the rules of the Remgro Share Scheme, have already vested in scheme participants as at the last practicable date; and
“VWAP”	volume weighted average price.

ACTION REQUIRED BY REMGRO SHAREHOLDERS

Please take careful note of the following provisions regarding the action required by Remgro shareholders.

If you are in any doubt as to what action to take, please consult your attorney, broker, CSDP or other professional adviser immediately.

This circular is also available in Afrikaans. If any conflict exists between the wording of the English and Afrikaans versions of this circular, the provision of the English version of this circular shall prevail.

A general meeting of Remgro shareholders will be held at 14:30 on Tuesday 7 October 2008 at The Conference Centre, Erinvale Estate Hotel & Spa, Lourensford Road, Somerset West, 7130 to consider and, if deemed fit, pass, *inter alia*, the resolutions required to authorise the implementation of the transaction. A notice convening the general meeting is attached to and forms part of this circular.

Please note that any references to “entitled” in the context of the distribution by virtue of the declaration of an interim dividend should not in any way be construed as vesting Remgro shareholders with an entitlement to receive the distributed shares at any time before Remgro has paid the distribution to the Remgro shareholders on the distribution date.

1. Action required by Remgro shareholders

1.1 If you have dematerialised your Remgro shares other than with “own name” registration:

1.1.1 Voting at the general meeting

1.1.1.1 Your broker or CSDP should contact you to ascertain how you wish to cast your vote at the general meeting and thereafter cast your vote in accordance with your instructions.

1.1.1.2 If you have not been contacted by your broker or CSDP, it is advisable for you to contact your broker or CSDP and furnish it with your voting instructions.

1.1.1.3 If your broker or CSDP does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your broker or CSDP.

1.1.1.4 You must **not** complete the attached form of proxy (*green*).

1.1.2 Attendance and representation at the general meeting

In accordance with the mandate between you and your broker or CSDP, you must advise your broker or CSDP if you wish to attend the general meeting and your broker or CSDP will issue the necessary letter of representation to you to attend the general meeting.

1.2 If you have dematerialised your Remgro shares with “own name” registration:

1.2.1 Voting and attendance at the general meeting

1.2.1.1 You may attend the general meeting in person and may vote at the general meeting.

1.2.1.2 Alternatively, you may appoint a proxy to represent you at the general meeting by completing the attached form of proxy (*green*) in accordance with the instructions it contains and returning it to the transfer secretaries to be received by no later than 14:30 on Friday 3 October 2008.

1.3 If you have not dematerialised your Remgro shares:

1.3.1 Voting and attendance at the general meeting

1.3.1.1 You may attend the general meeting in person and may vote at the general meeting.

1.3.1.2 Alternatively, you may appoint a proxy to represent you at the general meeting by completing the attached form of proxy (*green*) in accordance with the instructions it contains and returning it to the transfer secretaries to be received by no later than 14:30 on Friday 3 October 2008.

If you wish to dematerialise your Remgro shares, please contact your broker or CSDP.

If you have disposed of all of your Remgro shares, this circular should be handed to the purchaser of such shares or the attorney, broker, CSDP or other agent who disposed of your Remgro shares for you.

Additional copies of this circular printed in English and Afrikaans, will be made available at the registered office, the office of the transfer secretaries and the office of Rand Merchant Bank, whose details can be found in the corporate information section of this circular. Remgro shareholders are advised to read section 6 of this circular for information on BAT and section 7 of this circular for preliminary information on Reinet. Remgro shareholders are referred to the following documents for additional information on Reinet and BAT which will be published on the dates indicated:

- the Reinet prospectus expected to be issued on or about Friday 10 October 2008; and
- the BAT pre-listing statement expected to be issued on or before Tuesday 21 October 2008.

Copies of the Reinet prospectus will be made available at the registered office, the office of the transfer secretaries and the office of Rand Merchant Bank, whose details can be found in the corporate information section of this circular. Remgro will make available electronic copies of the Reinet prospectus, when available, through its website, www.remgro.com.

TRANSACTION SUMMARY

The proposal

Remgro currently holds an indirect interest of 10.7% in BAT through its interest in the joint venture vehicle, R&R, a Lux 1929 Holding Company. The remaining interest in R&R is held by its co-shareholder, Richemont.

On 19 November 2007, Remgro announced that it was considering proposals to restructure in order to split its tobacco assets from its other interests. In a similar announcement, Richemont announced that it was considering proposals which might lead to a separation of its luxury goods businesses from its other interests, which include its investment in BAT.

The decision by the boards of Remgro and Richemont to review the nature of their effective shareholding in BAT has been motivated by changes to the legal and fiscal environment in Luxembourg. A Lux 1929 Holding Company is generally exempt from tax. No withholding tax is payable on dividend distributions. Consequently, dividends received by R&R from BAT, which suffer no United Kingdom withholding tax, can be paid out to R&R shareholders free from withholding tax. However, in 2006, Luxembourg abolished the special tax status of Lux 1929 Holding Companies with the effect that from the end of 2010, R&R dividends will be subject to a dividend withholding tax at a rate of 15%. This will inevitably have a significant negative impact on Remgro shareholders and Richemont unitholders. The present value of the estimated economic cost to Remgro shareholders of keeping the current structure in place is in excess of R5 billion.

Remgro, together with Richemont, has conducted an extensive review of the potential alternatives for the restructuring and has engaged with several regulators, including SARS, the South African Reserve Bank and the South African National Treasury in this regard.

Following the review of proposals, Remgro and Richemont agreed on a joint course of action including proposals for the reorganisation of Richemont SA into a new investment vehicle, Reinet Investments. Following the distribution, Reinet Investments will effectively be jointly capitalised by Remgro and Richemont with 10% of their respective indirect shareholdings in BAT and by a rights offer and optional placing which Reinet Investments intends to undertake. The Richemont board also intends separating its luxury goods businesses from its other investments. Both Remgro and Richemont propose distributing the remaining 90% of their indirect shareholding in BAT to their respective shareholders.

The transaction

Pursuant to the R&R partial capital reduction, Richemont SA's economic interest in R&R will be cancelled on the distribution to Richemont SA (to be renamed Reinet Investments) of its effective shareholding in BAT ordinary shares and other assets attributable to its shareholding. Remgro will then be the sole shareholder in R&R whose principal asset will be 214 300 000 BAT ordinary shares.

Remgro proposes to distribute, as an interim dividend *in specie* in terms of section 90 of the Companies Act, 192 870 000 or 90% of its BAT ordinary shares to Remgro shareholders.

Remgro also proposes to contribute 21 430 000 or 10% of its BAT ordinary shares to Reinet Fund in order to partly capitalise Reinet Investments. In return, Reinet Investments will issue 30 255 541 Reinet ordinary shares to the Depositary and the Depositary will in turn issue 302 555 410 depositary receipts in respect of Reinet ordinary shares directly to Remgro shareholders. Remgro shareholders will receive these Reinet depositary receipts, in the form of an interim dividend *in specie* in terms of section 90 of the Companies Act, from Remgro.

Subject to the necessary approvals being obtained for the implementation of the distribution, Remgro shareholders will receive:

- 40.6054 BAT ordinary shares; and
- 63.6977 Reinet depositary receipts,

for every 100 Remgro shares held by the Remgro shareholders on the distribution record date. In addition, Remgro shareholders (by virtue of becoming Reinet depositary receipt holders) will receive 6.36977 nil-paid warrants to subscribe for 50.9582 Reinet depositary receipts pursuant to the Reinet rights offer, for every 100 Remgro shares held by Remgro shareholders.

Remgro has obtained a binding ruling from SARS regarding the transaction. In terms of the ruling, the total estimated tax payable, including STC, CGT and securities transfer tax is approximately R850 million.

Application will be made by BAT to the JSE for a secondary listing of BAT ordinary shares and for the admission of BAT ordinary shares to trade on the main board of the JSE. The Reinet depositary receipts will be listed on the main board of the JSE and are expected to commence trading on or about Tuesday 21 October 2008.

The listing of BAT on the JSE will be considered an inward listing by a foreign entity for Exchange Control purposes and its ordinary shares will be inward listed shares. South African institutional investors may invest in inward listed shares using their permissible foreign portfolio investment allowances. South African corporate entities, banks, trusts, partnerships and private individuals may invest in inward listed shares without restriction. To the extent that Remgro's institutional investors exceed their foreign exposure limits as a result of the distribution, they will be granted 24 months to realign their portfolios following the distribution of BAT ordinary shares.

Currently, the listing of the Richemont depositary receipts on the JSE is not considered an inward listing by a foreign entity. The South African Reserve Bank has extended this dispensation to the Reinet depositary receipts (as well as the New CF Richemont depositary receipts) to be listed on the JSE and to be held by the current Richemont depositary receipt holders pursuant to the Richemont reconstruction and to be distributed to Remgro shareholders pursuant to the distribution. Therefore, South African institutional investors will not be required to mark up their holdings in Reinet depositary receipts against their permissible foreign portfolio investment allowances.

Remgro Limited

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

Directors

Executive

M H Visser (*Chief Executive Officer*)
W E Bührmann
L Crouse
J A Preller
T van Wyk

Non-executive

J P Rupert (*Chairman*)
E de la H Hertzog (*Deputy Chairman*)
P E Beyers
G D de Jager*
J W Dreyer
P K Harris*
J Malherbe
M M Morobe*
D Prins*
M Ramos*
F Robertson*

*Independent

TRANSACTION DESCRIPTION

1. Introduction

Remgro and Richemont hold their respective shareholdings in BAT through the joint venture vehicle, R&R. R&R is a Lux 1929 Holding Company. The laws relating to this form of company have changed and, in 2010, R&R will lose the benefits attaching to Lux 1929 Holding Companies. This change will have significant negative financial consequences for both Remgro shareholders and Richemont unitholders.

Following the review of proposals to restructure their effective shareholding in BAT, Remgro and Richemont agreed on a joint course of action including proposals for the reorganisation of Richemont SA into a new investment vehicle, Reinet Investments, and to use some of their BAT ordinary shares to capitalise it. The balance of their BAT ordinary shares will be distributed to their respective shareholders and unitholders. In addition, the Remgro interest in the new investment vehicle will also be distributed to Remgro shareholders. The new investment vehicle also proposes to undertake a rights issue and optional placing following the transaction.

The purpose of this circular is to provide Remgro shareholders with pertinent information regarding the transaction and to convene a general meeting of Remgro shareholders, in terms of the notice of general meeting attached to and forming part of this circular, to consider and, if deemed fit, to pass, *inter alia*, the resolutions required to implement the transaction.

2. Background

Rembrandt Group Limited was formed in 1948 and listed on the JSE in 1956. It became the largest tobacco company in South Africa with extensive overseas investments. Richemont was formed in 1988 and listed on the SWX as a product of an unbundling of Rembrandt Group Limited's international interests.

In 1996, Rembrandt Group Limited sold its tobacco business in South Africa to Rothmans International Holdings SA (a wholly owned subsidiary of Richemont at the time) in exchange for shares equalling one third of the total shareholding in Rothmans International Holdings SA, the company holding 100% of the shares in Rothmans International BV. The balance of the shareholding in Rothmans International Holdings SA was held by Richemont.

In 1999, Rothmans International Holdings SA sold its tobacco interests to BAT in return for shares in BAT. Rothmans International Holdings SA thereafter changed its name to R&R.

3. Rationale for the transaction

R&R is a company incorporated in Luxembourg under the 1929 holding company legislation. A Lux 1929 Holding Company is generally exempt from tax. No withholding tax is payable on dividend distributions. Consequently, dividends received from BAT, which suffer no United Kingdom withholding tax, can be paid out to R&R shareholders free from withholding tax. However, in 2006, Luxembourg abolished the special tax status of Lux 1929 Holding Companies with the effect that from 2010, R&R dividends will be subject to a dividend withholding tax at a rate of 15%. That will inevitably have a significant negative impact on Remgro shareholders and Richemont unitholders. The present value of the estimated economic cost to Remgro shareholders of keeping the current structure in place is in excess of R5 billion.

The negative impact of the Luxembourg law changes will be avoided by the distribution of the Reinet depositary receipts and the BAT ordinary shares to Remgro shareholders, as described below.

Reinet Investments will be established under the Luxembourg law of 22 March 2004 as a investment vehicle, taking the form of a *société en commandite par actions* (partnership limited by shares) having the corporate objects and tax status of a securitisation company, to hold the Reinet ordinary shareholders' and Reinet Investments Manager's interests in Reinet Fund, a Luxembourg-regulated specialised investment fund. Dividends declared from income generated from the listed and unlisted investments held by Reinet Fund may be paid to Reinet Investments and will be paid free of withholding taxes by Reinet Investments to the Reinet ordinary shareholders.

BAT has agreed to seek a secondary listing on the JSE as part of the transaction. Under current law and practice no United Kingdom withholding tax will be suffered by Remgro shareholders in South Africa on their future distributions from BAT.

After the transaction and the proposed listing of Reinet ordinary shares on LuxSE and the Reinet depositary receipts on the JSE, a rights issue will be proposed by Reinet Investments, in which Remgro shareholders will be able to participate through their interests in Reinet Investments.

Reinet will provide South African investors with the opportunity to access international investments which may otherwise be beyond their reach. South African institutional investors, in particular, may find it attractive given that Reinet depositary receipts will be classified as domestic dual-listed securities in the hands of South African investors. No ownership restrictions, in terms of South African exchange control, will therefore apply to Reinet depositary receipts.

The establishment of Reinet as an independent dedicated investment entity allows Remgro shareholders to participate in a vehicle to be run by entities under the control of Rupert family interests, which will have an investment strategy aimed at long-term capital growth.

The admission to trading of ordinary shares of Reinet on the LuxSE and the Reinet depositary receipts on the JSE provides investors with a market for the Reinet ordinary shares and Reinet depositary receipts.

Remgro's participation in Reinet and the distribution of Reinet ordinary shares to its shareholders provides Reinet with the opportunity to increase its funds under management and to enlarge its shareholder base.

The subsequent rights offer will provide Reinet shareholders with an opportunity to subscribe for additional Reinet ordinary shares, allowing them to maintain their proportionate interest in Reinet, by subscribing for new Reinet ordinary shares with BAT ordinary shares. Reinet ordinary shareholders and Reinet depositary receipt holders not wishing to or ineligible to participate in the Reinet rights offer will be able to sell their rights on the LuxSE and JSE.

Remgro currently trades at a discount to its NAV. The transaction is expected to contribute to unlocking part of this discount for Remgro shareholders.

4. Information on the Remgro restructuring and the Richemont reconstruction

In order for Remgro to be in a position to undertake the transaction, Remgro and Richemont will need to implement certain steps to restructure their respective holdings in BAT ordinary shares.

In terms of the Richemont reconstruction, these steps will entail, in brief:

- the luxury goods businesses currently held under Richemont SA will be transferred to CF Richemont in consideration for the cancellation of all of the ordinary shares in Richemont SA currently held by CF Richemont;
- the de-twinning of the CF Richemont ordinary shares and the Richemont SA participation certificates (so that the Richemont units will be split into their constituent parts);

- the conversion of Richemont SA into a securitisation vehicle established under the Luxembourg law of 22 March 2004, taking the form of a *société en commandite par actions* (partnership limited by shares) and with the name Reinet Investments;
- the conversion of the Richemont SA participation certificates into Reinet ordinary shares and the admission of these Reinet ordinary shares to trading on the LuxSE; and
- the splitting of the Richemont depositary receipts into New CF Richemont depositary receipts and Reinet depositary receipts and the listing thereof on the JSE.

Following the Richemont reconstruction described above, Reinet will undertake a reduction of capital, in terms of which it will deliver 351 032 964 BAT ordinary shares, representing 90% of the BAT ordinary shares held by Reinet just prior to the Reinet reduction of capital, to Reinet shareholders and Reinet depositary receipt holders on the cancellation of part of their holding of Reinet ordinary shares or Reinet depositary receipts.

Shortly before the Reinet reduction of capital, R&R will undertake a partial capital reduction, in terms of which it will deliver to Reinet, its proportional share of the BAT ordinary shares and other assets held by it, on the cancellation of Richemont SA's entire ordinary shareholding in R&R. Immediately after the R&R partial capital reduction, Reinet Investments' principal assets will initially consist primarily of BAT ordinary shares.

Following the R&R partial capital reduction, Remgro, through wholly owned subsidiary companies, will be the sole shareholder of R&R. The following steps will be taken:

- R&R will sell its BAT ordinary shares at market value to Remgro in consideration for the Remgro loan note. Remgro will thereafter be the direct and registered holder of the Remgro BAT ordinary shares and will be in a position to implement the distribution;
- R&R will distribute all remaining cash and a portion of the Remgro loan note as a dividend to its holding company, Remgro Investments;
- Remgro Investments will in turn distribute available cash and a portion of the loan note as a dividend to its holding company, RIH;
- RIH will declare a portion of the loan note as a dividend to its holding company Remgro, at which point the Remgro loan note will be partly cancelled, the balance remaining outstanding on loan account.

Following the Remgro restructuring and subject to the receipt or waiver of the approvals required at the Remgro shareholders' meeting, the directors intend to:

- exchange 21 430 000 of the Remgro BAT ordinary shares for 302 555 410 Reinet depositary receipts in terms of the first capital increase; and
- distribute the remaining 192 870 000 BAT ordinary shares and the 302 555 410 Reinet depositary receipts to its shareholders as described further in this circular.

Remgro has obtained a binding ruling from SARS regarding the transaction. In terms of the ruling, the total estimated tax payable, including STC, CGT and securities transfer tax is approximately R850 million.

5. The distribution

Remgro will, subject to the fulfilment or waiver, as the case may be, of the suspensive conditions to the distribution set out in section 5.3 below, distribute, as an interim dividend *in specie*, in terms of the provisions of section 90 of the Companies Act:

- 40.6054 BAT ordinary shares; and
- 63.6977 Reinet depositary receipts,

for every 100 Remgro shares held by the Remgro shareholders on the distribution record date.

Remgro shareholders are referred to section 6 below for further information on BAT and section 7 below for further information on Reinet.

Remgro shareholders are also advised to read the BAT pre-listing statement and the Reinet prospectus, which will be issued on or about Friday 10 October 2008 and on or before Tuesday 21 October 2008, respectively. Copies of the Reinet prospectus will be made available at the registered office, the office of the transfer secretaries and the office of Rand Merchant Bank, details of which can be found in the corporate information section of this circular. In addition, Remgro will make an electronic copy of the Reinet prospectus available through its website, www.remgro.com.

5.1 Delivery of the Reinet depositary receipts

Remgro, Richemont SA and CF Richemont have entered into the Reinet agreement to facilitate the distribution of Reinet depositary receipts to Remgro shareholders.

In terms of the Reinet agreement:

- Remgro has been granted an irrevocable conditional right by Richemont SA in terms of which Remgro can dispose of 10% or 21 430 000 of the Remgro BAT shares to Reinet Fund;
- on the basis that Remgro exercises (or is called upon by Reinet to exercise) its rights in terms of the Reinet agreement, Reinet Investments will issue approximately 30 255 541 Reinet ordinary shares to the Depositary; and
- thereafter, the Depositary will deliver approximately 302 555 410 Reinet depositary receipts to the Remgro shareholders on behalf of Remgro.

5.2 Fractional entitlements

In the event that the distribution results in a Remgro shareholder receiving a fraction of a BAT ordinary share or a Reinet depositary receipt, the relevant fraction will be rounded as follows:

- if the fraction is less than 0.5, the Remgro shareholder will have his/her entitlement rounded down to the nearest whole number; or
- if the fraction is equal to or greater than 0.5, the Remgro shareholder will have his/her entitlement rounded up to the nearest whole number.

Remgro shareholders are referred to the table of entitlement in Annexure 1 for further detail.

5.3 Suspensive conditions of the distribution

The distribution is subject to the following principal suspensive conditions, which remain outstanding as at the last practicable date, being fulfilled or waived, as the case may be:

- approval by the Remgro shareholders in general meeting of all the ordinary and special resolutions proposed;
- registration by CIPRO of the aforementioned special resolutions;
- the Richemont reconstruction becoming unconditional;
- the Remgro restructuring becoming unconditional and that the Remgro BAT shares are acquired pursuant thereto; and
- the secondary listing of BAT ordinary shares on the JSE.

5.4 Financial information relating to the transaction

5.4.1 Future dividend payments by Remgro

Remgro currently accounts for its interest in BAT as an associated company. Remgro's consolidated sales and operating profit will therefore not be impacted by the proposed transaction. Net income will, however, be reduced by the elimination of the equity accounted contribution from BAT. Remgro will also no longer receive any dividends from BAT.

Remgro shareholders are further advised that, following the distribution, the future dividends payable by Remgro are likely to be significantly reduced but Remgro shareholders will receive future distributions from BAT and Reinet Investments directly.

5.4.2 Pro forma financial effects of the transaction

The table below sets out the unaudited *pro forma* financial effects of the transaction on Remgro, based on the audited results of Remgro for the year ended 31 March 2008.

The unaudited *pro forma* financial effects are the responsibility of the Remgro directors and have been prepared for illustrative purposes only to provide information about how the transaction may have affected its financial position on the relevant reporting date. Due to their nature, the unaudited *pro forma* financial effects may not be a fair reflection of Remgro's financial position after the implementation of the transaction.

	Audited financial results at 31 March 2008 before the transaction (cents)	Unaudited <i>pro forma</i> results after the transaction (cents)	Change (%)
EPS	2 096	11 293	439
Diluted EPS	2 049	11 253	449
HEPS	1 693	735	(57)
Diluted HEPS	1 649	703	(57)
HEPS (excluding non-recurring portion of BEE costs)	1 701	743	(56)
Diluted HEPS (excluding non-recurring portion of BEE costs)	1 657	710	(57)
NAV per share	12 111	8 344	(31)
NTAV per share	12 024	8 258	(31)

Remgro shareholders are referred to Annexure 2 of this circular which contains detailed notes relating to the *pro forma* financial effects set out in the table above.

5.4.3 Pro forma income statement and balance sheet

The *pro forma* income statement and balance sheet of Remgro, following the transaction, is set out in Annexure 2 of this circular.

5.4.4 Independent reporting accountants' report on the pro forma financial information regarding the Remgro restructuring and distribution

The independent reporting accountants' report on the *pro forma* financial information contemplated in 5.4.2 above is set out in Annexure 3 of this circular.

5.5 General meeting

The general meeting will be held at The Conference Centre, Erinvale Estate Hotel & Spa, Lourensford Road, Somerset West, 7130 at 14:30 on Tuesday 7 October 2008 to consider, and if deemed fit, to pass the ordinary and special resolutions required, *inter alia*, to:

- (i) authorise the directors to implement the distribution;
- (ii) repurchase and cancel Remgro ordinary shares held as treasury shares;
- (iii) repurchase and cancel the remaining Remgro ordinary shares in the Remgro Share Trust; and
- (iv) enable Remgro to wind up the Remgro Share Scheme and replace it with a new scheme (SAR scheme), reflecting the impact of the Remgro restructuring.

Remgro shareholders are referred to the notice of general meeting for detail on the ordinary and special resolutions to be proposed at the general meeting and the "action required by Remgro shareholders" section of this circular for information on the procedure to be followed by Remgro shareholders in order to exercise their votes at the general meeting.

5.6 Directors' opinions and recommendations

The Remgro board has considered the terms of the transaction and recommends that Remgro shareholders vote in favour of the ordinary and special resolutions required to implement the transaction.

The members of the Remgro board have undertaken to vote in favour of the ordinary and special resolutions required to implement the transaction in respect of all of the Remgro shares beneficially held by them.

5.7 Adequacy of working capital

The Remgro board is of the opinion that, after considering the effect of the transaction:

- the Remgro Group will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months after the date of approval of this circular by the JSE;
- the assets of the Remgro Group will be in excess of the liabilities of the Remgro Group for a period of 12 months after the date of approval of this circular by the JSE;

- the share capital and the reserves of the Remgro Group will be adequate for ordinary business purposes for a period of 12 months after the date of approval of this circular by the JSE; and
- the working capital of the Remgro Group will be adequate for ordinary business purposes for a period of 12 months after the date of approval of this circular by the JSE.

5.8 Exchange Control Regulations regarding the distribution

The distributed shares are not freely transferable from the common monetary area and must be dealt with in terms of the Exchange Control Regulations. The following is a summary of the Exchange Control Regulations, is not comprehensive and is intended as a guide only. In the event that Remgro shareholders have any doubts in respect of their obligations in terms of the Exchange Control Regulations, they should consult their professional advisers.

5.8.1 Emigrants from the common monetary area

The distributed shares received by Remgro shareholders who are emigrants from the common monetary area and whose registered addresses are outside the common monetary area will:

- in the case of dematerialised Remgro shareholders be credited to their blocked share accounts at the broker or CSDP controlling their blocked portfolios; or
- in the case of certificated Remgro shareholders whose documents of title have been restrictively endorsed under the Exchange Control Regulations, be endorsed “Non-Resident” and will be sent to the Authorised Dealer in foreign exchange controlling their blocked assets.

5.8.2 All other non-residents of the common monetary area

The distributed shares received by Remgro shareholders who are non-residents of the common monetary area and who have never resided in the common monetary area and whose registered addresses are outside the common monetary area will:

- in the case of dematerialised Remgro shareholders be credited to their share accounts at the broker or CSDP controlling their portfolios; or
- in the case of a certificated Remgro shareholder whose documents of title have been restrictively endorsed under the Exchange Control Regulations, be deposited with an Authorised Dealer in foreign exchange in South Africa nominated by such Remgro shareholder.

It will be incumbent on the Remgro shareholder concerned to nominate the Authorised Dealer and to instruct the nominated Authorised Dealer as to the disposal of the relevant shares or depositary receipts. If the information regarding the Authorised Dealer is not given, the distributed shares will be held in trust for the Remgro shareholder concerned pending the receipt of the necessary information or instruction.

5.8.3 Exchange control classification of BAT ordinary shares and Reinet depositary receipts on the JSE

BAT ordinary shares will be classified as a foreign asset in the hands of South African investors once listed on the JSE. No limits apply to South African residents that are trusts, companies or individuals to hold BAT ordinary shares listed on the JSE. To the extent that Remgro’s institutional investors exceed their foreign exposure limits as a result of the distribution, they will be granted 24 months to realign their portfolios following the distribution of BAT ordinary shares.

Reinet depositary receipts will be classified as domestic dual-listed securities in the hands of South African investors. No ownership restrictions will therefore apply to Reinet depositary receipts.

For the sake of completeness, it should be noted that New CF Richemont depositary receipts will also continue to be classified as domestic dual-listed securities in the hands of South African investors. No ownership restrictions will therefore apply to the New CF Richemont depositary receipts.

5.9 Tax considerations relating to the distribution

Remgro shareholders are referred to Annexure 6 for information on the tax consequences relating to the distribution.

5.10 Preliminary expenses relating to the transaction

The estimated preliminary expenses that will be incurred by Remgro in respect of the Remgro restructuring and distribution are tabled below:

	Estimated amount Rand
Printing and related costs – INCE (Proprietary) Limited	1 500 000
JSE documentation fees	30 000
Merchant bank and sponsor fees – RMB	15 000 000
Independent reporting accountants fees	150 000
Legal and other advisory fees:	15 320 000
– Hofmeyr Herbstein & Gihwala Inc	5 000 000
– Slaughter & May	5 000 000
– PricewaterhouseCoopers Inc	3 500 000
– Computershare	1 630 000
– Miscellaneous	190 000
Estimated total excluding VAT	32 000 000
VAT	4 480 000
Estimated total including VAT	36 480 000

6. Information regarding BAT

6.1 Introduction

BAT is one of the world's leading tobacco groups, with brands sold in more than 180 markets and a strong position in more than 50 markets. In its financial year ended 31 December 2007, BAT's subsidiaries produced some 684 billion cigarettes in 47 cigarette factories located in 40 countries. Four of these and two separate factories also manufactures cigars, roll-your-own and pipe tobacco. BAT manages a portfolio with over 300 brands including the four 'Global Drive Brands': Dunhill, Kent, Lucky Strike and Pall Mall. Much of the growth of the leading brands is driven by product innovation relating to filters, flavours, packaging and cigarette formats. BAT has a significant interest in tobacco leaf growing, working with thousands of farmers internationally. It employs over 53 000 people worldwide. The information relating to BAT set out in this paragraph has been extracted from publicly available documents and has not been verified or investigated by Remgro.

BAT ordinary shares are listed on the official list of the United Kingdom Listing Authority and traded on the main market of the London Stock Exchange. The ISIN number of BAT ordinary shares is GB0002875804 and the securities code is BATS.

Application will be made to the JSE for a secondary listing of BAT ordinary shares and for the admission of BAT ordinary shares to trade on the main board of the JSE. Subject to the Richemont reconstruction taking place on the Richemont reconstruction date, it is expected that the secondary listing of BAT ordinary shares on the JSE will become effective and that dealings for normal settlement in BAT ordinary shares on the JSE will commence at 09:00 South African time on or about Tuesday 28 October 2008.

6.2 Background to relationship with Remgro

R&R, in which Richemont SA owns 67% of the ordinary equity and Remgro owns 33% of the ordinary equity, is BAT's largest shareholder and currently holds approximately 30.1% of BAT's ordinary issued share capital. In addition to its ordinary capital, R&R has issued participation securities. Taking the participation securities into account, the effective economic interests of Richemont and Remgro in R&R are 65% and 35%, respectively. R&R acquired its shareholding in June 1999 upon the merger of BAT and Rothmans International B.V. At the time of the merger, BAT issued BAT ordinary shares and convertible redeemable preference shares to R&R that equated to approximately 35% of the fully diluted issued ordinary share capital of BAT, 25% in ordinary shares and 10% in convertible redeemable preference shares. R&R's voting interest was limited to a maximum of 25% under the terms of the Standstill Agreement with BAT. R&R has subsequently redeemed or disposed of its entire holding of convertible redeemable preference shares, but has retained all of its ordinary shares in BAT.

At the time of BAT's merger with Rothmans International B.V., BAT entered into the Standstill Agreement with R&R, CF RicheMont and Rembrandt Group Limited, Remgro's predecessor company. The Standstill Agreement imposes certain restrictions on the acquisition, holding and disposal of BAT ordinary shares by the parties, among other things. The Standstill Agreement has no fixed term, but ceases to apply if the combined interests attributable to Remgro and RicheMont and their respective concert parties fall below 15% of the issued share capital of BAT (and in certain other limited circumstances).

One of the key terms of the Standstill Agreement is that BAT has undertaken that it will not, without the prior written consent of the other parties, repurchase BAT ordinary shares where such a repurchase would cause R&R's shareholding to equal or exceed 30%. In 2007, BAT obtained CF RicheMont and Remgro's consent to allow it to continue with its share buy-back programme. To preclude the obligation on CF RicheMont and Remgro to make a cash bid for shares that they do not already own, BAT obtained approval from its shareholders for a waiver under the terms of the United Kingdom Takeover Code. This approval has been renewed at the annual general meeting of BAT held on 30 April 2008 and CF RicheMont's and Remgro's combined interest in BAT (through R&R) currently stands at approximately 30.1%.

6.3 BAT summary financial data

The financial information set out below has been extracted from BAT's annual report and accounts as at and for the year ended 31 December 2007 and from its interim report as at and for the six months ended 30 June 2008. Please refer to those reports for BAT's full financial statements for those periods (including the notes thereto in each case).

Selected key financials (in £m, except per share data)	2008 (six months to 30 June)	2007 (six months to 30 June)	2007 (Year to 31 December)	2006 (Year to 31 December)
Income statement:				
Gross turnover including duty, excise and other taxes	14 539	12 334	26 234	25 189
Revenue (after deducting duty, excise and other taxes)	5 457	4 725	10 018	9 762
Profit from operations	1 724	1 492	2 905	2 622
Profit before taxation	1 838	1 588	3 078	2 764
Profit for the year (before minority interest)	1 344	1 168	2 287	2 048
after				
- restructuring costs	(33)	(40)	(173)	(216)
- gains on disposal of subsidiaries, joint ventures, non-current investments and brands	-	11	75	41
Earnings per share (pence):				
- basic unadjusted	62.48	52.94	105.19	92.08
- diluted unadjusted	62.08	52.58	104.46	91.33
- diluted adjusted	62.02	53.51	108.53	98.12
Dividends declared per share (pence)	22.10	16.60	66.20	55.90
Balance sheet:				
Non-current assets	14 128	12 508	13 362	12 385
Current assets	7 371	5 143	5 366	5 391
Total assets	21 499	17 651	18 728	17 776
Shareholders' funds	6 623	6 440	6 880	6 461
Minority interests	248	236	218	227
Total equity	6 871	6 676	7 098	6 688
Non-current liabilities	8 943	6 518	7 076	6 635
Current liabilities	5 685	4 457	4 554	4 453
Total liabilities	14 628	10 975	11 630	11 088
Total equity and liabilities	21 499	17 651	18 728	17 776

For more detailed financial information, please refer to the BAT website www.bat.com.

In addition, Remgro shareholders are referred to the BAT pre-listing statement, expected to be issued on or before Tuesday 21 October 2008 for additional information on BAT.

7. Information regarding Reinet and the Reinet depositary receipts

The information contained in sections 7.1 to 7.10 has been extracted from the Richemont information memorandum with the exception that the definitions and interpretation commencing on page 4 of this circular have been applied to sections 7.1 to 7.10 below, which has been amended to reflect that. Full details of the information regarding Reinet Investments will be provided in the Reinet prospectus expected to be issued on or about Friday 10 October 2008. As a result, the information contained below may be subject to change.

The unaudited *pro forma* consolidated financial information for Reinet Investments contained in section 7.10 below has been prepared in accordance with the applicable requirements of Commission Regulation (EC) No. 809/2004 and not in terms of the Listings Requirements. For a full appreciation of the unaudited *pro forma* consolidated financial information for Reinet Investments contained in section 7.10 below, Remgro shareholders are referred to the details set out in the Richemont information memorandum.

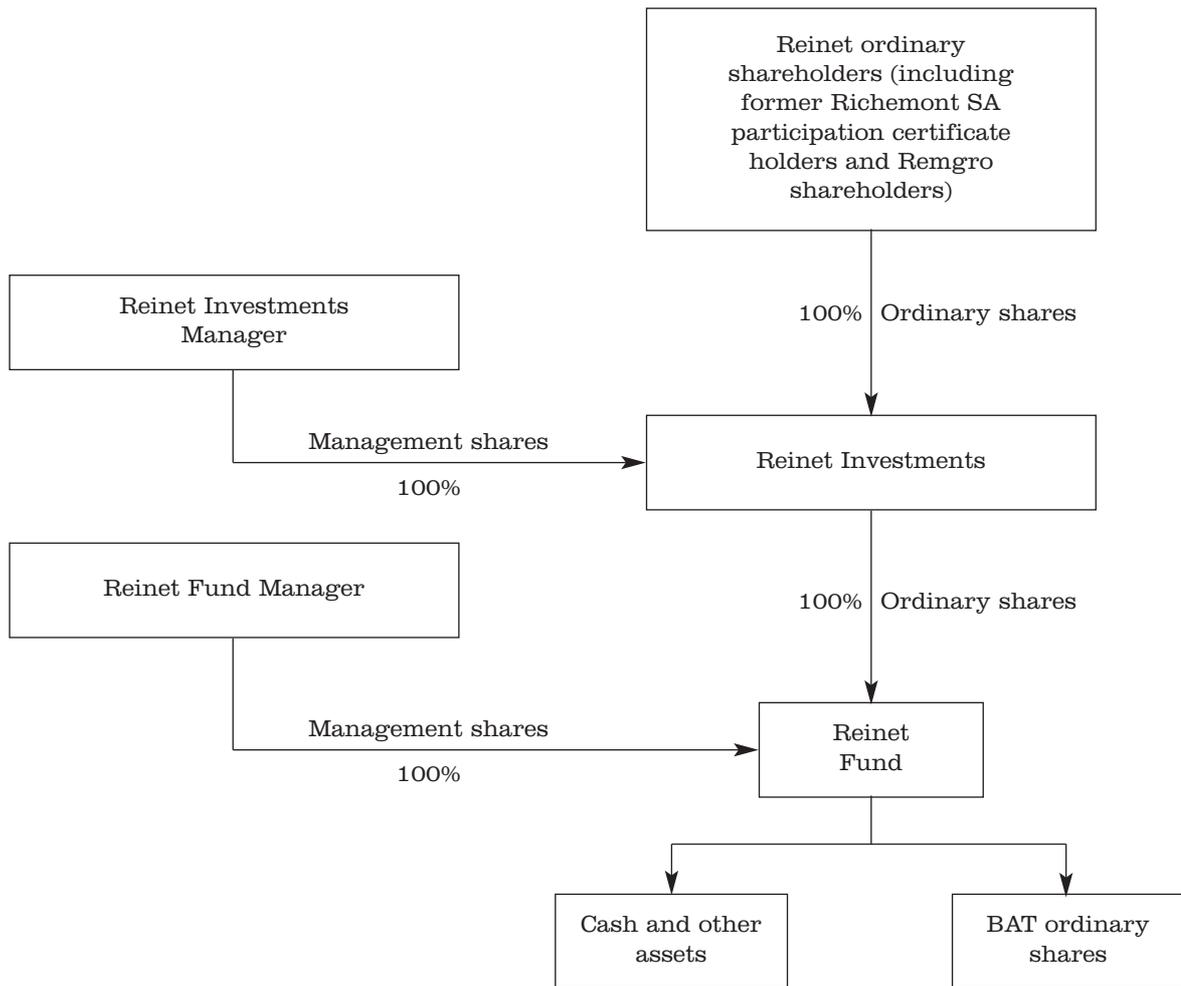
The independent auditor’s report set out in section 7.9 below has been extracted from the Richemont information memorandum. This independent auditor’s report should be read solely in the form and context in which it appears in the said document.

7.1 Overview of Reinet

Reinet structure

Following the implementation of the Proposals, the structure of Reinet will be such that Reinet Investments (which will be the company that issues the Reinet ordinary shares) will own all of the ordinary shares of Reinet Fund and Reinet Fund will hold directly or indirectly all of the underlying investments. The Reinet ordinary shares will be listed on the LuxSE (and, through the Reinet depositary receipts, the JSE). Reinet Investments and Reinet Fund will be managed by their managing shareholders (*actionnaires commandités*), Reinet Investments Manager and Reinet Fund Manager respectively.

The following diagram illustrates the ownership and management structure of Reinet after the implementation of the Proposals:



Investment portfolio

The following table sets out Reinet's expected portfolio of investments immediately after the Reinet reduction of capital and the first capital increase.

Investment	Value as at 6 August 2008 (€ million)	Comment
60 433 663 BAT ordinary shares	€1 466.7	Reinet will initially hold its interest in the BAT ordinary shares through R&R, in which it will hold approximately 65 percent of the economic interest as at the Richemont reconstruction date. It is not possible to state accurately how many BAT ordinary shares Reinet will hold directly or indirectly after the Reinet rights offer and the optional placing. The value of Reinet's holding of BAT ordinary shares was calculated using the Euro BAT ordinary share price on 6 August 2008.
Other assets	€55.5	"Other assets" include interests in certain smaller investments, which were valued at €55 470 000 on 31 May 2008.
Cash	€351.1	The cash amount represents the amount of cash retained by Reinet currently substantially held through R&R.
Total Assets	€1 873.3	
Net Assets	€1 873.3	

Investment objective and policies

The investment objective of Reinet Fund will be to achieve long term capital growth.

Subject to the investment restrictions described in this Section, Reinet Fund's assets may be invested from time to time, directly or through selected third-party managers, in equity securities, fixed income securities, convertible securities and related investments as well as money market investments. Reinet Fund may invest in commercial and residential property, land and other forms of real estate investments.

Reinet Fund may also use derivative instruments including futures and/or forward contracts on any security, commodity, interest rate, currency, stock or indices or on any precious metals, contracts for differences, including index contracts, swaps and all ancillary transactions to any of the above, including margined and/or collateralised transactions to any of the above and off-exchange contracts.

It is not currently expected that Reinet Fund will make systematic use of indebtedness on any significant scale but it may from time to time borrow to finance specific investments. Although there are inherent risks in leveraging, hedging strategies will be utilised to control these risks. The efficiency of such strategies cannot be guaranteed. All borrowings of Reinet Fund will be subject to the margin requirements established by its lenders and will be non-recourse to the shareholders of Reinet Fund. Reinet Fund may have other investment exposure through the use of derivatives, short positions or other strategies. Reinet Fund may lend securities in its portfolio.

Reinet Fund's investments may be made through subsidiary entities and, in such circumstances, the same investment objective, policies and guidelines will apply.

Reinet Fund Manager will have regard to the advice of the Investment Advisor in reaching its investment decisions.

Investment in Equity Securities

Reinet Fund may invest in a wide variety of equity securities. The investment policy will focus typically on listed equity securities, including equity securities issued by established listed companies. In addition, investments may be made in smaller listed entities and unlisted companies, including start-ups, leveraged buy-out companies or more developed companies that are likely to be listed in the near future.

Reinet Fund may also invest in equity warrants, giving the holder the right, but not the obligation, to subscribe for newly created equity issues of the issuing company or a related company at a fixed price. Equity warrants constitute a leveraged investment and thus an investment in equity warrants is more volatile than investments in equity securities.

Equity investments will be selected in industries and companies that Reinet Fund Manager believes are experiencing favourable demand for their products and services, and which operate in a favourable regulatory and competitive climate. Reinet Fund Manager's analysis and selection process will focus on long-term growth potential; current income will not be a major consideration. In addition, factors such as expected levels of inflation, government policies influencing regions or geographic areas will be taken into consideration in selecting equity securities.

Reinet Fund may invest in securities which are not registered with the appropriate regulators in the country of domicile and which may not be readily marketable.

Most of the purchases and sales of securities by Reinet Fund will be effected in the primary trading market for the securities but may be effected by private, off exchange trades or by subscription.

Reinet Fund's investments may include securities of companies whose earnings are expected to increase, companies believed to be undervalued and companies whose operations or profitability are expected to improve.

Investment in Fixed Income Securities

Reinet Fund may invest in a wide variety of fixed income securities.

Reinet Fund may purchase debt obligations consisting of bonds, debentures and notes issued or guaranteed by the US or Western European or other governments and their agencies. Reinet Fund may also purchase debt obligations consisting of bonds, debentures and notes issued by corporate borrowers. Such debt obligations will consist principally of 'investment grade' securities, although Reinet Fund may invest up to 20 per cent of its assets in debt securities which have a rating lower than 'investment grade'. Underlying investments which have a rating lower than 'investment grade' which are in funds managed by third parties will not count on a see-through basis for the purposes of determining this 20 per cent threshold.

Reinet Fund Manager may determine that all or part of Reinet Fund's investments should be made in short-term investment grade money market instruments as a short-term, defensive measure.

Reinet Fund Manager will allocate investments among securities of particular issuers on the basis of its views as to the yield, maturity, issue classification and quality of the securities, coupled with expectations regarding the economy, movements in the general level and term of interest rates, currency values, political developments and variations in the supply of funds available for investment in the bond market relative to the demands placed upon it.

Currencies will generally be evaluated on the basis of fundamental economic criteria (e.g. relative inflation and interest rate levels and trends, growth rate forecasts, balance of payments status and economic policies) as well as considering technical analysis and political data.

Purchase of Convertible Securities and Bonds with Warrants Attached and Related Instruments

Reinet Fund may invest in fixed income obligations convertible into equity securities and bonds issued as a unit with warrants. Convertible securities in which Reinet Fund may invest, comprised of both convertible debt and convertible preferred stock, may be converted at either a stated price or at a stated rate into underlying shares of common stock.

Convertible securities enable an investor to benefit from increases in the market price of the underlying common stock. Convertible securities normally provide higher yields than the underlying equity securities, but generally offer lower yields than non-convertible securities of similar quality. The value of convertible securities fluctuates in relation to changes in interest rates as do bonds, and, in addition, fluctuates in relation to the underlying common stock.

Limits on Illiquid Securities

Reinet Fund will not invest more than 50 per cent of its net assets in illiquid securities.

Positions in Money Market Investments

Reinet Fund may invest in short-term investment grade money market instruments. Reinet Fund Manager may from time to time deem it advisable to adopt a temporary defensive posture by investing a larger percentage of its assets in short-term money market instruments.

Currency Transactions, Interest Rate Futures Contracts and Options Thereon

Subject to applicable regulatory requirements, Reinet Fund Manager may use currency forward contracts, currency and interest rate futures contracts and options on such futures contracts and options on currencies for hedging purposes. Reinet Fund may hedge its risk of changes in currency exchange rates by up to 100% of its total portfolio. The efficiency of such hedging operations cannot be assured.

A currency futures contract provides for the future sale by one party and the purchase by the other party of a certain amount of currency at a specific price, date, time and place. Interest rate futures contracts are standardised contracts traded on commodity exchanges involving an obligation to purchase or sell a pre-determined amount of debt security at a fixed date and price. An option on a futures contract gives the purchaser the right, in return for the premium paid, to assume a position in a futures contract at a specific exercise price at any time prior to the expiration date of the option. When deemed advisable by Reinet Fund Manager, Reinet Fund may enter into currency futures contracts, interest rate futures contracts or related options that are traded on European or U.S. exchanges or the European or U.S. over-the-counter market.

Reinet Fund will engage in currency exchange transactions and purchase put and call options on currencies, primarily for hedging purposes. Reinet Fund will conduct its currency exchange transactions either on a spot (i.e. cash) basis at the rate prevailing in the currency exchange market or through entering into forward contracts to purchase or to sell currencies.

A forward currency contract involves an obligation to purchase or sell a specific currency at a future date, which may be any fixed number of days from the date of the contract agreed upon by the parties, at a price set at the time of the contract. These contracts are entered into in the interbank market conducted directly between currency traders (usually large commercial banks) and their customers. An option on a foreign currency, which may be entered into in the over-the-counter market, gives to the purchaser, in return for a premium, the right to sell, in the case of a put, and buy, in the case of a call, the underlying currency at a specified price during the term of the option.

Reinet Fund may also invest in derivative instruments offered by brokers or banks that combine forward contracts, options and securities in order to reduce currency exposure.

Use of Put and Call Options on Securities

Reinet Fund may, for speculative or hedging purposes, purchase put and call options in respect of specific securities, and may write covered or uncovered call and put option contracts in respect of securities.

A call option gives the purchaser of the option the right to buy, and obligates the writer to sell the underlying security at a stated exercise price at any time prior to the expiration of the option. Similarly, a put option gives the purchaser of the option the right to sell, and obligates the writer to buy, the underlying security at a stated exercise price at any time prior to the expiration of the option. A call option is "uncovered" when the writer does not own the underlying security at the time of entering into the option contract, and is thus liable to have to buy the security in the market to satisfy the option holder with the attendant risks if the market price rises.

To close out a position as a purchaser of an option, Reinet Fund may make a "Closing Sale" transaction, which involves liquidating the position by selling the option previously purchased. Reinet Fund may also purchase and sell call and put options on stock indices listed on securities exchanges or traded in the over-the-counter market for the purpose of realising its investment objective or for the purpose of hedging its portfolio. The effectiveness of purchasing or writing stock index options will depend upon the extent to which price movements in Reinet Fund's portfolio correlate with price movements of the stock index selected. Reinet Fund may also invest in so called "synthetic" options or other derivative instruments provided by broker-dealers or other financial intermediaries.

Reinet Fund may purchase put and call options that are traded on Western European or other exchanges worldwide including U.S. exchanges and in the over-the-counter market. It may purchase put options on portfolio securities and may do so at or about the same time that they purchase the underlying security or at a later time.

By buying a put, it limits its risk of loss from a decline in the market value of the security until the put expires. Any appreciation in the value of and yield otherwise available from the underlying security, however, will be partially offset by the amount of the premium paid for the put option and any related transaction costs. Call options may be purchased by Reinet Fund in order to acquire the underlying securities at a price that avoids any additional cost that would result from a substantial increase in the market value of a security. Reinet Fund also may purchase call options to increase its return to investors at a time when the call is expected to increase in value due to anticipated appreciation of the underlying security. Both put and call options may be subject to counterparty default.

Short Sales

Reinet Fund may sell securities short. In order to effect short sales, it may borrow securities from dealers or financial institutions. Reinet Fund may be required to post cash or other collateral as security for loans and to pay lenders of the securities a lending fee together with any dividend or interest payments on the securities until they are returned. This lending fee may be factored into the rate of interest paid to Reinet Fund on any cash pledged as collateral. Normally the value of cash or securities posted as security for a securities loan exceeds the market value of the securities borrowed and is adjusted to reflect market movements.

Acquisition of Shares of Other Investment Funds

Reinet Fund may invest in investment funds managed by third parties. Such funds may be open ended or closed ended funds and may be listed on recognised stock exchanges. Reinet Fund may also invest in unlisted investment funds, where Reinet Fund Manager considers such investments to be appropriate, taking into account the expertise of the managers of such a fund, the investment strategy, the liquidity and the expected lifespan of the fund. No annual management fees will be payable by Reinet Fund to the Investment Advisor in respect of amounts invested in funds managed by third parties.

Use of Repurchase Agreements

Reinet Fund may enter into repurchase agreements on portfolio securities with member banks of the Federal Reserve System, banks recognised by the European Central Bank and certain non-bank dealers. Repurchase agreements are contracts under which the buyer of a security simultaneously commits to resell the security to the seller at an agreed-upon price and date. Under the terms of typical repurchase agreements, Reinet Fund would acquire an underlying security for a relatively short period (usually not more than one week) subject to an obligation of the seller to repurchase, and Reinet Fund to resell, the security at an agreed-upon price and time, determining the yield during the relevant holding period.

Investment in real estate and real estate funds

Reinet Fund may invest in all types of real estate (including land and buildings) and real estate funds managed by third parties. If Reinet Fund Manager, decides to invest in real estate, the criteria that it will consider in evaluating investment opportunities will include: sustainable occupancy rates and income flows; lease length; prospects for capital appreciation; quality of the asset and the tenants; tenant mix; property location; types of property; likely attractiveness of property to tenants; prospects for increasing rental income; portfolio balance and diversification; and (in relation to debt in respect of real estate) debt coverage and intercreditor arrangements.

Portfolio Transactions and Turnover Rate

Reinet Fund Manager will adopt investment strategies designed to increase total returns. For example, a security may be sold and another with similar investment characteristics purchased to take advantage of a temporary disparity in the relationship between the two securities. However, the fundamental approach to investment will be to maximise value for Reinet ordinary shareholders over the long-term and it is not the intention that Reinet Fund will trade actively on a short-term basis.

The use of certain of the investment strategies described above may increase the portfolio turnover rate. However, consistent with its objectives of long-term capital appreciation, Reinet Fund does not intend typically to seek profits through short-term trading. Certain investment strategies may, however, result in more frequent shifts among its investments and could result in temporarily higher portfolio turnover rates. High portfolio turnover rates will result in greater dealing expenses and commissions as well as additional transaction costs.

Investment guidelines

It is intended that Reinet Fund will gradually diversify its portfolio over a period of up to four years. On final implementation of its diversification policy it intends to apply the following rules:

Risk diversification

Reinet Fund will not hold net long or net short positions equivalent to more than 30 per cent of its assets in securities of the same type issued by the same issuer. This rule is not applicable to securities issued or guaranteed by a Member State of the OECD or local authorities of a Member State or by public international bodies with a EU, regional or worldwide scope.

Borrowings and access to leverage

Reinet Fund may use the full range of financial markets and innovation to achieve the most efficient form of borrowing or leverage to improve the quality of investor returns over time. This might include, but will not be limited to, direct borrowing through margin lending from prime brokers, if any, through repurchase agreements or stock and loan markets and through the embedded leverage of using exchange traded and over-the-counter derivatives where only a fraction of the capital exposure is required in margin form.

It is expected that Reinet Fund's maximum borrowing limit will not exceed 50 per cent of its asset value.

Investments in other undertakings for collective investment

Reinet Fund may, in principle, not invest more than 30 per cent of its assets in securities issued by the same underlying target fund. For the purpose of applying this 30 per cent limit in the case of an underlying target fund with multiple compartments, each compartment will be considered as a distinct target underlying fund, provided that the assets and liabilities of the different compartments are compartmentalised and ring-fenced such that a third party seeking recourse against one compartment of such fund will have no recourse against the other compartments of such fund.

The guideline set out in the previous paragraph will not be applicable to the acquisition of units of open-ended underlying target funds if such funds are subject to risk diversification requirements comparable to those applicable to specialised investment funds, provided that this derogation may not result in a concentration of the investments of the Reinet Fund in one single underlying target fund in excess of 30 per cent. For the purpose of this limitation, each compartment of an underlying target fund with multiple compartments will be considered as a distinct underlying target fund, provided that the assets and liabilities of the different compartments are compartmentalised and ring-fenced such that a third party seeking recourse against one compartment of such fund will have no recourse against the other compartments of such fund.

Use of financial derivative instruments

Reinet Fund will be authorised to employ financial derivative instruments which may include, among other things, options, financial futures and similar options as well as over-the-counter swap contracts relating to any type of financial instrument or commodities.

Financial derivative instruments will primarily be dealt in or on an organised market or contracted by private agreement (by over-the-counter transactions) with professionals specialised in this type of transactions.

Dividends

Reinet Investments will receive dividends from Reinet Fund and, as a securitisation vehicle, will pay all such dividends received, after deduction of the expenses incurred in running its own operations, in full to Reinet ordinary shareholders. The expenses of Reinet Investments' own operations will comprise principally the management fees payable to Reinet Investments Manager as detailed in Section 7.5.

Reinet Investments' ability to pay any dividends will depend upon its receiving dividends or other distributions or payments from Reinet Fund (which will be under no obligation to pay dividends or make any other distributions to Reinet Investments, as described below). There can be no guarantee that Reinet Investments will pay any dividends and it will be under no obligation to do so.

Reinet Fund may pay dividends out of net investment income, out of gains realised on the disposal of investments or out of a combination of net realised investment income and realised gains, net of

operating expenses incurred in the running of Reinet Fund. For the purposes of determining the amount available for dividend payments, net investment income will include all dividend income received in cash, but excluding scrip dividends and other dividends in kind, and interest income. The expenses of Reinet Fund will comprise principally the fees payable to Reinet Fund Manager and to the Investment Advisor, as detailed in sections 7.5 and 7.6. Recognising the need to accumulate capital, Reinet Fund may restrict the level of dividends payable in the initial years of operation. However, Reinet Fund envisages paying a minimum of 33 1/3 per cent of its net investment income in any year to Reinet Investments by way of dividend.

Reinet Fund's ability to pay dividends will depend upon the receipt of investment income, the level of operating expenses and the realisation of investment gains. There can be no guarantee that Reinet Fund will pay any dividends to Reinet Investments and it will be under no obligation to do so.

The first financial reporting period of Reinet Investments and Reinet Fund after the implementation of the Proposals will end on 31 March 2009. Reinet Investments will not receive any dividend income from Reinet Fund until the declaration of such a dividend at that company's annual general meeting to be held in mid-2009. However, under Luxembourg law, Reinet Investments Manager may declare an interim dividend to be paid from Reinet Investments during the second half of the financial year ending 31 March 2010 such that it is currently envisaged that the first dividend payable to Reinet ordinary shareholders will be paid at some time between 1 October 2009 and 31 March 2010 (if the financial position of Reinet Fund allows the payment of a dividend to Reinet Investments at that time).

Regulatory status

In Luxembourg, Reinet Investments will be a *société en commandite par actions* (partnership limited by shares) and will have the tax and regulatory status of a securitisation company within the meaning of the Luxembourg law of 22 March 2004 (*loi du 22 mars 2004 relative à la titrisation*). Reinet Fund will also be a *société en commandite par actions* incorporated in Luxembourg, taking the form of a Specialised Investment Fund, or SIF.

Reinet may be treated as a collective investment scheme in certain other jurisdictions, and Reinet ordinary shares may consequently not be offered to certain investors in those jurisdictions.

This is in particular the case in Switzerland, where the Reinet ordinary shares cannot generally be offered to persons who are not "Qualified Investors", as this term is defined in the Federal Act on Collective Investment Schemes of 2006 and its implementing ordinances and regulations (the "Swiss collective investment regulations"). Neither Reinet Investments nor Reinet Fund are to be supervised by the Swiss Federal Banking Commission, and holders of Reinet ordinary shares will consequently not benefit from the protection guaranteed by the Swiss collective investment regulations.

7.2 Reinet Investments

Form and status

After the Richemont reconstruction, Reinet Investments will be a *société en commandite par actions* (partnership limited by shares) established in Luxembourg, having the objects and tax status of a securitisation company. Application will be made for admission of the Reinet ordinary shares to be traded on the regulated market of the LuxSE. Subject to the Richemont reconstruction becoming effective on the terms described in the Richemont information memorandum, it is expected that admission will become effective and that dealings for normal settlement in the Reinet ordinary shares will commence at 09:00 (Central European Time) on or about Tuesday 21 October 2008. Application will also be made for the Reinet depositary receipts to be listed and traded on the Main Board of the JSE and it is expected that admission will become effective and that dealings for normal settlement in the Reinet depositary receipts will commence at 09:00 (South African Time) on or about Tuesday 21 October 2008.

As a securitisation company, Reinet's corporate objects will be to give Reinet ordinary shareholders exposure to underlying assets (the shares in Reinet Fund) by issuing securities (the Reinet ordinary shares) which can be traded on the capital markets. Reinet's policy to achieve its investment objective (of achieving capital growth over the long term) will be to invest in the shares issued by Reinet Fund.

Reinet Investments Manager

Reinet Investments will be managed by Reinet Investments Manager, a *société anonyme* (limited company) incorporated in Luxembourg, which will be the holder of 1 000 management shares (which will have the same economic rights as the Reinet ordinary shares) in Reinet Investments

after the conversion of Richemont SA into Reinet Investments. As the holder of the management shares, Reinet Investments Manager will have broad powers to carry out all management and administrative functions in compliance with Reinet Investments' corporate objects. The board of directors of Reinet Investments Manager will be responsible for the management of Reinet Investments and will be required to act in Reinet Investments' best interests. Reinet Investments Manager will be ultimately controlled by Rupert family interests.

The initial members of the board of directors of Reinet Investments Manager are set out below:

Johann P Rupert Chairman Age 58	Mr Rupert was appointed to the board of Richemont in 1988 and has served as Executive Chairman since 2002. In 1988 he founded Richemont and he is Non-Executive Chairman of Remgro Limited and VenFin Limited. Mr Rupert is also the Managing Partner of CF Rupert. He founded Rand Merchant Bank in 1979 after working for the Chase Manhattan Bank and Lazard Frères in New York and has had an extensive career in international business, banking and finance.
Jo' Schwenke Chief Executive Officer Age 57	Mr Schwenke is Managing Director of Business Partners Ltd, where he has held various positions between 1984 and 1987 and from 1990 to present. Previously, Mr Schwenke worked for the Anglo American Group for 10 years with companies including Timbrik, SA Forest Investments and Bruply Ltd and managed his own businesses. Mr Schwenke was the founding chairman of the South African Venture Capital and Private Equity Association (SAVCA). Mr Schwenke qualified as a Chartered Accountant in 1975.
Alan Grieve Chief Financial Officer Age 56	Mr Grieve was appointed to the board of Richemont SA in 2004. Prior to joining Richemont's predecessor companies in 1986, he worked in the accountancy profession with PricewaterhouseCoopers and Ernst & Young. He served as Company Secretary of Richemont from 1988 until 2004. He is a director of various subsidiary companies within the Remgro Limited and VenFin Limited groups and is a founding member of the Laureus Sport for Good Global Foundation.
Eloy Michotte Member Age 60	Mr Michotte was appointed to the board of Richemont SA in 1988. He has had an extensive career in international business and finance and worked for Ford, McKinsey & Co and Bankers Trust Company prior to joining Richemont in 1988. As Head of Corporate Finance, Mr Michotte has responsibility for mergers and acquisitions and serves on the boards of a number of companies in which Richemont holds an interest.

Board of Overseers

The operations of Reinet Investments will be subject to review and audit by the Board of Overseers, the function of which is described in more detail in section 7.4.

Shareholders' rights

Each Reinet ordinary shareholder will be entitled to participate in and to vote at meetings of Reinet ordinary shareholders either in person or by appointing a person of his choice as his proxy. Each Reinet ordinary share will carry the right to one vote. Reinet ordinary shareholders will be able to exercise voting rights subject to the provisions of the Articles of Incorporation of Reinet Investments. There is no requirement for a minimum holding of Reinet ordinary shares in order to participate in meetings of Reinet ordinary shareholders.

A holding of Reinet ordinary shares will also entitle Reinet ordinary shareholders to:

- receive dividends as and when declared;
- dispose of their Reinet ordinary shares; and
- receive information published by Reinet Investments.

Ordinary general meetings

The business ordinarily to be considered at a Reinet ordinary shareholders' meeting will be the approval of the annual accounts as presented by Reinet Investments Manager, approval of the allocation of the results of the year proposed by Reinet Investments Manager (including without any limitation the distribution of dividends), the appointment, removal and remuneration of members of the Board of Overseers and the discharge to be given to Reinet Investments Manager and to members of the Board of Overseers.

All other business at a general meeting may only be considered upon a proposal of Reinet Investments Manager unless otherwise provided by law or in the Articles of Incorporation of Reinet Investments.

Extraordinary general meetings

Any general meeting of Reinet ordinary shareholders convened in order to consider a matter that does not fall within the scope of ordinary general meetings (as described above) (including any proposal to amend the Articles of Incorporation of Reinet Investments, or to resolve on issues for which the law refers to the conditions required for the amendment of the articles) will be convened as an extraordinary general meeting. At any such meeting, the shareholders may only validly deliberate if the quorum required by Luxembourg law is satisfied.

Resolutions will be passed by at least two thirds of the votes cast, provided that no resolution at any extraordinary general meeting of Reinet ordinary shareholders will be validly passed unless approved by the Reinet Investments Manager, unless otherwise provided by law or the Articles of Incorporation of Reinet Investments.

Arrangements have been made whereby Rupert family interests will not be entitled to exercise votes at meetings of Reinet ordinary shareholders in excess of 33 per cent of the Reinet ordinary shares in issue.

Taxation

Net worth tax

As a securitisation company within the meaning of the Luxembourg law of 22 March 2004 (*loi du 22 mars 2004 relative à la titrisation*), Reinet Investments is exempt from the annual net worth tax (*impôt sur la fortune*) which is charged at a rate of 0.5 per cent of the net worth of the companies to which it applies.

Capital duty

At the date of establishment of a securitisation company such as Reinet Investments, a fixed capital duty (*droit d'apport*) of €1 250 is payable in principle in respect of the issued and paid-up share capital. Reinet Investments was organised as a holding company prior to being converted into a securitisation company and has in the past paid capital duty in excess of this amount. No capital duty is therefore currently payable. On future capital increases of Reinet Investments, no further capital duty will be payable.

Corporate income tax

After the implementation of the Proposals, Reinet Investments will be liable for Luxembourg corporate tax. However, as a securitisation vehicle, Reinet Investments will be able to deduct dividends payable to Reinet ordinary shareholders in determining its taxable income in any financial year. As it is intended to pay dividends equal to the net income of Reinet Investments in each financial year, it is not expected that Reinet Investments will have a material tax liability. For further information on dividends see section 7.1.

The aggregate maximum applicable rate, including corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*) and a contribution to the employment fund, is typically 29.63 per cent for the fiscal year 2008 for a company established in Luxembourg. Liability for such corporation taxes will extend to Reinet Investments' worldwide profits including capital gains, subject to the provisions of any relevant double taxation treaty. The taxable income of Reinet Investments will be computed by application of the Luxembourg income tax law of 4 December 1967, as amended (*loi concernant l'impôt sur le revenu*), as interpreted and currently applied by the Luxembourg tax authorities. However, as noted above, in calculating taxable net income based on its unconsolidated financial statements, Reinet Investments as a securitisation company, will be able to deduct from net income as business expenses dividends payable to Reinet ordinary shareholders.

Reinet Investments will be a fully taxable Luxembourg resident and should therefore, from a Luxembourg tax perspective, be able to benefit from double taxation treaties and European directives on income tax matters (e.g. Council Directive of 23 July 1990 on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States, or 80/435/EEC; Council Directive of 23 July 1990 on the common system of taxation applicable to mergers, divisions, transfers of assets and exchanges of shares concerning companies of different Member States, or 90/434/EEC; Council Directive of 3 June 2003 on a common system of taxation applicable to interest and royalty payments made between associated companies of different Member States, 2003/49/EC).

Withholding tax

Since Reinet Investments will have the corporate objects and tax status of a securitisation vehicle, any income generated by Reinet Investments (through the listed and unlisted investments which will be held by Reinet Fund) and distributed to Reinet ordinary shareholders will be paid free of withholding taxes.

Thin Capitalisation Rules

As a securitisation company, Reinet Investments will not be subject to Luxembourg's thin capitalisation rules.

7.3 Reinet Fund

Form and status

Reinet Fund will also be a *société en commandite par actions* (partnership limited by shares) incorporated in Luxembourg, taking the form of a Specialised Investment Fund, or SIF.

Reinet Fund Manager

Reinet Fund will be managed by Reinet Fund Manager, a *société anonyme* (limited company) incorporated in Luxembourg which will be the holder of 1 000 management shares in Reinet Fund. Reinet Fund Manager will have broad powers to carry out all management and administrative functions in compliance with the corporate objects of Reinet Fund. In particular, Reinet Fund Manager will be responsible for determining the investment policies and restrictions of Reinet Fund in order to meet Reinet Fund's investment objective and for the conduct of Reinet Fund's management and business affairs. The board of directors of Reinet Fund Manager will be responsible for the management of Reinet Fund and will be bound to act in the best interests of Reinet Fund. Reinet Fund Manager will be ultimately controlled by Rupert family interests.

Board of Directors of Reinet Fund Manager

The initial members of the board of directors of Reinet Fund Manager are set out below:

Johann P Rupert Chairman Age 58	Mr Rupert's biography is contained above.
Jo' Schwenke Chief Executive Officer Age 57	Mr Schwenke's biography is contained above.
Alan Grieve Chief Financial Officer Age 56	Mr Grieve's biography is contained above.
Kurt Nauer Chief Investment Officer Age 58	Prior to joining Richemont, Mr Nauer had several 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 in Zug and for its subsidiary, Vendome Luxury Group, in Luxembourg. He is a director of various subsidiary companies within Richemont.
Eloy Michotte Member Age 60	Mr Michotte's biography is contained above.

Reinet Fund Board of Overseers

The operations of Reinet Fund will be subject to review and audit by the Board of Overseers, the function of which is described in more detail in section 7.4.

Taxation

Reinet Fund will not be liable to any Luxembourg tax on profits or income. It will, however, be liable in Luxembourg to a tax of 0.01 per cent per annum of its net asset value, such tax being payable quarterly on the basis of the value of the net assets of Reinet Fund at the end of the relevant calendar quarter. No stamp duty or other tax will be payable in Luxembourg on the issue of shares and there will be no withholding tax on its distributions to Reinet Investments.

No Luxembourg tax will be payable on the realised or unrealised capital appreciation of the assets of Reinet Fund. Reinet Fund paid a tax of €1 250 on its incorporation.

7.4 Board of Overseers (“*Collège des Commissaires*”)

The operations of Reinet Investments and Reinet Fund will be subject to review and audit by the Board of Overseers. The Board of Overseers of Reinet Investments will be appointed by the Reinet ordinary shareholders. Reinet Investments Manager will procure that the same persons are elected as the members of the Board of Overseers of Reinet Fund as those elected to the Board of Overseers of Reinet Investments. As explained in Section 2 of the Richemont Information Memorandum (and as set out in the Richemont SA meeting notice attached to the Richemont information memorandum), it has been proposed that the Richemont SA meeting will appoint the following individuals to the Board of Overseers as of the Richemont reconstruction date:

Yves-André Istel Age 72	Mr Istel was appointed to the board of directors in 1990. A non-executive director, he is a member of the Audit Committee, the Nominations Committee and Compensation Committee. He has previously served as Managing Director of Lehman Brothers, Co-chairman of First Boston International, Chairman of Wasserstein Perella & Co International and Vice Chairman of Rothschild Inc. He is currently Senior Advisor to Rothschild Inc. and serves as a board member and committee member for a broad range of international institutions and foundations. He is a member of the Economic Club of New York and the Bretton Woods Committee.
Ruggero Magnoni Age 57	Mr Magnoni was appointed to the board of directors in 2006 and is a member of the Audit and Nominations Committee. He has had an extensive career at Lehman Brothers where he played a leading role in developing operations in Italy. In 2000, Mr Magnoni became Head of the European Private Equity division and Vice Chairman of Lehman Brothers Inc. and in 2002 he became Chairman of Lehman Brothers International Italy. He remains a member of the board of directors of Lehman Brothers' Foundation Europe. He currently serves as a board member and committee member for a broad range of international institutions and foundations and is also a partner of CF Rupert.
Alan Quasha Age 58	Mr Quasha was appointed to the board of directors in 2000 and is a member of the Nominations Committee. After practising law, he moved into commerce and has been President of Quadrant Management Inc. since 1987. Mr. Quasha was a Director of Richemont SA from 1988 until his appointment to the board of directors. He was previously Chief Executive Officer at North American Resources Limited, a former joint venture between Richemont and the Quasha family. He is a former Governor of the American Stock Exchange. He is Chairman of HKN Inc and Carret Asset Management Group LLC and was a Director of American Express Funds from 2002 to 2005.
Jürgen Schrempf Age 63	Mr Schrempf was appointed to the board of directors in 2003 and is a member of the Nominations Committee. He served previously as Chairman of DaimlerChrysler AG; President of Mercedes-Benz of South Africa; President of EUCLID, USA; Chairman of Daimler-Benz Aerospace AG; and Chairman of Daimler-Benz AG. He continues to serve as Non-Executive Chairman of Mercedes-Benz, South Africa and as Non-Executive Director of South African Coal, Oil and Gas Corporation (SASOL) and South African Airways. In June 2008, he joined Jonah Capital (Pty) Ltd as Non-Executive Director as well as Iron Mineral Beneficiation Services (Pty) Ltd (IMBS) as the Non-Executive Director and Deputy Chairman. He is a member of the International Investment Council of the President of South Africa and Chairman of the Southern Africa Initiative of German Business (SAFRI). He is also a partner of CF Rupert.

Reinet Investments Manager and Reinet Fund Manager must consult the Board of Overseers in respect of matters which exceed respective powers.

The Board of Overseers will have the general role of overseeing the operations of Reinet and its members may inspect all of Reinet's records for this purpose and may require any information from Reinet's independent auditors as it deems fit to fulfil its duties. In addition the Board of Overseers must approve any decisions of Reinet Investments Manager or Reinet Fund Manager which relate to, among other things:

- any amendment of the stated investment policy of Reinet in the Reinet prospectus (or otherwise made pursuant to a listing obligation or in connection with the listing of securities of Reinet) or the adoption of a new publicly stated investment policy;
- a significant departure from the stated investment policy of Reinet from time to time;
- a significant departure from any material statement regarding future conduct of Reinet's affairs made in the Reinet prospectus or otherwise made pursuant to a listing obligation or in connection with the listing of securities of Reinet;
- any issue of new Reinet ordinary shares at a discount to the per share net asset value of Reinet Investments;
- any material amendment to the Investment advisory agreement; and
- any transaction being entered into by Reinet with a related party.

The Board of Overseers must report to general meetings of Reinet ordinary shareholders on the results of the mandate entrusted to it and may make such recommendations as it considers fit.

The Board of Overseers will also assume the functions that are normally delegated to an Audit Committee of a listed company.

7.5 Expenses and administrative fees

Reinet Investments and Reinet Fund will bear their respective costs and all their respective reasonable ongoing expenses including without limitation: (i) all costs and expenses with respect to the actual or proposed acquisition, financing, hedging or disposition of investments, whether such investments are ultimately consummated or not, including, broken deal expenses, brokerage commissions, clearing and settlement charges, bank service fees, fees and expenses of custodians, accountant's fees, administrator's fees and financing costs (including interest expenses); (ii) other operating, accounting, tax return preparation and consulting, auditing, appraisal and administrative expenses and (iii) general or extraordinary meetings of shareholders and any periodic reports to shareholders.

In addition, Reinet Investments and Reinet Fund will equally share the expenses relating to the remuneration and of the expenses of the Board of Overseers.

Reinet Investments will reimburse Reinet Investments Manager for its expenses incurred in the ordinary course of business including, but not limited to, remuneration of its staff, taxes, rentals, cost of equipment, any other disbursements as well as directors' fees and pay an annual administration fee equal to ten (10) per cent of such expenses. Such amounts shall be payable monthly on the basis of an estimate and a final account shall be drawn up on the basis of the audited accounts of Reinet Investments Manager.

Reinet Fund will reimburse Reinet Fund Manager for its expenses incurred in the ordinary course of business including but not limited to remuneration of its staff, taxes, rentals, cost of equipment, any other disbursements as well as directors' fees. Such amounts shall be payable monthly on the basis of an estimate and a final account shall be drawn up on the basis of the audited accounts of Reinet Fund Manager.

Reinet Fund will also pay management fees and (depending on the performance of Reinet Investments) performance fees to the Investment Advisor as described in section 7.6. These management fees will be reduced by the amount of any reimbursements paid to Reinet Fund Manager as described above.

7.6 The Investment Advisor

Reinet Fund Manager and Reinet Fund will enter into an Investment advisory agreement with Reinet Investment Advisors Limited. Services rendered by the Investment Advisor will be provided primarily by the board of directors of the Investment Advisor. The Investment Advisor will bear all costs and expenses in relation thereto.

The Investment Advisor will be owned and controlled by Rupert family interests.

The Board of Directors of the Investment Advisor

The initial members of the board of directors of the Investment Advisor are set out below:

Johann P Rupert Chairman Age 58	Mr Rupert's biography is contained above.
Jason Eaglestone Chief Financial Officer Age 34	Mr Eaglestone is a South African Chartered Accountant. Prior to joining Richemont in 2001, he worked for PricewaterhouseCoopers in several offices around the world. After leaving the auditing profession, he joined Richemont and was an Operations Manager during 2004; was Chief Operating Officer of Purdey from 2005 to 2006 and Chief Investment Officer of Columbus Venture Capital from 2006 to present. He also serves on the boards of several companies in which Richemont has made investments.
Frank Vivier Chief Investment Officer Age 51	Mr Vivier has over 20 years of experience in business start-ups, corporate strategy and business re-engineering. He is currently Chief Executive Officer of Columbus Venture Capital and also serves as Group Director for e-Business & Projects at Richemont SA. Prior to joining Richemont SA, Mr Vivier worked in South Africa and Europe as a consultant specialising in corporate strategy and business process re-engineering for international corporations. He was also the founder and Chief Executive Officer of several start-up companies including CommsCo International and Destiny E-Commerce. Mr Vivier currently serves as director of various Columbus Venture Capital investee companies such as Luxe International, Portero, Xiocom, Meridian and Kaenon.
Ian Crosby Member Age 47	Mr Crosby has been an executive director of the Stonehage Group of Companies since 1995 and of its acquired Chesterfield Group, since 1999. Mr Crosby is chairman of the Stonehage Group's Jersey operations and managing director of Stonehage Trust Holdings (Jersey) Limited. Mr Crosby is a member of the boards of directors of funds and fund investment companies.
Niall McCallum Member Age 46	Mr McCallum has been a director of the Stonehage Group since 2007 and is head of the Group's Corporate Services and Fund Administration business stream. Mr McCallum is a member of the board of several funds and fund investment companies and is an Associate of the Institute of Chartered Secretaries and Administrators.

The Investment advisory agreement

Reinet Fund Manager and Reinet Fund will appoint the Investment Advisor. Pursuant to the terms of the Investment advisory agreement, the Investment Advisor will be required to (among other things):

- identify potential investment opportunities for Reinet Fund which are in accordance with Reinet Fund's investment objectives and policies and make investment proposals to Reinet Fund Manager;
- identify potential disposals to Reinet Fund Manager (and the terms of implementing such disposals), again in accordance with Reinet Fund's investment objectives and policies;
- monitor investee companies;
- implement the investment decisions adopted by Reinet Fund Manager;
- provide advice to Reinet Fund Manager on existing investments of Reinet Fund and the main decisions to take for the management of such investments;
- prepare and submit to Reinet Fund Manager any such further information as Reinet Fund Manager reasonably requires;
- advise Reinet Fund Manager generally with a view to attracting investment proposals and purchasers for investments acquired by Reinet Fund in accordance with its investment objectives and policies;
- assist Reinet Fund Manager in managing the assets and day-to-day operations of Reinet Fund; and
- provide such additional consultancy services as are requested by Reinet Fund Manager, including services related to the financial, tax and legal planning of investment and divestment transactions, the review and definition of the business plans of investee companies and assistance in due diligence reviews and the negotiations with sellers and buyers of Reinet Fund's investments.

Management and performance fees

In consideration of the services rendered under the Investment advisory agreement, Reinet Fund will agree to pay the Investment Advisor an annual management fee, which will be determined on the basis of the net asset value of Reinet Fund attributable to each asset class (adjusted proportionally for the net indebtedness of Reinet Investments (if any) outside Reinet Fund) and an annual performance fee, which will be determined on the basis of the total shareholder return generated by Reinet Investments and calculated by reference to the appreciation in the share price and distributions to shareholders of Reinet Investments.

Management fees

The management fee will be calculated by reference to the net asset value by asset class, payable semi-annually in arrear and equal to the sum of:

- one (1) per cent per annum of the NAV of Reinet Fund (as defined below) which is attributable to Invested Assets (as defined below);
- one-quarter (0.25) per cent per annum of the NAV of Reinet Fund which is attributable to cash; and
- nil (0) per cent per annum of the NAV of Reinet Fund which is attributable to interests in funds managed by third parties,

minus any reimbursements of expenses in respect of the relevant period payable or already paid by Reinet Fund to Reinet Fund Manager.

The “NAV of Reinet Fund” will be the opening net asset value of the consolidated assets and liabilities of Reinet Fund as reported in respect of each semi-annual reporting period. The NAV of Reinet Fund attributable to an asset class will be adjusted proportionally for the net indebtedness of Reinet Investments (if any) outside Reinet Fund. “Invested Assets” will consist of the consolidated assets of Reinet Fund other than: (i) cash and (ii) interests in funds managed by third parties.

The Investment Advisor has agreed that it will not charge a management fee in respect of the period from the date of the admission of the Reinet ordinary shares to trading on the LuxSE to the end of Reinet Fund’s first financial period (being the period ending 31 March 2009).

Performance fees

Reinet Fund will pay the performance fee to the Investment Advisor within thirty (30) days of the end of the Performance Measurement Period. The performance fee for each Performance Measurement Period (as defined below) will be the higher of:

- ten (10) per cent of the Cumulative Total Shareholder Return (as defined below) in that Performance Measurement Period less the sum of all Performance Fees paid in previous Performance Measurement Periods; and
- zero (0).

The “Cumulative Total Shareholder Return” for any Performance Measurement Period will be calculated as being an amount equal to the sum of:

- (i) the difference between the Closing Price (as defined below) and the Initial Price (as defined below), multiplied by the number of Reinet ordinary shares outstanding at the beginning of the Performance Measurement Period; and
- (ii) the total of all distributions (including dividends and returns of capital) made to Reinet ordinary shareholders from the Initial Date (as defined below) to the end of that Performance Measurement Period.

The first “Performance Measurement Period” shall be the period beginning on the third trading day on the LuxSE after the New Reinet ordinary shares settlement date (the “Initial Date”) and ending on the last day of the first financial period of Reinet Investments (31 March 2009). Subsequent “Performance Measurement Periods” shall be the periods corresponding to the financial years of Reinet Investments.

The “Initial Price” shall be the volume weighted average market price for Reinet ordinary shares on the LuxSE over the first sixty (60) trading days on the LuxSE (“Trading Days”) following the Initial Date (as quoted on Bloomberg).

The “Closing Price” in respect of any Performance Measurement Period shall be the volume weighted average market price on the LuxSE for the Reinet ordinary shares over the last twenty (20) Trading Days of that Performance Measurement Period (as quoted on Bloomberg).

In calculation of the performance fee, adjustments will be made by Reinet Fund Manager to the Initial Price and the Closing Price to compensate for changes to the share capital of Reinet Investments that are not neutral to shareholder value (i.e. dilutive or anti-dilutive), including, *inter alia*, share issues, consolidations and splits, spin-off events, rights issues, bonus issues and reorganisations. Any such adjustments must be approved by the Board of Overseers.

Indemnity

Pursuant to and within the terms of Luxembourg law, the Investment Advisor will be entitled to be indemnified out of the assets of Reinet Fund against any liabilities, actions, proceedings, claims, costs, demands, damages and expenses (including reasonable legal fees) which may be incurred by or threatened against the Investment Advisor as a result of its providing services under the Investment advisory agreement unless such costs result from the Investment Advisor's negligence or wilful misconduct.

Termination

Termination by the Investment Advisor

The Investment Advisor may terminate the Investment advisory agreement upon 12 months' notice subject to any such termination not occurring prior to the second anniversary of the admission to trading of the Reinet ordinary shares on the LuxSE.

Termination by Reinet Fund Manager on 60 days' notice (on instructions of the Board of Overseers)

The Board of Overseers may resolve to require the board of directors of Reinet Fund Manager to terminate the Investment advisory agreement upon 60 days' notice if any of the following occur:

- the Investment Advisor is in breach of the Investment advisory agreement and such breach has not been remedied within 30 days of the Investment Advisor being notified of the breach;
- the Investment Advisor loses any material authorisation required to fulfil its obligations to Reinet Fund;
- there is a change in control of the Investment Advisor;
- the number of Reinet ordinary shares held by Rupert family interests falls below 9 500 000 Reinet ordinary shares (adjusted for non-neutral changes to the share capital of Reinet Investments); or
- the Investment Advisor breaches the exclusivity or non-compete obligations set out in the Investment advisory agreement.

Immediate termination by Reinet Fund Manager (on instructions of the Board of Overseers)

The Board of Overseers may resolve to require the board of directors of Reinet Fund Manager to terminate the Investment advisory agreement immediately if any of the following occur:

- the Investment Advisor or any of its employees or subcontractors engages in any act of fraud, misappropriation of funds or embezzlement against any person to whom the Investment Advisor provides services;
- the Investment Advisor is in wilful default in the performance or observance of any term of the Investment Advisory Agreement; or
- the Investment Advisor's assets (or any part of them) are expropriated.

The Investment advisory agreement will terminate automatically upon the occurrence of certain events relating to the insolvency of the Investment Advisor.

The Investment Advisor shall be entitled to all accrued but unpaid management fees and performance fees should Reinet Fund Manager (acting on the instructions of the Board of Overseers) terminate the Investment advisory agreement with notice. Such entitlement will not arise where Reinet Fund Manager (acting on instructions of the Board of Overseers) is entitled to, and does, terminate the Investment advisory agreement immediately or if the Investment advisory agreement terminates automatically.

7.7 Conflicts

Rupert family interests control a number of other industrial and investment holding companies including CF Richeumont, Remgro and VenFin Limited and may have further interests in the future. Since some of the investment and other professionals employed by these entities may also be involved in the management of Reinet and the Investment Advisor, there is a possibility that these individuals may have a conflict of interest between the duties they owe to Reinet or the Investment Advisor (as the case may be) 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.

Reinet and the Investment Advisor will be managed to avoid any such conflicts of interest in all possible circumstances. If, however, a conflict of interest in relation to an investment opportunity does arise between any of the entities affiliated with Rupert family interests (including Reinet and the Investment Advisor), 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). In particular, it is expected that any investments in luxury goods businesses will be made through CF Richemont.

7.8 Risk factors

An investment in Reinet ordinary shares will involve a number of risks and uncertainties. These risks and uncertainties include, among others, the following:

- Reinet Investments will be newly established as a securitisation company and will have no operating history in such capacity.
- Reinet Investments may lose the tax benefits to which Luxembourg securitisation vehicles are entitled if it does not operate in a manner which will enable it to qualify as a securitisation vehicle or if it were concluded that the tax treatment which securitisation vehicles received in Luxembourg constitutes unlawful state aid. If these tax benefits were deemed to constitute unlawful state aid, the practice in previous European cases has been to assess tax claims retroactively. The board of directors of CF Richemont has, however, been advised that in the specific case of Reinet there are no reasons why the tax regime of Reinet Investments should be considered as illegal state aid and that in addition a retroactive assessment would not be compatible with the principle of the protection of legitimate expectations.
- Reinet Fund has not yet identified any potential new investments it will make with its capital.
- The financial condition and results of operations of Reinet will depend on the ability of Reinet Fund to manage future growth and effectively implement its investment strategy.
- There can be no assurance that Reinet Fund Manager or the Investment Advisor will be able to predict accurately or react effectively to future changes in the value of investments.
- There can be no assurance that the values of investments that Reinet Fund reports from time to time will in fact be realised.
- Reinet Fund will be highly dependent on the investment and other professionals employed by Reinet Fund Manager and the Investment Advisor and there can be no assurance that Reinet Fund will have continued access to them.
- Rupert family interests will exercise a substantial influence over the business of Reinet and may be subject to conflicts of interest.
- Reinet Fund Manager's investment policies may not achieve Reinet Fund's investment objective.
- Reinet Investments will not have any operations of its own and its principal source of earnings will be income from the investments that are made through Reinet Fund and its subsidiaries.
- Reinet Fund will be exposed to foreign exchange risk, which may adversely affect the results of its operations.
- Investment concentration within Reinet Fund may adversely affect the returns on investments.
- Reinet Fund's investments may decrease in value or may not generate investment income or gains.
- Privately acquired securities may be subject to transfer restrictions, which may impede Reinet Fund's ability to liquidate its position quickly.
- If Reinet Fund borrows money to make investments there is a risk that the costs of borrowing will exceed the returns (if any) on those investments.
- Market values of publicly traded securities that are held as investments may be volatile.
- Reinet Fund may make investments in companies that are not controlled by it.
- An investment in Reinet ordinary shares may be illiquid and the market price of the Reinet ordinary shares may fluctuate widely in response to different factors.
- The LuxSE trading market is less liquid than other major exchanges, which could affect the price of the Reinet ordinary shares.
- Reinet Investments will not be authorised under the Swiss Federal Collective Investment Schemes Act.

7.9 Report of the independent professional accountants of the unaudited *pro forma* consolidated financial information relating to Reinet Investments for the year ended 31 March 2008

“To the attention of the Board of Directors of

Richemont S.A.
35, bd du Prince Henri
L-1724 Luxembourg

Report on *pro forma* financial information in the information memorandum

In compliance with Commission Regulation (EC) No. 809/2004, as independent auditor, we report on the *pro forma* financial information (the “*pro forma* financial information”) of Richemont S.A. for the year ended March 31, 2008 set out in section 4.10 (which is renamed Reinet Investments S.C.A.) of the information memorandum dated on or around 15 August 2008 addressed to the shareholders of Compagnie Financière Richemont SA and Richemont S.A. (the “Information Memorandum”).

This *pro forma* financial information has been prepared on the basis described in notes 1 to 12, for illustrative purposes only, to provide information about how the planned reconstruction of the Richemont group and the separation of the other businesses from the luxury business might have affected the financial information presented on the basis of the accounting policies adopted by Richemont S.A. in preparing the unaudited consolidated balance sheet and income statement as at and for the year ended March 31, 2008. By nature, the *pro forma* financial information describes a hypothetical situation and may not necessarily provide an accurate or complete picture of the financial position or the performance of Richemont S.A. had the reconstruction and the separation of the other businesses from the luxury business taken place on March 31, 2007.

It is the responsibility of the board of directors of Richemont S.A. to prepare the *pro forma* financial information in accordance with the applicable requirements of Commission Regulation (EC) No. 809/2004 relating to *pro forma* information.

It is our responsibility to form an opinion, as required by item 7 of Appendix II of Commission Regulation (EC) No. 809/2004, as to the proper compilation of the *pro forma* financial information and to report that opinion to you.

In providing this report, we are not required to, and do not, provide any opinion on any of the underlying information and assumptions, neither are we updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the *pro forma* financial information. We do not accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us, at the dates of their issue, and for the purposes defined therein.

We conducted our work in accordance with the Luxembourg applicable professional standards. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the underlying source documents, considering the evidence supporting the adjustments and discussing the *pro forma* financial information with the Board of Directors of Richemont S.A.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the *pro forma* financial information has been properly compiled on the basis stated and such basis is consistent with the accounting policies of Richemont S.A.

In our opinion:

- (a) the *pro forma* financial information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies adopted by Richemont S.A. for its unaudited consolidated financial statements, as described in note 1 of the *pro forma* financial information.

This report is issued exclusively in the context of the Information Memorandum and may not be used for any other purposes by any party.

PricewaterhouseCoopers S.à.r.l.
Réviseur d'entreprises
Represented by:

Luxembourg, 5 August 2008

Laurence Demelenne

Enclosure:
“*Pro forma* financial information”

7.10 Summary unaudited *pro forma* consolidated financial information for Reinet Investments

The following unaudited *pro forma* consolidated financial information for the year ended 31 March 2008 has been prepared to illustrate the effect of the Richemont reconstruction, the Reinet reduction of capital and the first capital increase (as described more fully in Section 2 of the Richemont information memorandum) on the balance sheet and income statement of Richemont SA as if they had taken place on 31 March 2007 on the basis of the notes set out below. The unaudited *pro forma* consolidated financial information has been prepared for illustrative purposes only. By its nature, the unaudited *pro forma* consolidated financial information addresses a hypothetical situation and, therefore, does not represent Richemont SA's actual financial position or results following the implementation of the Richemont reconstruction, the Reinet reduction of capital and the first capital increase.

As set out in Section 2 of the Richemont information memorandum, Richemont SA participation certificates are currently indivisibly twinned with shares issued by its parent, CF Richemont to form Richemont units. Richemont units are listed on the SWX Swiss Exchange and traded on SWX Europe and are included in the Swiss Market Index ('SMI') of leading stocks. Depository receipts in respect of Richemont units are traded on the JSE.

The board of directors of CF Richemont decided in its meeting of 7 August 2008, to propose to its shareholders the restructuring of its business by splitting its luxury goods businesses from its other interests, which include its interest in BAT and other assets, some to be acquired from CF Richemont subsidiaries. This restructuring includes all the transactions described in Section 2 of the Richemont information memorandum. The shareholders of CF Richemont will be asked to approve the restructuring in their Extraordinary General Meeting to be held on 9 October 2008. The entire restructuring programme is deemed to qualify as a transaction between entities under common control or shareholders and hence use of the historical costs is considered appropriate.

It is expected that Richemont SA will be renamed Reinet Investments S.C.A. and transformed into a securitisation vehicle on 20 October 2008. Reinet Investments will be a securitisation vehicle established under the Luxembourg law of 22 March 2004 and will be a *société en commandite par actions* (a partnership limited by shares) incorporated in Luxembourg. After the distribution by Richemont SA to its parent, CF Richemont, of investments in certain subsidiary entities holding the luxury goods businesses, which will be compensated by the Richemont SA reduction of capital, and following the Reinet reduction of capital and the first capital increase, Reinet's initial portfolio will include an interest of approximately 19.4 per cent of the issued shares in BAT, and other listed and unlisted investments. It is intended that Reinet will diversify its portfolio over time. In addition, a *pro forma* liability, payable to CF Richemont, will be settled by the receipt of dividends from Reinet's investment in BAT from 1 April 2008. For further information on Reinet, see Sections 7.1 to 7.8 above.

The unaudited *pro forma* consolidated financial information does not consider future operating costs of Reinet, which are expected to include, principally, management fees and performance fees. The management fees will be determined by the fund asset values and types and the performance fees will be determined by reference to changes in the Reinet ordinary share price. Neither of these charges can be determined for past periods.

Unaudited pro forma balance sheet at 31 March 2008

Richemont SA 31 March 2008 note 1 € m	Acquisition of investments from CF Richemont subsidiaries note 2 € m	Transfer of investments in subsidiaries compensated by capital reduction in Richemont SA note 3 € m	R&R partial capital reduction Note 4 € m	Conversion of Richemont SA participation certificates and issue of share capital note 5 € m	Reinet reduction of capital note 6 € m	Remgro contribution (first capital increase) note 7 € m	Pro forma Reinet € m
ASSETS							
Non-current assets							
Property, plant and equipment	974		(974)				
Intangible assets	230		(230)				
Investments in associated undertakings	3 008		(10)	(2 998)			
Deferred income tax assets	251		(251)				
Investment in BAT at fair value				9 250	(8 325)	508	1 433
Financial assets held at fair value through profit or loss	33	19	(4)				48
Other non-current assets	173		(172)				1
	4 669	19	(1 641)	6 252	(8 325)	508	1 482
Current assets							
Inventories	2 075		(2 075)				
Trade and other receivables	697		(697)				
Derivative financial instruments	72		(72)				
Prepayments and accrued income	147		(147)				
Cash at bank and on hand	2 086		(1 735)				351
	5 077		(4 726)				351
Total assets	9 746	19	(6 367)	6 252	(8 325)	508	1 833
EQUITY AND LIABILITIES							
Equity							
Share capital	215		(215)		645	(557)	34
Share premium	427		(427)				474
Participation reserve	645			(645)			
Treasury units	(268)		268				
Hedge and unit option reserves	175		(175)				
Cumulative translation adjustment reserve	(347)		(111)	458			
Retained earnings	5 820	19	(2 988)	5 795	(7 768)		878
Total unitholders' equity	6 667	19	(3 648)	6 253	(8 325)	508	1 474
Minority interest	3		(3)				
Total equity	6 670	19	(3 651)	6 253	(8 325)	508	1 474
LIABILITIES							
Non-current liabilities							
Borrowings	246		(246)				
Deferred income tax liabilities	59		(58)	(1)			
Retirement benefit obligations	41		(41)				
Provisions	52		(52)				
Other long-term liabilities	15		(15)				
	413		(412)	(1)			
Current liabilities							
Trade and other payables	1 560		(1 209)				351
Current income tax liabilities	186		(186)				
Borrowings	12		(12)				
Derivative financial instruments	8		(8)				
Provisions	95		(95)				
Accruals and deferred income	212		(204)				8
Short-term loans	267		(267)				
Bank overdrafts	323		(323)				
	2 663		(2 304)				359
Total liabilities	3 076		(2 716)	(1)			359
Total equity and liabilities	9 746	19	(6 367)	6 252	(8 325)	508	1 833

Pro forma net assets at 31 March 2008

	Richemont SA 31 March 2008 note 1 € m	Acquisition of investments from CF Richemont subsidiaries note 2 € m	Transfer of investments in subsidiaries compensated by capital reduction in Richemont SA note 3 € m	R&R partial capital reduction Note 4 € m	Conversion of Richemont SA participation certificates and issue of share capital note 5 € m	Reinet reduction of capital note 6 € m	Remgro contribution (first capital increase) note 7 € m	Pro forma Reinet € m
Pro forma number of shares in issue (million)	561.1	561.1	574.2	574.2	574.2	(495.6)	30.3	108.9
Pro forma net asset value (€ million)	6 670	19	(3 651)	6 253	-	(8 325)	508	1 474

Note 1 Richemont SA

This financial information has been extracted without material adjustment from the unaudited consolidated financial statements of Richemont SA as at and for the year ended 31 March 2008 prepared in accordance with International Financial Reporting Standards. Based on the criteria defined by Luxembourg law, Richemont SA is exempt from the obligation to draw up consolidated accounts. Richemont SA's audited financial statements are included in the audited consolidated financial statements of CF Richemont forming the largest body of undertakings of which Richemont SA forms a part as a subsidiary undertaking. The accounting policies adopted by Richemont SA are consistent with those described in the annual consolidated financial statements of CF Richemont.

Note 2 Acquisition of investments from CF Richemont subsidiaries

CF Richemont holds a number of its smaller investments in listed and unlisted undertakings, designated as assets held at fair value through profit or loss, through subsidiaries other than Richemont SA. Certain of these assets are to be sold by CF Richemont, prior to the Richemont reconstruction, to VDCI SA, Luxembourg a wholly-owned subsidiary of Richemont Finance SA, Luxembourg, which is a wholly-owned subsidiary of Richemont SA, at a fair value of €19 million, and will be retained by Richemont SA when the luxury goods businesses are distributed to CF Richemont.

This financial information has been extracted without material adjustment from the accounting records of the relevant entities.

The transaction described above will have no tax impact for Richemont SA as it has a tax exempt status as a Luxembourg holding company.

Note 3 Transfer of investments in subsidiaries compensated by Richemont SA reduction of capital

The 1 914 000 ordinary shares in Richemont SA are 100 per cent held by CF Richemont. Richemont SA will distribute to CF Richemont its entire holdings in the share capital of the entities holding the luxury goods businesses, compensated by the cancellation of the 1 914 000 Richemont SA ordinary shares amounting to €215 million together with the related share premium reserve amounting to €427 million. The net assets of the entities holding the luxury goods businesses will be distributed to CF Richemont, after having settled all intercompany assets and liabilities with the luxury goods businesses, with the exception of an intercompany payable balance of €351 million. These net assets have a book value of €3 651 million as of 31 March 2008.

The financial information has been extracted without material adjustment from the accounting records of the entities being transferred to CF Richemont.

The Richemont SA reduction of capital will have no tax impact on CF Richemont and its subsidiaries. In particular the distribution by Richemont SA to CF Richemont of its entire holdings of the share capital in the entities holding the luxury goods businesses will have no tax impact in Luxembourg nor Switzerland as the transaction represents a partial liquidation of Richemont SA in the context of a group restructuring.

Note 4 R&R partial capital reduction

The investment in BAT included in the consolidated financial statements of Richemont SA for the year ended 31 March 2008 is accounted for under the equity method. At 31 March 2008, Richemont held an effective interest of 19.3 per cent in BAT through joint control of R&R. R&R has the ability to exert significant influence over BAT, including representation on BAT's board of directors. Thus, Richemont considers BAT to be an associated undertaking. At 31 March 2008, the investment in BAT accounted for under the equity method amounted to €2 998 million.

Following the R&R partial capital reduction, the investment in BAT will no longer meet the definition of an associated undertaking and will no longer be eligible for equity accounting. The investment will be designated as a financial asset held at fair value through profit or loss and will be revalued to market value at each reporting date. The deferred tax liability of €1 million recognised in R&R in respect of the undistributed reserves of its equity-accounted investment in BAT is released to equity as a non-recurring item when the investment is designated as a financial asset held at fair value through profit or loss.

The cumulative translation reserve of €458 million arising on the consolidation of R&R, an entity with a pound sterling functional currency, is transferred to retained earnings upon the change in accounting treatment of the investment in BAT.

The financial information has been extracted without material adjustment from the accounting records of the relevant entities.

Changes in the market value from 1 April 2007 are recognised in profit or loss for the year. The non-recurring gain arising from the remeasurement of the interest in BAT as of 31 March 2007 has been recognised directly in equity.

The total market capitalisation of BAT at 31 March 2008 was £38 126 million. The fair value of the Richemont Group's effective interest of 390 036 627 BAT ordinary shares (19.3 per cent) at that date was €9 250 million.

Fair value gains and losses and dividend income will not give rise to any tax in R&R as the company has tax exempt status as a Luxembourg holding company.

No stamp duty or other tax liabilities will arise in the United Kingdom in respect of the holding in BAT as the transaction is not a transfer for consideration.

Note 5 Conversion of Richemont SA participation certificates into Reinet ordinary shares

The 574 200 000 Richemont SA participation certificates issued with no par value for which a reserve of €645 million has been established will be converted into 574 200 000 new ordinary shares with aggregate nominal value of €645 million.

Note 6 Reinet reduction of capital

See Note 4 above. Subject to obtaining Richemont SA shareholders' approval, 90 per cent of Reinet's holding in BAT (or 351 032 964 BAT ordinary shares), representing an amount of €8 325 million at the market price on 31 March 2008, will be distributed to Reinet ordinary shareholders in proportion to their holding of Reinet ordinary shares, in accordance with the Exchange Ratio. This will result in the cancellation of 86.3 per cent of the new ordinary shares of Richemont SA for €557 million. The difference of €7 768 million is eliminated against retained earnings and represents previous remeasurement of BAT ordinary shares at market value through 31 March 2008 that needs to be eliminated.

Note 7 Remgro contribution (First capital increase)

See Note 4 above. Following the partial liquidation of R&R, Remgro will hold a direct investment in the shares of BAT. Subject to Remgro shareholders' approval, and to CF Richemont/Richemont SA shareholders approval, Remgro will contribute 10 per cent of its holding, or 21 430 000 BAT ordinary shares, with an aggregate fair value of €508 million as of 31 March 2008 to Reinet and in consideration Reinet will, based on the Exchange Ratio, issue 30 255 541 new Reinet ordinary shares to the Depositary, which in turn will issue 302 555 410 new Reinet depositary receipts to Remgro shareholders. Applying the Exchange Ratio and the aggregate par value as described in note 5 above results in an aggregate increase in share capital of €34 million and a related increase in share premium of €474 million.

The Remgro contribution is subject to an irrevocable put option agreement between Richemont SA, CF Richemont and Remgro. The valuation of this option and its related accounting have not been considered in the *pro forma* information due to the lack of underlying data available in order to account for it retrospectively in the period presented.

The above transaction will have no tax impact for R&R as the company has tax exempt status as a Luxembourg holding company.

Unaudited *pro forma* income statement for the year ended 31 March 2008

	Richemont SA 31 March 2008 note 1 € m	Acquisition of investments from CF Richemont subsidiaries note 8 € m	Transfer of investments in subsidiaries compensated by capital reduction in Richemont SA note 9 € m	R&R partial capital reduction note 10 € m	Reinet reduction of capital note 11 € m	Remgro contribution (first capital increase) note 12 € m	<i>Pro forma</i> Reinet € m
Sales	5 301		(5 301)				
Cost of sales	(1 896)		1 896				
Gross profit	3 405		(3 405)				
Selling and distribution expenses	(1 181)		1 181				
Communication expenses	(607)		607				
Administrative expenses	(506)		495				(11)
Other operating income	13		(13)	445	(400)	24	69
Operating profit	1 124		(1 135)	445	(400)	24	58
Finance costs	(135)	(2)	134				(3)
Finance income	160	1	(148)				13
Share of post-tax profit of associated undertakings	610		(1)	(609)			
Profit before taxation	1 759	(1)	(1 150)	(164)	(400)	24	68
Taxation	(193)		192				(1)
Net profit	1 566	(1)	(958)	(164)	(400)	24	67
Attributable to:							
Equity holders	1 567	(1)	(959)	(164)	(400)	24	67
Minority interest	(1)		1				
	1 566	(1)	(958)	(164)	(400)	24	67
<i>Pro forma</i> earnings per share							
<i>Pro forma</i> earnings attributable to shareholders (€ millions)	1 567	(1)	(959)	(164)	(400)	24	67
<i>Pro forma</i> number of shares in issue (million)	561.1	561.1	574.2	574.2	(495.6)	30.3	108.9
<i>Pro forma</i> earnings per share (€ per share)	2.793	(0.002)	(1.670)	(0.286)	0.807	0.792	0.615

Note 8 Acquisition of investments from CF Richemont subsidiaries

See Note 2 above. The net fair value gain on investments held at fair value through profit or loss of €1 million and foreign exchange losses of €2 million relate to the €19 million of investments purchased from CF Richemont, and therefore need to be consolidated by Richemont SA.

The financial information has been extracted without material adjustment from the accounting records of the relevant entities. There is no tax benefit from the losses arising as related holding gains and income will not be subject to tax.

Note 9 Transfer of investments in subsidiaries compensated by capital reduction in Richemont SA

See Note 3 above. The net profit attributable to shareholders of the entities holding the luxury goods businesses which will be distributed to CF Richemont was €959 million for the year ended 31 March 2008, and needs to be eliminated.

The financial information has been extracted without material adjustment from the accounting records of the entities being transferred to CF Richemont.

The above adjustment is made on a post-tax basis. There are no tax consequences from the elimination of this income.

Note 10 R&R partial capital reduction

See Note 4 above. The increase in fair value of the Richemont Group's effective interest in BAT as at 31 March 2008 and 31 March 2007 (€9 250 million and €9 130 million respectively) generated a fair value gain through the income statement of €120 million.

In addition, following the cessation of equity accounting for the interest in BAT, the share of post-tax profit of associated undertakings is no longer appropriate hence the reversal of the share of the post-tax profit of associated undertakings of €609 million as previously reported in the consolidated financial statements of Richemont SA. This is replaced with actual dividends received in the year of €325 million, giving a total other operating income from BAT of €445 million.

The financial information has been extracted without material adjustment from the accounting records of the relevant entity.

Fair value gains and losses and dividend income will not give rise to any tax in R&R as R&R has tax exempt status as a Luxembourg holding company.

The Richemont Group's share of results of BAT was recognised on a post-tax basis. There are no tax consequences from the elimination of this income.

Note 11 Reinet reduction of capital

See Note 6 and Note 10 above. 90 per cent of the €120 million increase in fair value of the Richemont Group's effective interest in BAT as at 31 March 2008 and 31 March 2007 (or €108 million) is eliminated together with 90 per cent of actual dividends received in the year of €325 million (or €292 million), for a total amount of €400 million.

Note 12 Remgro contribution (first capital increase)

See Note 7 above. The increase in fair value of €6 million from 1 April 2007 to 31 March 2008 (€502 million and €508 million respectively) together with the actual dividend received in the year of €18 million arising from the 21 430 000 BAT ordinary shares contributed by Remgro needs to be included in Richemont SA, for a total amount of €24 million.

Fair value gains and losses and dividend income will not give rise to any tax in Richemont SA as Richemont SA has tax exempt status as a Luxembourg holding company.

None of the above income statement adjustments are expected to have a continuing impact on Reinet's financial information.

7.11 Reinet depositary receipts

Currently, the Richemont depositary receipts are listed on the JSE. The rights and benefits attaching to those Richemont depositary receipts are governed by the Deposit Agreement. The Richemont depositary receipt holders do not legally own the underlying Richemont A-Units themselves (although they enjoy all the economic benefits attaching thereto). Instead, the Depositary as the issuer of the Richemont depositary receipts owns the Richemont A-Units in a fiduciary capacity for the account of Richemont depositary receipt holders. The Depositary exercises the voting rights attaching to the Richemont A-units held by it at any meeting of CF Richemont shareholders and Richemont SA participation certificate holders, in accordance with the instructions of the Richemont depositary receipt holders.

On the Richemont reconstruction becoming effective, the existing twinning arrangement of the Richemont A-Units will terminate thereby enabling separate dealing in the Reinet ordinary shares and the CF Richemont ordinary shares. The Depositary will surrender all of its Richemont A-Units and will in turn receive CF Richemont ordinary shares and Reinet ordinary shares. The Richemont depositary receipts will similarly be "split" to reflect the change in the underlying Richemont A-Units. Richemont depositary receipt holders will be required to surrender their Richemont depositary receipts to the Depositary Agent and will be issued with New CF Richemont depositary receipts in respect of CF Richemont ordinary shares and Reinet depositary receipts in respect of Reinet ordinary shares. The New CF Richemont depositary receipts and the Reinet depositary receipts will both be issued by the Depositary and will continue to be subject to the terms of the Deposit Agreement.

A Reinet depositary receipt will constitute a claim against the Depositary in respect of a one tenth undivided share of the economic rights, including voting rights, accruing to a Reinet ordinary share and the proceeds of any sale or other realisation of such a Reinet ordinary share. All Reinet depositary receipts will be listed on the JSE. Every Reinet depositary receipt holder will be entitled to one vote in respect of each Reinet depositary receipt held, however, the votes attaching to the Reinet depositary receipts will not be votes in respect of the Reinet ordinary share themselves but instead are rights to instruct the Depositary as to how it should exercise the votes in respect of the Reinet ordinary shares held by it at meetings of shareholders of Reinet Investments.

The Depositary is Richemont Securities AG, a wholly owned subsidiary of CF Richemont based in Geneva, Switzerland. It has been established for the specific purpose of issuing and cancelling Richemont depositary receipts and Reinet depositary receipts. It will also provide the necessary facilities for the registration of the Reinet depositary receipt holders and the exchange of Reinet depositary receipts for Reinet ordinary shares and *vice versa*. All Reinet ordinary shares underlying the Reinet depositary receipts in issue will be held in safe custody by the custodian, UBS in Zurich. Computershare is the Depositary Agent of the Depositary in South Africa.

The Depositary will be required, in terms of the Deposit Agreement, to give notice to all Reinet depositary receipt holders of all general meetings of Reinet Investments.

Reinet depositary receipt holders will, in terms of the Deposit Agreement, instruct the Depositary as to how to vote its Reinet ordinary shares by completing and submitting a proxy voting instruction form to the Depositary or the Depositary Agent. The Depositary shall exercise its votes in respect of the Reinet ordinary shares according to the instructions received from the Reinet depositary receipt holders by aggregating the proxy voting instruction forms and dividing it by the number of Reinet depositary receipts that entitle a holder thereof to one Reinet ordinary share (currently 10).

8. Information regarding the Reinet rights offer and the optional placing

Reinet Investments will undertake a rights offer. In terms of the Reinet rights offer, Reinet ordinary shareholders and Reinet depositary receipt holders will be provided with the opportunity to subscribe for additional Reinet ordinary shares or Reinet depositary receipts, as the case may be, by contributing a fixed number of BAT ordinary shares for each new Reinet ordinary share or new Reinet depositary receipt, as the case may be.

It is anticipated that the Reinet rights offer will:

- be priced at an appropriate market related discount to the prevailing Reinet ordinary share price;
- be fully underwritten by CF Rupert and Rembrandt Trust;
- trade “ex” the rights entitlement on Monday 10 November 2008;
- close on Friday 5 December 2008; and
- provide a mechanism for Reinet ordinary shareholders and Reinet depositary receipt holders to trade their rights on the LuxSE and the JSE respectively, should they so desire.

Remgro shareholders (by virtue of becoming Reinet depositary receipt holders) will receive 6.36977 nil-paid warrants to subscribe for 50.9582 Reinet depositary receipts pursuant to the Reinet rights offer, for every 100 Remgro shares held by Remgro shareholders.

In addition to being the underwriters, CF Rupert and Rembrandt Trust will have the option, in terms of the optional placing, to subscribe for additional Reinet ordinary shares to the extent that they have not done so under the Reinet rights offer. This placing will be done at the NAV per Reinet ordinary share following the Reinet rights offer, using the BAT ordinary share price in Euro at the date of setting the Reinet rights offer price.

Further details regarding the Reinet rights offer and the optional placing are set out in Richemont information memorandum and will be made available in the Reinet prospectus expected to be issued on or about Friday 10 October 2008.

9. Impact of the distribution on the Remgro Share Scheme

The distribution will have a material unintended negative economic impact on the majority of the scheme participants. Remgro would like to place the scheme participants in the same or substantially similar economic position following the distribution when compared to their current economic position. Remgro would also like to do this at the lowest possible cost to Remgro and its shareholders.

The independent members of the Remuneration and Nomination Committee of Remgro, consisting of Messrs P K Harris, F Robertson and G D de Jager and the chairman of the Audit and Risk Committee of Remgro, Mr D Prins formed an independent committee for the purposes of evaluating the impact of the distribution on the Remgro Share Scheme. The proposals contained below are in accordance with the recommendations of this independent subcommittee of the Remgro board and considered fair to scheme participants and Remgro shareholders alike.

The Remgro Scheme shares can be grouped into four categories:

	Number of Remgro Scheme shares	Market value* R'000
Vested pre 30 September 2004 Remgro Scheme shares	1 989 969	373 239
Unvested pre 30 September 2004 Remgro Scheme shares	117 655	22 067
Subtotal	2 107 624	395 306
Vested post 30 September 2004 Remgro Scheme shares	318 859	59 805
Unvested post 30 September 2004 Remgro Scheme shares	962 119	180 455
Subtotal	1 280 978	240 260
Total	3 388 602	635 566

* Market value based on a price of R187.56 per Remgro ordinary share, being the closing price on the last practicable date.

9.1 Treatment of the vested pre 30 September 2004 Remgro Scheme shares, unvested pre 30 September 2004 Remgro Scheme shares and vested post 30 September 2004 Remgro Scheme shares

It is proposed that the vesting date in respect of the unvested pre 30 September 2004 Remgro Scheme shares be accelerated and that Remgro and/or a subsidiary of Remgro, provide a direct finance facility to the scheme participants to allow them to settle the outstanding purchase price on their vested pre 30 September 2004 Remgro Scheme shares, unvested pre 30 September 2004 Remgro Scheme shares and vested post 30 September 2004 Remgro Scheme shares.

The salient terms of the direct finance facility are as follows:

- the interest payable will be equal to the normal dividend income received by the scheme participant on his/her Reinet depositary receipts, BAT ordinary shares and Remgro ordinary shares;
- the repayment term will be equivalent to the period by which the scheme participant is currently obliged to take delivery of the Remgro Scheme shares; and
- for as long as the scheme participant has not settled the amount outstanding under the facility, a subsidiary of Remgro will be appointed as the sole administrative agent of the scheme participant's share and finance account and, should the scheme participant sell his underlying shares, will be authorised to deduct the amount outstanding in terms of the facility from the purchase price.

In order to access the direct finance facility it is proposed that Remgro shareholders approve the early vesting of the unvested pre 30 September 2004 Remgro Scheme shares. The unvested pre 30 September 2004 Remgro Scheme shares represent about 3% of the total Remgro Scheme shares, the majority of which would have vested within one month after the transaction and the remainder within ten months of the transaction.

It is anticipated that the maximum finance that Remgro and/or its nominated subsidiary will be required to provide to scheme participants in terms of the direct finance facility will be approximately R100 million and the total cost to Remgro and/or its nominated subsidiary of the direct finance facility will amount to approximately R2 million per annum. In terms of the existing expiry dates the maximum finance term will be until 2014, with the biggest portion expiring in 2010.

The direct finance facility will be provided in accordance with the provisions of the Companies Act.

9.2 Treatment of the unvested post 30 September 2004 Remgro Scheme shares

In respect of the unvested post 30 September 2004 Remgro Scheme shares, it is proposed that Remgro pay existing scheme participants 100% of the current gain out in cash. This gain will equate to the difference between the market price (determined as the five-day VWAP up to the last day to trade of the distribution) and the original offer price of the Remgro ordinary shares to the scheme participants, less tax at their marginal rate, plus special dividends received (and retained by the trustees of the Remgro Share Trust for the scheme participants).

Remgro will then wind up the Remgro Share Trust and the Remgro Share Scheme by repurchasing all the Remgro ordinary shares in the Remgro Share Scheme from the trustees of the Remgro Share Trust, with the proceeds of the repurchase being paid back to Remgro, in its capacity as a beneficiary of the Remgro Share Scheme. The economic benefit of the repurchase will therefore flow back to Remgro.

Thereafter, in order to mirror scheme participants' exposure and vesting profile in respect of the current Remgro Share Scheme, scheme participants will be granted share appreciation rights in Remgro ordinary shares at market value (following the distribution). The effect of this is that existing scheme participants will keep the same or substantially similar economic exposure to Remgro following the distribution.

9.3 Proposed new incentive scheme

The proposed new incentive scheme will be a share appreciation right ("SAR") scheme based on "equity-settled share appreciation rights".

In terms of the SAR scheme, executive directors and employees of Remgro, as selected by the Remuneration Committee, may receive annual grants of share appreciation rights, which are rights to receive Remgro ordinary shares equal to the value of the difference between the market value (the closing price on the JSE) of the Remgro ordinary shares underlying the SARs on the day prior to the date on which the SAR becomes exercisable ("the exercise price") and the market value of the Remgro ordinary shares underlying the SARs on the day prior to the date on which the grant was made ("the grant price"). A percentage of the share appreciation rights will become exercisable by participants on specified dates. Upon exercise by a participant of his rights in terms of the SAR scheme, Remgro will settle the value of the difference between the exercise price and the grant price, by delivering Remgro ordinary shares to the participant.

The salient features, of the rules of the proposed SAR scheme remain unaltered from the current rules of the Remgro Share Scheme. These salient features include, *inter alia*, the following:

- the directors may allocate a maximum of 5% of Remgro's issued ordinary shares to the scheme;
- no employee of Remgro may be offered more than 0.25% of Remgro's ordinary shares;
- share appreciation rights may be exercised as follows:
 - one third of the share appreciation rights granted may be exercised on or after the third anniversary of the date of grant;
 - two thirds of the share appreciation rights granted may be exercised on or after the fourth anniversary of the date of grant; and
 - after the fifth anniversary of the date of grant, all the share appreciation rights granted may be exercised, to the extent that they have not been exercised previously.
- the rules of the SAR scheme may be amended by the directors subject to the Listings Requirements from time to time, provided that no amendment of the rules shall detract from any rights which a participant acquired prior to the date upon which any such an amendment is made; and
- one exception to the above terms is that participants who currently have exposure to the unvested post 30 September 2004 Remgro Scheme shares will be entitled to exercise their share appreciation rights on their existing delivery dates as envisaged in the rules to the Remgro Share Scheme. Participants who are directors of Remgro will accept the grant of share appreciation rights before the commencement of Remgro's closed period (for purposes of reporting its interim results) which will start on 30 September 2008. The acceptances will be announced on SENS once the acceptance agreements between Remgro and the participant directors have been signed.

Remgro shareholders are referred to the notice of general meeting for detail of the ordinary and special resolutions to be proposed at the general meeting in relation to the acceleration of the vesting of the unvested pre 30 September 2004 Remgro Scheme shares as detailed in 9.1 above, providing the direct finance facility to scheme participants as detailed in 9.1 above, the termination of the Remgro Share Trust and the Remgro Share Scheme as detailed in 9.2 above, and in relation to the creation of the SAR scheme as detailed in 9.3 above.

GENERAL INFORMATION REGARDING REMGRO

10. Share capital of Remgro

10.1 Authorised share capital of Remgro

The authorised share capital of Remgro at the last practicable date is set out below:

Authorised	R'm
512 493 650 ordinary shares of R0.01 each	5.1
40 506 352 B ordinary shares of R0.10 each	4.1
Total	9.2

10.2 Issued share capital

The issued share capital of Remgro at the last practicable date is set out below:

Issued	R'm
449 003 606* ordinary shares of R0.01 each	4.5
35 506 352 B ordinary shares of R0.10 each	3.5
Total	8.0

* Treasury shares held by a wholly owned subsidiary included.

As at 31 March 2008, the total share premium is R37.4 million.

Each Remgro ordinary share has one vote. Each Remgro B ordinary share has ten votes. As at the last practicable date, the number of Remgro ordinary shares held in treasury by a wholly owned subsidiary was 8 554 019 and the Remgro ordinary shares held by the trustees of the Remgro Share Scheme was 3 396 319.

Cancellation of treasury shares

Remgro has proposed a resolution for the general meeting to authorise the directors to cancel the 8 554 019 Remgro ordinary shares held as treasury shares. The cancellation is not expected to have any material financial effect on Remgro. The price at which these shares will be repurchased will be equal to the closing market price on the day prior to such repurchase, which is expected to occur between Wednesday 8 October 2008 and Friday 17 October 2008 and will be funded out of existing cash reserves.

Cancellation of the remaining Remgro ordinary shares in the Remgro Share Scheme

Remgro has proposed a resolution for the general meeting to authorise the directors to cancel 962 119 Remgro ordinary shares which represent the unvested post 30 September 2004 Remgro Scheme shares and the 7 717 unallocated Remgro ordinary shares held in the Remgro Share Scheme at the last practicable date. The cancellation is not expected to have any material financial effect on Remgro. The price at which these shares will be repurchased will be equal to the closing market price on the day prior to such repurchase, which is expected to occur between Wednesday 8 October 2008 and Friday 17 October 2008 and will be funded out of existing cash reserves.

Following the cancellation of the above-mentioned Remgro ordinary shares, there will be 439 479 751 Remgro ordinary shares of R0.01 each and 35 506 352 Remgro B ordinary shares of R0.10 each in issue.

11. Major beneficial shareholders

As at 31 March 2008, the following Remgro shareholders have beneficial interests of 5% or more of the issued ordinary share capital of Remgro either directly or indirectly:

Name of shareholder	Number held	% held
Ordinary shares		
Public Investment Commissioner	63 829 870	14.22
Old Mutual Life Assurance Company SA Limited	24 044 096	5.35
B ordinary shares		
Rembrandt Trust (Proprietary) Limited	35 506 352	100.00

12. Directors

12.1 Directors

Annexure 7 of this circular provides details of the directors of Remgro.

12.2 Directors' interests in securities

The directors' interests in Remgro shares, as at the last practicable date, are set out below:

	Direct beneficial	Indirect beneficial	Associates	Total	% held
Executive directors:					
M H Visser	–	715 145	–	715 145	0.16
W E Bühmann	223 256	–	–	223 256	0.05
L Crouse**	–	–	–	–	–
J A Preller	75 069	–	–	75 069	0.02
T van Wyk	117 585	–	100	117 685	0.03
Non-executive directors:					
J P Rupert***	–	–	2 600	2 600	0.00
E de la H Hertzog	228 245	1 671 903	129 984	2 030 132	0.45
P E Beyers	70 024	13 000	–	83 024	0.02
G D de Jager*	57 740	108 300	–	166 040	0.06
J W Dreyer	–	–	2 600	2 600	0.00
P K Harris*	–	169 118	–	169 118	0.04
J Malherbe	26 826	222 511	22 500	271 837	0.06
M M Morobe*	–	–	–	–	–
D Prins*	–	–	–	–	–
M Ramos*	–	–	–	–	–
F Robertson*	–	5 000	–	5 000	0.00
Total	798 745	2 904 977	157 784	3 861 506	0.86

* Independent non-executive directors.

** Mr D M Falck retired with effect from 18 June 2008 and was replaced by Mr L Crouse. As at 31 March 2008, Mr D M Falck had a direct beneficial interest in 200 Remgro ordinary shares and an indirect beneficial interest in 18 133 Remgro ordinary shares.

*** Mr J P Rupert is a director of Rembrandt Trust which owns 100% of the issued unlisted Remgro B ordinary shares.

There has been no change in the directors' interests in Remgro shares between 31 March 2008 and the last practicable date.

13. Material changes

There have been no known material changes in the financial or trading position of the Remgro Group since the end of the last financial period.

14. Litigation

There are no legal or arbitration proceedings which may have, or have had, during the twelve-month period preceding the date of this circular, a material effect on the financial position of the Remgro Group. Furthermore, Remgro is not aware of any such proceedings that are pending or threatened.

15. Directors' responsibility statement

The directors, whose names are set out on page 15 of this circular, collectively and individually, accept full responsibility for the accuracy of the information in relation to Remgro given in this circular and certify that, to the best of their knowledge and belief there are no facts in relation to Remgro that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this circular contains all information in relation to Remgro required by law and the Listings Requirements.

16. Consents

The merchant bank and sponsor, the independent reporting accountants, the attorneys and the transfer secretaries have all provided their written consents to act in the capacity stated and to their names being used in this circular and have not withdrawn their consents prior to the publication of this circular. The independent reporting accountants have consented to the inclusion of their report in this circular.

The report of PricewaterhouseCoopers S.à r.l. on the Reinet unaudited *pro forma* consolidated financial information has been extracted from the Rlichemont information memorandum for information purposes only and should be read solely in the form and context in which it appears in the said document. PricewaterhouseCoopers S.à r.l. has consented to the inclusion of their report in this circular for the purposes of paragraph 8.54 of the Listings Requirements.

17. Documents available for inspection

Copies of the following documents will be available for inspection at the registered office and the office of Rand Merchant Bank, whose details can be found in the corporate information section of this circular, during normal business hours (excluding Saturdays, Sundays and South African public holidays) from the date of issue of this circular until the day of the general meeting:

- the memorandum and articles of association of Remgro;
- the independent reporting accountants' report on the unaudited *pro forma* financial effects of the distribution on Remgro;
- the Reinet agreement;
- audited results of Remgro for the year ended 31 March 2008;
- the written letters of consent of the merchant bank and sponsor, the independent reporting accountants, the attorneys and the transfer secretaries to the inclusion of their names in this circular in the context and form in which they appear;
- a signed copy of the rules of the SAR scheme; and
- a signed copy of this circular.

For and on behalf of the Remgro board

REMGRO LIMITED

M H Visser

Chief Executive Officer

M Lubbe

Company Secretary

Stellenbosch
15 August 2008

TABLE OF ENTITLEMENT TO DISTRIBUTED SHARES

Column 2 in the table below sets out the number of BAT ordinary shares which a Remgro shareholder will receive, pursuant to the distribution.

Column 3 in the table below sets out the number of Reinet depositary receipts which a Remgro shareholder will receive, pursuant to the distribution.

If, pursuant to the distribution, a Remgro shareholder receives a fraction of a BAT ordinary share or a Reinet depositary receipt, the relevant fraction will be rounded as follows:

- if the fraction is less than 0.5, the Remgro shareholder will have his/her entitlement to BAT ordinary shares or Reinet depositary receipts rounded down to the nearest whole number; or
- if the fraction is equal to or greater than 0.5, the Remgro shareholder will have his/her entitlement to BAT ordinary shares or Reinet depositary receipts rounded up to the nearest whole number.

Number of Remgro shares held	Number of BAT ordinary shares received pursuant to the distribution	Number of Reinet depositary receipts received pursuant to the distribution
1	-	1
2	1	1
3	1	2
4	2	3
5	2	3
6	2	4
7	3	4
8	3	5
9	4	6
10	4	6
11	4	7
12	5	8
13	5	8
14	6	9
15	6	10
16	6	10
17	7	11
18	7	11
19	8	12
20	8	13
21	9	13
22	9	14
23	9	15
24	10	15
25	10	16
26	11	17
27	11	17
28	11	18
29	12	18
30	12	19
31	13	20
32	13	20
33	13	21
34	14	22
35	14	22
36	15	23
37	15	24
38	15	24
39	16	25
40	16	25
41	17	26
42	17	27
43	17	27
44	18	28

Number of Remgro shares held	Number of BAT ordinary shares received pursuant to the distribution	Number of Reinet depositary receipts received pursuant to the distribution
45	18	29
46	19	29
47	19	30
48	19	31
49	20	31
50	20	32
51	21	32
52	21	33
53	22	34
54	22	34
55	22	35
56	23	36
57	23	36
58	24	37
59	24	38
60	24	38
61	25	39
62	25	39
63	26	40
64	26	41
65	26	41
66	27	42
67	27	43
68	28	43
69	28	44
70	28	45
71	29	45
72	29	46
73	30	46
74	30	47
75	30	48
76	31	48
77	31	49
78	32	50
79	32	50
80	32	51
81	33	52
82	33	52
83	34	53
84	34	53
85	35	54
86	35	55
87	35	55
88	36	56
89	36	57
90	37	57
91	37	58
92	37	59
93	38	59
94	38	60
95	39	61
96	39	61
97	39	62
98	40	62
99	40	63
100	41	64
500	203	318
1 000	406	637
10 000	4 061	6 370
100 000	40 605	63 698
1 000 000	406 050	636 977

**UNAUDITED *PRO FORMA* FINANCIAL INFORMATION OF REMGRO
PURSUANT TO THE TRANSACTION**

The unaudited *pro forma* financial information of Remgro is the responsibility of the directors and has been prepared for illustrative purposes only to provide information about how the transaction might have affected the historical financial information of Remgro. Due to its nature, the unaudited *pro forma* financial information may not be a fair reflection of Remgro's financial position after the implementation of the transaction, nor of its future earnings.

Unaudited *pro forma* income statement for the year ended 31 March 2008

	Audited unadjusted before the transaction R'm	Elimination of R&R's equity profits ⁴ R'm	Decreased interest earned on cash ⁵ R'm	Remgro Share Scheme ⁶ R'm	Profit on the distribution and related costs ⁷ R'm	Unaudited adjusted after the transaction R'm
Sales	9 447	–	–	–	–	9 447
Inventory expenses	(5 415)	–	–	–	–	(5 415)
Personnel costs	(1 621)	–	–	(107)	–	(1 728)
Depreciation	(251)	–	–	–	–	(251)
Other net operating expenses	(1 109)	–	–	–	–	(1 109)
Trading profit	1 051	–	–	(107)	–	944
Dividends received	274	–	–	–	–	274
Interest received	296	–	(2)	11	–	305
Finance costs	(43)	–	–	–	–	(43)
Net impairment of investments, assets and goodwill	19	–	–	–	–	19
Profit on distribution, sale and restructuring of investments	1 665	–	–	–	47 962	49 627
Consolidated profit before tax	3 262	–	(2)	(96)	47 962	51 126
Taxation	(419)	–	–	20	(686)	(1 085)
Consolidated profit after tax	2 843	–	(2)	(76)	47 276	50 041
Share of after-tax profit of associated companies and joint ventures	7 210	(3 524)	–	–	–	3 686
Net profit for the year	10 053	(3 524)	(2)	(76)	47 276	53 727
Attributable to:						
Equity holders	9 893	(3 524)	(2)	(76)	47 276	53 567
Minority interests	160	–	–	–	–	160
	10 053	(3 524)	(2)	(76)	47 276	53 727

	Audited unadjusted before the transaction R'm	Elimination of R&R's equity profits ⁴ R'm	Decreased interest earned on cash ⁵ R'm	Remgro Share Scheme ⁶ R'm	Profit on the distribution and related costs ⁷ R'm	Unaudited adjusted after the transaction R'm
Associated companies and joint ventures						
Share of after-tax profit of associated companies and joint ventures						
Profit before taking into account impairments, non-recurring and capital items	10 023	(5 095)	–	–	–	4 928
Net impairment of investments, assets and goodwill	(28)	10	–	–	–	(18)
Profit on sale of investments	372	(183)	–	–	–	189
Restructuring costs	(259)	259	–	–	–	–
Other non-recurring and capital items	32	–	–	–	–	32
Profit before tax and minority interest	10 140	(5 009)	–	–	–	5 131
Taxation	(2 390)	1 239	–	–	–	(1 151)
Minority interest	(540)	246	–	–	–	(294)
	7 210	(3 524)	–	–	–	3 686
Reconciliation of headline earnings						
Net profit for the period attributable to equity holders	9 893	(3 524)	(2)	(76)	47 276	53 567
Plus/(Minus):						
– Net impairment of investments, assets and goodwill	(15)	–	–	–	–	(15)
– Profit on distribution, sale and restructuring of investments	(1 665)	–	–	–	(48 125)	(49 790)
– Net (surplus)/loss on disposal of property, plant and equipment	(114)	–	–	–	–	(114)
– Non-headline earnings items included in equity accounted earnings of associated companies and joint ventures	(122)	(85)	–	–	–	(207)
– Taxation effect on adjustments	5	26	–	–	–	31
– Minority interest	9	4	–	–	–	13
Headline earnings	7 991	(3 579)	(2)	(76)	(849)	3 485
Non-recurring portion of BEE costs added back	37	–	–	–	–	37
Headline earnings – excluding non-recurring portion of BEE costs	8 028	(3 579)	(2)	(76)	(849)	3 522

	Audited unadjusted before the transaction R'm	Elimination of R&R's equity profits ⁴ R'm	Decreased interest earned on cash ⁵ R'm	Remgro Share Scheme ⁶ R'm	Profit on the distribution and related costs ⁷ R'm	Unaudited adjusted after the transaction R'm
Earnings						
Headline earnings per share (cents)						
- Basic	1 692.8					734.7
- Diluted	1 649.0					702.5
Headline earnings per share – excluding non-recurring portion of BEE costs (cents)						
- Basic	1 700.7					742.5
- Diluted	1 656.8					710.2
Earnings per share (cents)						
- Basic	2 095.7					11 292.5
- Diluted	2 048.9					11 253.0
Weighted number of shares in issue (million)⁶						
	472.1			2.3		474.4
Diluted weighted number of shares in issue (million)⁶						
	474.0			0.6		474.6

Unaudited *pro forma* balance sheet as at 31 March 2008

	Audited unadjusted before the trans- action R'm	Cash distri- bution by R&R with restruc- turing ⁵ R'm	Cancel- lation of treasury shares and Remgro Share Scheme ⁶ R'm	Distri- bution and related costs ^{4,7} R'm	Dividend <i>in specie</i> ⁷ R'm	Unaudited adjusted after the transaction R'm
ASSETS						
Non-current assets						
Property, plant and equipment	2 568	–	–	–	–	2 568
Biological agricultural assets	67	–	–	–	–	67
Investment properties	33	–	–	–	–	33
Goodwill and trademarks	408	–	–	–	–	408
Investments						
– Associated companies	43 175	(2 430)	–	(16 799)	–	23 946
– Joint ventures	64	–	–	–	–	64
– Other	8 551	–	–	–	–	8 551
Retirement benefits	10	–	–	–	–	10
Loans	2	–	99	–	–	101
Deferred taxation	4	–	–	–	–	4
	54 882	(2 430)	99	(16 799)	–	35 752
Current assets						
Cash and cash equivalents	3 934	2 430	–	–	–	6 364
Other current assets	3 011	–	–	–	–	3 011
Total assets	61 827	–	99	(16 799)	–	45 127
EQUITY AND LIABILITIES						
Issued capital	45	–	(37)	–	–	8
Reserves	58 697	–	(1 405)	47 276	(64 956)	39 612
Treasury shares	(1 515)	–	1 515	–	–	–
Shareholders' equity	57 227	–	73	47 276	(64 956)	39 620
Minority interest	648	–	–	–	–	648
Total equity	57 875	–	73	47 276	(64 956)	40 268
Non-current liabilities						
Retirement benefits	229	–	–	–	–	229
Long-term loans	189	–	–	–	–	189
Deferred taxation	1 454	–	–	–	–	1 454
Current liabilities	2 080	–	26	(64 075)	64 956	2 987
Short-term loans	190	–	–	–	–	190
Other current liabilities	1 890	–	26	881	–	2 797
Dividends payable	–	–	–	(64 956)	64 956	–
Total equity and liabilities	61 827	–	99	(16 799)	–	45 127
Net asset value per share (Rand)	121.11					83.44
Net tangible asset value per share (Rand)	120.24					82.58
Number of shares in issue (million)⁶	472.5		2.3			474.8

Notes to the unaudited *pro forma* income statement and balance sheet

1. The *pro forma* financial effects are based on the audited financial results of Remgro for the year ended 31 March 2008. The financial impact on the earnings of Remgro are illustrated as if the transaction had been completed at 1 April 2007, while the impact on the net assets of Remgro are shown as if the transaction had been implemented on 31 March 2008.
2. The distribution will be implemented in compliance with section 90 of the Companies Act.
3. The following common assumptions have been used in the calculation of the *pro forma* financial information:
 - (a) an income tax rate of 29%;
 - (b) an STC rate of 10%;
 - (c) securities transfer tax of 0.25%;
 - (d) a Remgro ordinary share price of R195.93 at 31 March 2008;
 - (e) a BAT ordinary share price of GBP18.91 at 31 March 2008;
 - (f) interest earned at effective rates that vary between 5.31% and 6.21% per annum in foreign countries;
 - (g) an average Rand/GBP exchange rate of 14.2869 for the year to 31 March 2008; and
 - (h) a Rand/GBP exchange rate of 14.3449 and 16.0290 at 31 March 2007 and 31 March 2008 respectively.
4. The *pro forma* income statement effect represents the reversal of Remgro's attributable portion of R&R's earnings for the year ended 31 March 2008. R&R's earnings mainly included equity accounted profits from BAT as well as interest received on its cash balances. The balance sheet effect represents the settlement of the dividend by way of a distribution *in specie* of the relevant BAT ordinary shares and Reinet depositary receipts at 31 March 2008.
5. As part of the preliminary steps to the R&R partial capital reduction, whereby Richemont SA's capital in R&R is returned to it by distributing to it its proportional share of the BAT ordinary shares and other assets and whereafter R&R becomes a wholly owned subsidiary of Remgro, R&R will repay GBP142.5 million of its debentures to Remgro Investments and all of its excess cash to the respective shareholders by way of cash dividends. The *pro forma* income statement effect represents the net interest earned on the cash received on 1 April 2007 as part of the preliminary steps, the reversal of actual cash dividends received from R&R during the year to 31 March 2008 and the decrease in interest earned resulting from the STC and securities transfer tax charges as well as the estimated transaction costs and payments to participants in terms of the unvested post 30 September 2004 Remgro Scheme shares. From 1 April 2007 the BAT dividends are paid directly to Remgro shareholders. The balance sheet effect represents the cash received on 31 March 2008 as part of the preliminary steps.
6. It is proposed that Remgro provide a direct finance facility to the scheme participants to allow them to settle the outstanding purchase price on their vested pre 30 September 2004 Remgro Scheme shares, unvested pre 30 September 2004 Remgro Scheme shares and vested post 30 September 2004 Remgro Scheme shares. In terms of the unvested post 30 September 2004 Remgro Scheme shares, it is proposed that Remgro pay existing scheme participants 100% of the current gain and then wind up the Remgro Share Scheme by repurchasing and cancelling these Remgro ordinary shares. Thereafter, in order to mirror scheme participants' exposure and vesting profile in respect of the current Remgro Share Scheme, scheme participants will be granted share appreciation rights in Remgro ordinary shares at market value, following the distribution. The *pro forma* income statement effects mainly represent the after-tax gain (of the unvested post 30 September 2004 Remgro Scheme shares), paid to scheme participants, as well as the after-tax deemed interest received on the direct finance facility. The balance sheet effects represent the cancellation of the Remgro ordinary shares in the Remgro Share Scheme, the creation of the direct finance facility to Remgro employees and the after-tax gain of the unvested post 30 September 2004 Remgro Scheme shares as well as cancellation of the treasury shares held by a subsidiary at 31 March 2008. The *pro forma* effects on the number of shares as well as the weighted numbers of shares in issue represent the additional shares issued as a result of settlement of the vested pre 30 September 2004 Remgro Scheme shares, unvested pre 30 September 2004 Remgro Scheme shares and vested post 30 September 2004 Remgro Scheme shares. The *pro forma* effect on the diluted weighted numbers of shares in issue represents the dilutive effect of the proposed new share incentive scheme.
7. Following the Remgro restructuring and the Remgro contribution, the distribution will take place, in terms of which 192 870 000 BAT ordinary shares and 302 555 410 Reinet depositary receipts are distributed as an interim dividend *in specie* to Remgro shareholders. The *pro forma* income statement effects represent the profit made on the distribution, being the difference between the market value of the BAT ordinary shares distributed and the carrying value thereof, less STC and securities transfer tax payable on the distribution as well as estimated transaction costs. The balance sheet effects represent the declaration of a dividend, the profit on the distribution as described above as well as STC, securities transfer tax and estimated transaction costs payable.
8. The financial effects set out above have been prepared based on IFRS and interpretations of IFRS applicable at 31 March 2008. It should be noted that IFRS is continuing to evolve through the issue and/or endorsement of new Standards and Interpretations and developments in the application of recently issued Standards. For that reason, it is possible that the financial impact and adjustments reflected above may change before the presentation of the results of Remgro for the six months ending 30 September 2008 and year ending 31 March 2009.

**INDEPENDENT REPORTING ACCOUNTANTS' REPORT
ON THE UNAUDITED *PRO FORMA* FINANCIAL INFORMATION
FOLLOWING THE TRANSACTION**

"The Directors
Remgro Limited
PO Box 456
Stellenbosch
7599

8 August 2008

Dear Sirs

Independent reporting accountants' assurance report on the unaudited *pro forma* financial information of Remgro Limited ("Remgro") and its subsidiaries

We have performed our limited assurance engagement in respect of the *pro forma* financial information set out in paragraph 5.4 and Annexure 2 of the Remgro circular, to be dated on or about 15 August 2008, ("the circular"). The *pro forma* financial information has been prepared in accordance with the JSE Limited ("JSE") Listings Requirements, for illustrative purposes only, to provide information about how the transaction contemplated in the circular might have affected the reported historical financial information presented, had the corporate action been undertaken at the commencement of the period or at the date of the *pro forma* balance sheet being reported on.

Directors' responsibility

The directors of Remgro are responsible for the compilation, contents and presentation of the *pro forma* financial information contained in the circular and for the financial information from which it has been prepared. Their responsibility includes determining that: the *pro forma* financial information has been properly compiled on the basis stated; the basis is consistent with the accounting policies of Remgro; and the *pro forma* adjustments are appropriate for the purposes of the *pro forma* financial information disclosed in terms of the JSE Listings Requirements.

Reporting accountants' responsibility

Our responsibility is to express our limited assurance conclusion on the *pro forma* financial information contained in paragraph 5.4 and Annexure 2 of the circular. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements applicable to *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the *Guide on Pro Forma Financial Information* issued by the South African Institute of Chartered Accountants. This standard requires us to obtain sufficient appropriate evidence on which to base our conclusion.

We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the *pro forma* financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Sources of information and work performed

Our procedures consisted primarily of comparing the unadjusted financial information with the source documents, considering the *pro forma* adjustments in light of the accounting policies of Remgro, considering the evidence supporting the *pro forma* adjustments and discussing the adjusted *pro forma* financial information with the directors and management of the company in respect of the corporate action that is the subject of this circular.

In arriving at our conclusion, we have relied upon financial information prepared by the directors and management of Remgro and other information from various public, financial and industry sources.

While our work performed has involved an analysis of the historical published audited financial information and other information provided to us, our assurance engagement does not constitute an audit or review of any of the underlying financial information conducted in accordance with *International Standards on Auditing or International Standards on Review Engagements* and accordingly, we do not express an audit or review opinion.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention, which causes us to believe that:

- the *pro forma* financial information has not been properly compiled on the basis stated;
- such basis is inconsistent with the accounting policies of Remgro; or
- the adjustments are not appropriate for the purposes of the *pro forma* financial information as disclosed in terms of the section 8.17 and 8.30 of the JSE Listings Requirements.

Yours faithfully

PricewaterhouseCoopers Inc.

Director: N H Döman

Registered Auditor

**EXTRACTS FROM THE HISTORICAL FINANCIAL INFORMATION OF BAT
FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2006 AND 31 DECEMBER 2007**

Tabled below are the summarised income statement, balance sheet, statement of changes in equity and cash flow statement for BAT for the years ended 31 December 2006 and 31 December 2007. The financial information was extracted from the BAT Annual Report and Accounts of 2007. For more detailed financial information, including details of accounting policies and notes to the financial statements, please refer to the BAT website www.bat.com.

BAT income statement for the year ended 31 December

	2007	2006
	£'m	£'m
Gross turnover*	26 234	25 189
Revenue	10 018	9 762
Raw materials and consumables used	(2 802)	(2 861)
Changes in inventories of finished goods and work in progress	30	(11)
Employee benefit costs	(1 586)	(1 554)
Depreciation and amortisation costs	(336)	(401)
Other operating income	205	181
Other operating expenses	(2 624)	(2 494)
Profit from operations	2 905	2 622
after (charging)/crediting		
– restructuring costs	(173)	(216)
– gains on disposal of a business, brands and joint venture	75	41
Finance income	136	110
Finance costs	(405)	(399)
Net finance costs	(269)	(289)
Share of post-tax results of associates and joint ventures	442	431
after (charging)/crediting		
– restructuring costs	–	–
– US Federal tobacco buy-out	–	–
– brand impairments	(7)	(13)
– exceptional tax credits and other impairments	–	17
Profit before taxation	3 078	2 764
Taxation on ordinary activities	(791)	(716)
Profit for the year	2 287	2 048
Shareholders' equity	2 130	1 896
Attributable to: Minority interests	157	152
Earnings per share		
Basic	105.19p	92.08p
Diluted	104.46p	91.33p

* Including duty, excise and other taxes of £16 216 m for 2007 and £15 427 m for 2006.

BAT balance sheet at 31 December

	2007	2006
	£'m	£'m
ASSETS		
Non-current assets		
Intangible assets	8 105	7 476
Property, plant and equipment	2 378	2 207
Investments in associates and joint ventures	2 269	2 108
Retirement benefit assets	50	29
Deferred tax assets	262	273
Trade and other receivables	123	192
Available-for-sale investments	22	24
Derivative financial instruments	153	76
Total non-current assets	13 362	12 385
Current assets		
Inventories	1 985	2 056
Income tax receivable	85	59
Trade and other receivables	1 845	1 568
Available-for-sale investments	75	128
Derivative financial instruments	82	124
Cash and cash equivalents	1 258	1 456
Assets classified as held for sale	36	–
Total current assets	5 366	5 391
Total assets	18 728	17 776
EQUITY		
Capital and reserves		
Shareholders' funds	6 880	6 461
After deducting cost of treasury shares	(296)	(197)
Minority interests	218	227
Total equity	7 098	6 688
LIABILITIES		
Non-current liabilities		
Borrowings	6 062	5 568
Retirement benefit liabilities	357	435
Deferred tax liabilities	294	296
Other provisions for liabilities and charges	165	161
Trade and other payables	149	146
Derivative financial instruments	49	29
Total non-current liabilities	7 076	6 635
Current liabilities		
Borrowings	861	1 058
Income tax payable	227	292
Other provisions for liabilities and charges	263	253
Trade and other payables	2 976	2 766
Derivative financial instruments	225	84
Liabilities directly associated with assets classified as held for sale	2	–
Total current liabilities	4 554	4 453
Total equity and liabilities	18 728	17 776

BAT statement of changes in total equity for the year ended 31 December

	2007	2006
	£'m	£'m
Differences on exchange	312	(685)
Cash flow hedges	(27)	(2)
net fair value gains	15	13
reclassified and reported in profit for the year	(42)	(15)
reclassified as basis adjustments	–	–
Available-for-sale investments	2	(2)
net fair value gains/(losses)	1	(2)
reclassified and reported in profit for the year	1	–
Net investment hedges	(35)	117
Tax on items recognised directly in equity	(19)	(12)
Net (losses)/gains recognised directly in equity	233	(584)
Profit for the year	2 287	2 048
Total recognised income for the year	2 520	1 464
shareholders' equity	2 348	1 334
minority interests	172	130
Employee share options		
value of employee services	37	41
proceeds from shares issued	27	28
Dividends and other appropriations		
to British American Tobacco shareholders	(1 198)	(1 008)
to minority interests	(173)	(137)
Purchase of own shares		
held in Employee Share Ownership Trusts	(41)	(77)
share buy-back programme	(750)	(500)
Acquisition of minority interests	(9)	(13)
Other movements	(3)	13
	410	(189)
Balance 1 January (Group balance sheet)	6 688	6 877
Change in accounting policy (Changes in accounting policy)	–	–
Balance 31 December	7 098	6 688

BAT cash flow statement for the year ended 31 December

	2007	2006
	£'m	£'m
Cash generated from operations	3 181	2 816
Dividends received from associates	285	259
Tax paid	(866)	(713)
Net cash from operating activities	2 600	2 362
Interest and dividends received	116	121
Purchases of property, plant and equipment	(416)	(425)
Proceeds on disposal of property, plant and equipment	46	64
Purchases and disposals of intangible assets	(50)	2
Purchases and disposals of investments	71	(37)
Purchases and disposals of minorities and subsidiaries	111	(39)
Purchases of associates	–	(1)
Net cash from investing activities	(122)	(315)
Interest paid	(384)	(389)
Finance lease rental payments	(24)	(22)
Proceeds from issue of shares and exercise of options	27	28
Proceeds from increases in and new borrowings	438	1 365
Movements relating to derivative financial instruments	(89)	142
Purchases of own shares	(791)	(577)
Reductions in and repayments of borrowings	(427)	(1 739)
Dividends paid	(1 371)	(1 147)
Net cash from financing activities	(2 621)	(2 339)
Net cash from operating, investing and financing activities	(143)	(292)
Differences on exchange	47	(96)
Decrease in net cash and cash equivalents in the year	(96)	(388)
Net cash and cash equivalents at 1 January	1 276	1 664
Net cash and cash equivalents at 31 December	1 180	1 276

LEGAL NOTICES AND INFORMATION FOR REMGRO ADR HOLDERS AND FOREIGN REMGRO SHAREHOLDERS

This circular sets out details pertaining to the distribution and is addressed only to persons to whom it may lawfully be made. The distribution in jurisdictions other than South Africa may be restricted by law and a failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction. Persons who are in possession of this circular must inform themselves about and observe any such restrictions.

The distribution of the distributed shares to foreign Remgro shareholders, in terms of the distribution, may be affected by the laws of such foreign Remgro shareholders' relevant jurisdiction. Those foreign Remgro shareholders should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their rights.

To the extent that this circular is provided to persons in the following countries, the following must be noted:

UNITED STATES OF AMERICA ("US")

The Remgro BAT shares and Reinet depositary receipts have not been registered under the US Securities Act of 1933 ("US Securities Act") and may not be offered, placed or sold within the US or to, or for the account or benefit of, 'US persons' (as defined in Regulation S of the US Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. The Remgro BAT shares and Reinet depositary receipts are not being placed and sold in the US and are being placed and sold outside the US in compliance with Regulation S, subject to compliance with any other applicable law.

The Remgro BAT shares and Reinet depositary receipts have not been approved or disapproved by the US Securities and Exchange Commission, any State Securities Commission in the US or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Remgro BAT shares and Reinet depositary receipts nor the accuracy or adequacy of this circular. Any representation to the contrary is a criminal offence in the US.

AUSTRALIA, CANADA OR JAPAN

The Remgro BAT shares and Reinet depositary receipts will not be registered under any securities laws of Australia, Canada or Japan. The Remgro BAT shares and Reinet depositary receipts may not be offered in Australia, Canada or Japan or for the account or benefit of any national, resident or citizen of Australia, Canada or Japan, and this circular does not constitute an offer or the solicitation of participation in the distribution to any person in any jurisdiction to whom or in which such distribution is unlawful, and in particular, is not for distribution in Australia, Canada or Japan.

Specific information for foreign Remgro shareholders

This paragraph sets out the restrictions applicable to Remgro shareholders who have registered addresses outside South Africa, who are nationals, citizens or residents of countries other than South Africa, or who are persons (including, without limitation, custodians, nominees and trustees) who have a contractual or legal obligation to forward this document to a jurisdiction outside South Africa or who hold Remgro shares for the account or benefit of any such foreign Remgro shareholder.

It is the responsibility of any foreign Remgro shareholder (including, without limitation, nominees, agents and trustees for such persons) receiving this circular to satisfy themselves as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. Foreign Remgro shareholders are obliged to observe the applicable legal requirements of their relevant jurisdictions.

To the extent that this circular constitutes an offer, receipt of this circular will not constitute an offer of BAT ordinary shares and Reinet depositary receipts ("offer") in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this circular if sent, will be sent for information only and should not be copied or redistributed. No person receiving a copy of this circular in any territory, other than

South Africa, may treat the same as constituting an offer to such person unless, in the relevant territory, such an offer could lawfully be made to him without contravention of any registration or other legal requirements.

Accordingly, persons (including, without limitation, nominees, agents and trustees) receiving a copy of this circular should not distribute or send the same to any person in, or citizen or resident of, or otherwise into any jurisdiction where to do so would or might contravene local securities laws or regulations. Any person who does distribute this circular into any such territory (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this annexure.

Remgro reserves the right, but shall not be obliged, to treat as invalid any distribution of the distributed shares, in terms of the distribution, which appears to Remgro or its agents to have been executed, effected or dispatched in a manner which may involve a breach of the securities laws or regulations of any jurisdiction or if Remgro believes or its agents believe that the same may violate applicable legal or regulatory requirements.

An "excluded foreign Remgro shareholder" includes any foreign shareholder who is unable to receive any of the distributed shares, pursuant to the distribution, because of the laws of the jurisdiction of that shareholder, or any foreign shareholder that Remgro is not permitted to distribute any of the distributed shares to, because of the laws of the jurisdiction of that shareholder. The distributed shares which excluded foreign Remgro shareholders would otherwise receive pursuant to the distribution may be aggregated and disposed of on the JSE by the transfer secretaries on behalf of and for the benefit of excluded foreign Remgro shareholders as soon as is reasonably practical after the implementation of the distribution at the best price that can reasonably be obtained at the time of sale. CSDPs will be responsible for informing the transfer secretaries of all dematerialised Remgro shares held by them on behalf of such excluded foreign Remgro shareholders. The transfer secretaries will determine which certificated foreign Remgro shareholders are such excluded foreign Remgro shareholders.

Excluded foreign Remgro shareholders will, in respect of their entitlement to the distributed shares, receive the average consideration per BAT ordinary share and Reinet depositary receipt respectively (net of transaction and currency conversion costs). Such average consideration will be determined based on the aggregate proceeds achieved on the disposal of such BAT ordinary shares and Reinet depositary receipts. The average consideration due to each excluded foreign Remgro shareholder will only be paid once all such BAT ordinary shares and Reinet depositary receipts have been disposed of.

INFORMATION ON THE POSSIBLE TAX CONSEQUENCES OF THE DISTRIBUTION FOR REMGRO SHAREHOLDERS

The summary below, only applicable to Remgro shareholders who are subject to South African tax legislation, is a general guide and is not intended to constitute a complete analysis of the tax consequences of the distribution in terms of South African tax law. This paragraph neither purports to constitute tax advice in any form whatsoever, nor does it intend to deal with the tax position of any specific Remgro shareholder. This paragraph is therefore intended solely to draw the Remgro shareholders' attention to certain key aspects of the tax legislation that may be relevant to them pursuant to the distribution. Remgro and its advisers cannot be held responsible for the tax consequences of the distribution. Remgro shareholders are advised to consult their own tax advisers about their respective tax positions.

As described elsewhere in this circular, Remgro shareholders will receive BAT ordinary shares and Reinet depositary receipts pursuant to the distribution.

A Remgro shareholder will receive the BAT ordinary shares and the Reinet depositary receipts as an *in specie* dividend distribution by Remgro.

- The distribution is regarded as a local dividend for South African tax purposes and should therefore be exempt from income tax in the hands of shareholders subject to South African tax.
- The dividend is subject to STC and therefore carries an STC credit in the hands of shareholders that are South African tax resident companies.
- If the Remgro shareholder's personal circumstances are such that the BAT ordinary shares and the Reinet depositary receipts are and will be held on capital account, the base cost of such shares and depositary receipts for capital gains tax purposes will be equal to their market value on the close of business on the business day prior to the distribution record date, i.e. on Friday 31 October 2008.
- There will be no reduction in the hands of Remgro shareholders in respect of the capital gains tax base cost in Remgro as it stands before the *in specie* dividend.
- Future dividends from BAT and Reinet will be exempt from South African income tax because both BAT and Reinet will be listed on a foreign stock exchange as well as on the JSE.
- Remgro shareholders holding the Remgro shares on capital account and who dispose of their Remgro shares within a period of two years from the date of receiving the *in specie* dividend from Remgro will be subject to the restrictions placed by the South African capital gains tax legislation on losses that can be claimed as a result of "extraordinary dividends".

**DETAILS OF THE DIRECTORS OF REMGRO AND ITS MATERIAL
SUBSIDIARIES**

Name	Function	Business address
J P Rupert	Non-executive Chairman	PO Box 456, Stellenbosch, 7599
E de la H Hertzog	Non-executive Deputy Chairman	PO Box 456, Stellenbosch, 7599
P E Beyers	Non-executive director	PO Box 456, Stellenbosch, 7599
J W Dreyer	Non-executive director	PO Box 456, Stellenbosch, 7599
J Malherbe	Non-executive director	PO Box 456, Stellenbosch, 7599
M H Visser	Chief Executive Officer	PO Box 456, Stellenbosch, 7599
W E Bührmann	Executive director: Investments	PO Box 456, Stellenbosch, 7599
L Crouse	Executive director: Group Finance	PO Box 456, Stellenbosch, 7599
J A Preller	Executive director: Corporate Affairs	PO Box 456, Stellenbosch, 7599
T van Wyk	Executive director: Investments	PO Box 456, Stellenbosch, 7599
G D de Jager	Independent Non-executive director	PO Box 456, Stellenbosch, 7599
P K Harris	Independent Non-executive director	PO Box 456, Stellenbosch, 7599
M M Morobe	Independent Non-executive director	PO Box 456, Stellenbosch, 7599
D Prins	Independent Non-executive director	PO Box 456, Stellenbosch, 7599
M Ramos	Independent Non-executive director	PO Box 456, Stellenbosch, 7599
F Robertson	Independent Non-executive director	PO Box 456, Stellenbosch, 7599

Remgro Limited

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

NOTICE OF GENERAL MEETING

The definitions and interpretation commencing on page 4 of the circular, to which this notice is attached, apply to this notice of general meeting.

Notice of general meeting

Notice is hereby given that a general meeting of Remgro shareholders will be held at The Conference Centre, Erinvale Estate Hotel & Spa, Lourensford Road, Somerset West, 7130 at 14:30 on Tuesday 7 October 2008 for the purpose of considering and, if deemed fit, passing, with or without modification, the following ordinary and special resolutions:

ORDINARY RESOLUTION 1

"RESOLVED THAT, in accordance with the provisions of the articles of association of Remgro and the Listings Requirements and subject to and conditional upon the Richemont reconstruction and the Remgro restructuring becoming unconditional and the implementation of special resolutions 1, 2 and 3 and ordinary resolutions 2, 3, 4 and 5, save to the extent that such resolutions are conditional on the implementation of this resolution (provided that the Remgro board shall be entitled to waive the condition in whole or in part), the company be and is hereby authorised to distribute, as an interim dividend *in specie*, 40.6054 BAT ordinary shares to Remgro shareholders that are registered in the share register of Remgro on the distribution record date, for every 100 Remgro shares held, and Remgro exchanging 21 430 000 BAT ordinary shares for 302 555 410 Reinet depositary receipts and procuring the distribution of 63.6977 Reinet depositary receipts to Remgro shareholders for every 100 Remgro shares held, as permitted by section 90 of the Companies Act, with effect from Monday 3 November 2008 or such other date as may be determined by or on behalf of the Remgro board."

ORDINARY RESOLUTION 2

"RESOLVED THAT, in accordance with Schedule 14 of the Listings Requirements, and subject to and conditional upon the Richemont reconstruction and the Remgro restructuring becoming unconditional and the implementation of ordinary resolutions 1, 3, 4 and 5 and special resolutions 1, 2 and 3 save to the extent that such resolutions are conditional on the implementation of this resolution (provided that the Remgro board shall be entitled to waive the condition in whole or in part), the minimum time periods for delivery of the unvested pre 30 September 2004 Remgro Scheme shares to the scheme participants of the Remgro Share Scheme referred to in the rules of the Remgro Share Scheme shall lapse and that scheme participants shall be entitled to delivery of their unvested pre 30 September 2004 Remgro Scheme shares against payment of the purchase price for such Remgro Scheme shares."

ORDINARY RESOLUTION 3

"RESOLVED THAT, in accordance with Schedule 14 of the Listings Requirements and the provisions of the deed of the Remgro Share Trust and subject to and conditional upon the Richemont reconstruction and the Remgro restructuring becoming unconditional and the implementation of ordinary resolutions 1, 2, 4 and 5 and special resolutions 1, 2 and 3 save to the extent that such resolutions are conditional on the implementation of this resolution (provided that the Remgro board shall be entitled to waive the condition in whole or in part), it is authorised that the Remgro Share Trust and the Remgro Share Scheme be terminated."

ORDINARY RESOLUTION 4

“RESOLVED THAT, in accordance with Schedule 14 of the Listings Requirements and subject to and conditional upon the Richemont reconstruction and the Remgro restructuring becoming unconditional and the implementation of ordinary resolutions 1, 2, 3 and 5 and special resolutions 1, 2 and 3 save to the extent that such resolutions are conditional on the implementation of this resolution (provided that the Remgro board shall be entitled to waive the condition in whole or in part), the SAR scheme, the principal terms of which are set out in section 9.3 of the circular, is hereby approved and that 21 000 000 Remgro ordinary shares in the unissued share capital of Remgro, be and is hereby reserved for purposes of the SAR scheme.”

ORDINARY RESOLUTION 5

“RESOLVED THAT, in accordance with section 221 of the Companies Act, and subject to and conditional upon the Richemont reconstruction and the Remgro restructuring becoming unconditional and the implementation of ordinary resolutions 1, 2, 3 and 4 and special resolutions 1, 2 and 3 save to the extent that such resolutions are conditional on the implementation of this resolution (provided that the Remgro board shall be entitled to waive the condition in whole or in part), the 21 000 000 Remgro ordinary shares referred to in ordinary resolution 4 be and are hereby placed under the control of the Remgro board as a specific authority for purposes of issuing and allotting such Remgro ordinary shares to participants in the SAR scheme in accordance with the provisions of the rules of the SAR scheme.”

SPECIAL RESOLUTION 1

“RESOLVED THAT, in accordance with the provisions of section 228 of the Companies Act and subject to and conditional upon the Richemont reconstruction and the Remgro restructuring becoming unconditional and the implementation of ordinary resolutions 1, 2, 3, 4 and 5 and special resolutions 2 and 3 save to the extent that such resolutions are conditional on the implementation of this resolution (provided that the Remgro board shall be entitled to waive the condition in whole or in part), the directors be and are hereby authorised to distribute 192 870 000 BAT ordinary shares to Remgro shareholders that are registered in the share register of Remgro on the distribution record date, and to exchange 21 430 000 BAT ordinary shares and to procure the distribution of the 302 555 410 Reinet depositary receipts to Remgro shareholders, with effect from Monday 3 November 2008, or such other date as may be determined by or on behalf of the Remgro board, as contemplated in ordinary resolution 1.”

Reasons and effect:

Section 228 of the Companies Act requires a special resolution by the shareholders in order for directors to dispose of the whole or greater part of the company's assets. The reason for and effect of this special resolution is to obtain approval from the Remgro shareholders for the distribution by the company of the Remgro BAT shares to the Remgro shareholders, the exchange of 192 870 000 BAT ordinary shares for Reinet depositary receipts and the distribution by the company of such Reinet depositary receipts to the Remgro shareholders, in so far as such approval is required in terms of section 228 of the Companies Act and in so far as the distribution will have the effect of disposing of the whole or greater part of Remgro's assets.

SPECIAL RESOLUTION 2

“RESOLVED THAT, in accordance with the provisions of section 38 and section 226 of the Companies Act, and subject to and conditional upon the Richemont reconstruction and the Remgro restructuring becoming unconditional and the implementation of ordinary resolutions 1, 2, 3, 4 and 5 and special resolutions 1 and 3 save to the extent that such resolutions are conditional on the implementation of this resolution (provided that the Remgro board shall be entitled to waive the condition in whole or in part), the company be and is hereby authorised to make a loan to those employee and director participants that hold vested pre 30 September 2004 Remgro Scheme shares, vested post 30 September 2004 Remgro Scheme shares and unvested pre 30 September 2004 Remgro Scheme shares so as to enable such employees and directors to pay the purchase price in respect of these Remgro Scheme shares in full as well as the securities transfer tax payable on the transfer thereof to the relevant employee and director participants. Such loans will be granted on the terms and conditions set out in section 9.1 of the circular.”

Reasons and effect:

In terms of section 226 of the Companies Act, a company may not give financial assistance to its directors without the consent of all the shareholders or a special resolution by the shareholders. Furthermore, in terms of section 38(2A) of the Companies Act, a company may not, subject to certain exceptions listed in section 38(2), provide financial assistance for the purchase of its own shares without, *inter alia*, a special resolution by the shareholders. The reason for and effect of this special resolution is to authorise Remgro to give financial assistance to individual employee and director participants for the purchase of the Remgro ordinary shares which have vested in them by virtue of the Remgro Share Scheme.

SPECIAL RESOLUTION 3

“RESOLVED THAT, in accordance with the provisions of section 85(1) of the Companies Act, and subject to and conditional upon the Richeмонт reconstruction and the Remgro restructuring becoming unconditional and the implementation of ordinary resolutions 1, 2, 3, 4 and 5 and special resolutions 1 and 2 save to the extent that such resolutions are conditional on the implementation of this resolution (provided that the Remgro board shall be entitled to waive the condition in whole or in part), the company be and is hereby authorised to acquire 8 554 019 Remgro ordinary shares from Tegniese Mynbeleggings Limited, 962 119 Remgro ordinary shares which represent the unvested post 30 September 2004 Remgro Scheme shares from the trustees of the Remgro Share Trust and 7 717 unallocated Remgro ordinary shares from the trustees of the Remgro Share Trust prior to the distribution date. The price at which these shares will be repurchased will be equal to the closing market price on the day prior to such repurchase, which is expected to occur between Wednesday 8 October 2008 and Friday 17 October 2008 and will be funded out of existing cash reserves.”

Reasons and effect:

In terms of section 85(1) of the Companies Act, a company may, by special resolution of its shareholders, approve the acquisition of shares issued by that company. The reason for this resolution is to authorise the company to repurchase 8 554 019 Remgro ordinary shares currently held by its subsidiary Tegniese Mynbeleggings Limited, 962 119 Remgro ordinary shares which represent the unvested post 30 September 2004 Remgro Scheme shares held in the Remgro Share Scheme and 7 717 unallocated Remgro ordinary shares held in the Remgro Share Scheme. The effect of this resolution is that, once repurchased, the relevant shares will be duly cancelled as required in terms of section 85(9) of the Companies Act, thereby reducing the company’s share capital.

VOTING AND PROXIES

On a show of hands, every Remgro shareholder who is entitled to vote, and who is present in person or by proxy or, if a Remgro shareholder is a body corporate, its representative, shall have one vote irrespective of the number of shares he/she holds or represents, and on a poll every Remgro shareholder present in person or by proxy or, if the Remgro shareholder is a body corporate, its representative, shall have one vote for every Remgro ordinary share held, and ten votes for every Remgro B ordinary share held.

Each Remgro shareholder is entitled to appoint one or more proxies (who need not be a member of Remgro) to attend, speak and to vote in his stead.

A form of proxy (*green*) is attached for completion by holders of certificated Remgro shares and holders of dematerialised Remgro shares with “own name” registration who are unable to attend the general meeting in person and who wish to vote at the meeting. Forms of proxy must be completed and sent to the transfer secretaries at 70 Marshall Street, Johannesburg, 2001 or PO Box 61051, Marshalltown, 2107, to be received by no later than 14:30 on Friday 3 October 2008. Holders of certificated Remgro shares and/or holders of dematerialised Remgro shares with “own name” registration who complete and lodge forms of proxy will nevertheless be entitled to attend and vote in person at the general meeting to the exclusion of their appointed proxy should such member wish to do so.

Holders of dematerialised Remgro shares, other than with “own name” registration, must inform their broker or CSDP of their intention to attend the general meeting and obtain the necessary letter of representation from their broker or CSDP to attend the general meeting or, if they do not wish to attend the general meeting, should provide their broker or CSDP with their voting instructions. This must be done in terms of the custody agreement entered into between such Remgro shareholder and his/her broker or CSDP.

By order of the directors.

M Lubbe

Company Secretary

Stellenbosch
15 August 2008

Registered address

Carpe Diem Office Park
Quantum Street
Techno Park
Stellenbosch
7600

Transfer secretaries in South Africa

Computershare Investor Services
(Proprietary) Limited
70 Marshall Street
Johannesburg
2001

Remgro Limited

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

FORM OF PROXY

Only for use by Remgro shareholders who have not dematerialised their Remgro shares or who have dematerialised their Remgro shares with "own name" registration.
All other dematerialised Remgro shareholders must contact their broker or CSDP to make the relevant arrangements concerning voting and/or attendance at the general meeting.

For use only by Remgro shareholders holding certificated shares or who have dematerialised their Remgro share certificates and have elected "own name" registration in the sub-register maintained by their CSDPs or brokers, at the general meeting of Remgro to be held at 14:30 on Tuesday 7 October 2008 at The Conference Centre, Erinvale Estate Hotel & Spa, Lourensford Road, Somerset West, 7130.

Remgro shareholders who have dematerialised their Remgro share certificates through a broker or CSDP and have not elected "own name" registration in the subregister maintained by the CSDP must not complete this form of proxy, but should instruct their CSDPs or brokers to issue them with the necessary letter of representation to attend, or if they are unable to attend the general meeting, but wish to be represented thereat, they may provide their CSDPs or brokers with their voting instructions in terms of the relevant custody agreements entered into between such shareholders and their CSDPs or brokers.

I/We

(Full name in BLOCK LETTERS)

of

(Address)

being the holder/s of Remgro ordinary shares, hereby appoint (see note 1):

1. or failing him/her,
2. or failing him/her,
3. the chairman of Remgro, or failing him, the chairman of the general meeting,

as my/our proxy to vote for me/us on my/our behalf at the general meeting of Remgro to be held at The Conference Centre, Erinvale Estate Hotel & Spa, Lourensford Road, Somerset West, 7130 at 14:30 on Tuesday 7 October 2008, or at any adjournment thereof.

I/We desire to vote as follows (see note 2):

	In favour of	Against	Abstain
Ordinary resolution 1 Authorisation for the distribution, as an interim dividend <i>in specie</i> to Remgro shareholders			
Ordinary resolution 2 Approve that the minimum time periods for delivery of the unvested pre 30 September 2004 Remgro Scheme shares to the scheme participant's of the Remgro Scheme shares shall lapse and that scheme participants shall be entitled to delivery of their unvested pre 30 September 2004 Remgro Scheme shares against payment of the purchase price for such shares			
Ordinary resolution 3 Authorisation for the Remgro Share Trust and the Remgro Share Scheme to be terminated			
Ordinary resolution 4 Approve the principal terms of the SAR scheme and the reservation of 21 000 000 unissued Remgro ordinary shares			
Ordinary resolution 5 Placing of 21 000 000 Remgro ordinary shares under the control of the Remgro board for purposes of issuing and allotting such shares to participants in the SAR scheme			
Special resolution 1 Authorisation in terms of section 228 of the Companies Act for the disposal of the greater portion of the company's assets			
Special resolution 2 Authorisation to make a loan to participants and directors that have accepted Remgro ordinary shares in terms of the Remgro Share Scheme			
Special resolution 3 Authorisation to acquire Remgro ordinary shares from subsidiary and Remgro Share Scheme			

Unless otherwise instructed, my/our proxy may vote or abstain from voting as he/she thinks fit.

Signed at

on

2008

Signature

Assisted by me (where applicable)

Please read the notes on the reverse side hereof.

Notes:

1. A Remgro shareholder is entitled to appoint one or more proxies (none of whom need to be a member of Remgro) to attend, speak and vote in the place of that Remgro shareholder at the general meeting. A Remgro shareholder may therefore insert the name of a proxy or the names of two alternative proxies of his choice in the space provided, with or without deleting “the chairman of Remgro, or failing him, the chairman of the general meeting”. The person whose name stands first on the proxy form and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A Remgro shareholder’s instructions to the proxy must be indicated by the insertion of an “X” in the appropriate box provided. Failure to comply with the above will be deemed to authorise the chairman of Remgro or the chairman of the general meeting, if he is the authorised proxy, to vote in favour of the resolutions at the general meeting, or any other proxy to vote or abstain at the general meeting as he deems fit, in respect of the Remgro shareholder’s total holding.
3. The completion and lodging of this form of proxy will not preclude the relevant Remgro shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such member wish to do so.
4. Every Remgro shareholder present in person or by proxy and entitled to vote shall, on a show of hands, have only one vote and, upon a poll, every Remgro shareholder shall have one vote for every Remgro ordinary share held, and ten votes for every Remgro B ordinary share held.
5. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders for which purpose seniority will be determined by the order in which the names stand in the register of members in respect of the joint holding.
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy, unless previously recorded by the transfer secretaries of Remgro or waived by the chairman of the general meeting.
7. The chairman of the general meeting may accept or reject any form of proxy not completed and/or received in accordance with these notes or with the articles of association of Remgro.
8. Completed forms of proxy and the authority (if any) under which they are signed must be lodged with or posted to the transfer secretaries, Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), to be received by no later than 14:30 on Friday 3 October 2008.