

Remgro
Limited

Background

- Remgro Limited (“Remgro”) has an indirect shareholding in British American Tobacco plc (“BAT”) through a joint venture vehicle, R&R Holdings SA (“R&R”), a Luxembourg “1929” holding company.
 - Remgro owns c.35% of the economic interest in R&R.
 - Compagnie Financiere Richemont (“CFR”) owns c.65% the economic interest in R&R.
- Remgro’s effective interest in BAT is 10.6% or 214.3 million BAT shares.
 - The current market value of Remgro’s effective shareholding in BAT is c.R60 billion.
 - The market value of Remgro’s interest in BAT currently comprises 52% of its last reported net asset value.
- CFR and Remgro have agreed to re-organise the manner in which they hold their interest in BAT to provide shareholders with:
 - an opportunity to hold 90% of their BAT shares directly; and
 - an opportunity to participate in a new and efficient investment vehicle based in Luxembourg.

Why reorganise...

- The fiscal and legal environment in Luxembourg is due to change in 2010.
 - “Lux 1929” holding companies will be replaced with “Lux 90” holding companies.
- The change to “Lux 90” holding companies will be detrimental to Remgro shareholders:
 - Withholding tax on dividends at 15% will be applicable on distributions by R&R:
 - The present value of the cost of the withholding taxes is estimated at c.R5.2 billion on Remgro’s portion of the R&R interest in BAT.
 - STC regime in SA to be replaced with dividend withholding tax:
 - Remgro will lose the benefit of the STC received from R&R; and
 - Present value of the additional STC could amount to approximately R3.5 billion.
- Remgro can currently unwind the holding structure at a cost of less than R1 billion.

Benefits of the re-organisation

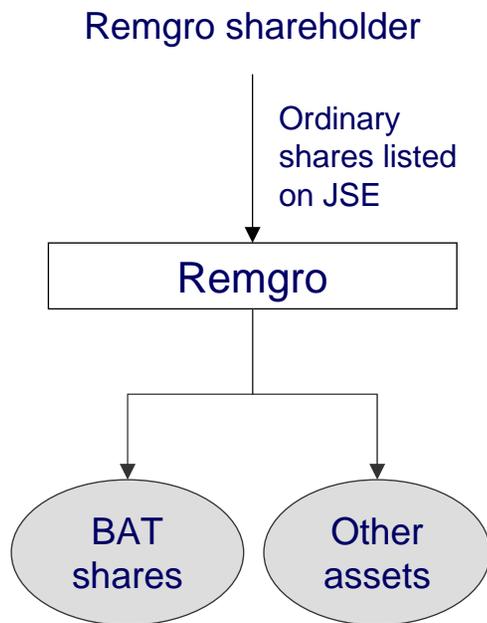
- ✓ Shareholders are able to hold BAT shares directly and trade their interests in BAT independently of the other interests held by Remgro.
- ✓ The discount attaching to Remgro's BAT interest is unlocked and the distribution will be implemented in a tax efficient manner.
- ✓ The restructuring addresses the changes to tax legislation in Luxembourg.
- ✓ Dividends received on the BAT shares will constitute foreign dividends exempt from tax, with no UK withholding taxes payable.
- ✓ Shareholders will be provided with the opportunity to participate, alongside the Rupert Family, in an international investment vehicle focused on long term capital growth.
- ✓ Shareholders will be provided with exposure to a portfolio of international assets without utilising their existing offshore allowances.

Salient features of the re-organisation

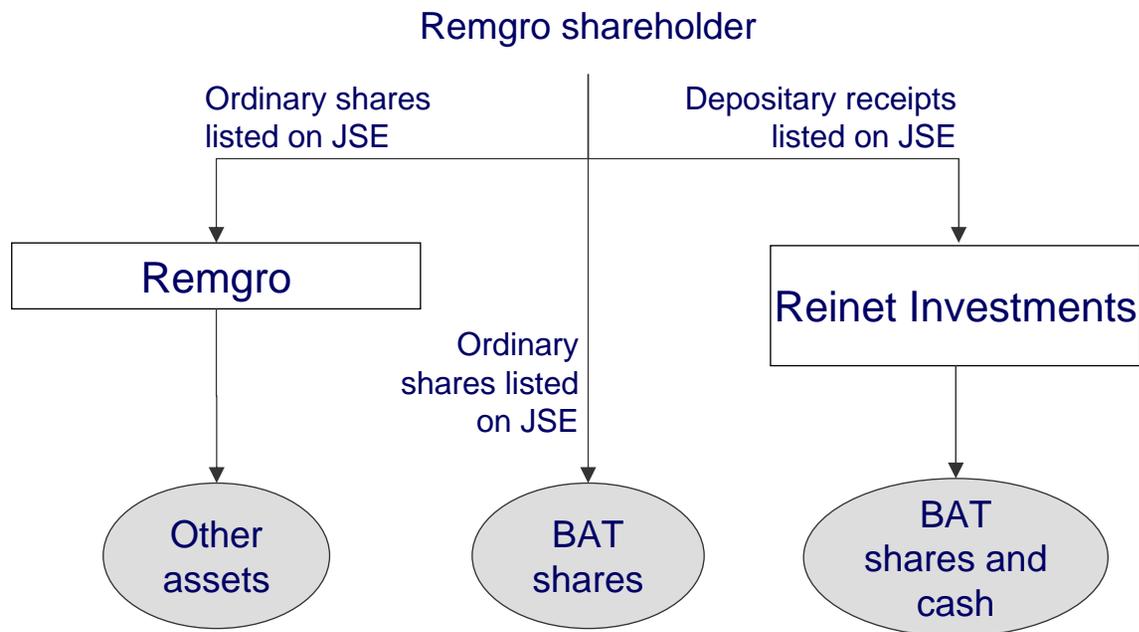
- R&R will deliver CFR's effective interest in BAT to it on the cancellation of its c.65% shareholding in R&R. Remgro will thereafter own 100% of the ordinary shares in R&R.
- The R&R holding structure will be collapsed and Remgro will become the direct holder of its effective interest in BAT shares.
- Richemont SA will be converted into Reinet Investments which will focus on long term capital growth.
- Remgro will contribute 10% of its effective interest in BAT to Reinet Investments in exchange for Reinet Investments depositary receipts.
- Remgro will distribute the remaining 90% of its BAT shares (valued at c.R54bn), as well as the Reinet depositary receipts (valued at c.R6bn) to its shareholders.
- BAT has committed to obtain a secondary listing on the JSE and Reinet Investments will seek a listing of Reinet depositary receipts on the JSE.
- Shareholders will be free to trade their interests in BAT and Reinet Investments.

Abbreviated resultant structure

Before



After



Reinet Investments

- Reinet Investments will be a securitisation vehicle incorporated in Luxembourg with its shares listed on the Luxembourg Stock Exchange and its depositary receipt listed on the JSE. Reinet Investments will own Reinet Fund as its sole subsidiary.
- The investment objective of Reinet Fund is to achieve long term capital growth.
- The manager and investment adviser will be controlled by Rupert family interests and chaired by Mr Johann Rupert. The investment adviser will also establish a team of experienced investment managers with strong investment records.
- Dividends can be paid free of withholding taxes by Reinet Investments to its shareholders and depositary receipt holders.
- Reinet Investments will launch a rights issue whereby shareholders are expected to be able to subscribe for new Reinet shares or depositary receipts through the contribution of BAT shares.
- The precise terms of the rights issue including size and subscription discount will be determined immediately prior to its launch. Rupert family interests have committed to underwrite the entire rights issue.

Investment Track Record of Rupert Family Interests

	IRR in US Dollar*	Capital Today If \$1m Invested on Day 1*	Period
RICHMONT	17.7%	\$20.9m	22-Sep-1988 to 6-Aug-2008
<i>Remgro Limited</i>	17.4%	\$15.3m	11-Oct-1988 to 6-Aug-2008
VenFin Limited	33.9%	\$2.0m	14-Mar-2006 to 6-Aug-2008

* Based on capital appreciation and dividends received assuming dividends are not re-invested nor earn interest income.

Conclusion

- The proposed transaction marks an important and significant step forward in Remgro's commitment to provide shareholders with choice and diversity of investment opportunities.
- Remgro's holding in BAT is being placed directly in shareholders' hands and in doing so the valuation discount on c.R60 billion of shareholder value is removed.
- With the formation of Reinet Investments, Remgro shareholders will have an additional foreign investment platform without using existing foreign exchange allowances.
- The restructuring addresses the changes to tax legislation in Luxembourg.
- With substantial cash resources and quality assets in a portfolio of over R50 billion, Remgro is well positioned to continue to deliver superior returns to shareholders over time.

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