

Reinet Investments S.C.A.

(incorporated under Luxembourg law and registered with the Luxembourg Register of Commerce and Companies currently under the name Richemont S.A. and the legal form of a *société anonyme* under number B 16.576 and to be established as Reinet Investments S.C.A. (having the legal form of a *société en commandite par actions* (partnership limited by shares)) on or about 20 October 2008 pursuant to resolutions of the Company's shareholder and the PC Holders (as defined herein) passed on 8 October 2008).

PROSPECTUS

for the admission to trading on the Regulated Market of the Luxembourg Stock Exchange of 574 200 000 ordinary shares (the "Shares") of Reinet Investments S.C.A., a *société en commandite par actions* (partnership limited by shares) organised under the laws of the Grand Duchy of Luxembourg and having the corporate objects and tax status of a securitisation company under the Luxembourg Securitisation Law of 22 March 2004 (*loi du 22 mars 2004 relative à la titrisation*) (the "Luxembourg Securitisation Law") ("the Company" or "Reinet Investments").

The Shares will be admitted to the Official List of the Luxembourg Stock Exchange and will be admitted to trading on the Regulated Market thereof. No application has been made for an offer of securities of the Company to the public in Luxembourg on the basis of this Prospectus.

As at the date of this Prospectus, the Company is incorporated as a *société anonyme* in Luxembourg with the name Richemont S.A. Pursuant to resolutions passed by its current shareholder and the holders of the participation certificates ("PCs") issued by the Company (the "PC Holders"), among other things the Company will be converted into a *société en commandite par actions* and renamed Reinet Investments S.C.A., the existing ordinary shares in the Company will be cancelled and the PCs will be converted into Shares simultaneously with the admission of the Shares to trading on the Regulated Market of the Luxembourg Stock Exchange. For further information, see "The Richemont Reconstruction".

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN ANY DOUBT ABOUT ITS CONTENTS, YOU SHOULD IMMEDIATELY CONSULT AN AUTHORISED FINANCIAL ADVISOR.

This document constitutes a Prospectus for the purposes of Directive 2003/71/EC (the "Prospectus Directive") and has been prepared in accordance with the Luxembourg law of 10 July 2005 on Prospectuses (*loi du 10 juillet 2005 relative aux prospectus pour valeurs mobilières*), as amended (the "Luxembourg Prospectus Law"). This Prospectus has been approved and filed with the Commission de Surveillance du Secteur Financier ("CSSF"), the competent authority in Luxembourg for the purposes of the Prospectus Directive in accordance with the Luxembourg Prospectus Law and related regulations which implement the Prospectus Directive under Luxembourg law.

The Company accepts responsibility for the information contained in this Prospectus with the exception of the information relating to the business and financial statements of British American Tobacco plc ("BAT") and the report the Company requested from the independent auditors, PricewaterhouseCoopers S.à.r.l, in respect of the Unaudited Pro Forma Consolidated Financial Information relating to the Company for the year ended 31 March 2008. To the best of the knowledge of the Company (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The information contained in this Prospectus relating to the business and financial statements of BAT has been extracted from the 2007 annual report and 2008 interim report of that company. To the best of the knowledge of the Company, that information has been accurately reproduced and as far as the Company is able to ascertain from information published by BAT, no facts have been omitted which would render the reproduced information inaccurate or misleading.

No public market currently exists for the Shares. Application is being made for the admission of the Shares to trading on the Regulated Market of the Luxembourg Stock Exchange under the symbol "ReinetInvest" with International Securities Identifying Number (ISIN) of LU0383812293. It is expected that admission of the Shares will become effective and that unconditional dealings will begin at 9.30 a.m. on 21 October 2008. All dealings in the Shares prior to the commencement of unconditional dealings will be of no effect if admission to the Regulated Market of the Luxembourg Stock Exchange does not take place and will be at the sole risk of the parties concerned. No application is currently intended to be made for the Shares to be admitted to listing or dealt with on any other exchange.

This Prospectus has been produced solely for use in connection with the admission of the Shares to trading on the Regulated Market of the Luxembourg Stock Exchange and depositary receipts in respect of such Shares on the exchange operated by JSE Limited (the "JSE"). This Prospectus does not constitute, and may not be used for the purposes of, any offer, solicitation, exchange, sale or resale to anyone in any jurisdiction in which such offer, solicitation, sale, exchange, or resale is not authorised, or to any person to whom it is unlawful to make such offer, solicitation, sale, exchange, or resale. Furthermore, no reselling actions may be initiated or completed without the Company's prior written consent if such action(s) would entail a violation of the applicable rules and regulations and/or would trigger the requirement for the Company to comply with any regulatory regime.

The distribution of this Prospectus in certain jurisdictions may be restricted and, accordingly, persons into whose possession this Prospectus comes are required to inform themselves about, and to observe, such restrictions. Prospective investors should inform themselves as to: (a) the legal requirements within their own jurisdictions for the purchase or holding of Shares; (b) any foreign exchange restrictions which may affect them; and (c) the income and other tax consequences which may apply in their own jurisdictions relevant to the purchase, holding, redeeming or disposal of Shares.

Notice regarding United States of America

This Prospectus is not for distribution, and may not be distributed, in the United States or to U.S. persons. The Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended, or under any state securities laws in the United States. Subject to certain exceptions, the Shares may not be offered or sold within the United States or to, or for the account or benefit of, any national, resident or citizen of the United States.

Notice regarding Germany

This Prospectus has not been registered with, or approved by, the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) and does not constitute a public offer under the German Securities Prospectus Act (*Wertpapierprospektgesetz*) or the German Investment Act (*Investmentgesetz*). Any securities described or directly or indirectly referred to herein are not admitted to and must not be distributed within Germany by way of a public offer, public advertisement or in any similar manner unless explicitly stated otherwise. This Prospectus and any other market research or other materials relating to or describing such securities as well as information contained therein must not be supplied to the public in Germany or used in connection with any offer for subscription of securities to the public in Germany.

There is a risk that the German authorities will qualify the Shares or the shares in Reinet Fund as foreign investment units under the German Investment Tax Act (*Investmentsteuergesetz*). In such instance German investors may be subject to disadvantageous taxation under section 6 of the German Investment Tax Act. Each holder and each person who considers becoming a holder of securities described or directly or indirectly referred to herein must assess the individual legal and tax consequences applicable, in particular if such securities are qualified as foreign investment units within the meaning of the German Investment Tax Act. The Prospectus should only be viewed by persons who qualify as an institutional investor within the meaning of section 2(11) sentence 2 no. 1 of the German Investment Act (*Investmentgesetz*).

Notice regarding Italy

No public offering of securities is being made in the Republic of Italy. This Prospectus has not been prepared in the context of a public offering of securities in the Republic of Italy within the meaning of article 1, paragraph 1, letter (t) of Legislative Decree n. 58 of 24 February, 1998. Therefore, it has not been submitted to the clearance procedure of the *Commissione Nazionale per le Società e la Borsa* pursuant to article 94 of Legislative Decree n. 58 of 24 February, 1998. Under no circumstances should this Prospectus be circulated, distributed or made available in the Republic of Italy.

Notice regarding Spain

This Prospectus has not been approved, registered nor notified to the Spanish Securities Markets Commission (*Comisión Nacional del Mercado de Valores*) pursuant to the implementing provisions of Prospectus Directive on the passporting of securities prospectuses for cross-border public offering purposes. Accordingly, the Shares may not be offered in Spain except in circumstances which do not constitute a public offer of securities in Spain within the meaning of article 30bis of the Spanish Securities Market Law of 28 July 1988 (*Ley 24/1988, de 28 de julio, del Mercado de Valores*), as amended and restated, and supplemental rules enacted thereunder or are exempt from publication of a prospectus pursuant to article 41 of Royal Decree 1310/2005, of 4 November 2005 (*Real Decreto 1310/2005, de 4 de noviembre*).

Notice regarding Switzerland

Neither the Company nor Reinet Fund have been approved by the Swiss Federal Banking Commission as foreign collective investment schemes pursuant to Article 120 of the Swiss Federal Collective Investment Schemes Act of 23 June 2006 (the "CISA"). Neither the Company nor Reinet Fund is supervised by the Swiss Federal Banking Commission and holders of Shares ("Shareholders") will consequently not benefit from the protection guaranteed by the CISA.

AN INVESTMENT IN THE SHARES IS SUBJECT TO CERTAIN RISKS. PROSPECTIVE INVESTORS SHOULD CONSIDER THE RISKS ASSOCIATED WITH SUCH AN INVESTMENT WHEN READING THE INFORMATION CONTAINED IN THIS PROSPECTUS AND BE AWARE OF THE RISK OF LOSING SUCH INVESTMENT IN ITS ENTIRETY BEFORE DECIDING TO INVEST. CERTAIN RISK FACTORS ARE SET OUT IN THE SECTION OF THIS PROSPECTUS ENTITLED "RISK FACTORS". HOWEVER, PROSPECTIVE INVESTORS SHOULD READ THE ENTIRE PROSPECTUS BEFORE MAKING ANY INVESTMENT DECISION.

Dated 10 October 2008

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INDICATIVE TIMETABLE OF KEY EVENTS

Event	Time and/or date ⁽¹⁾
Publication of this Prospectus	10 October 2008
Effective Date of Richemont Reconstruction	20 October 2008
De-twinning of shares in CFR (“ CFR Shares ”) and PCs and cancellation of CFR’s existing shareholding in the Company and conversion of the PCs into the Shares ⁽²⁾	20 October 2008
De-twinning of CFR and RSA securities and cancellation of CFR’s shareholding in RSA	20 October 2008
CFR Shares in de-twinning form and Shares credited to custody accounts within SIS	21 October 2008
Listing of CFR Shares in de-twinning form on SIX Swiss Exchange effective	21 October 2008
Expected date of admission of the Shares to trading on the Regulated Market of the Luxembourg Stock Exchange	9.30 a.m. on 21 October 2008
Last date on which Shares can be traded cum entitlement to BAT Shares in the context of the Reduction of Capital	27 October 2008
Trading continues in Shares remaining post-Reduction of Capital only ⁽³⁾	28 October 2008
Effective date for listing of BAT Shares on JSE expected on or before	28 October 2008
Record date for Reduction of Capital in Europe	30 October 2008
Effective date of Reduction of Capital	3 November 2008
Effective date of First Capital Increase pursuant to contribution of BAT Shares by Remgro	4 November 2008
Expected date for CREST accounts to be credited with BAT Shares and for despatch of BAT Share certificates	3 – 4 November 2008
Publication of Rights Offering Prospectus	7 November 2008
First day of Exercise Period and Warrants Trading Period ⁽⁴⁾	10 November 2008
Shares start trading ex-entitlement to Warrants	10 November 2008
Last day of Warrants Trading Period ⁽⁵⁾	28 November 2008
Last practicable day of Exercise Period (for an investor to exercise Warrants validly, sufficient BAT Shares need to be held in the same custody account as the account in which Warrants are held for exercise)	3 December 2008
Auction of unexercised Warrants on Luxembourg Stock Exchange	8 December 2008
New Shares Settlement Date	10 December 2008
Last date for issue of Additional Reinet Shares	12 December 2008

(1) Except where otherwise stated, all references to times are to Central European Time. Each of the above times and dates is indicative only and may be subject to change. Any material change to the above will be published in the applicable Swiss or Luxembourg press.

(2) No conversions of Richemont DRs into underlying Richemont ‘A’ Units (and *vice versa*) will be allowed after Friday 10 October 2008.

(3) No conversion of Reinet DRs into Shares will be allowed from Tuesday 28 October 2008 to Monday 3 November 2008 (both days inclusive).

(4) No conversions of Shares into Reinet DRs (and *vice versa*) will be allowed on 6 November 2008 and 7 November 2008 (or such other days which fall two business days prior to the commencement of the Exercise Period).

(5) No conversion of the Warrant Receipts into underlying Warrants (and *vice versa*) will be allowed from Thursday 27 November 2008 (or such other date which falls 6 business days prior to the end of the Exercise Period).

SUMMARY

This summary highlights certain matters relating to the Company, the Richemont Reconstruction, the admission of the Shares to trading on the Regulated Market of the Luxembourg Stock Exchange, the Reduction of Capital, the First Capital Increase, the Rights Offering, the Second Capital Increase and the other transactions described in this Prospectus and must be read as an introduction to this Prospectus. Any investment decision in relation to the Shares should be based on a consideration of this Prospectus as a whole, including any supplement thereto and any documents incorporated by reference herein. This summary does not contain all the information that investors should consider before making investment decisions in relation to the Shares. Investors should pay particular attention to the section of this Prospectus entitled “Risk Factors” and should read the whole of this Prospectus and not just rely upon this summary.

If an investor brings a claim relating to the information contained in this Prospectus before a court, it might, under the national legislation of the relevant EEA State in which the claim is brought, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches to those persons responsible for this summary, including any translation of the summary, but only if the summary is misleading, inaccurate or inconsistent when read together with other parts of this Prospectus.

BACKGROUND

The Company is currently a *société anonyme* (limited liability company) incorporated in Luxembourg and a wholly-owned subsidiary of Compagnie Financière Richemont S.A. (“**CFR**”), a *société anonyme* incorporated in Switzerland. CFR is the holding company of a group of companies (“**Richemont**” or the “**Group**”) which owns, principally, substantial interests in the luxury goods sector as well as an indirect interest of approximately 19.5 per cent in BAT. Richemont was formed in 1988 as a result of the demerger of the international assets owned at that time by Rembrandt Group of South Africa, from which Remgro Limited (“**Remgro**”) was demerged. Richemont and Remgro currently hold their combined interest of approximately 30.2 per cent of the shares in BAT (“**BAT Shares**”) through R&R Holdings S.A., a joint venture vehicle incorporated in Luxembourg (“**R&R**”).

The PCs issued by the Company are currently twinned with ‘A’ and ‘B’ CFR Shares to form indivisible units (“**Units**” or “**Richemont Units**”) which are listed on SIX Swiss Exchange and traded on SWX Europe. CFR currently owns the entirety of the ordinary share capital of the Company. The ‘A’ Units (formed by the twinning of each ‘A’ CFR Share with one PC) are currently listed on the EU-compatible segment of the SIX Swiss Exchange and traded on the EU-regulated segment of SWX Europe Limited. The ‘A’ Units are also currently traded on the JSE in the form of depositary receipts (the “**Richemont DRs**”), with one ‘A’ Unit being represented by 10 Richemont DRs. The ‘B’ Units (formed by the twinning of every ten ‘B’ CFR Shares with one PC) are not currently listed or traded.

The Company and R&R are companies incorporated in Luxembourg under specific holding company legislation dating from 1929. For the purposes of Luxembourg tax law, “Luxembourg 1929” holding companies are generally exempt from taxation. As required by the European Commission, Luxembourg has abolished the special tax status of 1929 holding companies; the grandfathering provisions which apply to the Company and R&R will cease to apply in 2010. The principal effect of the elimination of the 1929 holding company regime if the current group structure were to be maintained would be that the Company would be obliged to levy a withholding tax of 15 per cent on its dividend payments after 31 December 2010.

The withholding tax would apply to dividends paid out of the earnings generated in Richemont’s luxury goods businesses and to dividends funded by the income received from BAT. As the BAT dividends are declared from the United Kingdom, which has no withholding tax, the imposition of the tax on dividends from the Company would result in Unitholders receiving less than they would receive were they to be direct shareholders in BAT.

As a result of the Richemont Reconstruction, the Company will be established as a regulated securitisation vehicle subject to the supervision of the CSSF and will invest in Reinet Fund S.C.A., F.I.S. (“**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 the Company and will under current law and practice be paid free of withholding taxes by the Company to Shareholders.

THE RICHEMONT RECONSTRUCTION, THE REDUCTION OF CAPITAL, THE FIRST CAPITAL INCREASE AND THE SECOND CAPITAL INCREASE

In light of recommendations made by the board of directors of CFR (and endorsed by the board of directors of the Company), the holders of the CFR Shares (the **“CFR Shareholders”**) and the PC Holders (together with CFR itself, as the sole shareholder of the Company prior to the Richemont Reconstruction (as defined below) have approved resolutions authorising the re-organisation of the Group, the principal aspects of which are described below (the **“Richemont Reconstruction”**). The Richemont Reconstruction is expected to be implemented on or about 20 October 2008 (the **“Richemont Reconstruction Date”**).

The implementation of the Richemont Reconstruction will result in the splitting of the Units into their constituent parts, being CFR Shares and PCs, and the separation of the businesses of Richemont by way of a reduction of capital of the Company, after which CFR will cease to own any of the existing ordinary share capital in the Company (the **“RSA Reduction of Capital”**).

After the Richemont Reconstruction, the Group’s luxury goods businesses will be held and controlled by CFR, which will remain headquartered in Switzerland. The CFR Shares will continue to be listed on SIX Swiss Exchange and traded on SWX Europe Limited.

The other assets of Richemont (being its interest in R&R and the existing assets outside of the luxury goods sector, which include relatively small unlisted investments in technology and related sectors (together, the **“Other Assets”**)) will be held by the Company, which will be converted into a Luxembourg securitisation company called Reinet Investments S.C.A., as described above. After the implementation of the transactions described in this Prospectus, the Company will hold its assets through Reinet Fund, in which the Company will, for the foreseeable future, be the sole ordinary shareholder.

Simultaneously with the steps described above, the PCs will be converted into ordinary shares in the Company (the **“Shares”**). The Company will remain headquartered in Luxembourg and the Shares will be admitted to the Official List of the Luxembourg Stock Exchange.

Thereafter, 90 per cent of the Company’s holding of shares in BAT (**“BAT Shares”**) will be distributed to Shareholders in proportion to their shareholding in the Company (the **“Reduction of Capital”**).

As noted above, Richemont currently holds its interest in approximately 19.5 per cent of the shares in BAT through R&R (through which Remgro holds an indirect interest of approximately 10.7 per cent in BAT). The shareholders of Remgro (the **“Remgro Shareholders”**) have approved a distribution of Remgro’s interest in BAT (the **“Remgro Distribution”**) by way of a dividend consisting of 90 per cent of its indirect holding of BAT Shares as well as depositary receipts in respect of the Company (**“Reinet DRs”**) in consideration of the contribution of the remaining 10 per cent of Remgro’s indirect holding of BAT Shares to Reinet (the **“First Capital Increase”**). The First Capital Increase will take place after the Reduction of Capital.

Shortly after the Reduction of Capital and the First Capital Increase, Shareholders in the Company will also be provided with the opportunity to subscribe for new Shares (the **“New Shares”**) through a rights offering, which will be structured as an offering of warrants enabling the subscription of New Shares by contributing BAT Shares to Reinet (the **“Rights Offering”**). Compagnie Financière Rupert (**“CF Rupert”**), the holding company for Rupert family interests in Richemont (which through its holding of ‘B’ CFR Shares holds 50 per cent of the voting rights in respect of the Richemont Units) and Rembrandt Trust (Pty.) Limited (**“Rembrandt Trust”**), the holding company for Rupert family interests in Remgro, have agreed to underwrite the Rights Offering. The underwriting will be on the same terms as apply to the Rights Offering and, more particularly, at the same exchange ratio implying a discount to net asset value. No underwriting fee will be payable as compensation for their underwriting obligations, but CF Rupert and Rembrandt Trust (together, the **“Underwriters”**) and their affiliated parties will have the opportunity to subscribe for additional Shares by contributing Additional BAT Shares to Reinet (the **“Optional Placing”** and, together with the Rights Offering, the **“Second Capital Increase”**). The maximum number of BAT Shares that the Underwriters may contribute in the Optional Placing will be the number of BAT Shares that they continue to hold after the Reduction of Capital, the Remgro Distribution and the Rights Offering. The Optional Placing will be effected at an exchange ratio implying a nil discount to the prevailing net asset value per Share. As such the Optional Placing is expected to be value neutral to all Shareholders.

Holders of Richemont DRs will be able to hold and trade depositary receipts on the JSE in respect of CFR (the **“CFR DRs”**) and the Reinet DRs. Holders of Reinet DRs (**“Reinet DR Holders”**) will also participate in the Reduction of Capital (receiving BAT Shares on the cancellation of a portion of their Reinet DRs) and the Rights Offering. Reinet DR Holders will be able to trade BAT Shares on the JSE following the fulfilment of a commitment by BAT to obtain a secondary listing of BAT Shares on the JSE. This listing is expected to occur in time to allow the Reduction of Capital and Remgro Distribution to take place on the planned date.

BUSINESS

The Initial Portfolio

The Company's portfolio of investments immediately after the Reduction of Capital and the First Capital Increase is expected to include 60 433 663 BAT Shares, approximately €351.1 million in cash and the Other Assets. The Company's investments will all be held through Reinet Fund.

Investment objective, policies and restrictions.

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

Subject to certain investment restrictions, 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 also 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 index 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 S.A., the manager of Reinet Fund, will have regard to the advice of the Investment Advisor in reaching its investment decisions.

MANAGEMENT AND CORPORATE GOVERNANCE

Reinet Investments Manager

The Company will be managed by Reinet Investments Manager S.A. ("**Reinet Investments Manager**"), which will be the unlimited shareholder owning the 1 000 management shares in the Company (the "**Management Shares**") after the Richemont Reconstruction. Reinet Investments Manager will have broad powers to carry out all management and administrative functions in compliance with the corporate objects of the Company. The board of directors of Reinet Investments Manager will be responsible for the management of the Company and will be required to act in the Company's best interests.

Reinet Investments Manager will be ultimately controlled by Rupert family interests.

Reinet Fund Manager

Reinet Fund will be managed by Reinet Fund Manager S.A. ("**Reinet Fund Manager**"), 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 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 required to act in the best interests of Reinet Fund.

Reinet Fund Manager will be ultimately controlled by Rupert family interests.

Investment Advisor

Reinet Fund Manager has agreed the terms of an Investment Advisory Agreement (the "**Investment Advisory Agreement**") with Reinet Investment Advisors Limited (the "**Investment Advisor**") under which the Investment Advisor will make investment proposals to Reinet Fund Manager and implement the investment decisions adopted by Reinet Fund Manager on behalf of Reinet Fund. The Investment Advisor will also assist Reinet Fund Manager in managing the assets and day-to-day operations of Reinet Fund.

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

Expenses and administration fees

The expenses of Reinet Investments Manager and Reinet Fund Manager incurred in the ordinary course of business will be reimbursed by the Company and Reinet Fund respectively. In addition, the Company will pay Reinet Investments Manager an annual fee equal to 10 per cent of such expenses of the Company.

The Investment Advisor will be paid a management fee (based on the net asset value of Reinet Fund adjusted for the net indebtedness of Reinet Investments (if any) outside Reinet Fund) which will be reduced by the amount of any reimbursements paid to Reinet Fund Manager as described above and a performance fee based on the total shareholder return generated by the Company.

Board of Overseers

The operations of the Company and Reinet Fund will be subject to review and audit by a board of overseers (*collège des commissaires*) (the “**Board of Overseers**”) appointed by their respective 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 the Company. Reinet Investments Manager and Reinet Fund Manager must consult the Board of Overseers in respect of matters which exceed their respective powers. The Board of Overseers may also resolve to require Reinet Fund Manager to terminate the Investment Advisory Agreement in certain circumstances.

INFORMATION RELATING TO THE SHARES AND MANAGEMENT SHARES

The capital of the Company is represented by two categories of shares, being the Management Shares held by Reinet Investments Manager and ordinary shares (being the Shares) held by the Shareholders.

The Shares, for which admission to trading on the Regulated Market of the Luxembourg Stock Exchange has been approved, subject to their issue, will confer on the Shareholder the entitlement to participate in and to vote at meetings of Shareholders, with each Share carrying the right to one vote. Each Share will also entitle each Shareholder to receive a proportionate share of any dividend that the Company may declare and a proportionate share of the net assets of the Company on a liquidation. The liability of Shareholders is limited to the amount of their investment in the Company.

All Shares of the Company will be issued in registered form. The Articles also envisage that the Shares may be held in dematerialised form by being recorded in the register on behalf of one or more persons in the name of a securities settlement system or a depository of securities. The Articles provide for certificates to be provided to the ultimate beneficial owners of the Shares for the purposes of exercising the rights attaching to the Shares (including admittance to and voting at Shareholders’ meetings). However, the Company will make any payments to Shareholders only to the depository recorded in the register or in accordance with their instructions, and that payment shall release the Company from any and all obligations for such payments. Shares must be in dematerialised form to be eligible for trading on the Regulated Market of the Luxembourg Stock Exchange.

The Management Shares held by Reinet Investments Manager confer the same rights with regard to voting, dividends and the distribution of assets on liquidation as the Shares. In addition, as holder of Management Shares, Reinet Investments Manager shall have broad powers to manage the Company. Reinet Investments Manager will have unlimited liability for any obligations of the Company that cannot be met with the assets of the Company.

DIVIDENDS

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

It is currently envisaged that the first dividend payable to 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 the Company and if the financial position of the Company allows the payment of a dividend to Shareholders at that time).

RISK FACTORS

An investment in the Shares involves a number of risks and uncertainties. These risks and uncertainties include, among others, the following:

- The Company will be newly established as a securitisation company (qualifying as a regulated securitisation company) and will have no operating history in such capacity.

- The Company 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 the European Commission were to conclude that the tax treatment which securitisation vehicles receive in Luxembourg constitutes unlawful state aid.
- Reinet Fund has not yet identified any potential new investments it will make with its capital.
- The financial condition and results of operations of the Company 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 is 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.
- Reinet Fund operates in a highly competitive market for investment opportunities and if it cannot compete effectively, its business and results of operations may suffer.
- The Company may be unable to pay dividends.
- Rupert family interests will exercise a substantial influence over the business of the Company and may be subject to conflicts of interest.
- Reinet Fund's investment policies may not achieve Reinet Fund's investment objective.
- Laws and regulations governing the operations of Reinet Fund and the Company may adversely affect their business, investments and results of operations.
- The Company will not have any operations of its own and its principal source of earnings will be the investments made through Reinet Fund and its subsidiaries.
- Reinet Fund will be exposed to foreign exchange risk, which may adversely affect its results of operations.
- Fluctuations and changes in interest rates may adversely affect the financial condition of Reinet Fund.
- Reinet Fund may experience fluctuations in its half-yearly operating results.
- Investment concentration within Reinet Fund may adversely affect the returns on investments in the Company.
- Reinet Fund's due diligence may not reveal all of the risks of investing in a particular company or asset.
- Reinet Fund's investment in companies held in its portfolio may rank below others, and Reinet Fund may not be able to recoup amounts owed in the event of their bankruptcy or insolvency.
- Reinet Fund's investments may not appreciate in value or 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.
- The Company expects Reinet Fund to make investments in companies or assets that are not controlled by Reinet Fund.
- An investment in Shares may be illiquid and the market price of the Shares may fluctuate widely in response to different factors.
- The Luxembourg Stock Exchange trading market is less liquid than other major exchanges, which could affect the price of the Shares.
- The Company is not and will not be authorised under the Swiss Federal Collective Investment Schemes Act.

RISK FACTORS

An investment in the Company will involve substantial risks. Prospective investors should carefully consider the following risks before investing in the Company. Additional risks and uncertainties about which the Company is not currently aware or that the Company currently believes are immaterial may also adversely impact the business, financial condition, results of operations or the value of any investment in the Company. The order in which the risks described below are presented does not reflect the likelihood of their occurrence or the magnitude or significance of the individual risks. If any of the following risks were actually to materialise, the business, financial condition, results of operations of the Company as well as the value of an investment in the Company could be affected in a material and adverse manner.

The Company disclaims any responsibility to advise Shareholders of the risks and investment considerations associated with the Shares as they may come into existence following the date of this Prospectus.

RISKS RELATING TO THE BUSINESS OF THE COMPANY AND REINET FUND

The Company will be newly established as a securitisation company (qualifying as a regulated securitisation company) and will have no operating history in such capacity.

The Company was incorporated in 1979 and since that time has undertaken various activities, as set out in “Business – History of the Company”.

Pending the Rlichemont Reconstruction, the Company has never operated as a securitisation company. It is intended that the Company will invest in shares in Reinet Fund. The investments in Reinet Fund will include the Company’s holding of BAT Shares, approximately €351.1 million in cash and other smaller investments. Neither the Company in its capacity as a securitisation company nor Reinet Fund has any historical financial statements or other operating or financial data with which prospective investors may evaluate an investment in the Company, the performance of the investments that Reinet Fund intends to make or the effectiveness of Reinet Fund’s investment strategy. Please refer to “Unaudited Pro Forma Consolidated Financial Information”, where unaudited pro forma consolidated financial information relating to the Company is set out as if the Rlichemont Reconstruction took place on 31 March 2007 (subject to the reservations set out therein).

An investment in the Company is subject to all of the risks and uncertainties associated with any new business, including the risk that Reinet Fund will not achieve its investment objective and that the value of an investment in the Company could decline substantially.

In particular, Reinet Fund will initially have a substantial amount of surplus cash that will need to be invested in temporary investments, which are expected to generate returns that are lower than the returns Reinet Fund anticipates receiving from equity and other types of investments.

The directors of the Investment Advisor, Reinet Fund Manager and Reinet Investments Manager are, however, highly experienced investment professionals with strong track records in identifying, managing and exiting investments. For further information, see “Business”, “Management and Corporate Governance” and “The Investment Advisor and the Investment Advisory Agreement”.

The Company 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.

Securitisation vehicles are subject to certain specific tax rules in Luxembourg (for further information see “Taxation – Luxembourg Taxation – Taxation of the Company”). After the Rlichemont Reconstruction, the Company intends to operate in a manner that will enable it to qualify as a securitisation vehicle under the Luxembourg Securitisation Law. In addition, the Luxembourg direct tax authorities have confirmed that the Company will be entitled to the income and net worth tax benefits applicable to securitisation vehicles. However, if the Luxembourg tax authorities were to conclude in future that the Company’s activities were different from those which formed the basis of their confirmation, they might re-assess the status of the Company. If, thereafter, the Company were unable to qualify as a securitisation vehicle, it would cease to benefit from the tax rules applicable to securitisation vehicles, which include the ability to deduct dividends paid to Shareholders as business expenses and the ability to pay dividends which are not subject to Luxembourg withholding tax. The Company’s ability to pay dividends is dependent, in part, upon its treatment as a securitisation vehicle. If the Company became unable to qualify as a securitisation company, this could have a material adverse effect on its results of operations and financial condition as well as its ability to pay dividends.

The Company may lose the tax benefits to which Luxembourg securitisation vehicles are entitled if the current European Commission investigation into the tax treatment of securitisation vehicles in Luxembourg finds that such treatment constitutes unlawful state aid.

In February 2006, the European Commission requested Luxembourg to provide it with certain information regarding the tax regime applicable to securitisation vehicles. Depending on the conclusions that the European Commission reaches in light of this information, it may decide to investigate the tax regime under the Luxembourg Securitisation Law from a state aid perspective. Currently, a formal investigation procedure under Article 88 of the EC Treaty has not yet been launched. If, however, as a result of any such investigation, the European Commission were to conclude that the tax regime under the Luxembourg Securitisation Law amounted to the provision of state aid to securitisation vehicles having the effect of distorting or threatening to distort competition by favouring securitisation vehicles (insofar as the tax regime of securitisation vehicles would affect trade between Member States), part or all of the regime applicable to securitisation vehicles may be held incompatible with the common market principles of the European Union. As a consequence, the European Commission might, as a first step, ask Luxembourg to suspend the tax regime of the Luxembourg Securitisation Law and to recover the tax benefits granted to securitisation vehicles on a provisional basis, although provisional recovery could only be requested if there were no doubts about the illegality of the state aid, if action were required urgently and if there were a serious risk of substantial and irreparable damage to a competitor. Given the proposed activities of the Company and Reinet Fund after the Richemont Reconstruction, the Company believes that there will be no competition between it or Reinet Fund and any other enterprise other than competition for investment opportunities. If the European Commission, as a second step, were to find the tax regime under the Luxembourg Securitisation Law incompatible with the common market principles of the European Union, the Luxembourg tax authorities would be required to obtain payment of all tax benefits considered as state aid from the securitisation vehicles in accordance with the Luxembourg procedural rules, subject to limitation provisions. If, in such circumstances, the Company were considered as being part of such category of securitisation vehicles, it may not continue to benefit from the tax regime currently applicable to securitisation vehicles in future years.

If these tax benefits were deemed to constitute unlawful state aid, the practice in a number of previous European cases has been to assess tax claims retroactively. If this was the case for the securitisation regime, the Company might be required to pay income tax on profits earned in prior years as well as net worth tax on its net assets. The board of directors of CFR has, however, been advised that in the specific case of Reinet there are no reasons why the tax regime of the Company 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.

If the Company were to become liable to pay taxes for prior years or could not continue in future years to benefit from the tax regime currently applicable to securitisation vehicles, this could have a material adverse effect on its results of operations and financial condition.

Reinet Fund has not yet identified any potential new investments it may make with its capital.

Reinet Fund has not yet identified any potential new investments that it may make with its capital and nor has the Investment Advisor made any proposals in relation thereto. As of the Richemont Reconstruction Date, approximately €351 million of Reinet Fund's assets will consist of cash which Reinet Fund will invest upon suitable proposals being made by the Investment Advisor. Suitable investment opportunities may not be immediately available. Reinet Fund may generate further capital upon any sale of BAT Shares. Given the amount of cash that will not be immediately invested, it may take a considerable amount of time to invest fully the cash held by Reinet Fund, which may result in lower returns than Reinet Fund might otherwise be able to achieve. There is also uncertainty as to the amounts of cash that Reinet Fund will receive on any future sale of BAT Shares and as to the dates on which such sales will occur (if at all).

Reinet Fund is expected to invest its cash deposits in temporary investments, which are likely to generate returns that are substantially lower than the returns Reinet Fund could receive from longer-term investment opportunities. There may be a high degree of variability between the returns generated by different types of temporary investments.

In addition, Reinet Fund will have broad discretion under its investment policies and procedures when making investments and Shareholders will have no right to provide input with regard to the investment decisions of Reinet Fund or an opportunity to evaluate any proposed investment before such investment is made.

The financial condition and results of operations of the Company will depend on the ability of Reinet Fund to manage future growth and effectively implement its investment strategy.

Reinet Fund's ability to achieve its investment objective will depend on its ability (with the assistance of the Investment Advisor) to identify and monitor a suitable number of companies and assets and implement the

various aspects of its investment policies. Achieving Reinet Fund's investment objective on a cost-effective basis will largely depend upon the investment structures proposed by the Investment Advisor, its ability to provide competent, attentive and efficient services under the Investment Advisory Agreement and the ability of Reinet Fund to reinvest its capital and to obtain additional capital on acceptable terms. Reinet Fund Manager and the Investment Advisor (and their management) will have substantial responsibilities under Reinet Fund's articles of incorporation (the "**Reinet Fund Articles**") and the Investment Advisory Agreement respectively. Any failure to implement Reinet Fund's investment policies effectively or to manage its future growth could have an adverse effect on the business, financial condition and results of operations of the Company.

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.

The Company's ability to generate attractive returns for Shareholders will depend upon the ability of Reinet Fund Manager and the Investment Advisor to make a correct assessment as to future values that can be realised in connection with investments. The securities markets have in recent years been characterised by a high degree of volatility and unpredictability and there can be no assurance that Reinet Fund Manager or the Investment Advisor will be successful in making assessments regarding future trends in prices, including the timing of any price changes, that they will be able to react effectively to any such changes or that, as a result of this, Shareholders will generate gains on their investments in the Company.

There can be no assurance that the values of investments that Reinet Fund reports from time to time will in fact be realised.

The Company anticipates that a portion of the investments that Reinet Fund makes, directly or indirectly, will be in the form of investments for which market quotations are not readily available. Reinet Fund Manager will be required to make good faith determinations as to the fair value of these investments on a quarterly basis in connection with the preparation of Reinet Fund's and the Company's financial statements. There is no single standard for determining fair value in good faith and, in many cases, fair value is best expressed as a range of fair values from which a single estimate may be derived. Because valuations, and in particular valuations of investments for which market quotations are not readily available, are inherently uncertain, may fluctuate over short periods of time and may be based on estimates, determinations of fair value may differ materially from the values that would have resulted if a ready market had existed. Even if market quotations are available for Reinet Fund's investments, such quotations may not reflect the value that Reinet Fund would actually be able to realise because of various factors, including the possible illiquidity associated with a large ownership position (such as Reinet Fund's holding of BAT Shares), subsequent illiquidity in the market for a company's securities, future market price volatility or the potential for a future loss in market value based on poor industry conditions or the market's view of company and management performance. The net asset value of Reinet Fund (and therefore the Company) could be adversely affected if the values of investments recorded by it are materially higher than the values that are ultimately realised upon the disposal of the investments and changes in values attributed to investments from quarter to quarter may result in volatility in the net asset values and results of operations that Reinet Fund reports from period to period. There can be no assurance that the investment values that Reinet Fund records from time to time will ultimately be realised. The Company also cannot make any assurance that Reinet Fund will be able to realise the unrealised investment values that are presented in this document, including the value of the BAT Shares.

Reinet Fund is 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.

Under the Investment Advisory Agreement, the Investment Advisor will be responsible for, among other things, selecting and proposing investments to recommend to Reinet Fund Manager, advising Reinet Fund Manager in respect of financing, cash management and risk management activities, providing investment advisory services, including with respect to the investment policies and procedures of Reinet Fund and implementing investment decisions approved by Reinet Fund Manager. The Company believes that the success of its investment in Reinet Fund will depend upon the diligence, skill, experience and business contacts of the individuals employed by Reinet Fund Manager and the Investment Advisor and the continued involvement of those individuals (or other suitably experienced individuals) in Reinet Fund's investments. If the Investment Advisor were to cease to provide services under the Investment Advisory Agreement for any reason, there would be a risk that no suitable replacement could be found and the business and prospects of Reinet Fund could be materially harmed. Similarly, the departure of one or more of the key individuals from Reinet Fund Manager or the Investment Advisor, or their inability to attract, train and retain further qualified staff, could adversely affect Reinet Fund and the Company. As a result, the value of Reinet Fund's existing investments and its results of operations and financial condition could suffer, which in turn could have an adverse effect on the Company's investment in Reinet Fund and on the Company's financial condition or results of operations.

Reinet Fund operates in a highly competitive market for investment opportunities and if it cannot compete effectively, its business and results of operations may suffer.

Reinet Fund competes with investment funds, investment banks and other institutions making investments. Many of the competitors of Reinet Fund are more established in the relevant markets, and may have greater financial, technical or marketing resources than Reinet Fund and Reinet Fund Manager. Additionally, some competitors may have higher risk tolerances or different risk assessments, therefore allowing them to consider a wider array of investment alternatives. As a result of such competition, Reinet Fund Manager (on behalf of Reinet Fund) may not be able to take advantage of what it might otherwise classify as attractive investment opportunities. Furthermore, Reinet Fund Manager may not be able to identify and make investments that are consistent with Reinet Fund's investment objective. Increased competition could result in lower revenues and higher expenses, which could have an adverse effect on Reinet Fund's financial condition and results of operations which in turn would have an adverse effect on the financial condition and results of operations of the Company.

The Company may be unable to pay dividends.

Dividends or other distributions will be made at the discretion of Reinet Investments Manager and will be subject to the payment of dividends to the Company by Reinet Fund (which is under no obligation to pay any such dividends). The payment of any dividend by Reinet Fund and the achievement of any dividend increases will depend upon a number of factors, including Reinet Fund's operating results, availability of cash and financial conditions, successful management of Reinet Fund's investments by Reinet Fund Manager, interest costs, performance on contracts, changes in tax regimes, legal and regulatory restrictions or restrictions imposed by lenders and such other factors as Reinet Fund Manager may deem relevant from time to time. There is no guarantee that the Company will pay any dividends or that dividend growth will be achieved.

In addition, the first financial reporting period of the Company and Reinet Fund after the implementation of the proposals will end on 31 March 2009. The Company will not receive any dividend income from Reinet Fund until the declaration of such a dividend at that Reinet Fund'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 the Company during the second half of the financial year ending 31 March 2010 such that it is currently envisaged that the first dividend payable to 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 the Company and if the financial position of the Company allows the payment of a dividend to Shareholders at that time).

Rupert family interests will exercise a substantial influence over the business of the Company and may be subject to conflicts of interest.

Each of Reinet Investments Manager, Reinet Fund Manager and the Investment Advisor are wholly owned by Rupert family interests and it is expected that Rupert family interests will own approximately 9.1 per cent of the issued Shares on the Richemont Reconstruction Date and approximately 8.8 per cent of the Shares after the First Capital Increase (although this percentage is expected to increase after the Second Capital Increase but is unlikely to exceed 50 per cent). As a result, Rupert family interests will be able to control the appointment and removal of the directors of Reinet Investments Manager, Reinet Fund Manager and the Investment Advisor and, accordingly, exercise substantial influence over the business and affairs of the Company. The interests of the Rupert family may differ from the interests of other Shareholders.

Furthermore, pursuant to the articles of incorporation of the Company to be adopted on the Richemont Reconstruction Date (the "**Articles**") and the Reinet Fund Articles, Shareholders will only have the right to participate in certain major decisions affecting the Company and Reinet Fund (such as amending the Articles, appointing the Board of Overseers and the approval of distributions) and will not have any right to be involved in the management or day-to-day operations of the Company or Reinet Fund, including with respect to the making of investment decisions.

Additionally, Rupert family interests control a number of other industrial and investment holding companies including CFR, 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 the Company, Reinet Fund and the Investment Advisor, there is a possibility that these individuals may have a conflict of interest between the duties they owe to the Company, Reinet Fund 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 which are appropriate both for Reinet and for other entities controlled by Rupert family interests. The Company, Reinet Fund and the Investment Manager 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 managed by Rupert family interests (including the Company, Reinet Fund 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).

Reinet Fund's investment policies may not achieve Reinet Fund's investment objective.

The investment policies of Reinet Fund do not impose significant limitations on the investments that Reinet Fund may make, including with respect to the size of individual investments and the geographical location and sector of underlying issuers.

Additionally, the success of the investment policies adopted followed by Reinet Fund Manager (acting on the advice of the Investment Advisor) depends, among other things, upon its success at correctly interpreting market data. Reinet Fund Manager will apply its investment techniques and risk analyses in making investment decisions, but there can be no guarantee that its decisions will produce the desired results. Any factor which would make it more difficult to execute timely purchases and sales by Reinet Fund Manager of underlying investments, such as a significant lessening of liquidity in a particular market, may also be detrimental to returns. As the strategies employed by Reinet Fund Manager to achieve Reinet Fund's investment objective may be modified and altered from time to time, it is possible that the strategies used by Reinet Fund Manager in the future may be different from those initially in use. No assurance can be given that the strategies used or to be used will be successful under all or any market conditions.

Laws and regulations governing the operations of Reinet Fund and the Company may adversely affect their business, investments and results of operations.

Reinet Investments Manager, Reinet Fund Manager and the Investment Advisor are subject to laws and regulations enacted by national, regional and local governments. In particular, the Company will be required to comply with certain regulatory requirements applicable to a Luxembourg securitisation company, and Reinet Fund with certain regulatory requirements that are applicable to a Luxembourg specialised investment fund. The Company will also be required to comply with regulations applicable to a company admitted to the Official List of the Luxembourg Stock Exchange. The management of Reinet Fund's investments by Reinet Fund Manager and the Investment Advisor will also be subject to supervision in Luxembourg. Additional laws and regulations may apply to the portfolio assets in which Reinet Fund makes investments, and those laws and regulations, as well as those applicable to Reinet Fund and the Company themselves, may restrict the ability of Reinet Fund to make certain types of investments in certain countries or affect the returns available from those investments. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time-consuming and costly. Those laws and regulations and their interpretation and application may also change from time to time and such laws and regulations or those changes could have a material adverse effect on the business, investments and results of operations of Reinet Fund and the Company. In addition, a failure to comply with applicable laws or regulations, as interpreted and applied, or to maintain any necessary regulatory licences, by any of Reinet Investments Manager, Reinet Fund Manager or the Investment Advisor, could have a material adverse effect on the business, investments and results of operations of Reinet Fund and the Company.

The Company will not have any operations of its own and its principal source of earnings will be the investments made through Reinet Fund and its subsidiaries.

Substantially all of the Company's assets will be represented by interests in Reinet Fund. Accordingly, the Company will depend on Reinet Fund to distribute cash to it in a manner that allows it to meet its expenses as they become due. The ability of Reinet Fund to make cash distributions to the Company will depend on a number of factors, including, among others, the actual results of operations and financial condition of Reinet Fund, its subsidiaries and investee companies, restrictions on cash distributions that are imposed by applicable law or the constitutional documents of Reinet Fund, the terms of any future financing agreements entered into by Reinet Fund or its subsidiaries, the timing and amount of cash generated by investments that are made by Reinet Fund, any contingent liabilities to which Reinet Fund may be subject, the amount of income generated by Reinet Fund and other factors that Reinet Fund Manager deems relevant. If the Company is unable to receive cash distributions from Reinet Fund, this could have a material adverse effect on the business, investments and results of operations of the Company and, furthermore, the Company may not be able to meet its expenses when they become due.

Reinet Fund will be exposed to foreign exchange risk, which may adversely affect its results of operations.

The Company's accounts and Reinet Fund's accounts will be denominated in Euro while Reinet Fund's underlying investments may be made and realised in other currencies. In addition Reinet Fund may borrow funds in various currencies. Therefore, increases or decreases in the value of the Euro against other currencies will affect Reinet Fund's net earnings and the value of balance sheet items denominated in foreign currencies. Changes in rates of exchange may also have an adverse effect on the value, price or income of Reinet Fund's investments. A change in foreign currency exchange rates may adversely impact the amount of any returns on Reinet Fund non-Euro denominated investments and, therefore, any investment in the Company. Reinet Fund is not limited in the percentage of its assets that may be denominated in currencies other than Euro.

In particular, the most significant investment in Reinet Fund's initial portfolio will be its holding of BAT Shares, which are denominated in pounds sterling. As a consequence, fluctuations in the value of the Euro against sterling may have an adverse effect on the net asset value of Reinet Fund (which is denominated in Euro).

Although movements in the exchange rates between the Euro and other currencies are outside the control of the Company and Reinet Fund, Reinet Fund Manager may take into account, and may hedge to reduce the risk of, such risks by investing in one or more currencies, futures contracts on multiple currencies and options thereon, forward currency exchange contracts on multiple currencies, or any combination thereof. Reinet Fund Manager is not obliged to engage in such currency hedging transactions and may elect to do so in its sole discretion. No assurance can be made that such currency hedging strategies will be effective.

Fluctuations and changes in interest rates may adversely affect the financial condition of Reinet Fund.

Changes in the level of interest rates may affect, among other things, Reinet Fund's ability to acquire investments. In particular, an increase in interest rates would make it more expensive to use debt to finance Reinet Fund's investments.

In the event of a significant rising interest rate environment and/or economic downturn, loan defaults may increase and result in credit losses that may be expected to affect Reinet Fund's liquidity and operating results adversely. Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political conditions, and other factors that are beyond the control of Reinet Fund.

Reinet Fund may experience fluctuations in its half-yearly operating results.

Reinet Fund may experience fluctuations in its operating results from half-year to half-year due to a number of factors, including changes in the values of investments, the timing of the repayment of debt investments, changes in the amount of distributions, dividends or interest paid in respect of investments, changes in Reinet Fund's operating expenses, variations in and the timing of the recognition of realised and unrealised gains or losses, the degree to which Reinet Fund encounters competition and general economic and market conditions. Since the Company will be the sole shareholder of Reinet Fund, these factors will also affect the operating results of the Company. Such variability may lead to volatility in the trading price of Shares and cause results of the Company for a particular period not to be indicative of its performance in a future period.

RISKS RELATING TO REINET FUND'S INVESTMENTS

Investment concentration within Reinet Fund may adversely affect the returns on investments in the Company.

The majority of the value Reinet Fund's investment portfolio after the Reduction of Capital and First Capital Increase is expected to consist of BAT Shares. Other investment companies and funds have investment portfolios that are more diversified than Reinet Fund's initial portfolio.

As a result of this, market or economic factors affecting the value of the BAT Shares could have an adverse effect on the value of Reinet Fund's portfolio that is more pronounced than the effect that the same market or economic factors might have on an investment company or fund with a more diversified portfolio. Similarly, fluctuations in the EUR:GBP Exchange Rate may have an adverse effect on the net asset value of Reinet Fund, as described above. These factors might in turn have an adverse effect on the value of an investment in the Company.

Reinet Fund's due diligence may not reveal all of the risks of investing in a particular company or asset.

Reinet Fund may only have the opportunity to carry out a limited due diligence exercise prior to making an investment. Reinet Fund (or the Investment Advisor on its behalf) may have access to little or no publicly available information. Furthermore, there can be no assurance as to the adequacy or accuracy of information provided during any due diligence exercise or that such information will remain accurate in the period from conclusion of the due diligence exercise until the making of the investment.

Even when Reinet Fund is able to rely upon a due diligence report, such reliance will be limited by the scope of the report and any applicable contractual limitations on liability.

In addition, public companies in which Reinet Fund may invest may be subject to regulations which restrict the ability of any such company to pass information to, or hold discussions with, Reinet Fund or which restrict the ability of Reinet Fund to add to, realise or manage its investment in any such company.

Reinet Fund's investment in companies held in its portfolio may rank below others, and Reinet Fund may not be able to recoup amounts owed in the event of their bankruptcy or insolvency.

Reinet Fund may make equity investments in companies that have indebtedness or equity securities, or that may be permitted to incur indebtedness or to issue equity securities, that rank senior to Reinet Fund's respective investments. This subordination may occur contractually or structurally. Reinet Fund will not receive the benefit of security in respect of equity-only investments. By their terms, such debt or equity instruments may provide that their holders are entitled to receive payments of dividends, interest or principal on or before the dates on which payments are to be made in respect of Reinet Fund's respective investments. Also, in the event of insolvency, liquidation, dissolution, reorganisation or bankruptcy of a company in Reinet Fund's portfolio of investments, holders of securities ranking senior to Reinet Fund's respective investments in such company would typically be entitled to receive payment in full before any distributions could be made in respect of Reinet Fund's respective investments. After repaying senior security holders, such company may not have any remaining assets to use for repaying amounts owed in respect of Reinet Fund's respective investments. To the extent that any assets remain, holders of claims that rank equally with Reinet Fund's investment would be entitled to share on an equal and rateable basis in distributions that are made out of those assets. In the event of a default by the relevant company in its portfolio of investments, Reinet Fund may not be able to recover all or any of its investment and any security Reinet Fund has may be of only limited (if any) value. Default on an investment will reduce the value of Reinet Fund's portfolio and the income that Reinet Fund receives from its investments, which would in turn reduce the value of an investment in the Shares.

Reinet Fund's investments may not appreciate in value or generate investment income or gains.

Reinet Fund intends to make investments that will create long-term value for holders of the Shares. However, investments that Reinet Fund makes may not appreciate in value and, in fact, may decline in value. Accordingly, the Company cannot assure investors that its investment in Reinet Fund will generate gains or that any gains that may be generated will be sufficient to offset any losses that may be sustained. To the extent that any losses sustained by Reinet Fund exceed any gains that it may make, the value of an investment in the Company will be reduced.

Privately acquired securities may be subject to transfer restrictions, which may impede Reinet Fund's ability to liquidate its position quickly.

Any securities which Reinet Fund may purchase in connection with privately negotiated transactions may be subject to contractual or other restrictions on transfers and may not be registered under relevant securities laws, resulting in restrictions on their transfer, sale, pledge or other disposition except in a transaction that is exempt from the registration requirements of, or is otherwise in accordance with, those laws. These restrictions may adversely affect the marketability and liquidity of Reinet Fund's investments.

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.

Borrowing will create opportunities for Reinet Fund to finance its investment activities without the requirement that portfolio securities be liquidated at a time when it would be disadvantageous to do so. Any investment income or gains on portfolio securities in excess of the interest paid and other costs associated with the funds borrowed to invest in them, will cause the net income or net asset value per share of the shares in Reinet Fund (and therefore the Shares) to be greater than would otherwise be the case if funds were not borrowed to make the investment. Alternatively, if the income or gain, if any, on the securities retained fails to cover the interest paid on and the other costs of the borrowing, the net income or net asset value per share of the shares in Reinet Fund (and therefore the Shares) will be less than would otherwise be the case.

Market values of publicly traded securities that are held as investments may be volatile.

Reinet Fund may invest in publicly traded securities issued by companies which are not controlled by Reinet Fund. The market prices and values of publicly traded securities of companies in which Reinet Fund has invested may be volatile and are likely to fluctuate due to a number of factors beyond Reinet Fund's control, including: actual or anticipated fluctuations in the quarterly, interim and annual results of the companies in which investments are made and other companies in the industries in which they operate; market perceptions concerning the availability of additional securities for sale; general economic, social or political developments; changes in industry conditions; changes in government regulation; shortfalls in operating results from levels forecast by securities analysts; the general state of the securities markets and other material events, such as significant management changes, refinancings, acquisitions and dispositions. Changes in the values of these investments may adversely affect Reinet Fund's (and therefore the Company's) net asset value and results of operations and cause the market price of Shares to fluctuate.

Additionally, Reinet Fund may invest in securities of companies with relatively small market capitalisations. Securities of these smaller capitalisation companies may be subject to more abrupt or erratic market movements than the securities of larger, more established companies, both because the securities are typically traded in lower volume and because the companies are subject to greater business risk. Furthermore, there may also be a less liquid market for the securities in such companies. Also, in certain emerging market countries, volatility may be heightened by actions of a few major investors. For example, substantial increases or decreases in cashflows of mutual funds investing in these markets could significantly affect local stock prices and, therefore, the value of Reinet Fund's investment and the price of the Shares.

The Company expects Reinet Fund to make investments in companies that are not controlled by Reinet Fund.

Reinet Fund may invest in equity securities of companies that are not controlled by Reinet Fund. Those investments will be subject to the risk that the company in which the investment is made may make business, financial or management decisions which Reinet Fund does not agree with or that the majority stakeholders or the management of the company may take risks or otherwise act in a manner that does not serve the interests of Reinet Fund. If any of the foregoing were to occur, the values of investments could decrease and the financial condition and results of operations of Reinet Fund and the Company could suffer as a result.

RISKS RELATING TO THE SHARES

An investment in Shares may be illiquid and the market price of the Shares may fluctuate widely in response to different factors.

There may not be a liquid market for the Shares and any investment in the Shares should be viewed as a long-term investment. The market price of the Shares may not wholly or mainly reflect the value of the underlying investments of Reinet Fund, and may also be subject to wide fluctuations in response to many factors (some of which may be beyond the Company's and Reinet Fund's control), including variations in the operating results of Reinet Fund, divergence in financial results from stock market expectations, changes in earnings estimates by analysts, a perception that other market sectors may have higher growth prospects, general economic conditions, a failure to obtain debt financing on terms envisaged or at all, the failure to acquire additional assets, legislative changes and other events and factors outside the Company's control.

In addition, stock markets have from time to time experienced extreme price and volume volatility, which, besides general economic and political conditions, could adversely affect the market price for the Shares. To optimise returns, investors may need to hold the Shares on a long-term basis and they may not be suitable for short-term investment. Listing should not be taken as implying that there will be a liquid market for the Shares. Prior to the admission of the Shares to trading on the Regulated Market of the Luxembourg Stock Exchange, there will have been no public market for the Shares and there can be no guarantee that an active market will develop or be sustained after their admission to trading. If an active trading market is not developed or maintained, the liquidity and trading price of the Shares could be adversely affected. Even if an active trading market were to develop, the market price for the Shares might fall. The value of the Shares might therefore go down as well as up.

The Luxembourg Stock Exchange trading market is less liquid than other major exchanges, which could affect the price of the Shares.

The principal trading market for the Shares is expected to be the Regulated Market of the Luxembourg Stock Exchange, which is less liquid than major markets in certain other parts of Europe and the U.S. Because the Regulated Market of the Luxembourg Stock Exchange is less liquid than major markets in certain other parts of Europe and the U.S., Shareholders may face difficulty when disposing of their Shares, especially in large blocks.

The Company is not and will not be authorised under the Swiss Federal Collective Investment Schemes Act.

The Company has not been and will not be authorised under the Swiss Federal Collective Investment Schemes Act of 23 June 2006 (the "CISA"). The CISA provides certain protections to investors and imposes certain restrictions on authorised collective investment schemes, none of which have been or will be applicable to the Company.

Current PC Holders and prospective Shareholders should therefore consider whether investment in the Company is suitable for them in light of the risk factors outlined above, their personal circumstances and the financial resources available to them.

IMPORTANT INFORMATION

ABOUT THIS PROSPECTUS

This Prospectus has been produced in connection with the admission of the Shares to trading on the Regulated Market of the Luxembourg Stock Exchange and Reinet DRs on the JSE. In making any investment decision regarding the Shares, prospective investors must rely on their own examination of the Company, including the merits and risks involved in an investment in the Company.

This Prospectus constitutes a prospectus for the purposes of Article 3 of the Prospectus Directive and has been prepared in accordance with Article 5 of the Prospectus Directive, the Luxembourg Prospectus Law, as amended, and the rules promulgated thereunder. This Prospectus has been approved and filed with the CSSF, the competent authority in Luxembourg for the purposes of the Prospectus Directive in accordance with the Luxembourg Prospectus Law and related regulations which implement the Prospectus Directive under Luxembourg law.

Prospective investors should rely only on the information contained in this Prospectus. The Company has not authorised any other person to provide prospective investors with any information or to make any representations in connection with the admission to trading of the Shares. If anyone provides prospective investors with any information or makes any representations, such information or representations should not be relied upon. Prospective investors should assume that the information appearing in this Prospectus is accurate only as of the date on the front cover of this Prospectus, regardless of the time of delivery of this Prospectus or of any future offer or sale of the Shares. The business, financial condition, results of operations and prospects of the Company could have changed since that date. The Company expressly disclaims any duty to update this Prospectus, except as required by applicable law. A supplement to this Prospectus will be issued should events between the approval of this Prospectus and the admission of the Shares to trading on the Regulated Market of the Luxembourg Stock Exchange require significant changes to be made to the substance of this Prospectus, in accordance with Article 13 of the Luxembourg Prospectus Law.

The Company makes no representation to prospective investors as to the legality of an investment in the Shares and prospective investors should not construe anything in this Prospectus as legal, business or tax advice. Prospective investors should consult their own advisors as to the legal, tax, business, financial and related aspects of an investment in the Shares.

FORWARD-LOOKING STATEMENTS

This Prospectus includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “intends”, “considers”, “expects”, “seeks”, “target”, “strategy”, “objective”, “aim”, “continue”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the intentions, beliefs or current expectations of the Company, Reinet Fund, Reinet Investments Manager, Reinet Fund Manager and the Investment Advisor concerning, among other things, the investment objective and investment policy, financing strategies, investment performance, results of operations, financial condition, liquidity, prospects and dividend payments and policy of the Company and the markets in which it, directly and indirectly, will invest and the resources available to it from its and Reinet Fund’s Affiliates (including, without limitation, the Investment Advisor). By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The actual investment performance of the Company, its results of operations, financial condition, liquidity, dividend payments and the development of its financing strategies and the operation of the markets in which it is directly or indirectly invested and the actual resources available to it, may differ materially from the impression created by the forward-looking statements contained in this Prospectus. In addition, even if the investment performance, results of operations, financial condition, liquidity and dividend payments of the Company, the development of its financing strategies and the operation of the markets in which it is directly or indirectly invested are consistent with the forward-looking statements contained in this Prospectus, those results or developments or markets or resources may not be indicative of results or developments or markets or resources in subsequent periods. Important factors that may cause these differences include, but are not limited to, the risk factors set forth in “*Risk Factors*”, changes in economic conditions generally, legislative/regulatory changes, changes in taxation regimes, Reinet Fund’s ability to invest the cash on its balance sheet in suitable investments or in a suitable manner on a timely basis, the cost and availability of

capital for future investments, the availability and cost of suitable financing, the continued provision of services by the Investment Advisor and the ability of Reinet Fund to attract and retain suitably qualified personnel.

Prospective investors are advised to read this Prospectus in its entirety and, in particular, the section entitled “*Risk Factors*” for a further discussion of the factors that could affect the future performance of the Company. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Prospectus may not occur.

These forward-looking statements speak only as at the date of this Prospectus. Subject to its legal and regulatory obligations, the Company expressly disclaims any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

The Company qualifies all of its forward-looking statements by these cautionary statements.

CERTAIN DEFINED TERMS

Certain capitalised terms are defined the first time they appear in this Prospectus, although definitions may be repeated more than once for ease of reference. See also “*Glossary of Defined Terms*”, for definitions of certain legal and technical terms used in this Prospectus (some of which are also defined in other sections of this Prospectus).

NO INCORPORATION OF WEBSITES

The contents of any websites of the Company, Reinet Fund, the Investment Advisor or CFR (or any of their Affiliates) do not form part of this Prospectus.

PRESENTATION OF FINANCIAL INFORMATION

Unless otherwise indicated, the financial information in this Prospectus has been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) that may differ materially from Luxembourg generally accepted accounting principles.

The Company’s Unaudited Pro Forma Consolidated Financial Information as of and for the year ended 31 March 2008, including the notes thereto (the “**Unaudited Pro Forma Consolidated Financial Information**”) set out in this Prospectus, was prepared to illustrate the effect of the reconstruction transactions affecting Richemont S.A. and its transformation into Reinet Investments S.C.A. (as described in “*The Richemont Reconstruction*”) on the balance sheet and income statement as if the Richemont Reconstruction had taken place on 31 March 2007. The Unaudited Pro Forma Consolidated Financial Information was prepared on the basis of the Company’s accounting policies and on the basis described in the notes thereto, and has been prepared for illustrative purposes only and in accordance with Annex II of Regulation 809/2004 of the European Commission. The Unaudited Pro Forma Consolidated Financial Information included elsewhere in this Prospectus was not prepared in accordance with IFRS. Neither the assumptions underlying the pro forma consolidated financial information adjustments nor the resulting Unaudited Pro Forma Consolidated Financial Information have been audited in accordance with International Standards on Auditing (ISA).

THE RICHEMONT RECONSTRUCTION

BACKGROUND

Richemont currently owns:

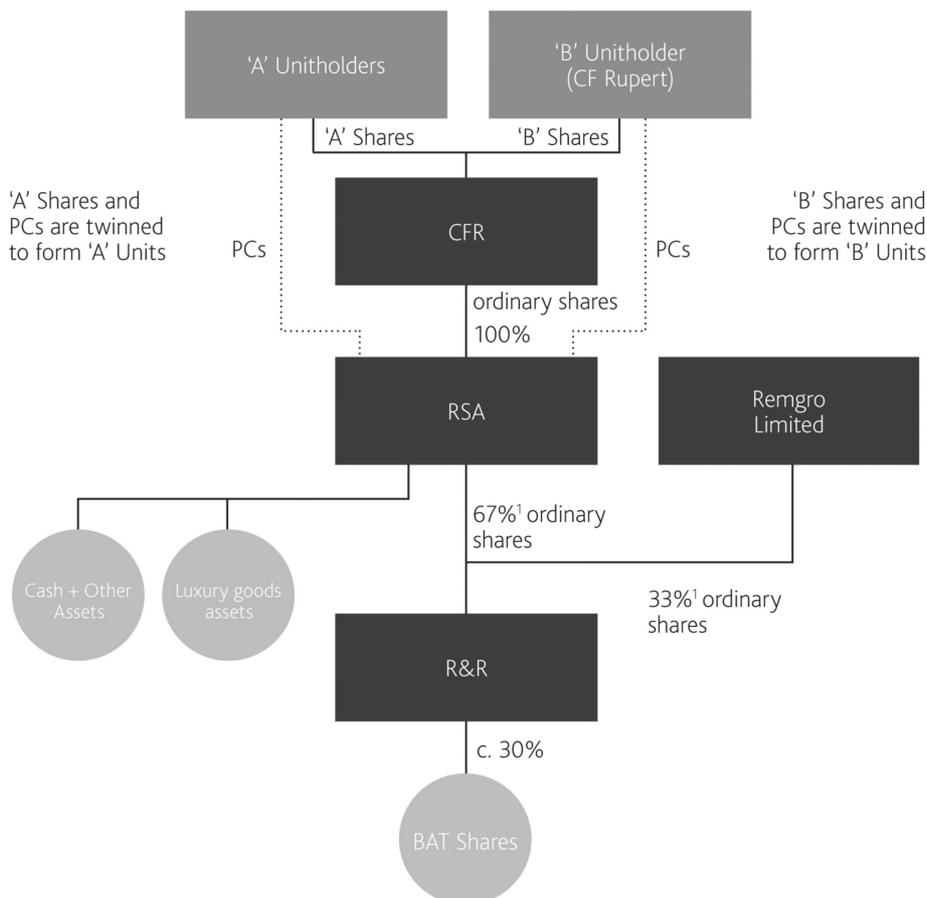
- a portfolio of luxury goods businesses;
- a 65 per cent economic interest in R&R, a joint venture with Remgro that holds approximately 30.2 per cent of the issued share capital of BAT, giving Richemont an effective economic interest of approximately 19.5 per cent in BAT; and
- significant cash reserves and other smaller investments.

The vast majority of these assets are held through the Company and its subsidiaries. Unitholders hold Units comprised of CFR Shares and PCs, these securities being indivisibly twinned through provisions in the current articles of incorporation of CFR and the Company.

The Richemont Reconstruction will result in the separation of Richemont into two separately listed companies. CFR will act as a holding company for all of the Group's luxury goods businesses and the Company (which will be converted into Reinet Investments S.C.A.) will, through Reinet Fund and its subsidiaries, hold all of the other investments.

The diagram below illustrates in simplified form the current structure of the Group:

Current Group Structure



(1) Remgro indirectly holds 33 per cent of the ordinary share capital of R&R as well as certain non-voting securities which, when taken together, provide Remgro with 35 per cent of the economic rights of R&R.

For further information relating to the history of CFR and the Company, please refer to “*Business – History of the Company*”.

The following paragraphs contain an overview of the existing equity capital structure and tax treatment of Richemont:

Equity capital structure

The issued share capital of CFR amounts to CHF 574 200 000 divided into:

- 522 000 000 'A' bearer CFR Shares with a par value of CHF 1.00 each; and
- 522 000 000 'B' registered CFR Shares having a par value of CHF 0.10 each.

The Company is a wholly-owned subsidiary of CFR and its equity consists of:

- issued share capital of €215 000 000 divided into 1 914 000 shares having no par value; and
- 574 200 000 issued PCs in respect of which the Company has created a participation reserve of €645 000 000.

Each 'A' CFR Share is twinned with one PC of no par value to form one 'A' Unit, issued to the bearer of a certificate in respect of an 'A' Unit. Every 10 'B' registered CFR Shares are twinned with one registered PC of no par value to form one 'B' Unit, issued in registered form. The twinning of the CFR Shares and the PCs is achieved through provisions contained in the current articles of incorporation of CFR and the Company and through provisions included on the certificates representing the CFR Shares and PCs.

The 'A' Units are listed on the EU-compatible segment of SIX Swiss Exchange and are traded on the EU-regulated segment of SWX Europe, a securities exchange based in London and a wholly-owned subsidiary of SIX Swiss Exchange (Ticker symbol: CFR; Swiss security number: 1 273 145; ISIN: CH0012731458).

The 'A' Units are also currently listed and traded on the Main Board of the JSE in the form of Richemont DRs issued by the Depositary. Each Richemont DR represents one-tenth of an 'A' Unit and, consequently, 10 Richemont DRs represent one 'A' Unit. The 'B' CFR Shares and PCs twinned with the 'B' CFR Shares are not listed and the 'B' Units do not trade.

The 'B' Units are held by CF Rupert. Mr. Johann Rupert, the Executive Chairman of Richemont, is the sole General Managing Partner of CF Rupert. The 'B' CFR Shares represent 50 per cent of the voting rights in CFR and 9.1 per cent of the equity in CFR. In addition to the 'B' Units, the Rupert family has indicated that it held a further interest in 161 886 'A' Units (or the equivalent thereof in Richemont DRs) as at 6 October 2008. Mr. Johann Rupert also held options over 6 104 000 'A' Units under the Richemont Unit-based stock option plan as at 6 October 2008.

The Rupert family has indicated its intention to continue to hold its entire interest in 'B' CFR Shares following the Richemont Reconstruction and to continue to hold the Shares it holds after the Reduction of Capital, the First Capital Increase and the Rights Offering. The Rupert family may also subscribe Additional Shares in the Optional Placing, as further described in "*The Rights Offering and Optional Placing – Second Capital Increase*".

Rupert family interests also hold a significant equity interest and an approximate 45 per cent voting interest in Remgro through Rembrandt Trust.

Tax structure

The Company and R&R are companies incorporated in Luxembourg under specific holding company legislation dating from 1929. For the purposes of Luxembourg tax law, "Luxembourg 1929" holding companies are generally exempt from taxation. As required by the European Commission, Luxembourg has abolished the special tax status of these holding companies; the grandfathering provisions which apply to the Company and R&R will cease in 2010. The principal effect of the elimination of the "Luxembourg 1929" holding company regime if the current group structure were to be maintained would be that the Company would be obliged to levy a withholding tax of 15 per cent on its dividend payments after 31 December 2010.

The withholding tax would apply to dividends paid out of the earnings generated in Richemont's luxury goods businesses and to dividends funded by the income received from BAT. As the BAT dividends are declared from the United Kingdom, which has no withholding tax, the imposition of the tax on dividends from the Company would result in Unitholders receiving less than they would receive were they to be direct shareholders in BAT.

After the Richemont Reconstruction, the Company will be established as a securitisation vehicle for Shareholders' 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 the Company and will, under current law and practices, be paid free of withholding taxes by the Company to Shareholders.

CFR, as a Swiss company, will deduct withholding taxes from dividends to be paid out of the earnings of its luxury goods businesses. Under current law, the rate of tax withheld is 35 per cent but CFR Shareholders will potentially be able to benefit from double taxation agreements reducing the rate (by way of a partial reimbursement) in many cases to 15 per cent. The rate of final withholding tax deducted on dividends paid by CFR out of profit generated by its luxury goods businesses will, in many cases, therefore be the same as that which would have been applicable to dividends payable from Luxembourg by the Company, were the current Group structure to be retained.

THE RICHEMONT RECONSTRUCTION

A meeting of the CFR Shareholders (the “**CFR EGM**”) was held on 9 October 2008 and a joint meeting of the current shareholder of the Company (being CFR) and the PC Holders (the “**Shareholder and PC Holder Meeting**”) was held on 8 October 2008. Resolutions were passed at the CFR EGM and the Shareholder and PC Holder Meeting to approve the steps of the Richemont Reconstruction described below. CFR, in its capacity as the sole current shareholder of the Company, approved the resolutions passed by PC Holders.

These resolutions have provided for amendments to the current articles of incorporation of the Company and of CFR which become effective upon the fulfilment of certain conditions, including the admission of the Shares to trading on the Regulated Market of the Luxembourg Stock Exchange, the admission of the Reinet DRs to trading on the JSE, and the necessary steps being taken by the board of directors of CFR to cancel the existing certificates in respect of the twinned CFR Shares and PCs and to issue a new global certificate in respect of the CFR Shares. Circumstances which could result in the board of directors of CFR delaying such implementation in whole or in part or deciding not to implement the proposed reconstruction include the failure to obtain admission to trading of the Shares on the Regulated Market of the Luxembourg Stock Exchange or of the Reinet DRs on the JSE, or a decision blocking the registration of changes to the current articles of incorporation of CFR in the Commercial Registry of the canton of Geneva.

The Remgro Shareholders approved the Remgro Distribution on 7 October 2008.

The following principal steps will take place on the Richemont Reconstruction Date, which is expected to be on 20 October 2008:

Transfer of the Group’s luxury goods businesses from the Company to CFR

The Group’s luxury goods businesses will be transferred from the Company to CFR by way of the RSA Reduction of Capital, after which CFR will cease to own any of the existing ordinary share capital of the Company.

De-twinning of the Units and conversion of the PCs into Shares

In parallel with this separation, each Unit will be split into its constituent parts and each PC will simultaneously be converted into one Share. Therefore, on the Richemont Reconstruction Date, for every ‘A’ Unit held, an ‘A’ Unitholder will receive one ‘A’ CFR Share and one Share and, for every ‘B’ Unit held, the ‘B’ Unitholder will receive 10 ‘B’ CFR Shares and one Share. The CFR Shares and the Shares will not be linked in any way and will be traded separately.

The restructuring will maintain the underlying ‘A’ and ‘B’ class share capital structure within CFR. The CFR Share capital will, as at present, be divided into 522 000 000 ‘A’ Shares with a par value of CHF 1 each and 522 000 000 ‘B’ Shares with a par value of CHF 0.10 each, whereby the ‘B’ CFR Shares represent 50 per cent of the voting rights in CFR. The ‘B’ CFR Shares will continue to be held exclusively by CF Rupert. The ‘A’ CFR Shares will continue to be listed on the EU-compatible segment of SIX Swiss Exchange and traded on SWX Europe and are expected to remain in the Swiss Market Index (‘SMI’) of leading stocks.

The PCs will be converted into a single class of Shares of no par value, with each Share having the same voting rights. The Shares will be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange on the business day following the Richemont Reconstruction Date, which is expected to be 21 October 2008.

It should be noted that, as at 6 October 2008, CFR held 14 144 792 ‘A’ Units in treasury, representing approximately 2.7 per cent of the total number of the ‘A’ Units in issue, which, immediately following the Richemont Reconstruction (assuming that the current holding is maintained), will result in CFR holding 14 144 792 Shares. The ‘A’ Units held in treasury are held as a hedge against obligations to employees arising out of the terms of the Richemont Unit-based stock option plan. CFR has indicated that the policy of holding treasury shares and options to hedge the exposures under the plans will be maintained by it in respect of the stock option plan. It has also indicated that there will be some re-alignment of the hedge position as a result of the fact that options which have not vested by the date of the Richemont Reconstruction Date will convert in their entirety into options over CFR Shares. It is expected that this re-alignment of the hedge position will lead CFR to dispose of its interest in Shares that will result from the conversion of ‘A’ Units held in treasury. The presence of this hedge means that the subsequent exercise of options issued under the Richemont Unit-based stock option plan will not dilute the interest of holders of Shares.

The existing Richemont DRs will also be split on the Richemont Reconstruction Date such that, for each Richemont DR, the holder will receive one CFR DR and one Reinet DR. Both the CFR DRs and the Reinet DRs will be listed and tradeable on the JSE.

The creation of Reinet

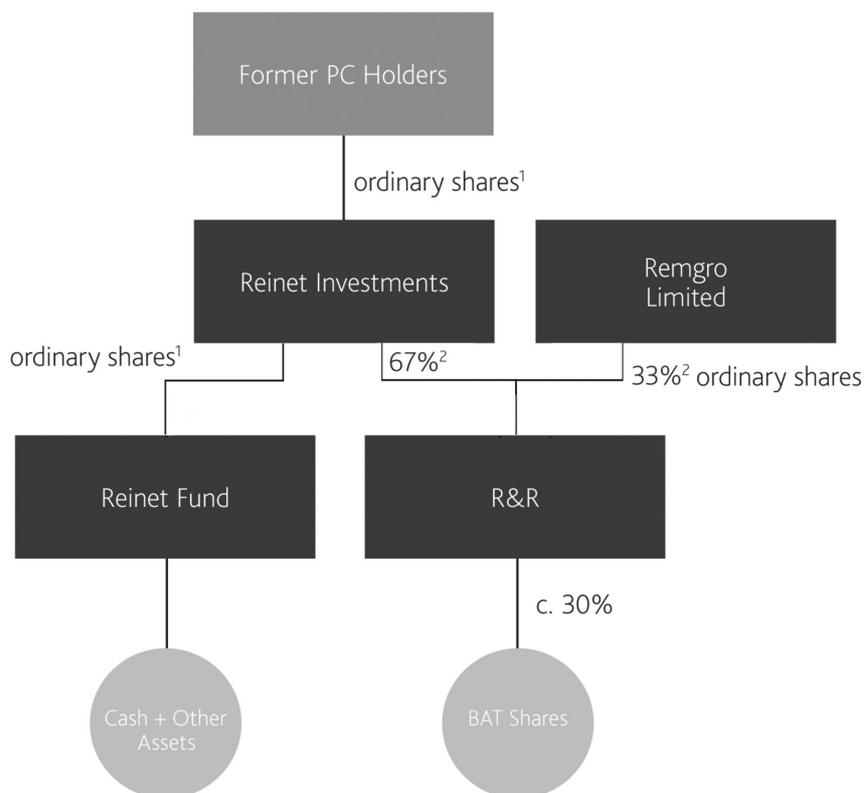
On the Richemont Reconstruction Date, which is expected to be on 20 October 2008, simultaneously with the implementation of the above steps, the Company will be converted into an investment vehicle and renamed Reinet Investments S.C.A. This will be done by amendment to the Company’s existing articles of incorporation approved at the Shareholder and PC Holder Meeting . The Company 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.

Once established and after the implementation of the Reduction of Capital, the sole investment of the Company will be shares in Reinet Fund, 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 will hold investments either directly or through subsidiaries. References throughout this Prospectus to Reinet shall (unless otherwise specified) refer to Reinet Investments Manager, Reinet Fund Manager and the Company and its subsidiaries from time to time (including Reinet Fund).

Both the Company and Reinet Fund will be externally managed by entities controlled by Rupert family interests. Reinet Investments Manager will hold the Management Shares issued by the Company following approval of this action at the Shareholder and PC Holder Meeting. Under the terms of the Articles the holders of the Management Shares have unlimited liability. Reinet Fund Manager holds the management shares issued by Reinet Fund, the issue of such shares to Reinet Fund Manager being enshrined in the articles of Reinet Fund adopted on incorporation. See “*Management and Corporate Governance*” for further information on the governance of Reinet and Reinet Fund.

The diagram below illustrates in simplified form the structure of the Company’s holdings after the Richemont Reconstruction:

Reinet structure, immediately after the Richemont Reconstruction



(1) Reinet Investments Manager S.A. and Reinet Fund Manager S.A. will hold 1.000 Management Shares in Reinet Investments and Reinet Fund respectively.
 (2) Remgro indirectly holds 33 per cent of the ordinary share capital of R&R as well as certain non-voting securities which, when taken together, provide Remgro with 35 per cent of the economic rights of R&R.

THE REDUCTION OF CAPITAL AND THE FIRST CAPITAL INCREASE

REORGANISATION OF THE COMPANY'S HOLDINGS

Following the Richemont Reconstruction, the Company's principal investment will be its indirect holding of BAT Shares (equal to approximately 19.5 per cent of the issued share capital of BAT (390 036 627 BAT Shares)), held through the Company's shareholding in R&R.

Shortly before the Reduction of Capital, the capital of R&R will be reduced pursuant to which all of R&R's assets attributable to the 'B' shares in R&R held by the Company or its subsidiaries (being, principally, 390 036 627 BAT Shares) will be transferred to the Company or one of its subsidiaries (the "**R&R Reduction of Capital**"). The Company will have no further interest in R&R after the R&R Reduction of Capital.

REDUCTION OF CAPITAL

At the Shareholder and PC Holder Meeting, resolutions were passed instructing the board of Reinet Investments Manager to effect the Reduction of Capital on or about 3 November 2008 (the "**BAT Distribution Effective Date**"). Under the terms of the Reduction of Capital, a total of 351 032 964 BAT Shares, representing 90 per cent of the BAT Shares held by the Company just prior to the Reduction of Capital, will be distributed to Shareholders upon the cancellation of 495 599 271 Shares, being approximately 86.3 per cent of the Shares on the BAT Distribution Effective Date. Shareholders will receive 0.7083 BAT Shares for each Share cancelled.

Shareholders not wishing to participate in the Reduction of Capital will have an opportunity to sell their Shares during the period between the Richemont Reconstruction Date and 28 October 2008, which is the last practicable date before the BAT Distribution Effective Date on which Shares can be sold with entitlements to BAT Shares in relation to the Reduction of Capital. **Shareholders are strongly advised to consult their own professional advisors in respect of the tax impact on them of the Reduction of Capital.**

At the Shareholder and the PC Holder Meeting, as part of the same resolution, the board of Reinet Investments Manager was authorised to implement the First Capital Increase upon the contribution by Remgro of BAT Shares to Reinet Fund.

PRINCIPAL TERMS OF THE REDUCTION OF CAPITAL

The main features of the Reduction of Capital are:

- As described above, the Company will distribute 90 per cent of the BAT Shares currently held indirectly by Richemont to Shareholders and will as a result cancel 495 599 271 Shares. However, the precise treatment of fractions as determined by the relevant settlement systems and/or financial intermediaries may result in a small difference in the number of Reinet Shares actually cancelled.
- Each Shareholder will (subject to the treatment of fractions as described above) receive 0.7083 BAT Shares for each Share cancelled (with the ratio being the "**Exchange Ratio**"). Each Shareholder will receive BAT Shares on the cancellation of approximately 86.3 per cent of their Shares.
- The Exchange Ratio has been determined by (i) taking the volume-weighted average price of BAT Shares on the London Stock Exchange rounded to whole pence (the "**BAT VWAP**"), as quoted on Bloomberg terminals on page "BATS LN Equity VWAP" for all trading on the London Stock Exchange and (ii) converting that amount into Euro using the 4.00 p.m. GMT Bank of England rate rounded to four decimal places (the "**EUR:GBP Exchange Rate**"), as quoted on Bloomberg terminals on page "BOE/Sterling Index"¹, with the result, after rounding to two decimal places, being the "**Euro BAT Share Price**", (iii) taking the consolidated net asset value of the Company (on the basis of the assets that Reinet would hold after implementation of the Richemont Reconstruction) and dividing that value by the total number of Shares and Management Shares outstanding immediately prior to the Reduction of Capital if the Richemont Reconstruction had been implemented (being 574 200 000 Shares plus 1 000 Management Shares) and rounding the result to two decimal places (the "**NAV per Share**"); and (iv) by dividing the NAV per Share by the Euro BAT Share Price, rounding the result to four decimal places. On 6 August 2008 (the last practicable date before the printing of the Information Memorandum to Unitholders describing the Richemont Reconstruction and related proposals), the BAT VWAP was 1 918 pence and the EUR : GBP Exchange Rate was 0.7904, resulting in a Euro BAT Share Price of Euro 24.27. On the same date, the NAV per Share was Euro 17.19, resulting in the Exchange Ratio of 0.7083.

1. Following changes by Bloomberg, the Euro foreign exchange reference rate for the Pound Sterling as published by the European Central Bank (normally at 2.15 pm CET) will be used to derive the EUR:GBP Exchange Rate in the future.

Shareholders will not receive any cash or Additional BAT Shares in respect of any dividends declared or paid by BAT prior to the date on which they receive their BAT Shares as a result of the Reduction of Capital.

The Reduction of Capital is conditional upon the Richeмонт Reconstruction becoming effective. In addition, the BAT Distribution Effective Date may, at the discretion of Reinet Investments Manager, be delayed in the event that the JSE secondary listing of the BAT Shares has not become effective on the expected date.

THE FIRST CAPITAL INCREASE AND REMGRO DISTRIBUTION

The Remgro Shareholders have approved the Remgro Distribution, which will consist of a distribution to them of BAT Shares (currently held by R&R) and 302 555 410 Reinet DRs.

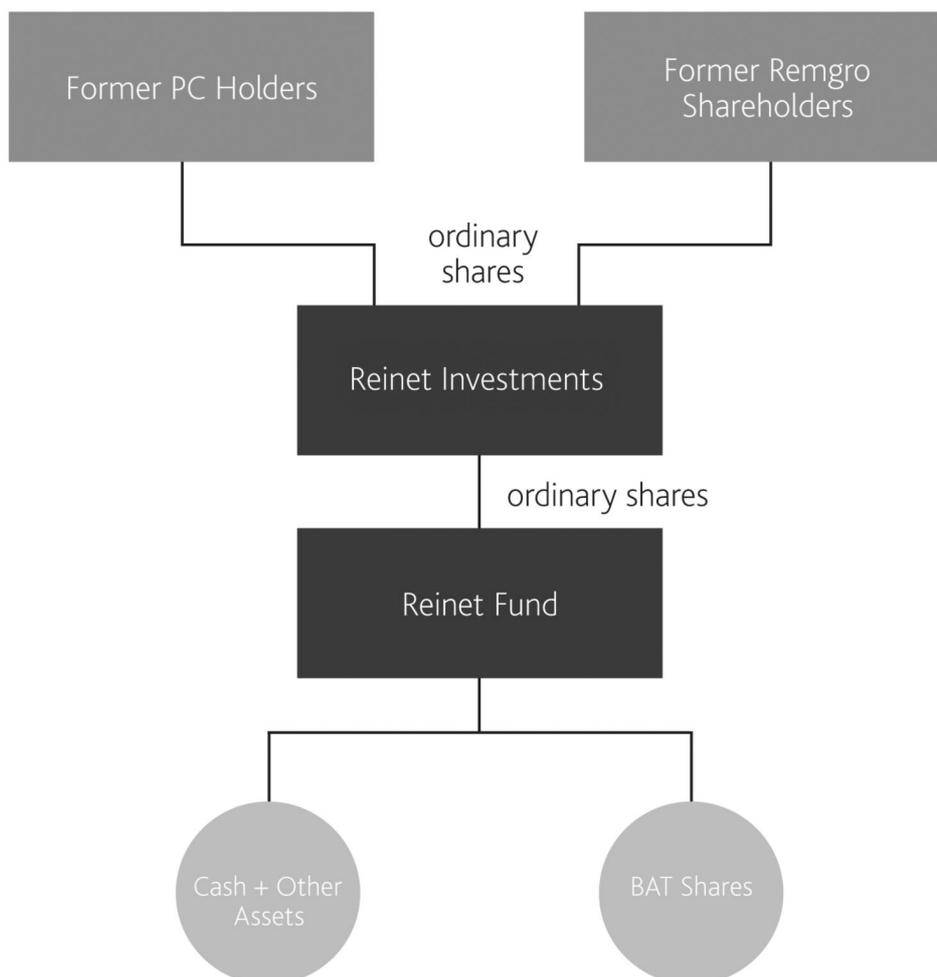
In order for Remgro to make the Remgro Distribution, it is expected that Remgro, pursuant to the exercise of a put option sold by the Company, will contribute 21 430 000 BAT Shares to Reinet Fund and in consideration, the Company will, when asked and based on the Exchange Ratio, issue 30 255 541 New Shares to the Depositary (such issue being the First Capital Increase) which, in turn, will issue 302 555 410 new Reinet DRs to Remgro Shareholders in accordance with the terms of the Deposit Agreement. Therefore, for each new Share, Remgro will have to contribute 0.7083 BAT Shares to Reinet Fund. If Remgro does not exercise the put option on the BAT Distribution Effective Date, CFR may compel it to do so.

The First Capital Increase will be implemented on or around 3 November 2008.

BAT has committed to seek to obtain a secondary listing on the JSE in time to allow the Reduction of Capital and the Remgro Distribution to take place on the planned date. It is expected that this listing will become effective by 28 October 2008.

The diagram below illustrates in simplified form the structure of the Company’s holdings after the R&R Reduction of Capital, the Reduction of Capital and the First Capital Increase:

Structure of the Company’s holdings, after the R&R Reduction of Capital, the Reduction of Capital and the First Capital Increase



THE RIGHTS OFFERING AND OPTIONAL PLACING – SECOND CAPITAL INCREASE

Shortly after the BAT Distribution Effective Date, the Company will publish a prospectus containing additional information in relation to the Rights Offering (the “**Rights Offering Prospectus**”). The Rights Offering Prospectus will contain the terms of the Rights Offering, which will be a fully underwritten offering of warrants in respect of new Shares (the “**New Shares**”). It will also contain the terms of the Optional Placing to be made available as compensation to CF Rupert and Rembrandt Trust for acting as the Underwriters of the New Shares in the Rights Offering. Together the Rights Offering and the Optional Placing are referred to as the “**Second Capital Increase**”.

It should be noted that the Company may be prohibited from making the Rights Offering to certain Shareholders or subscribers domiciled in countries whose securities or other laws do not permit the Rights Offering to be made to them or their participation in the subscription.

Appropriate arrangements will be made for the Reinet DR Holders to participate in the Rights Offering (through Warrant Receipts) as further described below and in communications addressed to the Reinet DR Holders.

ALLOCATION OF WARRANTS

At the start of the Exercise Period (as defined below), Shareholders will be issued with renounceable nil-paid warrants (*bons de souscription d'actions*) (the “**Warrants**”) with one Warrant issued for each Share held. In total, Shareholders will receive 108 856 270 Warrants assuming 495 599 271 Shares are cancelled in the Reduction of Capital and 30 255 541 new Shares are issued in the First Capital Increase. The precise number of Warrants to be issued will be determined by the precise number of Shares outstanding prior to the Rights Offering.

Reinet DR Holders will be subsequently issued with one Warrant Receipt (as defined below) for every 10 Reinet DRs they hold (to reflect the fact that one Share will be represented by 10 Reinet DRs).

The treatment of fractions will be determined by the relevant settlement systems and/or financial intermediaries.

The Warrants are expected to be allocated to Shareholders on 10 November 2008 before the admission of the Warrants to trading on the Regulated Market of the Luxembourg Stock Exchange and, in respect of the Warrant Receipts, on the JSE.

THE SECOND CAPITAL INCREASE

As a result of the exercise of all of the Warrants and Warrant Receipts, it is expected that 87 085 016 New Shares, will be issued. This means that 5 Warrants would be required to subscribe for 4 New Shares in the Rights Offering. The actual number of New Shares expected to be issued will be a function of market conditions prevailing at the time and the precise number of Shares outstanding prior to allocation of the Warrants, but is expected to be close to 87 085 016 New Shares.

The precise number of New Shares to be issued will be determined by Reinet Investments Manager and the Underwriters (subject to approval by the Board of Overseers) just prior to the allocation of Warrants to Shareholders and will be set out in the Rights Offering Prospectus. Therefore, the number of Warrants required to subscribe for one New Share will also be set at this later date. Please refer to “*Exercise of Warrants*” below for further information.

Additional Shares (as further described under “*Optional Placing*” below) may be issued if the Underwriters elect to exercise their option to subscribe for more Shares pursuant to the subsequent Optional Placing. If the Underwriters decide to exercise the option for the Optional Placing, the minimum number of Additional Shares to be issued in the Optional Placing will be 5 000 000 Additional Shares and the maximum number of Additional Shares to be issued to the Underwriters pursuant to the Optional Placing will be equal to the number of Additional Shares that the Underwriters may subscribe using any Additional BAT Shares (as further described under “*Optional Placing*” below). The Underwriters may elect at their discretion to subscribe for New Shares and Additional Shares wholly or partly in the form of Reinet DRs.

FORM AND TRADING OF THE WARRANTS

Application will be made for the admission of the Warrants to the Official List of the Luxembourg Stock Exchange and to trading on the Regulated Market of the Luxembourg Stock Exchange, it is expected that the Warrants may be traded during the period from 10 November 2008 to 28 November 2008 both dates inclusive (the “**Warrants Trading Period**”), and that the Warrants may be exercised during the period from 10 November 2008 to 5 December 2008 both dates inclusive (with the last practicable date for such exercise being 3 December 2008) (the “**Exercise Period**”). From the time Warrants are allocated to Shareholders, Shares will trade ex-the subscription rights granted by the Warrants.

The Warrants will be issued in registered form to the common depositary of Clearstream and Euroclear for credit of the respective participants of Clearstream and Euroclear. Warrants issued in favour of Shareholders holding their Shares through a financial intermediary will be delivered by credit to their account with the financial intermediary concerned.

Shareholders registered in the Company's register of shareholders will only be entitled to receive Warrants in registered form if they hold a total of five per cent or more of the total number of Warrants issued. Registered Shareholders who hold less than five per cent or more of the total number of Warrants issued will have to specify an account to which their Warrants will be credited.

The Depositary will issue Reinet DR Holders with warrant receipts in respect of the Warrants issued by the Company to the Depositary ("**Warrant Receipts**"). The Warrant Receipts will be traded on the JSE and one Warrant Receipt will represent one Warrant.

EXERCISE OF THE WARRANTS

The Warrants will entitle the holder to subscribe for New Shares with the number of Warrants required to subscribe for one New Share being determined on the basis of the total number of Warrants issued and the total number of New Shares to be issued in the Rights Offering. One New Share will, through exercising Warrants, be subscribed for at a set consideration by contributing a fixed number of BAT Shares (the "**Subscription Exchange Ratio**"). The number of Warrants required to subscribe for one New Share, the total number of New Shares to be issued in the Rights Offering and the Subscription Exchange Ratio will be published in the Rights Offering Prospectus.

Shareholders having an interest in BAT Shares which is equal to or greater than 2 per cent of the number of BAT Shares held by Reinet at such date may, at Reinet Investments Manager's sole and absolute discretion, contribute the shares in a company holding those BAT Shares (which must, if Reinet Investments Manager so exercises its discretion, be economically equivalent to a direct transfer of BAT Shares). As noted above, the treatment of fractions in subscriptions for New Shares in the Rights Offering will be determined by the relevant settlement systems and/or financial intermediaries.

The Subscription Exchange Ratio applicable to the subscription will be at a discount to the Exchange Ratio as calculated by the theoretical share price of the Company ex-the subscription rights divided by the Euro BAT Share Price. Under current market conditions, it is expected that the discount would be between 5 and 10 per cent of such exchange ratio. The Subscription Exchange Ratio will be set by agreement between the Company and the Underwriters with the approval of the Board of Overseers, on the basis of the market conditions at the time and will be communicated in the Rights Offering Prospectus. No adjustment to the Subscription Exchange Ratio will be made in respect of any stamp duty, stamp duty reserve tax or other costs associated with the contribution of BAT Shares by Warrant Holders or the issue of the New Shares that are incurred by the Company.

Warrant Holders wishing to exercise their Warrants will be required to do so before the end of the Exercise Period. Warrant Holders who wish to exercise their Warrants must instruct their bank or financial intermediary to instruct Clearstream, Euroclear or SegInterSettle (as applicable) to exercise the Warrants on their behalf. Upon receipt of this instruction Clearstream, Euroclear or SegInterSettle will block those Warrants and the requisite number of BAT Shares in the Warrant Holder's account in order to exercise those Warrants by no later than the last day of the Exercise Period.

An exercise of Warrants will be invalid if the Warrant Holder purporting to exercise those Warrants does not hold (through his bank or financial intermediary) sufficient BAT Shares to subscribe for all of the Shares in respect of those Warrants. Any such shortfall of BAT Shares will mean that the purported exercise of the Warrants will be unsuccessful in its entirety. The Company shall accept no responsibility to Shareholders purporting to exercise their Warrants but who do not hold sufficient BAT Shares for such purpose.

The exercise of the Warrants will take effect at the end of the Exercise Period and the New Shares are expected to be issued on 10 December 2008 (the "**New Shares Settlement Date**").

WARRANT AUCTION

On the day following the last day of the Exercise Period, Warrants which remained unexercised at the end of the Exercise Period will be sold on the Luxembourg Stock Exchange by public auction (the "**Warrant Auction**"). Investors who wish to participate in the Warrant Auction should instruct a member of the Luxembourg Stock Exchange to represent them at the Warrant Auction. A list of members of the Luxembourg Stock Exchange can be found on the website www.bourse.lu. Warrants purchased at the Warrant Auction must be exercised immediately. Consequently, any instruction given to the member of the Luxembourg Stock Exchange must include an order to complete and sign the subscription instruction in respect of the subscription rights represented by the Warrants so purchased and irrevocable instructions in respect of the BAT Shares to be contributed, as well as confirmation from the purchaser's bank or financial intermediary that, upon notification of the acceptance of the subscription, the contribution of BAT Shares in

respect of the New Shares will be made to Reinet. The completed and signed subscription instructions containing the information necessary for the delivery of the New Shares to be issued will be submitted to the bailiff in charge of the Warrant Auction, who will forward them to European Fund Administration S.A. in its capacity as exchange agent (the **“Exchange Agent”**). Thereafter, upon confirmation from Computershare that the BAT Shares have been received by Reinet Jersey, the Exchange Agent will confirm the issue of the New Shares to Fortis Bank S.A./N.V as common depositary for Clearstream and Euroclear.

The subscription rights attaching to Warrants which remain unexercised at the end of the Exercise Period (the **“Unexercised Warrants”**) will be deemed to have been returned to the Company which will notionally re-allocate them to successful bidders at the Warrant Auction. The holders of the Unexercised Warrants will thereupon be entitled to the **“Warrant Cash Payment”**, equal to the total proceeds of the Warrant Auction divided by the number of Unexercised Warrants at the end of the Exercise Period, subject to a de minimis threshold. The amount of the Warrant Cash Payment shall, subject to the terms of the Rights Offering, be for the benefit of the holders of the Unexercised Warrants and shall be divided pro-rata among them by the relevant clearance or settlement system.

UNDERWRITING

Under the terms of an underwriting agreement (the **“Underwriting Agreement”**) to be entered into between the Company and the Underwriters, each of the Underwriters will agree to subscribe for a specified percentage of the New Shares (to the extent that they are not subscribed in the context of the Rights Offering) by participating in the Warrant Auction up to that specified percentage for at least one Euro (and, if successful, exercising the Warrants so acquired and subscribing for the related New Shares (or Reinet DRs in respect of New Shares) at the price and in accordance with the terms of the Warrants and the Warrant Auction) or procuring one or more other persons connected with one of the Underwriters or with the Rupert family interests (**“Connected Persons”**) to do so. The separate commitments of the Underwriters will together relate to all of the New Shares in respect of which there are Unexercised Warrants.

OPTIONAL PLACING

The Underwriting Agreement will also provide that, to the extent that, following the Warrant Auction, the Underwriters and their Connected Persons still hold BAT Shares pursuant to the Reduction of Capital and the Remgro Distribution (**“Additional BAT Shares”**), the Company will, pursuant to the terms of the Optional Placing, grant the Underwriters the right (but not the obligation) to subscribe (or to arrange for one or more of their Connected Persons to subscribe) for up to that number of additional Shares (**“Additional Shares”**) as would enable the Underwriters and their Connected Persons to contribute all of the Additional BAT Shares directly or indirectly (at the Optional Placing Exchange Ratio (as defined below)) to Reinet. The option to subscribe Additional Shares in the Optional Placing will be exercised on or before the end of the second trading day on the Luxembourg Stock Exchange immediately following the New Shares Settlement Date (the **“Additional Shares Settlement Date”**). The minimum number of Additional Shares for which the Underwriters may subscribe in the Optional Placing will be 5 000 000 Additional Shares. Additional Shares may also be issued in the form of Reinet DRs.

The number of Additional Shares to be issued to the Underwriters (or their Connected Persons) per Additional BAT Share contributed by them shall be determined by calculating the NAV per Share after the Rights Offering as estimated at the time of determining the Subscription Exchange Ratio using the same Euro BAT Share Price as is used for determining the Subscription Exchange Ratio (the **“Optional Placing Exchange Ratio”**) and without applying any discount. The Optional Placing Exchange Ratio will be communicated together with the Subscription Exchange Ratio in the Rights Offering Prospectus.

No adjustment to the number of Additional BAT Shares to be so contributed will be made in respect of any stamp duty, stamp duty reserve tax or other costs associated with the subscription for the Additional Shares that are incurred by the Company.

RIGHTS ATTACHING TO THE NEW SHARES AND ADDITIONAL SHARES

The New Shares and Additional Shares will be immediately fungible with the Shares and will entitle the holders thereof to any dividends to be declared after their date of issue in respect of the Company's financial year ending 31 March 2009 and all subsequent financial years.

APPLICABLE LAW AND JURISDICTION

The Warrants and the New Shares will be governed by Luxembourg law and any dispute or suit relating to the Warrants, their exercise, the New Shares, the Warrant Auction or the Warrant Cash Payment will be subject to the exclusive jurisdiction of the Luxembourg courts.

LISTING OF NEW SHARES AND ADDITIONAL SHARES

An application will be made for the New Shares and any Additional Shares (subject to the New Shares and such Additional Shares (if any) being issued in connection with the Second Capital Increase) to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange.

INDICATIVE TIMETABLE FOR RIGHTS OFFERING

An indicative timetable of events in relation to the Rights Offering is set out at the front of this Prospectus on page 2.

This timetable and the dates shown elsewhere in this Prospectus in respect of the allocation, exercise, trading and settlement of the Warrants, the subscription of Additional Shares by the Underwriters and the payment of the Warrant Cash Payment are for illustrative purposes only and may be subject to change as a result of events outside the Company's control which may delay or affect the successful outcome of the Second Capital Increase. The Company will issue a public notice in case of any change in the above timetable. Any notices to holders of the Warrants will be published in Luxembourg in one or more newspapers with general circulation in Luxembourg, including the *Luxemburger Wort*. A supplement to this Prospectus will be issued should events between the approval of this Prospectus and the admission of the Shares to trading on the Regulated Market of the Luxembourg Stock Exchange require significant changes to be made to the substance of this Prospectus, in accordance with Article 13 of the Luxembourg Prospectus Law.

COSTS

The out-of-pocket costs to the Company in respect of the Richemont Reconstruction, the Reduction of Capital, the First Capital Increase and the Second Capital Increase are expected to consist principally of stamp duty and stamp duty reserve tax arising on the contribution of BAT Shares in the context of the Second Capital Increase. The amount payable will depend on the extent to which Shareholders subscribe for New Shares in the Rights Offering and the identity of those Shareholders.

The other principal out-of-pocket costs relating to these and related transactions (including legal, accounting and advisory fees) will be paid by the Company's current parent, CFR.

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The following Unaudited Pro Forma Consolidated Financial Information as at and for the year ended 31 March 2008 has been prepared to illustrate the effect of the Richemont Reconstruction, the Reduction of Capital and the First Capital Increase (as described above in “*The Richemont Reconstruction*” and “*The Reduction of Capital and the First Capital Increase*”) on the balance sheet and income statement of the Company 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 in accordance with Annex II of Regulation 809/2004 of the European Commission. By its nature, the Unaudited Pro Forma Consolidated Financial Information addresses a hypothetical situation and, therefore, does not represent the Company’s actual financial position or results following the implementation of the Richemont Reconstruction, the Reduction of Capital and the First Capital Increase.

As set out in “*The Richemont Reconstruction*” and “*The Reduction of Capital and the First Capital Increase*”, the PCs are currently indivisibly twinned with CFR Shares to form the Units. The ‘A’ Units are listed on the SIX Swiss Exchange and traded on SWX Europe and are included in the Swiss Market Index (‘SMI’) of leading stocks. Depositary Receipts in respect of Richemont Units are traded on the JSE.

The board of directors of CFR 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 CFR subsidiaries. This restructuring includes all the transactions described in “*The Richemont Reconstruction*” and “*The Reduction of Capital and the First Capital Increase*”. The shareholders of CFR approved the restructuring in the extraordinary general meeting of CFR held on 9 October 2008 and the PC Holders approved the restructuring in the Shareholder and PC Holder Meeting held on 8 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 the Company will be renamed Reinet Investments S.C.A. and transformed into a securitisation vehicle on 20 October 2008. The Company will be a *société en commandite par actions* (a partnership limited by shares) incorporated in Luxembourg having the objects and tax status of a securitisation vehicle established under the Luxembourg law of 22 March 2004. After the distribution by the Company to its parent, CFR, of investments in certain subsidiary entities holding the Group’s luxury goods businesses, which will be compensated by the RSA Reduction of Capital, and following the Reduction of Capital and the First Capital Increase, Reinet’s initial portfolio will include an interest of approximately 19.5 per cent of the issued shares in BAT, other listed and unlisted investments and cash of approximately €351 million. It is intended that Reinet will diversify its portfolio over time. In addition, a pro forma liability, payable to CFR, will be settled by the receipt of dividends from Reinet’s investment in BAT from 1 April 2008.

The Unaudited Pro Forma Consolidated Financial Information does not consider future operating costs of Reinet, which are expected to include, principally, management fees, performance fees and other expenses incurred by Reinet in the ordinary course of its business. 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 share price. Neither of these charges can be determined for past periods.

Except as disclosed in the Prospectus, there has been no significant change to the financial situation of the Company as at the date of the Unaudited Pro Forma Consolidated Financial Information.

PricewaterhouseCoopers S.à r.l. has given and has not withdrawn its written consent to the inclusion in the Prospectus of its report on the Unaudited Pro Forma Consolidated Financial Information relating to the Company as of and for the year ended 31 March 2008 set out on pages 86 and 87 of this Prospectus in the form and context in which it appears and has authorised its publication for the purposes of item 23.1 of Annex I and item 10.3 of Annex III of the Commission Regulation (EC) 809/2004.

Unaudited Pro Forma Consolidated Balance Sheet at 31 March 2008

	Richemont SA 31 March 2008 note 1 €m	Acquisition of investments from CFR subsidiaries note 2 €m	Transfer of investments in subsidiaries by RSA Reduction of Capital note 3 €m	R&R Reduction of Capital note 4 €m	Conversion of PCs into Shares note 5 €m	Reduction of Capital note 6 €m	Remgro contribution (First Capital Increase) note 7 €m	Pro forma Reinert €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 profit through profit or loss				9 250		(8 325)	508	1 433
Other 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	122
Share premium	427		(427)				474	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)				

	Richemont SA 31 March 2008 note 1 €m	Acquisition of investments from CFR subsidiaries note 2 €m	Transfer of investments in subsidiaries compensated by RSA Reduction of Capital note 3 €m	R&R Reduction of Capital note 4 €m	Conversion of PCs into Shares note 5 €m	Reduction of Capital note 6 €m	Remgro contribution (First Capital Increase) note 7 €m	Pro forma Reinet €m
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								
Pro forma number of shares in issue (millions)	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 the Company 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, the Company is exempt from the obligation to draw up consolidated accounts. The Company's audited financial statements are included in the consolidated financial statements of CFR, forming the largest body of undertakings of which the Company forms a part as a subsidiary undertaking. The accounting policies adopted by the Company are consistent with those described in the annual consolidated financial statements of CFR as of 31 March 2008.

Note 2 Acquisition of investments from CFR subsidiaries

CFR 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 the Company. Certain of these assets are to be sold by CFR, 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 the Company, at a fair value of €19 million, and will be retained by the Company when the Group's luxury goods businesses are distributed to CFR.

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 the Company as it has tax exempt status as a Luxembourg holding company.

Note 3 Transfer of investments in subsidiaries compensated by RSA Reduction of Capital

The 1 914 000 ordinary shares of the Company are 100 per cent held by CFR. The Company will distribute to CFR its entire holdings in the share capital of the entities holding the Group's luxury goods businesses, compensated by the cancellation of 1 914 000 shares in the Company amounting to €215 million together with the related share premium reserve amounting to €427 million. The net assets of the entities holding the Group's luxury goods businesses will be distributed to CFR, after having settled all intercompany assets and liabilities with the Group's luxury goods businesses, with the exception of an intercompany payable balance to CFR 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 CFR.

The RSA Reduction of Capital will have no tax impact on the Company and its subsidiaries. In particular the distribution by the Company to CFR of its entire holdings of the share capital in the entities holding the Group's luxury goods businesses will have no tax impact in Luxembourg nor Switzerland as the transaction represents a partial liquidation of the Company in the context of a group restructuring.

Note 4 R&R Reduction of Capital

The investment in BAT included in the consolidated financial statements of the Company 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 Reduction of Capital, 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 Group's effective interest of 390 036 627 BAT 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 UK in respect of the holding in BAT as the transaction is not a transfer for consideration.

Note 5 Conversion of PCs into Shares

The 574 200 000 participation certificates of the Company 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 Reduction of Capital

See Note 4 above. 90 per cent of Reinet's holding in BAT (or 351 032 964 BAT Shares), representing an amount of €8 325 million at the market price on 31 March 2008, will be distributed to Shareholders in proportion to their holding of Shares, in accordance with the Exchange Ratio. This will result in the cancellation of approximately 86.3 per cent of the new ordinary Shares of the Company for €557 million. The difference of €7 768 million is eliminated against retained earnings and represents previous remeasurement of BAT 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 BAT Shares. Pursuant to resolutions passed by the Remgro Shareholders on 7 October 2008, Remgro will contribute 10 per cent of its holding, or 21 430 000 BAT 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 ordinary Shares to the Depositary, which in turn will issue 302 555 410 new Reinet DRs 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 the Company, CFR 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 Consolidated Income Statement for the year ended 31 March 2008

	Richemont SA Year ended 31 March 2008 note 1 €m	Acquisition of investments from CFR subsidiaries note 8 €m	Transfer of investments in subsidiaries compensated by RSA Reduction of Capital note 9 €m	R&R Reduction of Capital note 10 €m	Reduction of Capital note 11 €m	Remgro contribution (First Capital Increase) note 12 €m	Pro forma 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
Pro forma earnings per share							
Pro forma earnings attributable to shareholders (€millions)	1 567	(1)	(959)	(164)	(400)	24	67
Pro forma number of shares in issue (millions)	561.1	561.1	574.2	574.2	(495.6)	30.3	108.9
Pro forma 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 CFR 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 CFR, and therefore need to be consolidated by the Company.

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 RSA Reduction of Capital

See Note 3 above. The net profit attributable to shareholders of the entities holding the Group's luxury goods businesses which will be distributed to CFR 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 CFR.

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 Reduction of Capital

See Note 4 above. The increase in fair value of the 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 the Company. 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 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 Reduction of Capital

See Note 6 and Note 10 above. 90 per cent of the €120 million increase in fair value of the Group's effective interest in BAT 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 Shares contributed by Remgro needs to be included in the Company, for a total amount of €24 million.

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

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

DIVIDEND POLICY

The Company expects to receive dividends from Reinet Fund and, as a securitisation vehicle, expects to pay all such dividends received (if any), after deduction of the expenses incurred in running its own operations, in full to Shareholders. The expenses of the Company's own operations will comprise principally the management fees payable to Reinet Investments Manager as detailed in "*Management and Corporate Governance*".

The Company's ability to pay any dividends will depend upon its receiving dividends or other distributions or payments from Reinet Fund (which is under no obligation to pay dividends or make any other distributions to the Company, as described below). Similarly, the Company may not have sufficient distributable reserves to pay a dividend if and to the extent that it is required to make provisions in its accounts to reflect any impairment in its investment in Reinet Fund (which might be caused by, for example, a drop in value in the underlying value of Reinet Fund's investments or by a movement in exchange rates which is unfavourable to Reinet Fund), notwithstanding any dividend payments made by Reinet Fund. There can therefore be no guarantee that the Company will pay any dividends and it is 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. To determine 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 "*Management and Corporate Governance*" and "*The Investment Advisor and the Investment Advisory Agreement*". 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 33¹/₃ per cent of its net investment income in any year to the Company by way of dividend.

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

The first financial reporting period of the Company and Reinet Fund after the implementation of the proposals will end on 31 March 2009. The Company 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 the Company during the second half of the financial year ending 31 March 2010 such that it is currently envisaged that the first dividend payable to 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 the Company and if the financial position of the Company allows the payment of a dividend to Shareholders at that time).

Dividends will be paid to the account with the financial intermediary with which the Shares are held. If Shares are registered in the Company's register of Shareholders in the name of an individual Shareholder, dividends will be paid to the account indicated by such Shareholder, or if no account is so specified, by cheque sent to the Shareholder's address shown in the register.

BUSINESS

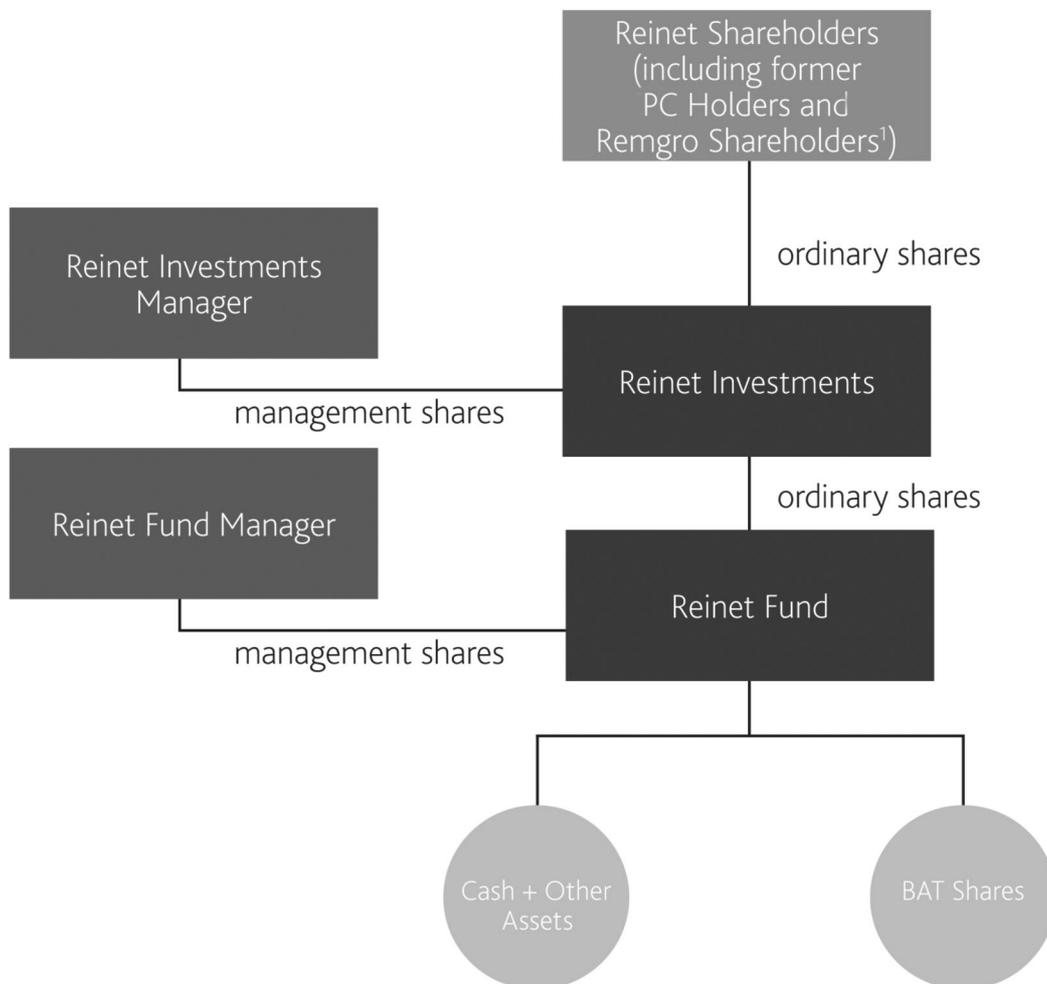
OVERVIEW

Reinet structure

After the Richemont Reconstruction, Reinet will be an investment group. Its investment objective will be to achieve long-term capital growth.

The Company will own all of the ordinary shares of Reinet Fund and Reinet Fund will directly or indirectly hold all of the underlying investments. The Shares will be admitted to the Official List of the Luxembourg Stock Exchange (and, through the Reinet DRs, the JSE). The Company 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 Richemont Reconstruction, the Reduction of Capital and the First Capital Increase.



The following table sets out Reinet's expected portfolio of investments immediately after the Reduction of Capital and the First Capital Increase (the "**Initial Portfolio**").

Investment	Value as at 6 October 2008 (€ millions (other than net asset value per share))	Comment
60 433 663 BAT Shares	€1 450.4	Reinet Fund will initially hold its interest in the BAT Shares through R&R, in which it will hold approximately 65 per cent. of the economic interest as at the Richemont Reconstruction Date.
Other Assets ¹	€55.5	" Other Assets " include interests in certain smaller investments, which were valued at €55 470 000 on 31 May 2008. Since that date, further net capital contributions of approximately €15 000 000 have been made to certain of the vehicles through which these investments are held. This valuation is not necessarily representative of the current value of the Other Assets, the value of which may have fallen since 31 May 2008. The next valuation of the Other Assets will be performed as at 31 March 2009.
Cash	€351.1	The cash amount will represent the amount of cash retained by Reinet currently substantially held through R&R.
Total assets:	€1 857.0	
Net assets:	€1 857.0	
Net asset value per Share (€)	€17.06	Calculated by dividing net assets by the total number of Shares in issue (108 856 270) immediately after the Reduction of Capital and First Capital Increase.

¹ The other assets comprise a number of small investments in companies operating in solar energy, high grade optics and other applications of advanced technology. The investments represent minority interests in the companies concerned, which are generally in a late start up or development phase. The investments also include participations in venture capital funds which are focused on nanotechnology and opportunities in mainland China.

In the context of the First Capital Increase, the Company has sold a put option to Remgro in terms of which Remgro will contribute 21 430 000 BAT Shares to Reinet and the Company will issue 30 255 541 new Shares to Remgro. Movements in the value of the BAT Shares (expressed in Euro) to be contributed by Remgro will result in an increase or decrease in the share premium which will be accounted for upon the issue of those new Shares. Assuming for the purposes of this illustration that the Richemont Reconstruction had been implemented and the put option had been exercised on 7 October 2008 (being the last practicable date prior to the publication of this Prospectus for calculating this amount), the Company would have made a loss of approximately €6.9 million upon such exercise. In the opening balance sheet of the Company, to be established prior to the First Capital Increase, the put option will be evaluated and may give rise to a derivative liability, which ultimately will be settled by the issuance of those New Shares to Remgro.

REINET INVESTMENTS

Investment objective and policy

As a securitisation company, the Company's corporate object will be to give Shareholders exposure to underlying assets held by Reinet Fund by issuing securities (the Shares) which can be traded on the capital markets. The Company's policy to achieve its investment objective will be to invest in the shares issued by Reinet Fund.

Profile of a typical investor

An investment in the Company is suitable for those investors whose principal objective is to achieve long-term capital growth.

Working capital

The Company is satisfied that: it will be able, in the ordinary course of its business, to pay its debts for a period of 12 months from the date of this Prospectus; its assets will be above its liabilities for a period of 12 months after the date of this Prospectus; its ordinary share capital and reserves will be adequate for a period of 12 months from the date of this Prospectus; and it will have adequate funds to continue to operate in the manner set out in this Prospectus.

Indebtedness

The Company does not for the time being have any income above dividends receivable from Reinet Fund. Because of this, it does not propose to incur any indebtedness other than pursuant to agreement being reached with Reinet Fund Manager whereby Reinet Fund would agree to pay dividends sufficient to allow the Company to service any such indebtedness.

Custodian

The Company has appointed Banque de Luxembourg to act as custodian (the “**Reinet Investments Custodian**”) pursuant to a custodian agreement dated on or about the date of this Prospectus (the “**Reinet Investments Custodian Agreement**”). Banque de Luxembourg is a limited liability company under the Luxembourg law established since 1920.

The Reinet Investments Custodian is responsible for the custody of the assets constituting the Company’s portfolio and will be responsible for the custody of the Company’s assets which are held to the order of and registered in the name of the Company or in the name of the Reinet Investments Custodian on behalf of the Company.

The Reinet Investments Custodian will be responsible in accordance with the provisions of Luxembourg law.

The Reinet Investments Custodian Agreement may be terminated by either the Company or the Reinet Investments Custodian giving not less than ninety days’ notice.

The Reinet Investments Custodian has power to appoint sub-custodians, agents and delegates to hold the Company’s assets. The Reinet Investments Custodian’s liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping.

Taxation

After the Richefont Reconstruction, the Company will be liable for Luxembourg corporation taxes, the aggregate maximum applicable rate of which is 29.63 per cent for the fiscal year ending 31 December 2008 for a company established in Luxembourg. However, as a securitisation company, in calculating taxable net income based on its unconsolidated financial statements, the Company will be able to deduct from net income dividends payable to its Shareholders as business expenses. It is thus unlikely that income taxes will be levied in practice.

No stamp duty or other tax is payable in Luxembourg on the issue of shares.

REINET FUND

Reinet Fund S.C.A., F.I.S. was incorporated under the laws of Luxembourg as a *société en commandite par actions* (partnership limited by shares), having the objects and tax status of a specialised investment fund, on 27 August 2008.

The Reinet Fund Articles are available for inspection at the registered office of Reinet Fund at 35, boulevard Prince Henri, L-1724 Luxembourg and from www.reinet.com once the site is operational, which is expected to be from 10 October 2008.

It is expected that Reinet Fund Manager will produce a prospectus in relation to Reinet Fund dated during October 2008. This document will also be available for inspection at the above address.

Investment objective and policy

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

Subject to the investment restrictions described below, 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 and 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 U.S. 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 per cent 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 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 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 either to realise its investment objective or hedge 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 may also 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. 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 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 price and date, 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 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 objective 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 an 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 purposes 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 with those applicable to specialised investment funds provided that this derogation may not result in a concentration of the investments of 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 on an organised market or contracted by private agreement (by over-the-counter transactions) with professionals specialising in these types of transactions.

Determination of net asset value

The net asset value per share of Reinet Fund will be calculated as at any day on which shares in Reinet Fund are issued or repurchased and as at the last day of each calendar quarter on which banks are open for normal banking business in Luxembourg (each such day a “**Valuation Day**”).

The net asset value of Reinet Fund will be available within 10 business days at the end of each calendar quarter, upon request from the registered office of Reinet Fund at 35, boulevard Prince Henri, L-1724 Luxembourg and from www.reinet.com once the site is operational, which is expected to be 10 October 2008.

Reinet Fund Manager may decide not to calculate the net asset value per share in the circumstances described in “*Circumstances in which Reinet Fund may decide not to calculate net asset value*” below.

NAV calculation principles

The principles by which the assets of Reinet Fund will be valued are detailed in Article 24 of the Reinet Fund Articles and are summarised below.

Reinet Fund Manager will determine the net asset value of shares in Reinet Fund as at each Valuation Day by taking into account all assets and liabilities of the Company and dividing the total net assets of Reinet Fund by the total number of shares in Reinet Fund outstanding.

The assets within Reinet Fund will be valued as at each Valuation Day as follows:

- securities (including a share or unit in a closed-ended undertaking for collective investment) and/or financial derivative instruments which are listed on any official stock exchange or traded on any other organised market will be valued at the last available stock price. Where such securities or other assets are quoted or dealt in on more than one stock exchange or other organised markets, Reinet Fund Manager shall select the principal of such stock exchanges or markets for such purposes;
- if any of the securities held in Reinet Fund's portfolio on the relevant day are not listed on any stock exchange or traded on any organised market or if with respect to securities listed on any stock exchange or traded on any other organised market, the stock price as determined pursuant to the previous paragraph is not, in the opinion of Reinet Fund Manager, representative of the fair market value of the relevant securities, the value of such securities will be determined prudently and in good faith based on the reasonably foreseeable sales price or any other appropriate valuation principles, including, principally, the International Private Equity and Venture Capital Valuation Guidelines published by the European Private Equity and Venture Capital Association ("**EVCA**");
- the value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as Reinet Fund Manager may consider appropriate in such case to reflect the true value thereof;
- shares or units in open-ended undertakings for collective investment will be valued at the actual net asset value for such shares or units as at the relevant Valuation Day, failing which they shall be valued at the estimated net asset value as at such Valuation Day, failing which they shall be valued at the last available net asset value whether estimated or actual which is calculated prior to such Valuation Day whichever is the closest to such Valuation Day, provided that if events have occurred which may have resulted in a material change in the net asset value of such shares or units since the date on which such actual or estimated net asset value was calculated, the value of such shares or units may be adjusted to reflect, in the reasonable opinion of Reinet Fund Manager, such change;
- shares or units in undertakings for collective investment the issue or redemption of which is restricted and in respect of which a secondary market is maintained by dealers who, as principal market-makers, offer prices in response to market conditions, may be valued by Reinet Fund Manager in line with such prices;
- financial derivative instruments which are not listed on any official stock exchange or traded on any other organised market will be valued in a reliable and verifiable manner and verified by a valuation expert appointed by Reinet Fund;
- swap contracts will be valued according to generally accepted valuation rules that can be verified by auditors. Asset-based swap contracts will be valued by reference to the market value of the underlying assets. Cashflow-based swap contracts will be valued by reference to the net present value of the underlying future cashflows;
- the value of any security or other asset which is dealt principally on a market made among professional dealers and institutional investors shall be determined by reference to the last available price;
- the value of real property shall be determined by Reinet Fund Manager on the basis of the valuation made by one or more independent real estate valuer(s) who is licensed where appropriate and operates in the jurisdiction where any relevant property is located; and
- any assets or liabilities in currencies other than Euro will be converted using the relevant spot rate quoted by a bank or other responsible financial institution at the time of computation of the net asset value.

If any of the valuation principles described above do not reflect the valuation method commonly used in specific markets or if any such valuation principles are not, in the opinion of Reinet Fund Manager, accurate for the purpose of determining the value of the assets of Reinet Fund, Reinet Fund Manager may decide to use different valuation principles in good faith and in accordance with generally accepted valuation principles and procedures.

In calculating the net asset value of Reinet Fund, Reinet Fund Manager may rely upon such automatic pricing services as it shall determine or it may use information provided by pricing services brokers, market-makers or other intermediaries selected by it in its discretion. In such circumstances, Reinet Fund Manager shall not, in the absence of fraud, negligence or wilful default on the part of Reinet Fund Manager, be liable for any loss suffered by Reinet Fund or any shareholder, if any, by reason of any error in the calculation of the net asset value and net asset value per share resulting from any inaccuracy in the information provided by any such pricing service broker, market-maker or other intermediary.

Circumstances in which Reinet Fund may decide not to calculate net asset value

Reinet Fund may decide not to calculate net asset value:

- during any period when any market or stock exchange, which is the principal market or stock exchange on which a material part of the investments of Reinet Fund for the time being are quoted, is closed, or during which dealings are substantially restricted or suspended;
- during any period when dealing in the units or shares of any collective investment scheme in which Reinet Fund's assets may be invested are restricted or suspended;
- during the existence of any state of affairs which constitutes an emergency as a result of which disposal of investments of Reinet Fund is not possible;
- during any breakdown in the means of communication normally employed in determining the price of any of the investments of Reinet Fund or the current prices on any market or stock exchange;
- during any period when remittance of monies which will or may be involved in the realisation of, or in the repayment for, any of the investments of Reinet Fund is not possible;
- if Reinet Fund is being or may be wound up on, or following, the date on which notice is given of the general meeting of shareholders at which a resolution to wind up Reinet Fund is to be proposed;
- when Reinet Fund Manager advises that the value of any wholly-owned subsidiary of Reinet Fund which constitutes a material part of the investments of Reinet Fund may not be determined accurately; or
- when for any reason the independent real estate valuer(s) advises that the prices of any investments which constitute a material part of the investments of Reinet Fund can not be promptly or accurately determined.

Reinet Fund may not issue and repurchase shares forthwith upon the occurrence of an event causing it to enter into liquidation or upon the order of the Luxembourg supervisory authority.

Custodian

Reinet Fund has appointed Banque de Luxembourg to act as custodian (the "**Reinet Fund Custodian**") pursuant to a custodian agreement dated on or about the date of this Prospectus (the "**Reinet Fund Custodian Agreement**").

The Reinet Fund Custodian is responsible for the custody of the assets constituting Reinet Fund's initial portfolios on their receipt from Reinet Fund Manager and will thereafter be responsible for the custody of the assets of Reinet Fund which are held to the order of and registered in the name of Reinet Fund or in the name of the Reinet Fund Custodian on behalf of Reinet Fund.

The Reinet Fund Custodian will be responsible in accordance with the provisions of Luxembourg law.

The Reinet Fund Custodian Agreement may be terminated by either Reinet Fund or the Reinet Fund Custodian giving not less than ninety days' notice.

The Reinet Fund Custodian has power to appoint sub-custodians, agents and delegates to hold the assets of Reinet Fund. The Reinet Fund Custodian's liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping.

Taxation

Reinet Fund is not liable to any Luxembourg tax on profits, whether investment income or capital gains. Reinet Fund is, however, 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 is payable in Luxembourg on the issue of shares in Reinet Fund and there is no withholding tax on its distributions to the Company.

No Luxembourg tax is payable on realised or unrealised capital gains of Reinet Fund's assets.

Reinet Fund paid a tax of €1 250 on its incorporation.

BAT

After the Richemont Reconstruction, the Reduction of Capital and the First Capital Increase, Reinet Fund's portfolio will include a holding of 60 433 663 BAT Shares.

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 manufacture cigars, roll-your-own and pipe tobacco. BAT manages a portfolio with over 300 brands including Dunhill, Kent, Lucky Strike and Pall Mall. BAT has a significant interest in tobacco leaf growing, working with thousands of farmers internationally. It employs over 53 000 people world-wide. 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 CFR or the Company.

BAT summary financial data

The financial statements set out below have 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 Dec)	2006 (Year to 31 Dec)
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
after				
- restructuring costs	(33)	(40)	(173)	(216)
- gains on disposal of businesses and brands		11	75	41
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
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	18.60	66.20	55.90

Balance sheet

Selected key financials (in £m)	2008 (six months to 30 June)	2007 (six months to 30 June)	2007 (Year to 31 Dec)	2006 (Year to 31 Dec)
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

Further information about BAT, including the abovementioned reports, may be found on the BAT website at www.bat.com.

MANAGEMENT AND CORPORATE GOVERNANCE

REINET INVESTMENTS

After the Richemont Reconstruction, the Company will take the form of a *société en comandite par actions* (partnership limited by shares) and will be managed by its managing shareholder (*actionnaire commandité*), Reinet Investments Manager, a limited liability company (*société anonyme*) incorporated in Luxembourg which is ultimately controlled by Rupert family interests.

Shareholders' rights

Each Shareholder will be entitled to participate in and to vote at meetings of Shareholders either in person or by appointing a person of his choice as his proxy. Each Share will carry the right to one vote. Shareholders will be able to exercise voting rights subject to the provisions of the Articles. There is no requirement for a minimum holding of Shares in order to participate in meetings of Shareholders.

A holding of Shares will also entitle Shareholders to:

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

Ordinary general meetings

The business ordinarily to be considered at a Shareholders' meeting (which will be held on the second Tuesday of the month of September) shall be the discussion and approval of the annual accounts as presented by Reinet Investments Manager, the consideration and approval of the allocation of the results of the year proposed by Reinet Investments Manager (including without 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 shall only be considered upon a proposal of Reinet Investments Manager unless otherwise provided by law or in the Articles.

Extraordinary general meetings

Any general meeting of Shareholders convened 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, 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, Shareholders may only validly deliberate if the quorum required by Luxembourg law is satisfied.

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

REINET INVESTMENTS MANAGER

As manager of the Company, Reinet Investments Manager will have broad powers to carry out all management and administrative actions in compliance with the corporate objects of the Company and all matters not reserved by law or by the Articles to the Shareholders will fall within the competence of Reinet Investments Manager. The board of directors of Reinet Investments Manager will be responsible for the management of the Company and will be required to act in the Company's best interests. Although Reinet Investments Manager may delegate certain day-to-day and administrative functions to officers and agents (including third-party service providers), such appointees will be accountable to Reinet Investments Manager which will, in any event, remain responsible for their actions. The appointment of Reinet Investments Manager may only be terminated pursuant to an amendment to the Articles which must be approved by the Shareholders.

Certain decisions of Reinet Investments Manager must be approved by the Board of Overseers. For further information, see "*Management and Corporate Governance – Board of Overseers*".

Reinet Investments Manager will be ultimately controlled by Rupert family interests.

Directors

The following table presents certain information concerning the initial composition of the board of directors of Reinet Investments Manager.

Name⁽¹⁾	Nationality and age	Position
Johann P. Rupert	South African, 58	Chairman
Alan Grieve	British, 56	Chief Financial Officer
Jo' Schwenke	South African, 57	Chief Executive Officer
Eloy Michotte	Belgian, 60	Member

(1) The address of each person named above is c/o Reinet Investments Manager, 35 boulevard Prince Henri, L-1724 Luxembourg.

Set forth below is biographical information for the directors of Reinet Investments Manager:

Johann P. Rupert: Mr. Rupert was appointed to the boards of directors of CFR and the Company in 1988 and has served as Executive Chairman of both companies since 2002. He is Chairman of the Nominations Committee and of the Strategic Product and Communications Committee of CFR. 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.

Alan Grieve: Mr. Grieve was appointed to the board of directors of the Company 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.

Jo' Schwenke: 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.

Eloy Michotte: Mr. Michotte was appointed to the board of directors of the Company 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 Richemont's Head of Corporate Finance, Mr. Michotte has had responsibility for mergers and acquisitions and serves on the boards of a number of companies in which Richemont holds an interest.

During the preceding five years, none of the directors of Reinet Investments Manager has been convicted of any fraudulent offences, served as an officer or director of any company subject to a bankruptcy proceeding, receivership or liquidation (other than a solvent winding-up or similar process), been the subject of sanctions by a regulatory authority or been disqualified by any court of competent jurisdiction from acting as a member of the administrative, management or supervisory body of any issuer or from participating in the management or conduct of the affairs of any issuer.

Board size and composition

The board of Reinet Investments Manager must consist of a minimum of three directors. A meeting of the board of directors of Reinet Investments Manager is only quorate if a majority of the directors is present or represented. Board resolutions may be passed with the affirmative vote of a majority of the board members present or represented at the meeting.

Election and removal of directors

The directors of Reinet Investments Manager will be appointed by the shareholders' meetings of Reinet Investments Manager. Directors' appointments may be terminated at any time by the shareholders' meetings of Reinet Investments Manager. Directors will be appointed for a term of up to one year and their appointment shall be renewable. Since Reinet Investments Manager is ultimately controlled by Rupert family interests, the appointment of the directors of Reinet Investments Manager will ultimately be controlled by those Rupert family interests.

Board committees and management

The board of directors of Reinet Investments Manager must ensure that there is at all times an effective management structure and is permitted under its articles of incorporation to appoint the committees, officers, agents and managers considered necessary for the operation and management of the Company.

Such appointed committees, officers, agents and managers will be accountable to the board which will, in any event, remain responsible for their actions.

Internal control and risk management

The board will establish strict rules designed to protect the Company's interests in the areas of financial reporting, internal control and risk management. An internal control process will be defined and implemented by the board of Reinet Investments Manager, with the aim of achieving:

- reliability of financial and accounting information; and
- compliance with applicable laws and regulations.

The internal controls over financial reporting will be designed to provide a reasonable level of assurance that the financial reporting does not contain any material inaccuracies.

The board of Reinet Investments Manager must ensure that Shareholders receive equitable treatment and provide them with all relevant information to enable them to exercise their rights. The annual general meeting will provide Shareholders with the opportunity to exercise their rights and to engage in dialogue with the board of Reinet Investments Manager.

The Company will establish a policy of active communication with Shareholders.

Conflicts of interest

Except as otherwise disclosed in this Prospectus, there are no actual or potential conflicts of interest between any duties members of the board owe to Reinet and their private interests and/or other duties they may also have.

No member of the board has entered into a service agreement with Reinet or its subsidiaries providing benefits upon termination of employment.

Shareholdings and stock options

This section sets out the holdings of Shares and stock options in Reinet of directors of Reinet Investments Manager.

Shareholdings

Based on the information available regarding the holdings of the directors of Reinet Investments Manager of Richemont 'A' Units as at 6 October 2008, the theoretical entitlement of the directors of Reinet Investments Manager to Shares immediately following the Richemont Reconstruction and the First Capital Increase is set out below. The directors' entitlements have been calculated on the basis that they will receive one Share for every 'A' Richemont Unit and one Share for every 10 'B' Richemont Units held on the Richemont Reconstruction Date.

Director	Richemont Units held at 6 October 2008	Theoretical entitlement to Shares pursuant to the Richemont Reconstruction	Theoretical percentage interest in the Company held following the Richemont Reconstruction^(note 3)	Theoretical entitlement to Shares following the First Capital Increase	Theoretical percentage interest in the Company held following the First Capital Increase^(notes 4 and 5)
Johann P. Rupert ^(notes 1 and 2)	52 200 000 'B' Units 161 886 'A' Units	52 361 886	9.1%	9 537 958	8.8%
Alan Grieve ^(note 6)	50 000	50 000	0.0%		00.0%
Jo' Schwenke ^(note 7)	1 783	1 783	0.0%	337	0.0%
	52 413 669	52 413 669	9.1%	9 538 295	8.8%

Notes:

1. Mr. Johann Rupert is the general managing partner of CF Rupert, which holds 52 200 000 Richemont 'B' Units. Parties associated with Mr. Johann Rupert and CF Rupert held a further 161 886 Richemont 'A' Units or Richemont 'A' Unit equivalents as at 6 October 2008.
2. Rembrandt Trust, a vehicle controlled by Rupert family interests, held 35 506 352 Remgro 'B' Shares as at 6 October 2008. Parties associated with Mr. Johann Rupert and Rembrandt Trust held a further 1 704 971 Remgro 'A' Shares at such date.

3. Calculated on the basis of 574 200 000 Shares in issue immediately following the Richemont Reconstruction.
4. Pursuant to the Remgro Distribution, Rupert family interests will receive approximately 2 370 277 Shares (in the form of Reinet DRs) which have been included in the calculation of their theoretical percentage interest in Reinet held following the First Capital Increase.
5. Calculated on the basis of 108 856 270 Shares in issue immediately following the First Capital Increase.
6. Mr. Alan Grieve has indicated that, like other Swiss resident individuals, he will suffer adverse tax consequences unless he disposes of his Shares prior to the Reduction of Capital. He has therefore indicated that he intends to dispose of his Shares prior to the Reduction of Capital.
7. Mr. Jo' Schwenke also currently owns 1460 Remgro Shares.

REINET FUND

Reinet Fund is a partnership limited by shares and is managed by its managing shareholder, Reinet Fund Manager, a limited liability company incorporated in Luxembourg which is ultimately controlled by Rupert family interests.

REINET FUND MANAGER

As manager of Reinet Fund, Reinet Fund Manager will have broad powers to carry out all management and administrative actions in compliance with the corporate objects of Reinet Fund and all matters not reserved by law or by the Reinet Fund Articles to the ordinary shareholder of Reinet Fund will fall within the competence of Reinet Fund Manager. In particular, Reinet Fund Manager will be responsible for selecting Reinet Fund's investment policies and guidelines to achieve its 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.

Although Reinet Fund Manager may delegate certain day-to-day and administrative functions to officers and agents (including third-party service providers), such appointees will be accountable to Reinet Fund Manager which will, in any event, remain responsible for their actions. In particular, Reinet Investment Advisors Limited will be appointed as Investment Advisor to Reinet Fund and Reinet Fund Manager will consider (and if thought fit approve) investment and other proposals proposed by the Investment Advisor. The appointment of Reinet Fund Manager may only be terminated pursuant to an amendment to the Reinet Fund Articles which must be approved by the shareholders of Reinet Fund.

Certain decisions of Reinet Fund Manager must be approved by the Board of Overseers, please see "*Management and Corporate Governance – Board of Overseers*".

Reinet Fund Manager is ultimately controlled by Rupert family interests.

Directors

The following table presents certain information concerning the initial composition of the board of directors of Reinet Fund Manager:

Name ⁽¹⁾	Nationality and Age	Position
Johann P. Rupert	South African, 58	Chairman
Alan Grieve	British, 56	Chief Financial Officer
Kurt Nauer	Swiss, 58	Chief Investment Officer
Jo' Schwenke	South African, 57	Chief Executive Officer
Eloy Michotte	Belgian, 60	Member

(1) The address of each person named above is c/o Reinet Fund Manager, 35 boulevard Prince Henri, L-1724 Luxembourg.

Set forth below is biographical information for the directors of Reinet Fund Manager.

Johann P. Rupert: biographical information relating to Mr. Rupert is set out in "*Management and Corporate Governance – The Company – Directors*".

Alan Grieve: biographical information relating to Mr. Grieve is set out in "*Management and Corporate Governance – The Company – Directors*".

Kurt Nauer: 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, Vendôme Luxury Group, in Luxembourg. He is a director of various subsidiary companies within Richemont.

Jo' Schwenke: biographical information relating to Mr. Schwenke is set out in "*Management and Corporate Governance – The Company – Directors*".

Eloy Michotte: biographical information relating to Mr. Michotte is set out in “*Management and Corporate Governance – The Company – Directors*”.

During the preceding five years, none of the directors of Reinet Fund Manager has been convicted of any fraudulent offences, served as an officer or director of any company subject to a bankruptcy proceeding, receivership or liquidation (other than a solvent winding-up or similar process), been the subject of sanctions by a regulatory authority or been disqualified by any court of competent jurisdiction from acting as a member of the administrative, management or supervisory body of any issuer or from participating in the management or conduct of the affairs of any issuer.

Board size and composition

The board of Reinet Fund Manager must consist of a minimum of three directors. A meeting of the board of directors of Reinet Fund Manager is only quorate if a majority of the directors is present or represented. Board resolutions may be passed with the affirmative vote of a majority of the board members present or represented at the meeting.

Election and removal of directors

The directors of Reinet Fund Manager will be appointed by the shareholders’ meetings of Reinet Fund Manager. Directors’ appointments may be terminated at any time by the shareholders’ meetings of Reinet Fund Manager. Directors will be appointed for a term of up to one year and their appointment shall be renewable. Since Reinet Fund Manager is ultimately controlled by Rupert family interests, the appointment of the directors of Reinet Fund Manager will ultimately be controlled by those Rupert family interests.

Board committees and management

The board of directors of Reinet Fund Manager must ensure that there is at all times an effective management structure and is permitted under the Reinet Fund Articles to appoint the committees, officers, agents and managers considered necessary for the operation and management of Reinet Fund. Any committees, officers, agents and managers will be accountable to the board which will, in any event, remain responsible for their actions.

Internal control and risk management

The board of Reinet Fund Manager will establish strict rules designed to protect the Reinet Fund’s interests in the areas of financial reporting, internal control and risk management. An internal control process will be defined and implemented by each board with the assistance of the management team, with the aim of achieving:

- reliability of financial and accounting information;
- effectiveness and efficiency in the running of Reinet Fund’s operations; and
- compliance with applicable laws and regulations.

The internal control and risk management system will be designed to determine risks in relation to the achievement of business objectives and to develop appropriate responses to risks. The risk management process will include management reviews, reviews of the design and implementation of the risk management approach, business reviews and the setting up of audit committees. The internal controls over financial reporting will be designed to provide a reasonable level of assurance that the financial reporting does not contain any material inaccuracies.

BOARD OF OVERSEERS

The operations of the Company and Reinet Fund will be subject to review and audit by the Board of Overseers. The Board of Overseers of the Company will be appointed by Shareholders. The members of the Board of Overseers must not be shareholders, directors or employees of Reinet Investments Manager or of the principal shareholder of Reinet Investments Manager or any entity in which the Company has a material direct or indirect interest.

Reinet Investments Manager will use its best endeavours to ensure 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 the Company. The following individuals have been appointed to the Board of Overseers as of the Richemont Reconstruction Date:

Yves-André Istel
American, age 72

Mr. Istel was appointed to the board of directors of CFR in 1990. A Non-Executive Director, he is a member of the Audit Committee, the Nominations Committee and Compensation Committee of CFR. 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
Italian, age 57

Mr. Magnoni was appointed to the board of directors of CFR in 2006 and is a member of the Audit and Nominations Committees of CFR. He 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 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
American, age 58

Mr. Quasha was appointed to the board of directors of CFR in 2000 and is a member of the Nominations Committee of CFR. After practising law, he moved into commerce and has been President of Quadrant Management Inc. since 1987. Mr. Quasha was a director of the Company from 1988 until his appointment to the board of directors of CFR. 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 Schrempp
German, age 63

Prof. Schrempp was appointed to the board of directors of CFR in 2003 and is a member of the Nominations Committee of CFR. 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 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 their respective powers.

The Board of Overseers shall 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 certain 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:

- (a) any amendment of Reinet's stated investment policy as announced in connection with its admission to listing or the adoption of a new publicly stated investment policy;
- (b) a significant departure from Reinet's stated investment policy from time to time;
- (c) a significant departure from any material statement regarding future conduct of Reinet's affairs made in connection with its admission to listing or otherwise made pursuant to a listing obligation or in connection with the listing of securities of the Company;
- (d) any material amendment regarding the terms on which any investment manager or investment advisor is engaged on behalf of Reinet;

- (e) the making by the Company of a new statement of the kind referred to in paragraph (a); or
- (f) the exercise by the Company of any power to amend the Articles or equivalent constitutional documents of a principal subsidiary of the Company or to liquidate or dissolve any principal subsidiary or any decision of the Company in relation to a principal subsidiary that materially affects the powers of any Board of Overseers or equivalent at the level of that subsidiary;
- (g) the issue of new Shares at a discount to the per Share net asset value of the Company; and
- (h) any related party transaction, being a transaction not otherwise contemplated by the Articles entered into by the Company or a principal subsidiary with a person or entity which:
 - (i) controls the Company or is under common control with the Company; or
 - (ii) Reinnet Investments Manager or the manager of such principal subsidiary controls, is controlled by or is under common control with (other than a subsidiary of the Company); or
 - (iii) is a controlling participant in a significant joint venture in which the Company or such principal subsidiary is a venturer; or
 - (iv) is an employee or a member of the board of the manager of such principal subsidiary or of Reinnet Investments Manager or of any entity as set out above (or is a close member of the family of such a person).

For these purposes, the decision of the Board of Overseers as to whether or not a matter is “significant” or “material” shall be conclusive.

The Board of Overseers must report to general meetings of 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. In this capacity, the functions of the Board of Overseers will include:

- reviewing the financial statements of the Company and Reinnet Fund in order to ensure that they are fair, accurate and complete;
- monitoring the Company’s and Reinnet Fund’s compliance with applicable legal and regulatory obligations;
- assessing the quality of the external audit of the Company and Reinnet Fund; and
- verifying the existence and adequacy of internal control and risk management procedures.

Fees payable to the members of the Board of Overseers will be shared equally between the Company and Reinnet Fund and will be consistent with those paid to non-executive directors of companies of a similar standing, reflecting the duties performed, the responsibility of the board and the amount of time committed to Reinnet’s affairs.

EXPENSES AND ADMINISTRATION FEES

The Company and Reinnet 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, the Company and Reinnet Fund will equally share the expenses relating to the remuneration and other expenses of the Board of Overseers.

The Company will reimburse Reinnet Investments Manager for its expenses incurred in the ordinary course of its 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 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 Reinnet Investments Manager.

Reinnet Fund will reimburse Reinnet Fund Manager for its expenses incurred in the ordinary course of business of Reinnet Fund Manager 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 Reinnet Fund Manager.

Reinet Fund will also pay Management Fees and (depending on the performance of the Company) Performance Fees to the Investment Advisor (as described in “*The Investment Advisor and the Investment Advisory Agreement*”). The Management Fees will be reduced by the amount of any reimbursements of expenses paid to Reinet Fund Manager, as described above.

CONFLICTS OF INTEREST AND FIDUCIARY DUTIES

Rupert family interests control a number of other industrial and investment holding companies including CFR, 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 the Company, Reinet Fund and the Investment Advisor, there is a possibility that these individuals may have a conflict of interest between the duties they owe to the Company, Reinet Fund 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. The Company, Reinet Fund 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 the Company, Reinet Fund 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 CFR.

THE INVESTMENT ADVISOR AND THE INVESTMENT ADVISORY AGREEMENT

Reinet Fund Manager has agreed the terms of an investment advisory agreement (the “**Investment Advisory Agreement**”) with the Investment Advisor pursuant to which the Investment Advisor will make investment proposals to Reinet Fund Manager and implement the investment decisions adopted by Reinet Fund Manager. The Investment Advisory Agreement will become effective as of the Richemont Reconstruction Date.

THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES OF THE INVESTMENT ADVISOR

The Investment Advisor is managed by its board of directors. The following table presents certain information concerning the initial composition of the board of directors of the Investment Advisor.

Name	Nationality and age	Position
Johann P. Rupert	South African, 58	Chairman
Jason Eaglestone	Portuguese/South African, 34	Chief Financial Officer
Frank Vivier	South African, 51	Chief Investment Officer
Ian Crosby	British, 47	Member
Niall McCallum	British, 46	Member

Set forth below is biographical information for the directors of the Investment Advisor and the senior executives listed above.

Johann Rupert: biographical information relating to Mr. Rupert is set out in “*Management and Corporate Governance – the Company – Directors*”.

Jason Eaglestone: Mr. Eaglestone is a 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 board of several of Richemont’s subsidiary and investment companies.

Frank Vivier: 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 the Company. Prior to joining the Company, 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: 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 board of several funds and fund investment companies.

Niall McCallum: 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

The following is a summary of certain provisions of the Investment Advisory Agreement agreed between the Investment Advisor and Reinet Fund Manager and is qualified in its entirety by reference to all of the provisions of the Investment Advisory Agreement.

Appointment of Investment Advisor

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 objective 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 objective 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 objective 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

Management 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 (the "**Management Fee**")) and an annual performance fee, which will be determined on the basis of the total shareholder return generated by the Company and calculated by reference to the appreciation in the share price and distributions to Shareholders of Reinet Investments (the "**Performance Fee**").

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:

- 1 per cent per annum of the NAV of Reinet Fund (as defined below) which is attributable to Invested Assets (as defined below);
- 0.25 per cent per annum of the NAV of Reinet Fund which is attributable to cash; and
- 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 Shares to trading on the Regulated Market of the Luxembourg Stock Exchange 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 30 days of the end of the Performance Measurement Period. The Performance Fee for each Performance Measurement Period will be the higher of:

- 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
- 0 per cent.

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

- the difference between the Closing Price (as defined below) and the Initial Price (as defined below), multiplied by the number of Reinet Shares outstanding at the beginning of the Performance Measurement Period; and
- the total of all distributions (including dividends and returns of capital) made to 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 Luxembourg Stock Exchange after the New Shares Settlement Date (the “**Initial Date**”) and ending on the last day of the second full financial period of the Company (31 March 2011). Subsequent “**Performance Measurement Periods**” shall be the periods corresponding to the financial years of the Company.

The “**Initial Price**” shall be the volume weighted average market price for the Shares on the Regulated Market of the Luxembourg Stock Exchange over the first 60 trading days (“**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 for the Shares on the Regulated Market of the Luxembourg Stock Exchange over the last 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 the Company 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) (the “**Costs**”) 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 of the Shares to trading on the Regulated Market of the Luxembourg Stock Exchange.

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

The Board of Overseers may resolve to require 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 ceases to hold any material/necessary consent, permit or licence or maintain any necessary registration required to fulfil its obligations under the Investment Advisory Agreement;
- there is a direct or indirect change in control of the Investment Advisor resulting in the Investment Advisor ceasing to be directly or indirectly under the effective control of Rupert family interests; and
- the number of Shares held by Rupert family interests falls below 9 500 000 Shares (adjusted for non-neutral changes to the share capital of the Company); or
- the Investment Advisor breaches the exclusivity and 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 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 the 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.

SIGNIFICANT SHAREHOLDERS

The Luxembourg law of 11 January 2008 on transparency requirements (the “**Transparency Law**”) requires that any person who, directly or indirectly, has an interest in the voting rights of the Company in excess of certain thresholds to notify the Company of that interest. The Transparency Law also sets out obligations to disclose acquisitions or disposals of major shareholdings and interests in shares in certain circumstances.

Immediately following the Rlichemont Reconstruction, CF Rupert will have an interest of approximately 9.1 per cent of the Shares (and will therefore have the same interest in the voting rights of the Company). Mr. Johann Rupert, the Executive Chairman of Rlichemont is the sole General Managing Partner of CF Rupert. At 6 October 2008, parties closely associated with CF Rupert held a further 161 886 Rlichemont ‘A’ Units or ‘A’ Unit equivalents.

On the basis of its notifications to CFR in accordance with the Swiss Federal Stock Exchange Act (in relation to its holding of ‘A’ CFR Shares), the Public Investment Commission Limited (“**PIC**”) is likely to have a voting interest of more than 5 per cent of the Shares immediately following the Rlichemont Reconstruction (and will therefore have the same interest in the voting rights of the Company).

Immediately following the Reduction of Capital and First Capital Increase, CF Rupert will have a voting interest of approximately 6.6 per cent of the Shares. Rembrandt Trust, in which Mr. Johann Rupert has a beneficial interest, will hold approximately 2.1 per cent of the Shares after the First Capital Increase. Parties closely associated with Mr. Rupert will hold approximately 0.1 per cent of the Shares after the First Capital Increase. In aggregate, Rupert family interests will therefore hold approximately 8.8 per cent of the voting rights in the Company immediately following the First Capital Increase. PIC is likely to continue to have a voting interest of more than 5 per cent of the Shares at this stage if it maintains its present level of shareholding.

It is expected that the number of Shares held by Rupert family interests will increase as a result of the Second Capital Increase. The percentage holding of Rupert family interests in the Company after the Second Capital Increase will depend on the number of investors other than Rupert family interests that elect to participate in the Rights Offering but is not expected to exceed 50 per cent of the voting rights in the Company in any circumstances.

Pursuant to a fiduciary agreement to be entered into by parties affiliated to CF Rupert and a Luxembourg bank, arrangements have been made whereby Rupert family interests will only be entitled to exercise votes in respect of Shares representing up to (but not including) $33\frac{1}{3}$ per cent of the Shares in issue.

Following the Rlichemont Reconstruction there will only be one class of ordinary share (being the Shares), with all Shares having the same voting rights in the Company.

MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of the Company's (or Reinet's) business, are contracts which: (i) are or may be material and have been entered into by the Company (or Reinet) within the two years immediately preceding the date of this Prospectus or (ii) have been entered into by the Company (or Reinet) or at any time before the date of this Prospectus where those contracts contain a provision under which the Company (or Reinet) has an obligation or entitlement which is or may be material to the Company (or Reinet) as at the date of this Prospectus.

INVESTMENT ADVISORY AGREEMENT

Please refer to "*The Investment Advisor and the Investment Advisory Agreement*" for information relating to the Investment Advisory Agreement.

REINET INVESTMENTS CUSTODIAN AGREEMENT

The Company entered into the Reinet Investments Custodian Agreement on or about the date of this Prospectus whereby the Company appointed Banque de Luxembourg S.A. to act as custodian (the "**Reinet Investments Custodian**") for the cash, securities and liquid assets ("**Assets**") of the Company. The Reinet Investments Custodian will hold and keep any of these Assets of the Company remitted to it under its custody either in its own accounts or through other financial institutions. The custody accounts will indicate that the Assets (other than cash) belong to the Company and will be segregated from the Reinet Investments Custodian's assets. Cash will be held by the Reinet Investments Custodian as banker. The Reinet Investments Custodian shall receive, deliver, transfer or exchange the Assets in accordance with instructions given by the Company and for these purposes the Company has acknowledged that the Reinet Investments Custodian shall execute these instructions only if the Company's account shows sufficient credit balances to cover the transactions. The Reinet Investments Custodian, upon instruction, will also exercise voting rights linked to the Assets and execute and deliver any powers of attorney or proxies on behalf of the Company. The Reinet Investments Custodian will not be liable for any loss or damage suffered by the Company except where the loss or damage is a result of the Reinet Investments Custodian's negligence or wilful misconduct.

REINET FUND CUSTODIAN AGREEMENT

Reinet Fund entered into the Reinet Fund Custodian Agreement on or about the date of this Prospectus whereby the Reinet Fund appointed Banque de Luxembourg S.A. to act as Reinet Fund Custodian on substantially the same terms as those described under "*Reinet Investments Custodian Agreement*" above.

DEPOSIT AGREEMENT

The Company, CFR and the Depositary entered into a deposit agreement in 1988, which was superseded in 1992 and amended in 2001, pursuant to which the Depositary has agreed to act as depositary in connection with the Richemont DRs (the "**Deposit Agreement**"). The Deposit Agreement was further amended on 7 August 2008 to set out the terms upon which the Depositary would issue the CFR DRs and Reinet DRs, subject to the implementation of the Richemont Reconstruction.

WARRANT RECEIPT DEPOSIT AGREEMENT

The Company and the Depositary will enter into a deposit agreement regulating the issue of Warrants by the Company to the Depositary and the issue of Warrants Receipts in respect of such Warrants to the Reinet DR Holders for purposes of the Rights Offering.

UNDERWRITING AGREEMENT

Pursuant to a letter agreement dated 7 August 2008, CF Rupert and Rembrandt Trust in their capacity as Underwriters of the Rights Offering agreed to enter into the form of the Underwriting Agreement appended to those letter agreements. The terms of the Underwriting Agreement (which includes the terms of the Optional Placing) are described in "*The Rights Offering and Optional Placing – Second Capital Increase*".

PUT OPTION AGREEMENT

To enable the distribution by Remgro of Reinet DRs to Remgro Shareholders pursuant to the Remgro Distribution the Company, CFR and Remgro have entered into an agreement whereby the Company has sold Remgro an irrevocable put option ("**Put Option Agreement**") on 7 August 2008 whereby Remgro has the right to contribute 21 430 000 BAT Shares to Reinet. In exchange, the Company will discharge Remgro's responsibilities to Remgro Shareholders regarding the distribution of Reinet DRs by issuing a certain

number of Shares to the Depositary and procuring that the Depositary issue Reinet DRs directly to individual Remgro Shareholders. Remgro shall inform the Company of the identities of the Remgro Shareholders and neither the Company nor the Depositary will have any responsibility regarding the identification of Remgro Shareholders or their respective allocations of Reinet DRs.

Pursuant to the Put Option Agreement, Remgro has granted CFR the right to compel Remgro to exercise the Put Option by written demand if the Put Option is not exercised by Remgro on the record date for the Remgro Distribution or within 14 days of the Richemont Reconstruction.

DEED OF ADHERENCE TO STANDSTILL AGREEMENT

In a deed dated 7 August 2008, BAT, CFR, Remgro, R&R and the Company agreed that, immediately upon the cancellation or transfer of CFR's entire holding of existing ordinary shares in the Company in the context of the Richemont Reconstruction, the Company will be bound by the terms of the standstill agreement dated 11 January 1999 (the "**Standstill Agreement**") which regulates, among other things, the manner in which R&R holds its shares in BAT.

The Standstill Agreement has no fixed term, but will cease to apply if the combined interests in BAT attributable to Remgro and the Company fall below 15 per cent of the issued share capital of BAT which is expected to occur on the BAT Distribution Effective Date.

RELATED PARTY TRANSACTIONS

CURRENT STRUCTURE

The Company is currently a wholly-owned subsidiary of CFR and is an integral part of Richemont, being an intermediate holding company through which Richemont's portfolio of luxury goods businesses and indirect interest in BAT are held. The Company has a number of transactions and relationships with related parties, as defined by IAS 24 (Related Party Disclosures), all of which are undertaken in the normal course of business. These transactions include the payment and receipt of dividends by the Company to and from other companies in the Group, compensation paid to the current directors of the Company, transactions with associated undertakings, transactions with undertakings under common control and transactions with joint venture and investment entities.

THE RICHEMONT RECONSTRUCTION

The Company will operate independently from Richemont after the Richemont Reconstruction but may share certain services and premises. A summary of the significant transactions that the Company has entered into (or has agreed the terms of) with related parties in the context of the Richemont Reconstruction, the Reduction of Capital, the First Capital Increase and the Second Capital Increase is set out below.

The Company has identified the following related parties with which it has entered (or will enter) into material transactions in the context of the Richemont Reconstruction and related transactions:

- BAT;
- CFR;
- CF Rupert;
- the Depositary;
- the Investment Advisor;
- R&R;
- Reinet Fund Manager;
- Reinet Investments Manager;
- Rembrandt Trust;
- Remgro; and
- VDCI S.A.

All the transactions with related parties described below either: (i) have been agreed on arm's length terms or (ii) are intra-Group transactions within Richemont and as such do not affect the net assets of the Group as a whole.

RSA REDUCTION OF CAPITAL

The RSA Reduction of Capital is described in "*The Richemont Reconstruction*".

COSTS OF THE REDUCTION OF CAPITAL, THE FIRST CAPITAL INCREASE AND THE SECOND CAPITAL INCREASE

Except as specified in "*The Second Capital Increase – Costs*", the costs of implementing the Reduction of Capital, the First Capital Increase and the Second Capital Increase and related transactions (including legal, accounting and advisory fees) will all be borne by CFR or other subsidiaries of CFR.

ACQUISITION OF INVESTMENTS FROM SUBSIDIARIES OF CFR

In the context of a reorganisation of the Group's assets prior to the Richemont Reconstruction, certain of the Other Assets currently held by CFR through subsidiaries other than the Company are to be sold by CFR to VDCI S.A., an indirect wholly-owned subsidiary of the Company, for approximately €25 000 000. These assets will be retained by the Company when the Group's portfolio of luxury goods businesses is distributed to CFR in the context of the RSA Reduction of Capital. As part of the same reorganisation, certain assets currently held by VDCI S.A. are to be sold to CFR for approximately €89 000 000.

The assets being transferred in the context of this reorganisation were valued by independent valuers as at 31 May 2008 and the transfers are being made on the basis of those valuations.

INVESTMENT ADVISORY AGREEMENT

The principal terms of the Investment Advisory Agreement are described in “*The Investment Advisor and the Investment Advisory Agreement*”.

UNDERWRITING AGREEMENT

The principal terms of the Underwriting Agreement are described in “*Material Contracts*”.

PUT OPTION AGREEMENT

The principal terms of the Put Option Agreement are described in “*Material Contracts*”.

STANDSTILL AGREEMENT

The principal terms of the Standstill Agreement are described in “*Material Contracts*”.

Separation and Relationship Agreement

An agreement between the Company and CFR was entered into on or about the date of this Prospectus in relation to separation of the Company and CFR in the context of the Richemont Reconstruction (the “**Separation and Relationship Agreement**”). In particular, CFR has agreed to amend and novate certain contracts previously entered into between CFR and the Company concerning the Group’s luxury goods businesses so that CFR will assume the benefits and obligations arising under those contracts. Further, the Company (and/or entities held under the Company) previously provided commitments to certain financial institutions in respect of entities carrying on the Group’s luxury goods businesses and the Separation and Relationship Agreement provides for CFR to give these commitments in place of the Company.

The Separation and Relationship Agreement also contains provisions for other such issues that arise in respect of the de-twinning of the CFR Shares and the Shares such as the transfer and/or closure of shared bank accounts; assignment and/or sub-letting of shared properties; discharge of management and services fees; and the removal of Richemont branding by the Company.

DEPOSIT AGREEMENT

The principal terms of the Deposit Agreement are described in “*Material Contracts*”.

ADDITIONAL INFORMATION

HISTORY OF THE COMPANY

The Company was incorporated in Luxembourg in 1979 as Intercontinental Mining and Resources S.A. and changed its name to IMR Group S.A. in 1987. It changed its name again in 1988 to Richemont S.A. and since then it has been an intermediate holding company in the Group. Until 1988, the ultimate owner of the Company was Rembrandt Group Limited (which has since been re-organised into Remgro and VenFin Limited), an industrial and financial holding company based in Stellenbosch in South Africa.

In 1988 Rembrandt Group Limited demerged most of its international assets. The result of the demerger was the creation of a new group, Richemont, with the Company becoming a wholly-owned subsidiary of CFR. Following the demerger, CFR's principal assets included shareholdings in Luxco S.A. (which owned minority investments in Cartier Monde S.A., Piaget Holding S.A. and Baume & Mercier S.A.) and Rothmans International PLC (which owned various tobacco interests). The 'A' and 'B' Richemont Units were also created by "twinning" the CFR Shares with the PCs issued by the Company pursuant to provisions of the current articles of incorporation of each of CFR and the Company (see "*The Richemont Reconstruction*" and "*Shares and Share Capital*" for further information).

In 1993, the Group's luxury goods businesses and its tobacco interests were separated, with the tobacco interests being held by Rothmans International NV/PLC and the luxury goods operations being held by Vendôme Luxury Group SA/PLC, both companies being subsidiaries of the Company. In 1996, Richemont and Remgro merged their respective tobacco interests, holding the combined investments in Rothmans International NV through R&R. In 1999, Rothmans International NV was merged with BAT in an all-share transaction. The BAT Shares received in consideration of the 1999 merger continue to be held through R&R, of which Richemont, through the Company, owns approximately 65 per cent of the economic rights and Remgro approximately 35 per cent.

As at the date of this Prospectus, the Company's current shareholder (CFR) and the PC Holders have passed the necessary resolutions to authorise the Richemont Reconstruction and the other transactions described in this Prospectus.

HISTORY OF THE SHARE CAPITAL OF THE COMPANY

The Company was incorporated with the name Intercontinental Mining and Resources S.A. in Luxembourg on 5 March 1979. The authorised and fully paid-up share capital of the Company was USD50 000, divided into 500 shares of USD100 each.

On 31 March 1987 an extraordinary general meeting of the shareholders resolved to change the name of the Company to IMR Group S.A. and on 17 August 1988 an extraordinary general meeting of the shareholders resolved to change the name of the Company to Richemont S.A.

On 20 September 1988 the shareholders resolved among other things to amend the Company's articles of incorporation to permit the board of directors of the Company to issue 5 740 000 PCs. The PCs were to be allocated to CFR Shareholders in the proportion of one PC for each 'A' share in CFR and one PC for every 10 'B' shares in CFR. Transfers of PCs could only be effected with the simultaneous transfer of the corresponding share(s) in CFR. The holders of PCs were entitled to the payment of non-cumulative preferential dividends in respect of each financial year.

After several intervening increases and decreases to the share capital of the Company, on 21 March 2000 an extraordinary general meeting of shareholders and PC holders resolved to convert the authorised and the subscribed share capital of the Company into Euro with effect from 1 April 1999. As a result of the conversion into Euro, the authorised share capital of the Company was restated as €300 000 000, and the issued share capital was restated as €215 000 000 (divided into 1 914 000 shares of no par value). At the same time, an amount of €645 000 000 was transferred to a participation reserve.

On 6 September 2001 an extraordinary general meeting of shareholders and PC holders resolved to split each existing PC into 100 PCs, such split to become effective on the date of the split of the corresponding shares in CFR, with the effect that from that date the Company had 574 200 000 PCs in issue, in the proportion of one PC for each 'A' share in CFR, and one PC for every 10 'B' shares in CFR.

At the Shareholder and PC Holder Meeting, resolutions were passed authorising the board of directors of the Company to implement the Richemont Reconstruction and the other transactions described in this Prospectus.

SIGNIFICANT LEGAL AND ARBITRATION PROCEEDINGS

The Company has not been party to any governmental, legal or arbitration proceedings during the 12 months prior to the date of this Prospectus which may have, or have recently had, significant effects on the Company's financial position or profitability and, so far as the Company is aware, no such proceedings are pending or threatened.

DESCRIPTION OF THE SHARE CAPITAL OF THE COMPANY

Immediately after the Richemont Reconstruction, the shares in the Company will comprise 574 200 000 ordinary shares (*actions de commanditaire*) (being the Shares) and 1 000 Management Shares (*actions de commandité*). As holder of 1 000 Management Shares, Reinet Investments Manager will have unlimited liability for any obligations of the Company that cannot be met with the assets of the Company. The liability of the Shareholders will be limited to the amount of their investment in the Company.

The number of ordinary shares in the Company will reduce to 108 856 270 Shares as a result of the Reduction of Capital and First Capital Increase but will then increase again to approximately 195 941 286 Shares as a result of the exercise of Warrants and Warrant Receipts. If the Underwriters decide to exercise the option for the Optional Placing, the minimum number of Additional Shares to be issued in the Optional Placing will be 5 000 000 Additional Shares and the maximum number of Additional Shares to be issued to the Underwriters pursuant to the Optional Placing will be equal to the number of Additional Shares that the Underwriters may subscribe using any Additional BAT Shares.

The shares of Reinet Fund will also comprise ordinary shares and management shares. As holder of 1 000 management shares in Reinet Fund, Reinet Fund Manager will have unlimited liability for any obligations of Reinet Fund that cannot be met with the assets of Reinet Fund. The Company will be the sole ordinary shareholder of Reinet Fund after the Richemont Reconstruction Date and its liability as ordinary shareholder of Reinet Fund will be limited to the amount of its investment therein.

The table below should be read in conjunction with “*The Richemont Reconstruction*”, “*The Reduction of Capital and the First Capital Increase*”, and “*Unaudited Pro Forma Consolidated Financial Information*” included elsewhere in this Prospectus.

The following table sets forth the unconsolidated capitalisation of the Company as of 30 September 2008 on an actual basis, and illustrates the effect of the above listed transactions on a pro forma basis. These tables have been prepared using the last available Information for the BAT share price (£18.55) and the GBP:EUR exchange rate (1.294) at the close of business on 6 October 2008.

The changes in capitalisation of the Company throughout the transactions up until and including the First Capital Increase are set out in the table hereafter:

(in EUR'000 except number of shares)	Transfer of the Group's Luxury Goods Business to		De-twinning of the Units and Conversion of the PCs into Shares	Reduction of Capital	First Capital Increase	Reinet Investments SCA
	Richemont SA (i) (30 September)	CFR (ii) (20 October)	(iii) (20 October)	(iv) (3 November)	(iv) (3 November)	(3 November)
Total Debt	-	-	-	-	-	-
Number of Shares	1 914 000	(1 914 000)	574 201 000	(495 599 271)	30 255 541	108 857 270
Share of Capital	215 000	(215 000)	645 000	(556 707)	33 986	122 279
Reserves	18 394 971	(8 804 086)	(645 000)	(7 619 962)	480 412	1 806 335
Shareholders' Equity	18 609 971	(9 019 086)		(8 176 669)	514 398	1 928 614
Capitalisation	18 609 971	(9 019 086)		(8 176 669)	514 398	1 928 614

(i) These numbers are extracted from the Richemont SA stand-alone financial statements as of 30 September 2008.

(ii) These numbers are expected values only, as of the date of the Transfer of the Luxury Goods Businesses to CFR (20 October 2008), and have been derived from the Richemont SA stand-alone financial statements as of 30 September 2008.

(iii) Refer to “*The Richemont Reconstruction*” section of this Prospectus.

(iv) Refer to “*The Reduction of Capital and First Capital Increase*” section of this Prospectus.

The Company will have no borrowing outstanding on the Richemont Reconstruction Date.

INFORMATION RELATING TO THE COMPANY

The legal and commercial name of the Company is currently Richemont S.A. Pursuant to the Richemont Reconstruction, the Company will be established as a *société en commandite par actions* (partnership limited by shares) when its legal and commercial name will be changed to Reinet Investments S.C.A. As a Luxembourg *société en commandite par actions*, the Company is and will be subject to the laws of the Grand Duchy of Luxembourg and, since it will have the objects and tax status of a securitisation company, the Securitisation Law. The issue of its shares is governed by the Luxembourg law dated 10th August, 1915 on commercial companies, as amended.

The registered office of the Company is at 35 boulevard Prince Henri, L-1724 Luxembourg and its telephone number is +352 22 42 10. The Company is registered in the commercial register of Luxembourg under number B16.576.

The financial year of the Company currently runs from 1 April to 31 March. In the context of the Richemont Reconstruction, the Company's year-end was changed to 30 September and the accounts of the Company were drawn up for the period 1 April 2008 to 30 September 2008 and submitted to the Company's current shareholder, CFR, for approval before the implementation of the Richemont Reconstruction. The Company's year-end has since been changed back to 31 March, meaning that the first period for which final accounts of the Company will be drawn up and submitted to Shareholders for approval will be 1 October 2008 to 31 March 2009. Thereafter, each financial year of the Company will begin on 1 April and will terminate on 31 March of the following year.

INFORMATION RELATING TO THE SHARES

The Shares for which admission to trading on the Regulated Market of the Luxembourg Stock Exchange has been approved, subject to their issue, will represent the whole of the share capital and voting rights of the Company (other than the 1 000 Management Shares owned by Reinet Investments Manager).

The Shares will be in registered form and will be dematerialised through Clearstream, Euroclear and other securities depositaries as further explained in "*Admission to trading, dealing and settlement arrangements*". They are all ordinary shares without any par value.

See "*Management and Corporate Governance*" and "*Articles of Incorporation*" for further information in relation to the rights attaching to the Shares.

ARTICLES OF INCORPORATION

The Articles may be inspected at the registered office of the Company, as specified in "*Documents Available for Inspection*". The Articles will be adopted on the Richemont Reconstruction Date, when they will also be lodged with the Luxembourg Register of Commerce and Companies.

The following is a summary of the principal provisions of the Articles, so far as they have not been described in other sections of this Prospectus.

Denomination, Registered Office and Duration

The Company is established as a *société en commandite par actions* under the name of "Reinet Investments S.C.A." governed by the Securitisation Law and the Articles.

The registered office of the Company is in the City of Luxembourg.

The Company is established for an indefinite period of time.

Objects

The Company's corporate purpose is to carry out securitisations and any activity ancillary or related thereto and/or provided for under and subject to the Securitisation Law, through the acquisition, holding and/or assumption, directly or through any other undertaking of any kind, of risks relating to claims, any other type of assets (including, without limitation, any kind of securities, loans, receivables, units, guarantees and other assets, including assets related to real estate) or any kind of obligations assumed by third parties or inherent to all or part of the activities of third parties.

The Company may borrow or raise funds in the form of loans or otherwise from any entity to partly fund the acquisition, holding or assumption of underlying assets and/or to comply with any payment, distributions or other obligation it may have with respect to any of the Company's securities or under any agreement to be entered into in the context of a securitisation.

The objects of the Company are set out in full in Article 4.

Share capital

The capital of the Company is represented by two categories of shares, being the Management Shares held by Reinet Investments Manager as unlimited liability shareholder (*actionnaire commandité*) and ordinary shares (being the Shares) held by the limited liability shareholders (*actionnaires commanditaires*) of the Company (being the Shareholders).

The issued capital of the Company is set at €645 001 123 represented by 1 000 fully paid Management Shares without par value and 574 200 000 fully paid ordinary Shares without par value.

The authorised capital of the Company (including the issued capital) is set at €1 123 302 000 represented by 999 999 000 ordinary shares (being the Shares) and 1 000 Management Shares. Reinet Investments Manager is authorised to issue further Shares up to the total authorised capital in whole or in part from time to time, and Reinet Investments Manager may, when issuing any such Shares, disapply preferential subscription rights for existing Shareholders.

The Company may repurchase Shares within the limits laid down by law.

Shares in registered form

All Shares of the Company will be issued in registered form. The Articles also envisage that the Shares may be held in dematerialised form by being recorded in the register on behalf of one or more persons in the name of a securities settlement system or the operator of such a system or in the name of a professional depositary of securities or any other depositary or sub-depositary (together, “**depositories**”). In such circumstances the Articles provide for certificates to be provided to the ultimate beneficial owners of the Shares to exercise the rights attaching to the Shares (including admittance to and voting at Shareholders’ meetings). However, the Company will make any payments to Shareholders only to the depositary recorded in the register or in accordance with their instructions, and that payment shall release the Company from any and all obligations for such payments. At the time of conversion of the PCs into Shares, most of these Shares will be recorded in the name of a Common Depositary of Clearstream and Euroclear and will be delivered to the accounts of Shareholders with their financial intermediary. Shares must be in dematerialised form in order to be eligible for trading on the Regulated Market of the Luxembourg Stock Exchange.

The Company will keep (or cause to be kept) a register of Shareholders. The register will set out the name of each registered Shareholder, such registered Shareholder’s residence or elected domicile as notified to the Company and the number of Shares held by such registered Shareholder.

The inscription of a Shareholder’s name in the register evidences that Shareholder’s right to such Shares.

Shareholders that wish to be registered as such in the register of Shareholders shall provide the Company with an address to be entered into the register, to which all notices and announcements may be sent. Shareholders may, at any time, change their address as entered into the register by notifying the Company in writing.

The Company recognises only one owner per Share. If Shares are jointly owned or if the ownership of such Shares is disputed, all persons claiming a right to such Shares must appoint one single attorney to represent such Shares towards the Company. The failure to appoint such an attorney implies a suspension of all rights attached to such Shares.

Written confirmation that an entry has been made in the register will be provided to Shareholders and, upon request, to the depositories recorded in the register. Other than transfers of Shares made via depositories, the transfer of Shares shall be made by a written declaration of transfer inscribed in the register and dated and signed by the transferor and the transferee, or by their duly-appointed agents. Reinet Investments Manager may accept on behalf of the Company any other document, instrument, writing or correspondence as sufficient proof of the transfer.

No entry shall be made in the register and no notice of a transfer shall be recognised by the Company during the period starting on the fifth working day before the date of a Shareholders’ meeting and ending at the close of that meeting.

Voting rights

Each Share shall be entitled to one vote at all Shareholders’ meetings. Reinet Investments Manager, on behalf of the Company, has the discretion to disregard votes of a Shareholder who fails to notify the Company of any acquisitions or disposals of Shares which result in the proportion of Shares held, directly or indirectly, reaching, exceeding or falling below the threshold of 3 per cent. In this circumstance Reinet Investments Manager may disregard those votes in excess of the 3 per cent threshold.

Repurchase of Shares

At the discretion of Reinet Investments Manager, the Company may, subject to the provisions of Luxembourg law, repurchase Shares up to the amount and under the conditions specified in the Articles or in any document published in connection with the Company's admission to trading on the Regulated Market of the Luxembourg Stock Exchange. Shareholders will not be permitted to require the Company to repurchase Shares.

Any notice of repurchase shall be served upon a Shareholder at its last address appearing in the register or as otherwise known to the Company (including, as the case may be, any depositary).

Reinet Investments Manager may in addition repurchase Shares on behalf of the Company on any stock exchange or organised market on which the Shares are traded.

Notification requirements and ability to impose restrictions on certain holdings

The Company and the Shareholders will be obliged to comply with the requirements of the Transparency Law. The Articles provide that in addition to the thresholds set out in the Transparency Law, each Shareholder must notify to the Company any acquisition or disposal of Shares if the proportion of the holding of Shares held by that Shareholder, whether directly and/or indirectly, including those that are deemed to be controlled by him in the circumstances contemplated by Article 9 of the Transparency Law, reaches, exceeds or falls below the threshold of 3 per cent, failing which Reinet Investments Manager on behalf of the Company may disregard the voting rights of the Shares held, or deemed to be held by a Shareholder, in excess of such threshold.

Pursuant to the terms of Article 10, the Company may also restrict or prevent the acquisition of Shares (including the direct or indirect beneficial ownership thereof) by any person, firm or corporate body, if such holding may result in a breach of any law or regulation, whether Luxembourg or foreign, or if as a result thereof the Company may become subject to tax laws other than those of the Grand Duchy of Luxembourg, or if such holding may, in the opinion of Reinet Investments Manager, result in adverse consequences for other holders of a major proportion of Shares. For such purposes the Company may:

- decline to issue any Shares and decline to register any transfer of Shares, where it appears to it that such registration or transfer would or might result in legal or beneficial ownership of Shares by a Shareholder in excess of any cap or restriction on ownership imposed by Reinet Investments Manager in accordance with Article 10; and
- at any time require any person whose name is entered in, or any person seeking to register the transfer of Shares on the register to furnish it with any information, supported by an affidavit, which it may consider necessary to determine whether or not beneficial ownership of such Shareholder's Shares rests with a person who may be precluded from holding Shares for any reasons specified by Reinet Investments Manager in accordance with Article 10.

Management Shares and ordinary shares

With regard to voting rights, dividends and the distribution of assets on a liquidation, the Management Shares rank equally with ordinary shares (being the Shares).

The holders of Management Shares are jointly and indefinitely and severally liable for all liabilities of the Company which cannot be met from the assets of the Company.

The holders of Shares must refrain from acting on behalf of the Company in any manner or capacity other than by exercising their rights as Shareholders in general meetings of the Company and shall only be liable for payment to the Company of the full subscription price of each Share for which they subscribed and have been issued (and any other capital commitments that they have made to the Company).

Management

The Company will be managed by Reinet Investments Manager in its capacity as unlimited shareholder of the Company.

In the event of legal incapacity, liquidation or other permanent situation preventing Reinet Investments Manager from acting as manager of the Company, the Company shall not be dissolved and liquidated, provided that the Board of Overseers appoints an administrator (which need not to be a Shareholder) to effect urgent or administrative acts, until a Shareholders' meeting is held, which such administrator shall convene within 15 days of its appointment. At such meeting, the Shareholders may appoint, in accordance with the quorum and majority requirements for amendment of the Articles, a successor manager. Failing such appointment, the Company shall be dissolved and liquidated.

For further information in relation to the powers of Reinet Investments Manager, see "*Management and Corporate Governance*".

Conflict of Interests

No contract or other transaction between the Company and any other company or entity shall be affected or invalidated by the fact that Reinet Investments Manager or any shareholder, manager or officer of Reinet Investments Manager is interested in, or is a shareholder, director, officer or employee of such other company or entity with which the Company shall contract or otherwise engage in business. Reinet Investments Manager or such officers shall not by reasons of such affiliation with such other company or entity be prevented from considering and voting or acting upon any matters with respect to such contract or other business.

Independent Audit

The annual stand-alone and consolidated accounts of the Company shall be audited, by one or more independent auditors (*réviseurs d'entreprises*) appointed by Reinet Investments Manager in accordance with the Securitisation Law, for a period not exceeding one year. Any independent auditor so appointed may be removed by Reinet Investments Manager. Independent Auditors may be re-appointed.

Board of Overseers (Collège des Commissaires)

The operations of the Company are subject to review and audit by the Board of Overseers whose members must not be shareholders, directors or employees of Reinet Investments Manager or of the principal shareholder of Reinet Investments Manager or any entity in which the Company has a material direct or indirect interest. The Board of Overseers may be consulted by Reinet Investments Manager on such matters as Reinet Investments Manager may determine and no action of Reinet Investments Manager that exceeds the powers of Reinet Investments Manager pursuant to applicable law shall be valid unless authorised by the Board of Overseers. For further information in relation to the Board of Overseers, see "*Management and Corporate Governance*".

Shareholders' meetings

Shareholders' meetings have the power to order, carry out or ratify acts relating to the operations of the Company not reserved to Reinet Investments Manager.

Shareholders' meetings may be convened by Reinet Investments Manager or by the Board of Overseers and shall be convened pursuant to a notice given by Reinet Investments Manager setting forth the agenda and sent by registered letter at least eight days prior to the meeting to each Shareholder at the Shareholder's address, as recorded in the register.

Annual Shareholders' meetings will be held in Luxembourg at the registered office of the Company or at any other place in Luxembourg on the second Tuesday of the month of September each year, or such time as shall be specified in the convening notices. Annual Shareholders' meetings may be held abroad if, in the absolute and final judgement of Reinet Investments Manager, exceptional circumstances so require.

Other Shareholders' meetings may be held at such places and times as may be specified in the notices convening such meetings.

If all Shareholders are present or represented at a meeting and if they state that they have been informed of the agenda, the meeting may be held without prior notice.

All Shareholders are entitled to attend and speak at all general meetings of Shareholders. A Shareholder may act at any Shareholders' meeting by appointing another person, who need not be a Shareholder, as his proxy, in writing, by electronic message or by telefax or any other means of transmission approved by Reinet Investments Manager capable of evidencing such proxy. Such proxy shall be deemed valid, provided that it is not revoked, for any reconvened Shareholders' meeting. Shareholders' meetings shall be presided at by Reinet Investments Manager or by a person designated by Reinet Investments Manager or, if convened by the Board of Overseers, by a person designated by the Board of Overseers. The chairman of the Shareholders' meeting shall appoint a secretary and the Shareholders may elect a scrutineer.

Except as otherwise required by law or as otherwise provided in the Articles, resolutions at Shareholders' meetings will be passed by an absolute majority of those present and voting.

For further information in relation to ordinary and extraordinary Shareholders' meetings, see "*Management and Corporate Governance*".

Accounting year

Each accounting year of the Company shall begin on 1 April and shall terminate on 31 March of the following year.

Accounts – appropriation of profits

Reinet Investments Manager is responsible for drawing up the annual and interim financial statements of the Company in accordance with applicable provisions of law. The financial statements of the Company must be audited by the independent auditors of the Company and must be submitted to the Shareholders' meeting for approval.

Out of the net profits of each year, an amount equal to 5 per cent must be allocated to the legal reserve account. This allocation ceases to be compulsory when such reserve is equal to 10 per cent of the issued share capital of the Company.

Out of the balance, a distribution to Shareholders may be made upon the proposal of Reinet Investments Manager, which must be approved by decision of a Shareholders' meeting in accordance with the provisions set forth in the Articles, provided that such distribution cannot exceed the amount proposed by Reinet Investments Manager.

Interim dividends may be declared and paid by Reinet Investments Manager as permitted by law.

Dividends revert to the Company after five years if unclaimed by the Shareholder to whom they are due. The Company will not pay interest on unclaimed dividends.

Liquidation

In the event of a dissolution of the Company, the liquidation shall be carried out by a liquidator (or liquidators) appointed by the Shareholders. Any net proceeds of liquidation shall be paid to holders of the Shares and holders of the Management Shares in the proportion of their respective holdings on the basis that the Shares and the Management Shares shall rank *pari passu*.

ADMISSION TO TRADING, DEALING AND SETTLEMENT ARRANGEMENTS

This section describes the processes relating to the dealing in and settlement of the securities concerned, based on current understanding, at a high level and for typical cases. The precise dealing and settlement steps may vary between different financial intermediaries, brokers and banks and these steps may be subject to change. Those Shareholders holding their securities through a broker or financial intermediary will receive detailed notifications and instructions from that broker or financial intermediary in relation to the processes described below in accordance with their usual practice.

Although the clearing and settlement systems have agreed to certain procedures to facilitate the settlement of the transactions described below and the trading of the relevant securities among their participants, they are under no obligation to perform or to continue to perform these procedures, and these procedures may be discontinued at any time. None of the Company or any of its respective Affiliates or agents will have any responsibility for the performance by the clearing and settlement systems or their respective participants of their obligations under the rules and procedures governing their operations.

OVERVIEW AND CURRENT STRUCTURE

The 'A' Units are currently listed on SIX Swiss Exchange and are traded on SWX Europe. For settlement purposes, almost all of the 'A' Units are held through SegInterSettle (the Swiss central securities depository). The beneficial owners of the 'A' Units held through SegInterSettle hold their 'A' Units through banks, brokers or other financial intermediaries having accounts with SegInterSettle. The 'A' Units held by SegInterSettle are incorporated in global certificates deposited with SegInterSettle; when Units are traded by the banks, brokers or financial intermediaries on behalf of the beneficial owners, Units are credited and debited as required to the relevant SegInterSettle accounts by book entry.

The very small number of the 'A' Units that are not held through SegInterSettle are held directly by their owners in the form of bearer certificates.

The Shares will trade on the Regulated Market of the Luxembourg Stock Exchange under the symbol "ReinetInvest" with the ISIN of LU0383812293.

The Company expects that all of the 574 200 000 Shares will be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and that trading in the Shares will begin on or about 21 October 2008, pursuant to an approval of the Luxembourg Stock Exchange dated 8 October 2008.

THE RICHEMONT RECONSTRUCTION

On the Richemont Reconstruction Date the CFR Shares and the PCs will cease to be twinned. As a consequence of the de-twinning, 'A' Unitholders will hold one 'A' CFR Share and one Share for every one 'A' Unit, and the 'B' Unitholder will hold 10 'B' CFR Shares and one Share for every 'B' Unit held on the Richemont Reconstruction Date. All Shares arising from the conversion of the PCs currently twinned with the 'A' CFR Shares will be registered in the name of Fortis Bank S.A./N.V. as common depository of Clearstream and Euroclear.

Treatment of Unitholders holding Units in an account with their broker or bank

On the day following the Richemont Reconstruction Date, Clearstream will credit the Clearstream account of SegInterSettle with Shares arising from the conversion of the PCs currently twinned with the 'A' CFR Shares; former Unitholders will therefore hold their Shares along with their holding of CFR Shares and the accounts of 'A' Unitholders will reflect the de-twinning on the day after the Richemont Reconstruction Date. Unitholders who hold their Units in an account with their broker or bank (such broker or bank having its own account with SegInterSettle) will have their Units debited from their accounts by way of a mandatory corporate action effected through the SegInterSettle system and cancelled. Upon cancellation of the Units, a number of CFR Shares equal to the number of 'A' Units previously held will be credited to each account from which Units were debited. Similarly, a number of Shares equal to the number of 'A' Units previously held will simultaneously be credited to each account from which 'A' Units were debited.

Treatment of certificated Unitholders

A listing notice was placed in "Le Temps" and "Neue Zürcher Zeitung" on 1 October 2008. This notice instructed Unitholders holding their 'A' Units in certificated form to have the certificates evidencing their Units transferred to a bank or other financial intermediary to hold through SegInterSettle by 10.00 a.m. Central European Time on 10 October 2008. For 'A' Units so transferred, the 'A' Units will be debited from the

relevant SegInterSettle account and CFR Shares and Shares will be credited to the relevant SegInterSettle account on the RicheMont Reconstruction Date in the manner described under “*Treatment of Unitholders holding Units in an account with their broker or bank*”). If ‘A’ Units are not so transferred prior to 10 October 2008, the ‘A’ CFR Shares and Shares will (unless other arrangements have been made) be deposited with UBS who will act as custodian for those certificated Unitholders. To take delivery of the ‘A’ CFR Shares and Shares that they are entitled to receive, these Unitholders will be required to surrender the certificates evidencing their ownership of ‘A’ Units to a bank or another financial intermediary who will instruct UBS into which account the ‘A’ CFR Shares and Shares should be delivered.

Trading in Units shortly before the RicheMont Reconstruction Date

Given that settlement within SegInterSettle takes three days, any person who acquires ‘A’ Units fewer than three business days prior to the RicheMont Reconstruction Date will, on settlement, receive the equivalent number of ‘A’ CFR Shares and Shares in their SegInterSettle account or custody account. The ‘A’ Units may be traded for the last time on SWX Europe on Monday 20 October 2008 and the ‘A’ CFR Shares may be traded independently on SWX Europe and the Shares on the Luxembourg Stock Exchange for the first time on Tuesday 21 October 2008.

In order to facilitate the settlement process on the RicheMont Reconstruction Date, it will not be possible to convert RicheMont DRs into underlying RicheMont ‘A’ Units (and vice versa) after Friday 10 October 2008.

THE REDUCTION OF CAPITAL

The Reduction of Capital will take place on the BAT Distribution Effective Date, which is expected to be 3 November 2008. Upon the Reduction of Capital, the Company intends to distribute 351 032 964 BAT Shares to Shareholders on the cancellation of approximately 86.3 per cent of the issued share capital of the Company.

Shareholders will be notified of the Reduction of Capital through the usual channels for corporate action notifications by the relevant financial institutions, or, in the case of Shareholders who hold their Shares directly and are registered on the share register, by the registrar directly. Shareholders will be informed by their financial intermediaries of the number of Shares to be debited and BAT Shares to be credited to their account with the financial intermediary.

Trading prior to Reduction of Capital

In order to facilitate the distribution of the BAT Shares and the cancellation of Shares, investors will be informed by the relevant financial institutions that they will receive BAT Shares in accordance with their holding of Shares on a record date falling two business days prior to the BAT Distribution Effective Date. This record date is currently expected to be Thursday 30 October 2008. In the light of customary settlement arrangements, investors that purchase Shares within two days of the record date (from 28 October 2008 onwards) will not be entitled to participate in the exchange of Shares for BAT Shares. The relevant settlement systems will therefore be advised to inform investors that if they trade their Shares during a period when settlement of such trades shall not have occurred prior to the record date, they should only trade such number of Shares as they will hold after the Reduction of Capital to allow for the settlement of such trades. The relevant settlement systems may block the settlement of trades in respect of 86.3 per cent of each account holder’s Shares as from the record date.

In order to facilitate the settlement process on the Reduction of Capital, it will not be possible to convert Reinet DRs into underlying Shares (and vice versa) from Tuesday 28 October 2008. Conversions will remain blocked until Tuesday 4 November 2008.

Cancellation of Shares

Upon the Reduction of Capital, and against the delivery of the BAT Shares into the relevant accounts, the Company will cancel the appropriate number of Shares in its register and the relevant settlement systems and financial intermediaries will debit the appropriate accounts and adjust their holdings accordingly. Fractional entitlements will be dealt with by the relevant financial intermediaries in accordance with their normal practice. It is expected that Clearstream and Euroclear will round up the number of Shares to be cancelled from their participants’ accounts and round down the number of BAT Shares to be received and that Clearstream and Euroclear will each aggregate the BAT Shares resulting from the “under-distribution”, along with the Shares resulting from the “over-cancellation” and sell them in the market, and the proceeds subject to a de minimis level will be distributed to Clearstream and Euroclear participants. Financial intermediaries should then make the appropriate credits and debits to the accounts of the relevant Shareholders.

Receipt of BAT Shares

In order for holders of Shares in dematerialised form to receive BAT Shares in a tax-efficient manner, instructions must be given (if not already in place) by Shareholders to their financial intermediaries for the financial intermediaries to receive the BAT Shares (on the account of the relevant Shareholders) into an account in respect of which HM Revenue and Customs has agreed that subsequent transfers of UK shares credited to that account will be subject to stamp duty reserve tax ("SDRT") at the rate of 0.5 per cent and that the usual 1.5 per cent SDRT charge on the transfer to an entity operating as a clearance service does not apply.

Therefore, upon being notified of the Reduction of Capital by their financial intermediary, Shareholders are strongly advised to contact their financial intermediary to ensure that such arrangements have been or are made. If such arrangements are not in place then a Shareholder may be liable to pay an amount in respect of SDRT in the amount of 1.5 per cent of the value of the BAT Shares attributable to them.

The BAT Shares will be delivered by the Company into the relevant accounts as instructed by Clearstream or Euroclear via Fortis Bank S.A./N.V., as common depository for Clearstream and Euroclear. Instructions must have been received by Fortis Bank S.A./N.V. on the business day prior to the BAT Distribution Effective Date. In the case of Shareholders who have taken no steps to realign their Shares from their holding through SegaiInterSettle and provided that SegaiInterSettle has instructed Clearstream accordingly, the relevant account will be the CREST account of SegaiInterSettle operated by HSBC. In the case of Shareholders who have realigned their Shares across settlement systems after the initial distribution to SegaiInterSettle accounts on the Richemont Reconstruction Date, the relevant account may be the CREST account of another settlement system such as Clearstream or Euroclear. If a Shareholder's financial intermediary has given no instruction and/or the Company has not received instructions as to the relevant account into which the BAT Shares are to be delivered, the BAT Shares attributable to that Shareholder will be delivered into one of the CREST accounts used by Clearstream or Euroclear (as appropriate), with the potentially negative SDRT consequences as described above.

In the case of registered holders, BAT Shares will be delivered in certificated form (unless instructions have otherwise been given to the registrar for the delivery of BAT Shares to a specified CREST account). Share certificates in respect of BAT Shares will be sent by 4 November 2008.

RIGHTS OFFERING

This section describes the processes relating to the settlement process of the Rights Offering and Optional Placing (as defined). It is based on current understanding at a high level and for typical cases. The precise dealing and settlement steps in relation to the Rights Offering and Optional Placing may vary between different financial intermediaries, brokers and banks and these steps may be subject to change. Those holding their securities through a broker or financial intermediary will receive detailed notifications and instructions from that broker or financial intermediary in relation to the processes described below in accordance with their usual practice.

Although the clearing and settlement systems have agreed to certain procedures to facilitate the settlement of the transactions described below and the trading of the relevant securities among their participants, they are under no obligation to perform or to continue to perform these procedures, and these procedures may be discontinued at any time. None of the Company or any of its respective Affiliates or agents will have any responsibility for the performance by the clearing and settlement systems or their respective participants of their obligations under the rules and procedures governing their operations.

Trading prior to Rights Offering

In order to facilitate the distribution of the Warrants, it will not be possible to convert Reinet DRs into underlying Shares (and vice versa) on Thursday 6 November 2008 and Friday 7 November 2008 (or such other days which fall two business days prior to the commencement of the Exercise Period). Additionally, it will not be possible to convert Warrant Receipts into Warrants from 27 November 2008 (or such other date which falls 6 business days prior to the end of the Exercise Period).

Form of Warrants

The Warrants to be issued in connection with the Rights Offering will be issued in registered form to the common depository of Clearstream and Euroclear who will then credit their respective participants. Shareholders will receive one Warrant for each Share they hold.

Warrants issued in favour of Shareholders holding their Shares through a financial intermediary will be delivered by credit to their account with the financial intermediary concerned.

Financial intermediaries in certain jurisdictions, such as Switzerland, where Shares may not be authorised for public distribution will be notified thereof.

Shareholders registered in the Company's register of shareholders will only be entitled to receive Warrants in registered form if they hold a total of five per cent or more of the total number of Warrants issued. Registered Shareholders who hold less than five per cent or more of the total number of Warrants issued will have to specify an account to which their Warrants will be credited.

Fortis Bank S.A./N.V. acting as agent of the Company will be responsible to receive on behalf of the Company all exercise notices and to ensure that upon payment of the consideration for the subscription of the New Shares, the New Shares are delivered to the holders of Warrants having exercised their Warrants.

Trading of the Warrants

Application will be made for the admission of the Warrants to trading on the Regulated Market of the Luxembourg Stock Exchange and, in the form of Warrant Receipts, on the JSE. It is expected that the Warrants may be traded during the Warrants Trading Period (10 November 2008 to 28 November 2008) and exercised during the Exercise Period (10 November 2008 to 5 December 2008, with 3 December 2008 being the last practicable date on which the Warrants may be exercised by Shareholders who hold their Shares in dematerialised form). From the date of the issue of the Warrants, the Shares will trade ex-the subscription rights conferred by the Warrants.

Auction

On the day following the last day of the Exercise Period, Warrants which remained unexercised will expire. The rights represented by those expired Warrants will be sold on the Luxembourg Stock Exchange by public auction in the Warrant Auction. The Warrant Auction expected to take place (if required) on 8 and 9 December 2008, following the last day of the Exercise Period. Investors who wish to bid in the Warrant Auction should instruct a member of the Luxembourg Stock Exchange to represent them thereat. A list of members of the Luxembourg Stock Exchange can be found at www.bourse.lu. Rights purchased at the Warrant Auction will have to be exercised immediately and consequently any instruction given to the member of the Luxembourg Stock Exchange must include:

- the order to complete and sign the subscription instruction in respect of the subscription rights represented by the rights so purchased;
- irrevocable payment instructions to deliver the relevant number of BAT Shares to Reinet; and
- the confirmation of a banking institution that upon notification of the acceptance of the subscription, payment in respect of the subscription consideration will be made to Reinet.

The completed and signed subscription instructions containing the information necessary for the delivery of the New Shares to be issued will be submitted to the bailiff in charge of the Warrant Auction, who will forward them to the registrar of the Company.

If BAT Shares have not been delivered in respect of the rights exercised under the terms of the Warrant Auction by 3 p.m. Central European Time on the day following the Warrant Auction, the subscription rights representing such Warrants shall pass to the Underwriters. The purchaser of such rights at the Warrant Auction shall still be liable to pay the price due for having purchased such rights at the Warrant Auction.

Exercise of the Warrants

Shareholders holding their Warrants through a financial intermediary will have to notify their decision to exercise their Warrants and give their irrevocable payment instructions to such financial intermediary before the end of the Exercise Period. Any decision to exercise any Warrants will be irrevocable.

The exercise of the Warrants will take effect from at the end of the Exercise Period. Holders of Warrants will have to instruct their financial intermediary to make a delivery of BAT Shares in full consideration for the New Shares to be issued upon the exercise of Warrants. Failure to pay the required subscription consideration on exercise of Warrants will cause such Warrants to be deemed unexercised.

To exercise the Warrants, a Warrant Holder must have (either directly or through his financial intermediary) the BAT Shares to be tendered in connection with the Warrants to be exercised, and the Warrants themselves, credited to an account operated by one of Clearstream, Euroclear or SegaiInterSettle. Therefore, a purchaser of the Warrants during the Warrants Trading Period must transfer a sufficient number of BAT Shares into his account with Clearstream, Euroclear or SegaiInterSettle (depending upon the provider of the account to which the Warrants are credited) if he does not already hold such number of BAT Shares in that account, to be able to tender the BAT Shares on the exercise of the Warrants.

An exercise of Warrants will be invalid if the Warrant Holder purporting to exercise those Warrants does not hold (through his bank or financial intermediary) sufficient BAT Shares to subscribe for all of the Shares in respect of those Warrants. Any such shortfall of BAT Shares will mean that the purported exercise of the Warrants will be unsuccessful in its entirety. The Company shall accept no responsibility to Shareholders purporting to exercise their Warrants but who do not hold sufficient BAT Shares for such purpose.

Cash Payment in respect of Unexercised Warrants

The holders of Unexercised Warrants will be entitled to the Warrant Cash Payment. The amount of the Warrant Cash Payment will be paid to Clearstream and Euroclear (as appropriate) for the benefit of the holders of Unexercised Warrants.

Further information on the Rights Offering (including the number of shares in respect of which Warrants will be offered, the Subscription Exchange Ratio and the terms of the underwriting) will be contained in the Rights Offering Prospectus, which is expected to be published shortly before the start of the Exercise Period.

Issue of New Shares

Upon confirmation of receipt of the BAT Shares, the Company will create New Shares and shall issue these shares to registered holders and to Fortis Bank S.A./N.V. as common depository for Clearstream and Euroclear on the day falling two business days after the Warrant Auction. Clearstream and Euroclear will credit the accounts of their respective participants with the New Shares.

TAXATION

LUXEMBOURG TAXATION

The following is a summary discussion of certain material Luxembourg tax consequences with respect to the Company and the Shares. This summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to any particular holder of Shares, and does not purport to include tax considerations that arise from rules of general application or that are generally assumed to be known to Shareholders. It is not intended to be, nor should it be construed to be, legal or tax advice. This discussion is based on Luxembourg laws and regulations as they stand on the date of this Prospectus and is subject to any change in law or regulations or changes in interpretation or application thereof that may take effect after such date. Shareholders and prospective investors in the Shares should therefore consult their own professional advisors as to the effects of state, local or foreign laws and regulations, including Luxembourg tax law and regulations, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds de chômage*), as well as personal income tax (*impôt sur le revenu*) generally. Shareholders may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge (which are collectively referred to as Luxembourg corporation taxes) invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Taxation of the Company

Net worth tax

As a securitisation company within the meaning of the Luxembourg Securitisation Law, the Company will be exempt from annual net worth tax (*impôt sur la fortune*) which is charged at 0.5 per cent of the net worth of the companies to which it applies.

Capital duty

At the date of incorporation of a securitisation company (such as the Company on the RicheMont Reconstruction Date), a fixed capital duty (*droit d'apport*) of €1 250 is payable in principle in respect of the issued and paid-up share capital. The Company is currently organised as a holding company (and will be converted into a securitisation company on the RicheMont Reconstruction Date) and has paid in the past capital duty above this amount. On future capital increases of the Company, no capital duty will become due.

Corporate income tax

After the RicheMont Reconstruction, the Company will be liable for Luxembourg corporation taxes. The aggregate maximum applicable rate, including corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*) and the solidarity surcharge (*contribution au fonds de chômage*), is 29.63 per cent. for the fiscal year ending 2008 for a company established in Luxembourg City. Liability for such corporation taxes will extend to the Company's world-wide profits including capital gains, subject to the provisions of any relevant double taxation treaty. The taxable income of the Company 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 currently applied by the Luxembourg tax authorities. As a securitisation company, in calculating taxable net income based on its unconsolidated financial statements, the Company will be able to deduct from net income dividends payable to its Shareholders as business expenses. The Company 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).

Thin capitalisation rules

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

Taxation of Shareholders

This tax disclosure is limited to the tax consequences for Shareholders. This discussion therefore is limited to taxation issues in respect of the holding and selling of the Shares.

Withholding tax

Since the Company will qualify as a securitisation company, no withholding tax will be due in Luxembourg on distributions and other proceeds paid by the Company to its Shareholders.

The Luxembourg law of 23 December 2005 on payments of interest or similar income to Luxembourg-resident individuals and the Luxembourg laws dated 21 June 2005, or the laws, implementing the European Council Directive 2003/48/EC on the taxation of savings income, or the EU Savings Directive and several agreements concluded between Luxembourg and certain dependent territories of the European Union only apply to payments which qualify as "interest" as per the EU Savings Directive. The concept of interest is limited to income from debt-claims of every kind (bonds, debentures, loan agreements, etc.). The Luxembourg Income Tax Law (*loi concernant l'impôt sur le revenu*) not having modified the concept of "interest" income as defined under the EU Savings Directive, when implementing it into domestic legislation, dividend payments on shares do not fall under the withholding tax regime set forth under the EU Savings Directive.

Non-resident Shareholders

Capital gains realised by a Shareholder who is not a resident of Luxembourg for tax purposes and who has no permanent establishment or permanent representative to which the Shares are attributable are not taxable in Luxembourg, except if the Shares are part of a substantial participation of 10 per cent or more in the Company and provided these Shares are sold within six months of their acquisition or, under certain conditions, the Shareholder has been a resident of Luxembourg in the past.

Luxembourg-resident Shareholders

Shareholders will not become residents, or be deemed to be resident in Luxembourg, by reason only of the holding of the Shares.

Shareholders who are residents of Luxembourg for tax purposes or who have a permanent establishment or permanent representative in Luxembourg must for income tax purposes include any income (dividends, capital gains, liquidation proceeds in excess of their cost base) received or accrued on their Shares in their taxable income for the year. They will, however, not be subject to any Luxembourg income tax on the repayment of principal.

Luxembourg-resident Shareholders which are holding companies subject to the amended law of 31 July 1929 or undertakings for collective investment subject to the amended law of 20 December 2002 are tax exempt entities in Luxembourg and thus are not subject to any Luxembourg tax on income received or accrued on the Shares, or on gains realised on the sale or disposal of Shares.

Net wealth tax

Shares held by Luxembourg-resident corporate taxpayers are subject to an annual net worth tax charge (*impôt sur la fortune*) of 0.5 per cent. Non-resident individual Shareholders and resident individual Shareholders are exempt from net worth tax in Luxembourg. Non-resident corporate taxpayers will only be subject to net worth tax in Luxembourg on such Shares that they may hold via a permanent establishment in Luxembourg. The mere holding of the Shares in Luxembourg custody accounts does not create a permanent establishment or a permanent representative in Luxembourg. Absent any permanent establishment or a permanent representative in Luxembourg, non-resident corporate taxpayers will not be subject to net worth tax in Luxembourg as a result of them holding Shares. Where net worth tax becomes due, the taxable basis is determined by deducting debts incurred by the taxpayer in connection with the acquisition of the Shares. Luxembourg-resident Shareholders and Shareholders who have a permanent establishment or a permanent representative in Luxembourg to which the Shares are attributable are subject to Luxembourg wealth tax on the Shares, except if the Shareholder is: (i) a resident or non-resident individual taxpayer; (ii) a holding company subject to the amended law of 31 July 1929; (iii) an undertaking for collective investment subject to the amended law of 20 December 2002; (iv) a securitisation company governed by the Luxembourg Securitisation Law or (v) a company governed by the law of 15 June 2004 on venture capital vehicles.

Other tax consequences

Stamp taxes and transfer taxes

There is no Luxembourg registration tax, stamp duty or any other similar tax or duty payable in Luxembourg by the holders of Shares as a consequence of the issuance of the Shares, nor will any of these taxes be payable as a consequence of a subsequent transfer, repurchase or redemption of the Shares.

Gift taxes

No estate or inheritance tax is levied on the transfer of Shares upon death of a Shareholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes and no gift tax is levied upon a gift of Shares if the gift is not passed before a Luxembourg notary or recorded in a deed registered in Luxembourg. Where a Shareholder is a resident for tax purposes in Luxembourg at the time of his death, the Shares are included in its taxable estate for inheritance tax or estate tax purposes.

VAT

As a result of its activities and in light of European case law, the Company should be considered an “entrepreneur” for value-added tax purposes after the Richemont Reconstruction Date. As a result of this characterisation, certain services rendered by foreign service providers to the Company may be deemed to be located on Luxembourg territory. This may lead to a reverse charge mechanism in Luxembourg at applicable rates at the time the taxable service will have been provided, presently either 12 per cent or 15 per cent, depending on the nature of the services. However, since VAT exemption applies on the management of securitisation companies in Luxembourg, the VAT costs for the Company should be rather limited to a short list of services (such as lawyers’ fees, custodian services, etc.).

Taxation of Reinet Fund

Reinet Fund is not liable to any Luxembourg tax on profits or income. Reinet Fund is, however, 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 excerpt. No stamp duty or other tax is payable in Luxembourg on the issue of Shares.

No Luxembourg tax is 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.

Taxation of Shareholders

Prospective investors should ascertain from their professional advisors the consequences to them of acquiring, holding, redeeming, transferring, selling or converting Shares under the relevant laws of the jurisdictions to which they are subject, including the tax consequences and any exchange control requirements. These consequences will vary with the law and practice of a Shareholder’s country of citizenship, residence, domicile or incorporation and with his personal circumstances. Prospective investors also should bear in mind that levels and bases of taxation may change.

European Tax Considerations

The Council of the European Union adopted, on 3 June 2003, the Council Directive 2003/48/EC on the taxation of savings income. Under this Directive, Member States of the European Union (“**Member States**”) will be required to provide tax authorities of another Member State with details of payments of interest or other similar income paid by a paying agent within its jurisdiction to an individual resident in that other Member State, subject to the right of certain Member States (Austria, Belgium and Luxembourg) to opt instead for a withholding tax system for a transitional period in relation to such payments. The applicable withholding tax rate is 20 per cent until 30 June 2011 and will be 35 per cent from 1 July 2011. Because of the Company’s structure and the investment policy it will pursue, it is presently expected that dividends distributed by the Company (if any) and capital gains realised by Shareholders on the disposal of Shares in the Company will not be subject to such reporting or withholding.

LEGAL MATTERS

Elvinger Hoss & Prussen, advisors to the Company as to Luxembourg law, have advised the Company on certain Luxembourg company and securities law matters in connection with the admission to trading of the Shares and Warrants on the Regulated Market of the Luxembourg Stock Exchange.

Cliffe Dekker Hofmeyr, advisors to the Company as to South African law, have advised the Company on certain South African company, securities, exchange control and tax law matters in connection with the preparation of the constitutional documents of the Company and the admission to trading of the Reinet DRs and Warrant Receipts on the JSE.

INDEPENDENT AUDITORS

Reinet Investments Manager has decided to appoint PricewaterhouseCoopers Sàrl of 400, Route d'Esch, B.P. 1443, L-1014 Luxembourg as independent auditors of the Company pursuant to Article 48(1) of the Luxembourg Securitisation Law with effect from the Rlichemont Reconstruction Date. PricewaterhouseCoopers Sàrl is a member of the "*Institut des Réviseurs d'entreprises*".

The unaudited pro forma financial information of the Company as of and for the year ended 31 March 2008 and included in this Prospectus has been reported upon by PricewaterhouseCoopers S.à r.l., as stated in their report contained herein (as required by paragraph 7 of Annex II to Regulation 809/2004 of the European Commission).

DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 35, boulevard Prince Henri, L-1724 Luxembourg:

- the Articles;
- the Reinet Fund Articles;
- the Unaudited Pro Forma Consolidated Financial Information;
- the Reinet Investments Custodian Agreement;
- the Reinet Fund Custodian Agreement;
- the Investment Advisory Agreement; and
- the 2008 annual report of CFR.

The Articles have also been lodged with the Luxembourg Register of Commerce and Companies at 13, rue Erasme, L-2961 Luxembourg Kirchberg.

The 2007 Annual Report and 2008 Interim Report of BAT referred to in this Prospectus may be found on the BAT website at www.bat.com.

It is expected that a Prospectus in relation to Reinet Fund will be released in October after the publication of this Prospectus and will be available for inspection at the registered office of the Company.

The Company's annual reports and accounts for the period ending 31 March 2009 and for all future years, as well as all half-yearly financial data published by the Company, will be available for inspection at the registered office of the Company (where a copy may be obtained). The Company's annual reports and accounts will also be lodged with the Luxembourg Register of Commerce and Companies.

The address of the Luxembourg Register of Commerce and Companies is 13, rue Erasme, L-2961 Luxembourg Kirchberg.

GLOSSARY OF DEFINED TERMS

Save where the context requires otherwise, the words used in this Prospectus have the following meanings:

“Additional BAT Shares”	BAT Shares, received pursuant to the Reduction of Capital and the Remgro Distribution and held by the Underwriters and their Connected Persons following the Rights Offering;
“Additional Shares”	any additional Shares to be subscribed for by the Underwriters in the context of the Optional Placing, as more fully described in <i>“The Rights Offering and Optional Placing – Second Capital Increase”</i> ;
“Additional Shares Settlement Date”	the date on which any Additional Shares are issued to the Underwriters, as more fully described in <i>“The Rights Offering and Optional Placing – Second Capital Increase”</i> ;
“Affiliates”	persons that, directly or indirectly, through one or more intermediaries, control, are controlled by or are under common control with the person with whom they are affiliated;
“Articles”	the articles of incorporation of the Company to be adopted on the Richemont Reconstruction Date;
“BAT”	British American Tobacco p.l.c., a public limited company incorporated under the laws of England;
“BAT Distribution Effective Date”	the date upon which 90 per cent of the BAT Shares currently indirectly held by the Company are distributed to Shareholders upon the cancellation of a total of 495 599 271 Shares, expected to be on or around 3 November 2008;
“BAT Shares”	ordinary shares of par value of 25 pence each in the issued share capital of BAT;
“BAT VWAP”	has the meaning ascribed to that term in <i>“The Rights Offering and Optional Placing – Second Capital Increase”</i> ;
“Board of Overseers”	the board of overseers of the Company and Reinet Fund;
“CFR”	Compagnie Financière Richemont S.A., a <i>société anonyme</i> (limited liability company) incorporated under the laws of Switzerland with registration number CH-170.3.013.862-4;
“CFR DRs”	the depositary receipts to be issued by the Depositary in respect of CFR Shares and which will be traded on the JSE;
“CFR EGM”	the extraordinary general meeting of CFR held on 9 October 2008;
“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;
“CFR Shareholders”	the holders of the CFR Shares;
“CFR Shares”	the shares in CFR, divided into 522 000 000 ‘A’ bearer shares with a par value of CHF 1.00 each and 522 000 000 ‘B’ registered shares with a par value of CHF 0.10 each; and references to “‘A’ CFR Shares” and “‘B’ CFR Shares” shall be construed accordingly;
“CHF”	the lawful currency of Switzerland;
“Clearstream” or “Clearstream, Luxembourg”	Clearstream Banking, <i>société anonyme</i> , a limited liability company organised under the laws of Luxembourg or any successor thereto;

“Closing Price”	has the meaning ascribed to that term in <i>“The Investment Advisor and the Investment Advisory Agreement”</i> ;
“Company” or “Reinet Investments”	Richemont S.A., which will be converted into 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 on the Richemont Reconstruction Date;
“Connected Person”	means a person connected with one of the Underwriters or with the Rupert family interests;
“CREST”	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear UK & Ireland Limited in accordance with the Uncertificated Securities Regulations 2001 (SI 2001/375) (as amended);
“CSSF”	the Commission de Surveillance du Secteur Financier (the Luxembourg Financial Sector Supervisory Commission);
“Cumulative Total Shareholder Return”	has the meaning ascribed to that term in <i>“The Investment Advisor and the Investment Advisory Agreement”</i> ;
“Deposit Agreement”	the deposit agreement between CFR, the Company and the Depositary concluded in 1988, superseded in 1992 and amended in 2001 and (conditional upon the Richemont Reconstruction becoming effective) 2008, which contains the terms governing the Richemont DRs and, after the Richemont Reconstruction, the CFR DRs and the Reinet DRs;
“Depositary”	Richemont Securities AG, a <i>société anonyme</i> (limited liability company) incorporated under the laws of Switzerland with registration number CH-170.3.013.861-6;
“EUR”, “Euro” or “€”	the lawful single currency of member states of the European Union that adopt or have adopted the Euro as their currency in accordance with the legislation of the European Union relating to European Monetary Union;
“EUR : GBP Exchange Rate”	has the meaning ascribed to that term in <i>“The Reduction of Capital and First Capital Increase”</i> ;
“Euro BAT Share Price”	the price (in Euro) of BAT Shares determined in the manner described in <i>“The Reduction of Capital and First Capital Increase”</i> ;
“Euroclear”	means Euroclear Bank S.A./N.V., as operator of the Euroclear system, Luxembourg;
“Exchange Ratio”	the ratio used (i) to determine the number of BAT Shares to be received by Shareholders for each Share cancelled in the Reduction of Capital and (ii) the number of Shares to be issued to the Depositary in the context of the First Capital Increase, as more fully described in the <i>“The Reduction of Capital and First Capital Increase”</i> ;
“Exercise Period”	the period during which investors can subscribe for New Shares in respect of the Warrants issued in connection with the Rights Offering, which is expected to run from 10 November 2008 to 5 December 2008;
“First Capital Increase”	the increase in authorised share capital of Reinet Investments to enable the issue of Shares to the Depositary in connection with the Remgro Distribution;
“GBP”, “pounds sterling”, “sterling” or “£”	the lawful currency of the United Kingdom;
“Group” or “Richemont”	CFR and each of its subsidiaries from time to time;

“IFRS”	International Financial Reporting Standards;
“Initial Date”	has the meaning ascribed to that term in “ <i>The Investment Advisor and the Investment Advisory Agreement</i> ”;
“Initial Portfolio”	the expected portfolio of investments of the Company immediately after the Richemont Reconstruction, Reduction of Capital and First Capital Increase;
“Initial Price”	has the meaning ascribed to that term in “ <i>The Investment Advisor and the Investment Advisory Agreement</i> ”;
“Invested Assets”	has the meaning ascribed to that term in “ <i>The Investment Advisor and the Investment Advisory Agreement</i> ”;
“Investment Advisor”	Reinet Investment Advisors Limited, a company incorporated in Jersey under registered number 101466 and having its registered office at Sir Walter Raleigh House, 48 – 50 Esplanade, St. Helier, Jersey JE1 4HH, Channel Islands;
“Investment Advisory Agreement”	the investment advisory agreement the terms of which have been agreed between Reinet Fund Manager and the Investment Advisor;
“JSE”	the exchange, licensed under the South African Security Services Act, operated by JSE Limited (registration number 2005/022939/06), a public company duly incorporated in South Africa;
“Luxembourg Prospectus Law”	the Luxembourg Prospectus Law of 10 July 2005 on Prospectuses (<i>loi du 10 juillet 2005 relative aux prospectus pour valeurs mobilières</i>);
“Luxembourg Securitisation Law”	the Luxembourg Securitisation Law of 22 March 2004 (<i>loi du 22 mars 2004 relative à la titrisation</i>);
“Luxembourg Stock Exchange”	the Bourse de Luxembourg;
“Management Fee”	the annual management fee payable by Reinet Fund to the Investment Advisor which is calculated and payable in the manner set out in “ <i>The Investment Advisor and the Investment Advisory Agreement</i> ”;
“Management Shares”	the Management Shares to be issued by the Company and held by Reinet Investments Manager as unlimited shareholder (<i>actionnaire commandité</i>) of the Company;
“Member States”	Member States of the European Union;
“NAV of Reinet Fund”	the opening net asset value of the consolidated assets and liabilities of Reinet Fund as reported in respect of each semi-annual reporting period and as adjusted in the manner described in “ <i>The Investment Advisor and the Investment Advisory Agreement</i> ”;
“NAV per Share”	has the meaning ascribed to that term in “ <i>The Reduction of Capital and First Capital Increase</i> ”;
“New Shares”	Shares to be issued on the exercise of Warrants;
“New Shares Settlement Date”	the date on which the exercise of the Warrants takes effect and the New Shares are issued;
“Optional Placing”	the optional placing pursuant to which the Underwriters will have the opportunity to subscribe for Additional Shares as more fully described in “ <i>The Rights Offering and Optional Placing – Second Capital Increase</i> ”;
“Other Assets”	the assets held by Reinet after the Reduction of Capital and First Capital Increase other than BAT Shares and cash;
“PC Holders”	holders of PCs;

“PCs”	the participation certificates of no par value issued by the Company;
“Performance Fee”	the performance fee payable by Reinet Fund to the Investment Advisor which is calculated and payable in the manner set out in <i>“The Investment Advisor and the Investment Advisory Agreement”</i> ;
“Prospectus Directive”	Directive 2003/71/EC of the European Parliament;
“R&R”	R&R Holdings S.A., a <i>société anonyme</i> (limited liability company) incorporated under the laws of Luxembourg;
“R&R Reduction of Capital”	the reduction of the share capital of R&R, pursuant to which all of R&R’s assets attributable to the ‘B’ shares issued by R&R (being, principally, 390 036 627 BAT Shares) will be transferred to Reinet Investments, or a subsidiary of Reinet Investments;
“Reduction of Capital”	the reduction of the share capital of the Company, by which Shareholders will receive BAT Shares on the cancellation of part of their shareholding in the Company;
“Reinet”	Reinet Investments Manager, Reinet Fund Manager, and the Company and its subsidiaries from time to time (including Reinet Fund);
“Reinet DR Holders”	the holders of Reinet DRs;
“Reinet DRs”	the depositary receipts in respect of Shares to be issued by the Depositary and for which Richemont will seek a listing on the JSE (to be effective on the Richemont Reconstruction Date), entitling the holder to a one-tenth economic and voting participation interests in a Share;
“Reinet Fund”	Reinet Fund S.C.A., F.I.S., 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 specialised investment fund;
“Reinet Fund Articles”	the articles of incorporation of Reinet Fund adopted on 7 August 2008;
“Reinet Fund Custodian”	Banque de Luxembourg S.A. in its capacity as custodian of Reinet Fund;
“Reinet Fund Custodian Agreement”	the custodian agreement entered into between Reinet Fund and the Reinet Fund Custodian as described in <i>“Material Contracts”</i> ;
“Reinet Fund Manager”	Reinet Fund Manager S.A., in its capacity as manager of Reinet Fund;
“Reinet Investments”	the Company;
“Reinet Investments Custodian”	Banque de Luxembourg S.A. in its capacity as custodian of the Company;
“Reinet Investments Custodian Agreement”	the custodian agreement entered into between the Company and the Reinet Investments Custodian as described in <i>“Material Contracts”</i> ;
“Reinet Investments Manager”	Reinet Investments Manager S.A., in its capacity as manager of the Company;
“Rembrandt Trust”	Rembrandt Trust (Pty.) Limited, a company incorporated in the Republic of South Africa which is the holding vehicle for Rupert family interests in Remgro;
“Remgro”	Remgro Limited, a public company incorporated under the laws of South Africa and whose ordinary shares are listed on the JSE;
“Remgro Distribution”	the in specie dividend which Remgro intends to pay to Remgro Shareholders, comprising Remgro’s proportional shareholding of the BAT Shares currently held by R&R and 302 555 410 Reinet DRs which Remgro will receive pursuant to the contribution of 10 per cent of its indirect holding of BAT Shares to Reinet;

“Remgro Shareholders”	holders of Remgro Shares;
“Remgro Shares”	ordinary shares in the capital of Remgro;
“Richemont” or the “Group”	CFR and each of its subsidiaries from time to time;
“Richemont DRs”	the depositary receipts issued by the Depositary in respect of the Units;
“Richemont Reconstruction”	means the reconstruction of Richemont as more fully described in <i>“The Richemont Reconstruction”</i> which will result in, principally: the de-twinning of the CFR Shares from the PCs; the cancellation of CFR’s current shareholding in the Company on the transfer to CFR of the Group’s luxury goods businesses; the conversion of the Company into Reinet Investments S.C.A. and the conversion of the PCs into Shares; the listing of the Shares on the Luxembourg Stock Exchange; and the listing of the Reinet DRs and CFR DRs on the JSE;
“Richemont Reconstruction Date”	the date on which the conditions for the Richemont Reconstruction are fulfilled and, as a result of which, (a) the board of directors of CFR will take the necessary steps to de-twin the Richemont Units and, as a result thereof, (b) the resolutions approved by the Company’s current shareholder (being CFR) and the PC Holders will become unconditional;
“Richemont Units” or “Units”	the units formed by the twinning of the CFR Shares and the PCs and ‘A’ Units and ‘B’ Units shall be construed accordingly;
“Rights Offering”	the issue of nil-paid renounceable Warrants to Shareholders entitling a holder of such Warrants to subscribe for New Shares;
“Rights Offering Prospectus”	the prospectus to be published by the Company in connection with the Rights Offering on or about 7 November 2008;
“RSA Reduction of Capital”	the reduction of the share capital of the Company by €215 000 000 on the cancellation of all of the 1 914 000 shares in the Company currently in issue;
“Second Capital Increase”	the increase of the issued share capital of Reinet Investments by the issue of Shares in connection with the Rights Offering and Optional Placing;
“Securities Act”	the United States Securities Act of 1933;
“SegaInterSettle”	SIS SegaInterSettle AG, a <i>société anonyme</i> (limited liability company) incorporated under the laws of Switzerland and operating the Swiss central securities depositary system;
“Shareholder and PC Holder Meeting”	the adjourned meeting of the current holder of the entire issued share capital in the Company (being CFR) and the PC Holders, which was held on 8 October 2008;
“Shareholders”	holders of Shares;
“Shares”	the ordinary shares in the Company converted from the PCs on the Richemont Reconstruction Date, consisting of 574 200 000 shares on such date;
“Standstill Agreement”	the standstill agreement between BAT, CFR, Remgro and R&R dated 11 January 1999 (as amended from time to time);
“Subscription Exchange Ratio”	the ratio to be used to determine the number of New Shares to be issued in respect of each BAT Share contributed in the context of the Rights Offering and which will be published in the Rights Offering Prospectus;
“SWX Europe”	an established UK Recognised Investment Exchange operated by SWX Europe Limited (formerly virt-x Exchange Limited);

“SIX Swiss Exchange”	the SIX Swiss Exchange, a Swiss stock exchange operated by SIX Swiss Exchange AG, a <i>société anonyme</i> (limited liability company) incorporated under the laws of Switzerland, or any successor to the SIX Swiss Exchange;
“Transaction Agreement”	the Transaction Agreement dated 7 August 2008 between CFR, the Company and Remgro;
“Transparency Law”	the Luxembourg law of 11 January 2008 on transparency requirements;
“Unaudited Pro Forma Consolidated Financial Information”	the unaudited pro forma consolidated financial information for the Company as of and for the year ended 31 March 2008;
“UBS”	UBS AG, a <i>société anonyme</i> (limited liability company) incorporated under the laws of Switzerland and authorised to carry out banking and investment activities in various jurisdictions;
“Underwriters”	CF Rupert and Rembrandt Trust (Pty.) Limited in their capacity as underwriters of the New Shares to be issued in connection with the Rights Offering;
“Underwriting Agreement”	the underwriting agreement to be entered into on or about the date of the Rights Offering Prospectus between the Company and the Underwriters;
“Unexercised Warrants”	Warrants which remain unexercised at the end of the Exercise Period;
“Units” or “Richemont Units”	the units formed by the twinning of the CFR Shares and the RSA Participation Certificates and ‘A’ Units and ‘B’ Units shall be construed accordingly;
“U.S.”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
“Warrant Auction”	the auction in respect of Unexercised Warrants to be held immediately following the Exercise Period;
“Warrant Cash Payment”	the payment due to holders of Unexercised Warrants at the end of the Exercise Period, equal to the total proceeds of the Warrant Auction divided by the total number of Unexercised Warrants at the end of the Exercise Period;
“Warrant Holders”	holders of Warrants;
“Warrant Receipts”	instrument issued by the Depositary in respect of the Warrants held by it to Reinet DR Holders in the form of nil-paid Warrant receipts, entitling the holders thereof to subscribe for additional Reinet DRs for each Warrant Receipt held by contributing BAT Shares;
“Warrants”	the nil-paid, renounceable, tradeable warrants to be issued in connection with the Rights Offering entitling Warrant Holders to subscribe for New Shares by contributing BAT Shares to Reinet; and
“Warrants Trading Period”	the period during which investors will be able to trade their Warrants, which is expected to run from 10 November 2008 to 28 November 2008.

For the attention of the Board of Directors of

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

Report on the Unaudited Pro Forma Consolidated Financial Information of Richemont S.A. in the prospectus

In compliance with Commission Regulation (EC) No. 809/2004, as independent auditor, we report on the Unaudited Pro Forma Consolidated Financial Information (the "Unaudited Pro Forma Consolidated Financial Information") as of and for the year ended March 31, 2008 of Richemont S.A. (which is renamed Reinet Investments S.C.A. on October 20, 2008) set out on pages 28 to 33 in the prospectus dated October 10, 2008 (the "Prospectus") for the admission of the ordinary shares of Reinet Investments S.C.A. to the Luxembourg Stock Exchange (the "Transaction").

This Unaudited Pro Forma Consolidated 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 goods businesses might have affected the financial information presented on the basis of the accounting policies adopted by Richemont S.A. (which is renamed Reinet Investments S.C.A. on October 20, 2008) in preparing the unaudited consolidated balance sheet and income statement as at and for the year ended March 31, 2008. By nature, the Unaudited Pro Forma Consolidated 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 goods businesses taken place on March 31, 2007.

It is the responsibility of the Board of Directors of Richemont S.A. to prepare the Unaudited Pro Forma Consolidated 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 to Commission Regulation (EC) No. 809/2004, as to the proper compilation of the Unaudited Pro Forma Consolidated 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 Unaudited Pro Forma Consolidated 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 to make 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 Unaudited Pro Forma Consolidated 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 to provide us with reasonable assurance that the Unaudited Pro Forma Consolidated 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 Unaudited Pro forma Forma Consolidated 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 Unaudited Pro Forma Consolidated Financial Information.

This report is issued exclusively in the context of the prospectus relating to the Transaction dated October 10, 2008 and may not be used for any other purposes by any party.

Declaration

We declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the prospectus in compliance with item 1.2 of Annex 1 of Commission Regulation (EC) No. 809/2004.

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

Luxembourg, October 8, 2008



Véronique Lefebvre

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