

Remgro Limited

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

Terms announcement in respect of the proposed distribution of ordinary shares in British American Tobacco plc and depository receipts in respect of ordinary shares in Reinet Investments S.C.A. (currently Richemont SA) to Remgro shareholders and withdrawal of cautionary announcement

1. BACKGROUND AND RATIONALE

Remgro currently holds an indirect interest of 10.7% in British American Tobacco plc ("BAT") through its interest in the joint venture vehicle, R&R Holdings SA ("R&R"), a Luxembourg 1929 holding company. The remaining interest in R&R is held by its co-shareholder, Richemont (collectively Compagnie Financière Richemont SA ("CF Richemont"), incorporated in Switzerland and Richemont S.A. ("Richemont SA"), incorporated in Luxembourg).

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

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

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

Following the review of proposals, Remgro and Richemont agreed on a joint course of action including proposals for the reorganisation of Richemont SA into a new investment vehicle, Reinet Investments S.C.A. ("Reinet Investments"). Following the Remgro distribution (described in section 2 below), Reinet Investments will effectively be jointly capitalised by Remgro and Richemont with 10% of their respective indirect shareholdings in BAT and by a rights offer and optional placing which Reinet Investments intends to undertake. The Richemont board also intends separating its luxury goods business from its other investments. Both Remgro and Richemont propose distributing the remaining 90% of their indirect shareholding in BAT to their respective shareholders.

Remgro currently trades at a discount to its net asset value ("NAV"). The transaction is expected to contribute to unlocking part of this discount for Remgro shareholders.

The establishment of Reinet Investments and its sole subsidiary Reinet Fund (together "Reinet") as an independent dedicated investment entity allows Remgro shareholders to participate in a vehicle to be run by entities under the control of Rupert family interests, which will have an investment strategy aimed at long term capital growth.

The admission to trading of ordinary shares of Reinet on the Luxembourg Stock Exchange ("LuxSE") and the Reinet depository receipts on the exchange operated by the JSE Limited ("JSE") provides investors with a market for the Reinet ordinary shares and Reinet depository receipts.

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

The subsequent rights offer will provide Reinet shareholders with an opportunity to subscribe for additional Reinet ordinary shares, allowing them to maintain their proportionate interest in Reinet, by subscribing for new Reinet ordinary shares with BAT ordinary shares. Reinet shareholders not wishing to or ineligible to participate in the rights offer will be able to sell their rights on the LuxSE and JSE. The Rupert family interests will receive an option to subscribe for new Reinet ordinary shares at NAV per share as consideration for underwriting the rights offer.

2. THE PROPOSED TRANSACTION

The purpose of this announcement is to provide Remgro shareholders with the salient terms of the proposed transaction. A circular which contains the details of the proposed transaction will be dispatched to Remgro shareholders on or about 15 August 2008. A general meeting of Remgro shareholders will be held at 14:30 on Tuesday 7 October 2008 at The Conference Centre, Erinvale Estate Hotel & Spa, Lourensford Road, Somerset West, 7130 to consider and, if deemed fit, pass, *inter alia*, the ordinary and special resolutions required to authorise the implementation of the transaction.

Remgro proposes to distribute, as an interim dividend *in specie*, in terms of section 90 of the Companies Act, 1973 ("the Companies Act"), 192 870 000 or 90% of its BAT ordinary shares to Remgro shareholders.

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

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

- 40.6054 BAT ordinary shares; and
- 63.6977 Reinet depository receipts;

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

Remgro has obtained a binding ruling from SARS regarding the transaction. In terms of the ruling, the total estimated tax payable, including secondary tax on companies ("STC"), capital gains tax and securities transfer tax is approximately R850 million.

The Remgro distribution will have a material unintended negative economic impact on the majority of the participants in the Remgro Share Scheme. Remgro would like to place the scheme participants in the same or substantially similar economic position following the Remgro distribution when compared to their current economic position. Remgro would also like to do this at the lowest possible cost to Remgro and its shareholders. Based on proposals made to the independent members of the remuneration committee and the chairman of the audit committee of Remgro, Remgro will wind up the Remgro Share Scheme and will create a new share appreciation rights scheme in terms of which participants will be granted share appreciation rights in Remgro ordinary shares at market value (following the Remgro distribution). Remgro shareholders are referred to the circular, which contains the details of the ordinary and special resolutions to be proposed at the general meeting in relation to winding up of the Remgro Share Scheme and the creation of the share appreciation rights scheme as detailed above.

2.1 Conditions precedent to the Remgro distribution

The Remgro distribution is subject to the following principal suspensive conditions which may be fulfilled or waived, as the case may be:

- approval by the Remgro shareholders in general meeting of, *inter alia*, the implementation of the Remgro distribution by passing the proposed ordinary and special resolutions;
- registration by the Companies and Intellectual Properties Registration Office of the aforementioned special resolutions;
- the Richemont reconstruction becoming unconditional;
- the restructuring of Remgro's current indirect shareholding in BAT which will result in Remgro becoming the registered holder of the 214 300 000 BAT ordinary shares immediately prior to the Remgro distribution, becoming unconditional; and
- the secondary listing of BAT ordinary shares on the JSE.

2.2 Secondary listing of BAT ordinary shares

Application will be made by BAT to the JSE for a secondary listing of BAT ordinary shares and for the admission of BAT ordinary shares to trade on the main board of the JSE.

Subject to the Richemont reconstruction and the Remgro distribution being implemented, it is expected that BAT ordinary shares will commence trading on or before Tuesday 28 October 2008.

BAT will issue a pre-listing statement in accordance with the requirements of the JSE on or about Friday 10 October 2008. Remgro will make an electronic copy of the BAT pre-listing statement available on its website, www.remgro.com.

2.3 Listing of Reinet depository receipts

The Reinet depository receipts will be listed on the main board of the JSE and will commence trading on or about Tuesday 21 October 2008. Remgro will make an electronic copy of the Reinet prospectus available on its website, www.remgro.com.

2.4 Reinet rights offer and the optional placing

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

It is anticipated that the Reinet rights offer will:

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

An investor can either exercise the warrants by subscribing for new ordinary shares in Reinet by contributing BAT ordinary shares at a subscription exchange ratio to be determined just prior to the launch date on 10 November 2008 or sell the warrants on the LuxSE or the JSE.

The subscription exchange ratio will be determined by reference to the prevailing market prices of BAT and Reinet ordinary shares and is expected to reflect a 5-10% discount to the theoretical ex-rights price ("TERP") of Reinet ordinary shares at that time. This subscription exchange ratio will be announced immediately prior to the issue of the warrants.

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

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

2.5 Exchange Control considerations

The listing of BAT on the JSE will be considered an inward listing by a foreign entity for Exchange Control purposes and its ordinary shares will be inward listed shares. South African institutional investors may invest in inward listed

shares using their permissible foreign portfolio investment allowances. South African corporate entities, banks, trusts, partnerships and private individuals may invest in inward listed shares with restriction. To the extent that Remgro's institutional investors exceed their foreign exposure limits as a result of the distribution, they will be granted 24 months to realign their portfolios following the distribution of BAT ordinary shares.

Currently, the listing of the Richemont depository receipts on the JSE is not considered an inward listing by a foreign entity. The SARB has extended this dispensation to the Reinet depository receipts (as well as the New CF Richemont depository receipts) (refer to section 3 below) to be listed on the JSE and to be held by the current Richemont depository receipt holders pursuant to the Richemont reconstruction and to be distributed to Remgro shareholders pursuant to the Remgro distribution. Therefore, South African institutional investors will not be required to mark up their holdings in Reinet depository receipts against their permissible foreign portfolio investment allowances.

2.6 Cancellation of treasury shares and the remaining Remgro ordinary shares in the Remgro Share Scheme

In order to ensure that the maximum number of BAT ordinary shares and Reinet depository receipts are distributed to shareholders, Remgro has proposed a resolution for the general meeting to authorise the directors to acquire and cancel 962 119 Remgro ordinary shares which represent the undelivered shares in the Remgro Share Scheme and the 7 717 unallocated Remgro ordinary shares held in the Remgro Share Scheme. The cancellation is not expected to have any material financial effect on Remgro. The price at which these shares will be repurchased will be equal to the closing market price on the day prior to such repurchase, which is expected to occur between Wednesday 8 October 2008 and Friday 17 October 2008 and will be funded out of existing cash reserves.

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

3. FORMATION OF REINET

Currently, the CF Richemont ordinary shares are twinned with Richemont SA participation certificates ("Richemont SA PCs") to form indivisible units ("Richemont Units"). CF Richemont holds all of the ordinary shares in Richemont SA. Depository receipts in respect of the Richemont Units are currently listed on the JSE and entitle the holder thereof to a one tenth share of the economic rights, including voting rights, of a Richemont Unit ("CF Richemont depository receipts").

The board of CF Richemont has proposed that, subject to the approval of the required resolutions by CF Richemont shareholders and Richemont SA PC holders in general meeting, CF Richemont will undergo a reorganisation which will result in, *inter alia*:

- the de-twinning of the CF Richemont ordinary shares from the Richemont SA PCs;
- the amendment of the corporate objects and tax status of Richemont SA to establish Richemont SA as an investment company called Reinet Investments and the reclassification of the Richemont SA PCs into ordinary shares in Reinet Investments ("Reinet ordinary shares"); and
- the listing of Reinet ordinary shares on the LuxSE.

Accordingly, the CF Richemont depository receipts will be "split" to reflect the change in the underlying Richemont units into depository receipts in respect of the CF Richemont ordinary shares (CF Richemont will, following the reconstruction, operate the luxury goods business) ("New CF Richemont depository receipts") and depository receipts in respect of Reinet ordinary shares ("Reinet depository receipts"). Both the New CF Richemont depository receipts and the Reinet depository receipts will continue to entitle the holder thereof to a one tenth share of the economic rights, including voting rights, of an underlying CF Richemont ordinary share and a Reinet ordinary share respectively. The Reinet depository receipts will be listed on the JSE and will commence trading on or about Tuesday 21 October 2008.

4. KEY CHARACTERISTICS OF REINET

Reinet will have the following key attributes:

- Reinet Investments will be a securitisation vehicle incorporated in Luxembourg with its shares listed on the LuxSE and depository receipts in respect of its shares listed on the JSE. Its sole subsidiary will be Reinet Fund S.C.A. ("Reinet Fund"), which will be a Luxembourg-registered specialised investment fund;
- Reinet Fund's investment objective will be long term capital growth. The Fund intends, over time, to diversify the portfolio of assets in which it invests and will not have any restrictions on the classes of assets in which it may invest. It is expected that any investments in luxury goods businesses will be made through CF Richemont;
- Reinet Investments and Reinet Fund will both be incorporated in Luxembourg as partnerships limited by shares, ("*Sociétés en Commandite par Actions*");
- The respective Managing Partners ("*Actionnaires Commanditaires*"), Reinet Investments Manager S.A. and Reinet Fund Manager S.A., will be limited liability companies incorporated in Luxembourg and controlled by Rupert family interests; both management companies will be chaired by Mr Johann Rupert;
- As a consequence of the limited partnership status of Reinet Investments, the ordinary shareholders of Reinet will have limited voting rights. However, a "Board of Overseers" will be appointed to supervise Reinet Investments Manager S.A. and Reinet Fund Manager S.A., which will also act as the Audit Committee of Reinet Investments and Reinet Fund. The following are proposed to be members of the Board of Overseers:
 - Mr Yves-André Istel Senior advisor to Rothschild Inc.
 - Mr Ruggero Magnoni Vice Chairman of Lehman Brothers Inc.
 - Mr Alan Quasha Chairman of Quadrant Management Inc.
 - Mr Jürgen Schrempf Former Chairman of the Management Board of Daimler Chrysler A.G./ Non-Executive Chairman of Mercedes-Benz, South Africa;

- The Boards of Reinet Investments Manager S.A. and Reinet Fund Manager S.A. will initially comprise:
 - Reinet Investments Manager S.A.
 - Mr Johann Rupert Chairman of CF Richemont and Remgro
 - Mr Eloy Michotte Corporate Finance Director of Richemont
 - Mr Jo Schwenke Managing Director of Business Partners Limited
 - Mr Alan Grieve Corporate Affairs Director of Richemont
 - Reinet Fund Manager S.A.
 - Mr Johann Rupert (see above)
 - Mr Eloy Michotte (see above)
 - Mr Jo Schwenke (see above)
 - Mr Alan Grieve (see above)
 - Mr Kurt Nauer Group Treasury Manager of Richemont

- Reinet Fund Manager S.A. will be advised by Reinet Investments Advisor Limited ("investment advisor"), which will also be controlled by Rupert family interests;
 - Mr Johann Rupert (see above)
 - Mr Jason Eaglestone Finance Director of Richemont's venture capital interests
 - Mr Frank Vivier Investment Officer of Richemont's venture capital interests
 - Mr Ian Crosby Non-executive director
 - Mr Niall McCallum Non-executive director

The investment advisor will establish a team of experienced investment managers with strong investment records, focusing on long term capital growth, in due course.

- Dividends declared from income generated from the listed and unlisted investments held by Reinet Fund may be paid to Reinet Investments and Reinet Investments will remit such dividends in full to its shareholders and depository receipt holders after deduction of its own operating expenses. Dividends will be paid free of withholding taxes by Reinet Investments to its shareholders and depository receipt holders.

- A management fee will be payable annually to the investment advisor calculated as 1% of the NAV of Reinet Fund adjusted for corporate net indebtedness of Reinet Investments in respect of investments other than (i) cash, which will attract a fee of 0.25% and (ii) third-party managed assets, on which no management fee will be payable. No management fee will be charged for the period until 31 March 2009.

- In addition, the investment advisor will be entitled to receive a performance fee from Reinet Fund equal to 10% of the cumulative total shareholder return from the date of formation; cumulative total shareholder return will comprise share price appreciation adjusted for dividends paid and returns of capital.

- Costs incurred by Reinet Investments Manager S.A. and Reinet Fund Manager S.A. will be reimbursed by Reinet Investments and Reinet Fund, respectively;
- The amount of the management fee payable to the investment advisor will be reduced by any costs reimbursed by Reinet Fund to Reinet Fund Manager S.A.

The impact of the three steps of the proposed restructuring on Reinet is expected to be as follows:

- Step 1: Reconstruction of Richemont
 - Reinet Investments is established with 574.2 million shares. Initial assets will comprise approximately 390.0 million BAT ordinary shares, €351.1 million in cash and €55.5 million of other investments.

- Step 2 (a): Partial capital reduction in Reinet
 - Approximately 351.0 million BAT ordinary shares, representing 90% of Reinet's holding, are distributed to shareholders; approximately 78.6 million Reinet ordinary shares remain outstanding.

- Step 2 (b): Capital increase in Reinet to be contributed by Remgro
 - 10% of Remgro's BAT ordinary shares are contributed to Reinet in exchange for 30.3 million new Reinet ordinary shares, bringing the total number of Reinet ordinary shares outstanding to approximately 108.9 million. The new Reinet ordinary shares will be distributed by Remgro to its shareholders in the form of Reinet depository receipts.

- Step 3 (a): Reinet rights offer
 - In total approximately 108.9 million nil-paid warrants will be issued to subscribe for in total approximately 87.1 million new ordinary shares of Reinet, bringing the total number of Reinet ordinary shares to approximately 195.9 million. The Board of Overseers and the underwriters will set the subscription exchange ratio, which will determine the number of BAT ordinary shares that will be contributed into Reinet through the rights offer, immediately prior to the commencement of the Reinet rights offer.

- Step 3 (b): Optional placing of Reinet ordinary shares
 - The placing of additional new Reinet ordinary shares with the Rupert family interests will be at NAV per share *pro forma* for the rights issue. The placing will be at their option and will, if exercised, result in a minimum of approximately 5.0 million new Reinet ordinary shares and a maximum number of new Reinet ordinary shares to be determined by reference to the remaining total number of BAT ordinary shares held by the Rupert family interests following the rights issue. The exchange ratio for the placing will be determined and announced at the same time as the subscription exchange ratio for the rights issue. The placing will ensure that Rupert family interests will be in a position to contribute all of their remaining BAT ordinary shares into Reinet on a basis which is expected to be value neutral to other shareholders.

5. FINANCIAL INFORMATION RELATING TO THE TRANSACTION

5.1 Future dividend payments by Remgro

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

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

5.2 Pro forma financial effects of the transaction

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

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

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

Notes:

- The *pro forma* financial effects are based on the audited financial results of Remgro for the year ended 31 March 2008. The financial impact on the earnings of Remgro are illustrated as if the transaction had been completed at 1 April 2007, while the impact on the net assets of Remgro are shown as if the transaction had been implemented on 31 March 2008.
- The Remgro distribution will be implemented in compliance with section 90 of the Companies Act.
- The following common assumptions have been used in the calculation of the *pro forma* financial effects:
 - (a) an income tax rate of 29%;
 - (b) an STC rate of 10%;
 - (c) securities transfer tax of 0.25%;
 - (d) a Remgro ordinary share price of R195.93 at 31 March 2008;
 - (e) a BAT ordinary share price of GBP18.91 at 31 March 2008;
 - (f) interest earned at effective rates that vary between 5.31% and 6.21% per annum in foreign countries;
 - (g) an average Rand/GBP exchange rate of 14.2869 for the year to 31 March 2008; and
 - (h) a Rand/GBP exchange rate of 14.3449 and 16.0290 at 31 March 2007 and 31 March 2008 respectively.
- The financial effects set out above have been prepared based on IFRS and interpretations of International Financial Reporting Standards ("IFRS") applicable at 31 March 2008. It should be noted that IFRS is continuing to evolve through the issue and/or endorsement of new Standards and Interpretations and developments in the application of recently issued Standards. For that reason, it is possible that the financial effects reflected above may change before the presentation of the results of Remgro for the six months ending 30 September 2008 and year ending 31 March 2009.

6. SALIENT DATES AND TIMES

The salient dates and times for the Remgro distribution are set out below:

	2008
Circular to be posted on	Friday 15 August
Last day for the receipt of proxy forms for the general meeting by 14:30 on	Friday 3 October
General meeting to be held at 14:30 on	Tuesday 7 October
Results of the general meeting released on SENS on	Tuesday 7 October
Results of the general meeting published in the press on	Wednesday 8 October
BAT pre-listing statement available on or about	Friday 10 October
Reinet prospectus available on or about	Friday 10 October
Finalisation and salient dates announcement in respect of the Remgro distribution on	Monday 20 October
Expected listing date for the Reinet depository receipts on the JSE on	Tuesday 21 October
Last day to trade in Remgro shares on the JSE to participate in the Remgro distribution on	Monday 27 October
Expected listing of BAT on the JSE on or before	Tuesday 28 October
Remgro shares trade "ex" the entitlement to the Remgro distribution on	Tuesday 28 October
Remgro distribution record date on	Monday 3 November

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

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

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

Notes:

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

7. INFORMATION ON BAT

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. Its subsidiaries produce some 684 billion cigarettes through 47 cigarette factories in 40 countries with four separate factories manufacturing cigars, roll-your-own and pipe tobacco. BAT manages a portfolio with 300 brands including the four "Global Drive" Brands: Dunhill, Kent, Lucky Strike and Pall Mall. Much of the growth of the leading brands is driven by product innovation relating to filters, flavours, packaging and cigarette formats. BAT has a significant interest in tobacco leaf growing, working with thousands of farmers internationally. It employs over 53 000 people worldwide.

Remgro shareholders are advised to read the BAT pre-listing statement expected to be issued on or about Friday 10 October 2008. In addition, information on BAT can be found on its website, www.bat.com.

8. WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

The Remgro cautionary announcement released on SENS on 19 November 2007 and published in the press on 20 November 2007 is hereby withdrawn. Accordingly, Remgro shareholders are no longer required to exercise caution when dealing in their Remgro shares.

8 August 2008
Stellenbosch.

Merchant bank and sponsor



Attorneys

Independent reporting accountants

Hofmeyr
Hofmeyr Herstein & Gihwata Inc.
(Registration number: 1997/01523/21)

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

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

In particular, the information contained herein does not constitute an offer of securities for sale in the United States. None of the securities described, or directly or indirectly referred to, in this announcement have been and nor will they be registered under the US Securities Act of 1933, as amended (the "Securities Act"). Such securities may not be offered or sold in the U.S. to, for the account or benefit of, U.S. persons (as such terms are defined in Regulation S under the Securities Act) unless registered under the Securities Act or pursuant to an exemption from such registration. If and to the extent that any such securities may be deemed to be offered or sold as a result of the transactions described in this announcement, such securities are being offered and sold only to persons in offshore jurisdictions outside the United States in accordance with Regulation S under the Securities Act.

This announcement has not been and may not be disseminated or distributed by any person in the United States or to U.S. persons.