

RICHEMONT

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RICHEMONT TO RESTRUCTURE AND DISTRIBUTE 90% OF BAT INTEREST

Compagnie Financière Richemont S.A. (“CFR”) announces that it is proceeding with a restructuring of its businesses to create a focused luxury goods business and a separately-listed investment vehicle. The restructuring will result in the distribution of 90 per cent of Richemont's interest in British American Tobacco p.l.c. (“BAT”) to its shareholders.

The restructuring proposals are subject inter alia to the approval of the shareholders of CFR, and the holders of participation certificates (“PCs”) of Richemont S.A., Luxembourg. They are also subject to the approval of shareholders of Remgro Limited (“Remgro”), Richemont's co-shareholder in R&R Holdings S.A. (“R&R”), which holds the combined interest of Richemont and Remgro in BAT. Today, Remgro has also announced proposals for the distribution of 90 per cent of its interest in BAT.

The restructuring addresses the changes to tax legislation in Luxembourg, which would make the current group structure significantly less attractive to Unitholders from 31 December 2010 onwards.

Key elements of the proposed restructuring

- Richemont units, comprising shares issued by CFR and PCs issued by Richemont S.A., will be de-twinned on 20 October 2008 to create two separate entities:
 - CFR will become a focused luxury goods business, holding all of Richemont's luxury assets; it will continue to be headquartered in Geneva and listed on SWX Swiss Exchange; it is expected to remain in the blue-chip SMI index of leading Swiss stocks;
 - Richemont S.A. will be converted into a Luxembourg investment vehicle listed on the Luxembourg Stock Exchange, to be renamed Reinet Investments S.C.A. (“Reinet”), which will focus on long term capital growth;
- On 3 November 2008, 90 per cent of Richemont's interest in BAT, being some 351 million shares representing 17.5 per cent of the ordinary capital of BAT, will be distributed to Reinet shareholders; the remaining 10 per cent of the BAT shares, some 39 million shares being 1.9 per cent of the ordinary capital of BAT, will be retained in Reinet; a further 1.1 per cent of the ordinary capital of BAT (some 21 million shares) will be contributed by Remgro on the same terms in exchange for Reinet Depository Receipts (“DRs”) for distribution to its shareholders; at this point, Reinet will hold some 60 million BAT shares and approximately €407 million of cash and other investments;
- Reinet will subsequently launch a rights issue whereby shareholders can subscribe for Reinet shares using BAT shares. It is expected that shareholders will be able to subscribe for four new Reinet shares for every five shares held; the precise terms of the rights issue, including its size and the subscription exchange ratio, will be determined immediately prior to its launch. Rupert family interests have committed to underwrite the entire rights issue and, through a subsequent placing of Reinet shares at NAV per share, will be able to contribute into Reinet any remaining BAT shares that they hold; and
- Richemont DRs will be separated into CFR DRs and Reinet DRs. Richemont DR holders will also participate in the restructuring and receive BAT shares. Linked to this, Richemont and Remgro have formally requested BAT to obtain a secondary listing of its shares on the stock exchange in Johannesburg (the “JSE”), thus fulfilling an undertaking given by BAT in February 2007.

Comment from the Executive Chairman of Richemont

Commenting on the proposals, Mr Johann Rupert, Executive Chairman of Richemont, said:

“We have undertaken a detailed review of the alternatives open to the Group in the light of the need to restructure prior to the end of 2010. The proposals separate the luxury businesses from the investment holding activities and establish Compagnie Financière Richemont as a focused, Swiss luxury goods company. This reflects the significant development of the luxury business since we established Richemont 20 years ago and, indeed, since 1999, when we merged Rothmans International with BAT.

CFR will continue as a significant global company in its own right and will have a strong balance sheet with the financial resources to allow it to continue to grow both organically and, potentially, through acquisitions.

Reinet will be an investment vehicle which will invest in a broad-based portfolio of asset classes targeting long term capital growth.

Finally, Unitholders will obtain direct access to 90 per cent of Richemont’s interest in BAT.”

Benefits of the proposed restructuring

- Unitholders will be able to hold and trade separately their investments in the luxury goods businesses and BAT currently held through Richemont; CFR as an independent entity will continue to be one of the world’s leading luxury goods companies, with strong Maisons, broad geographic diversification and significant financial resources;
- The separation of the investments in the luxury goods businesses and BAT should contribute to the elimination of any holding company discount inherent in the current Richemont unit price;
- Reinet will allow its shareholders to participate in a listed vehicle controlled by Rupert family interests, which will have an investment strategy aimed at long term capital growth;
- The rights issue will provide Reinet shareholders with the choice of either subscribing for additional Reinet shares in exchange for BAT shares or selling their warrants on the Luxembourg Stock Exchange or the JSE.

Impact of the proposed restructuring on Unitholders

Each Richemont ‘A’ Unit currently listed on SWX Swiss Exchange comprises one ‘A’ share issued by CFR and one PC issued by Richemont S.A.

Subject to the proposals being approved, for every 1 000 Richemont ‘A’ Units held an investor will hold on 21 October 2008:

- 1 000 ‘A’ shares in CFR, a focused luxury goods vehicle listed on SWX Swiss Exchange; and
- 1 000 ordinary shares in Reinet, an investment vehicle listed on the Luxembourg Stock Exchange.

On 3 November 2008, Reinet will distribute 90% of the BAT shares to its shareholders on the pro rata cancellation of ordinary shares in Reinet. On 10 November 2008, Reinet will issue warrants to its shareholders with one warrant issued in respect of each ordinary share outstanding; it is expected that five warrants will be required to subscribe for four new shares.

After the launch on 10 November 2008 and before the end of the rights issue, for every 1 000 Richemont 'A' Units previously held, an investor will therefore have:

- 1 000 'A' shares in CFR;
- 137 ordinary shares in Reinet;
- 611 shares in BAT; and
- 137 warrants to subscribe for 110 new ordinary shares in Reinet.

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

The subscription exchange ratio will be determined by reference to the prevailing market prices of BAT and Reinet shares and is expected to reflect a 5-10 per cent discount to the theoretical ex-rights price ("TERP") of Reinet shares which itself is expected to reflect a discount to the net asset value per share. This subscription exchange ratio will be announced immediately prior to the issue of the warrants.

Richemont DRs are currently classified as domestic dual listed securities in the hands of South African investors. The same dispensation will extend to the Reinet DRs and the new CFR DRs. Consequently no ownership restrictions will apply to CFR DRs and Reinet DRs and, in particular, the holding of such DRs will not be marked against a South African investor's foreign portfolio allowance and prudential limits for institutional holders will not apply.

Fractional entitlements will be dealt with according to market practice by the relevant settlement systems and/or financial intermediaries. The numbers in the example of the impact of the proposed restructuring on 1 000 Richemont 'A' Units have been rounded for presentational purposes.

Information on the CFR shareholder and Richemont S.A. shareholder and PC holder meetings

To approve the restructuring proposals, an EGM of CFR shareholders and an EGM of the shareholder and PC holders of Richemont S.A. will be convened. The first Richemont S.A. EGM will be held in Luxembourg on 1 September 2008. If a quorum of PC holders is not present at this meeting, it will be adjourned and reconvened. It is envisaged that the reconvened Richemont S.A. meeting would be held on or around 8 October 2008.

The CFR shareholder meeting will be held in Geneva on or around 9 October 2008.

More information on the meetings will be made available in an information memorandum to be published on or around 15 August 2008.

Limitations of this announcement

This announcement does not constitute nor does it form part of any offer or invitation to buy, sell, exchange or otherwise dispose of, or issue, or any solicitation of any offer to sell or issue, exchange or otherwise dispose of, buy or subscribe for, any securities, nor does it constitute investment, legal, tax, accountancy or other advice or a recommendation with respect to such securities, nor does it constitute the solicitation of any vote or approval in any jurisdiction, nor shall there be any offer or sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the applicable securities laws of any such jurisdiction (or under exemption from such requirements).

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 United States or to, or 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 transactions 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.

Switzerland

The investment vehicle through which Reinet Investments S.C.A. will invest has not been approved by the Swiss Federal Banking Commission as a foreign collective investment scheme pursuant to Article 120 of the Swiss Collective Investment Schemes Act of 23 June 2008.

Professional advice

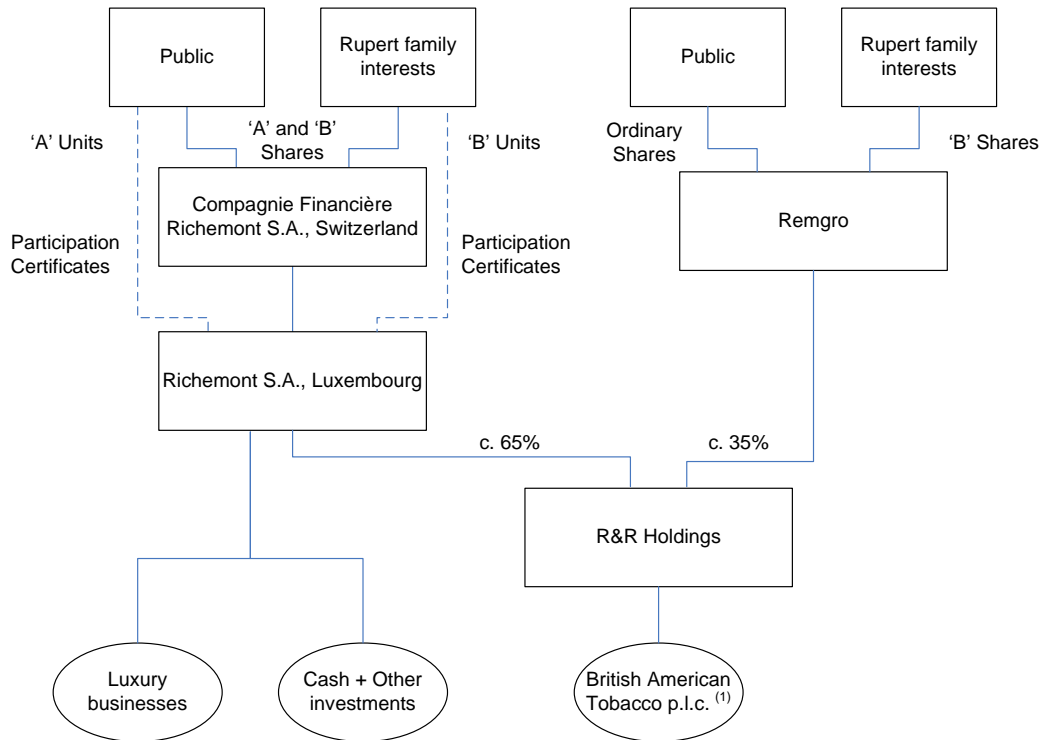
The terms of the reconstruction are complex, involving steps in a number of jurisdictions. Holders of Richemont units and DRs are therefore advised to contact their professional advisors for advice on fiscal, legal and investment matters.

Forward looking statements

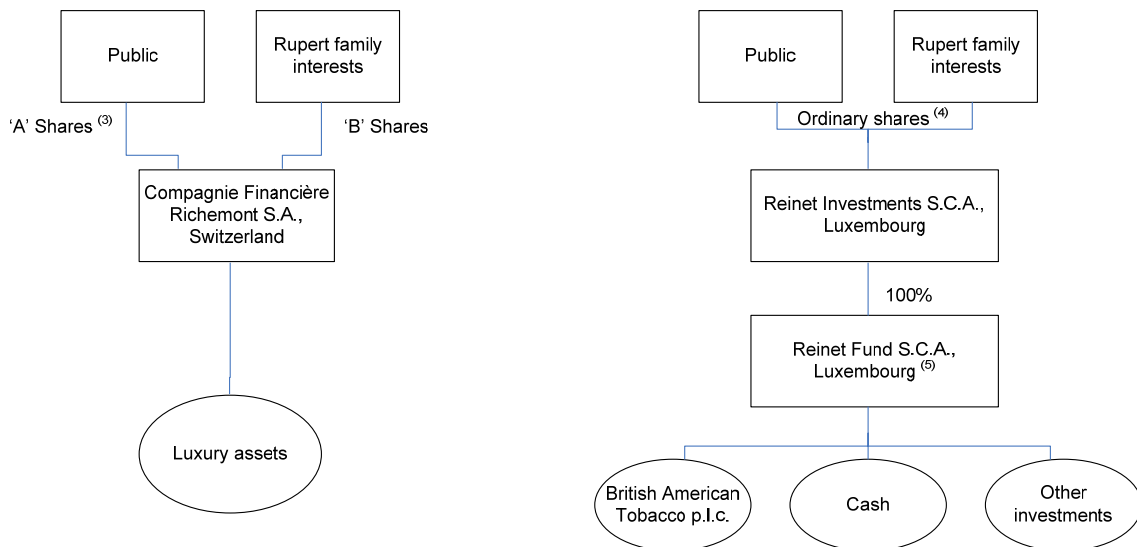
This announcement includes forward-looking statements that are subject to risks and uncertainties, including those pertaining to the anticipated benefits to be realised from the proposals described herein. This announcement contains a number of forward-looking statements including, in particular, statements about future events, future financial performance, plans, strategies, expectations, prospects, competitive environment, regulation and supply and demand. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words "may", "will", "expect", "anticipate", "believe", "estimate", "plan", "intend" and similar expressions or the negative of these terms or similar expressions in this presentation. The management of Richemont has based these forward-looking statements on its views with respect to future events and financial performance. Actual financial performance of the entities described herein could differ materially from that projected in the forward-looking statements due to the inherent uncertainty of estimates, forecasts and projections, and financial performance may be better or worse than anticipated. Given these uncertainties, readers should not put undue reliance on any forward-looking statements. Forward-looking statements represent estimates and assumptions only as of the date that they were made. The information contained in this announcement is subject to change without notice and Richemont does not undertake any duty to update the forward-looking statements, and the estimates and assumptions associated with them, except to the extent required by applicable laws and regulations

Appendix 1

Current Group structure



Group structure post the proposed restructuring²



¹ The holding in British American Tobacco p.l.c. represents currently approximately 30 per cent of the ordinary capital of BAT.

² Remgro Limited is not depicted in the chart. Its shareholders will also be shareholders of Reinet Investments S.C.A. and former Richeмонт Unitholders and Remgro shareholders will also hold directly, in aggregate, a significant minority interest in British American Tobacco p.l.c..

³ CFR 'A' shares are listed on SWX Swiss Exchange.

⁴ Reinet Investments ordinary shares will be listed on the Luxembourg Stock Exchange.

⁵ The management companies of Reinet Investments S.C.A. and Reinet Fund S.C.A. will each hold a small number of management shares.

Appendix 2

CFR after the proposed restructuring

Following the first stage of the restructuring, CFR will be a focused luxury goods company headquartered in Geneva, Switzerland. CFR's strategy and management of its luxury goods business will not be affected by the proposed restructuring. CFR will continue its long-term strategy of maintaining and growing each of the Maisons while respecting their individuality and heritage. The Maisons will be complemented by the Richemont global distribution and after-sales service platforms and central support functions.

CFR is well positioned, its Maisons benefiting from a strong heritage, diversified product ranges and a global geographic spread. It is expected to have in excess of €1 billion in net cash resources after the separation from Richemont S.A. and will be well placed to grow over the long term; both organically and through acquisitions, should appropriate opportunities arise.

The existing 'A' bearer and 'B' registered share classes of CFR will be maintained. The 'A' bearer shares of CFR will continue to be traded on the EU-regulated segment of SWX Europe and the 'B' registered shares of CFR will continue to be held by Rupert family interests.

Richemont currently accounts for its interest in BAT as an associated company. Post restructuring, CFR's consolidated sales and operating profit will therefore not be impacted by the proposals. Net income, however, will be reduced by the elimination of the equity accounted contribution from BAT. The Group's cash flow will be solely that generated by its luxury operations (and related net financial income); post restructuring, CFR will no longer receive any dividends from BAT.

CFR's future dividend decisions will be based on the profitability and cash flow generation of the luxury goods business, taking into account the investment opportunities and requirements of the business. The Richemont dividend of €0.78 per unit for the year ended 31 March 2008, to be paid in September 2008, is not affected by the proposals.

Appendix 3

Key characteristics of Reinet

Subject to the approval of the proposals, Reinet will have the following key attributes:

- Reinet Investments S.C.A. will be a securitisation vehicle incorporated in Luxembourg with its shares listed on the Luxembourg Stock Exchange. Its investment objective will be to invest into its sole subsidiary, Reinet Fund S.C.A., 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 CFR;
- 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 Commandités'), 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, who will also remain as Executive Chairman of CFR;
- 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 Manager and Reinet Fund Manager, which will also act as the audit committee of Reinet Investments and Reinet Fund. The following are proposed to be the initial members of the Board of Overseers:

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|---------------------|---|
| 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 Schrempp | Non-Executive Chairman of Mercedes-Benz, South Africa and former Chairman of the Management Board of DaimlerChrysler A.G. |

- 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 CFR 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 | Treasury Manager of Richemont S.A. |

- Reinet Fund Manager will be advised by Reinet Investment Advisors Limited (the “Investment Advisor”), which will also be controlled by Rupert family interests;
- The Board of the Investment Advisor will initially comprise:

| | |
|---------------------|---|
| 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 DR holders after deduction of its own operating expenses. Under current law and practice, dividends will be paid free of withholding taxes by Reinet Investments to its shareholders and DR holders;
- A management fee will be payable annually to the Investment Advisor calculated as 1 per cent 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 per cent, 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 per cent of the cumulative total shareholder return from the date of formation; cumulative total shareholder return will comprise share price appreciation and distributions to shareholders;
- 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, however, be reduced by any cost reimbursements made by Reinet Fund to Reinet Fund Manager;
- 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 390.0 million BAT shares and approximately €406.6 million in cash and other assets of which it is expected that €351.1 million will be in cash and €55.5 million will be in the form of other investments.

Step 2a: Distribution of BAT shares

351.0 million BAT shares, representing 90% of Reinet's interest in BAT, are distributed to shareholders. As a result the number of Reinet shares outstanding will be approximately 78.6 million.

Step 2b: Capital increase in Reinet to be subscribed for by Remgro

10% of Remgro's interest in BAT (being some 21.4 million BAT shares) is contributed to Reinet in exchange for approximately 30.3 million new Reinet shares, bringing the total number of Reinet shares outstanding to approximately 108.9 million. The new Reinet shares will be distributed to Remgro shareholders in the form of Reinet DRs. As a result of step 2, Reinet will own approximately 3.0 per cent of the ordinary capital of BAT.

Step 3a: Reinet rights issue

In total approximately 108.9 million nil-paid warrants will be issued to subscribe for an expected total of approximately 87.1 million new shares of Reinet, bringing the total number of Reinet shares to approximately 195.9 million. The Board of Overseers and the underwriters will set the precise size of the rights issue and the subscription exchange ratio, which will determine the number of BAT shares that will be contributed to Reinet through the rights issue, immediately prior to the commencement of the rights issue. The rights issue will be fully underwritten by Rupert family interests.

Step 3b: Optional placing of Reinet shares

The placing of additional new Reinet 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 5.0 million new Reinet shares and a maximum number of new Reinet shares to be determined by reference to the remaining total number of BAT 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 shares into Reinet on a basis which is expected to be value neutral to other shareholders.

Appendix 4

Principal conditions and approvals required for the restructuring

The principal conditions and approvals required for the implementation of the proposals are:

- the passing of resolutions at an extraordinary general meeting of CFR shareholders;
- the passing of resolutions at an extraordinary general meeting of the Richemont S.A. shareholder and PC holders;
- the passing of resolutions at an extraordinary general meeting of shareholders of Remgro (or the waiver of those approvals by Remgro);
- the admission of the Reinet shares to trading on the Luxembourg Stock Exchange;
- the continued listing of the de-twinning CFR Shares on SWX Swiss Exchange; and
- the admission to trading on the JSE of the CFR DRs and the Reinet DRs.

Appendix 5

Expected timetable of key dates for Unitholders

| Step/Event | Date |
|---|--|
| Publication of Richemont information memorandum | 15 August |
| Shareholder/PC holder meetings: <ul style="list-style-type: none"> • First Richemont S.A. shareholder and PC holder meeting • Remgro Limited shareholder meeting • Second Richemont S.A. shareholder and PC holder meeting if necessary • CFR shareholder meeting | 1 September 7 October 8 October 9 October |
| Reconstruction of Richemont: <ul style="list-style-type: none"> • De-twinning of CFR units effective • Luxury split on cancellation of CFR's interest in Richemont S.A. • Richemont S.A. converted into Reinet and PCs converted into Reinet shares • Separate listings of CFR and Reinet effective | 20 October 20 October 20 October 21 October |
| Distribution of BAT shares: <ul style="list-style-type: none"> • Distribution of BAT shares to Reinet shareholders pursuant to a partial capital reduction of Reinet | 3 November |
| Rights offering of Reinet <ul style="list-style-type: none"> • Issue of nil-paid warrants • Trading period for warrants • Practical end of exercise period • Auction period for unexercised warrants • Capital increase effective | 10 November 10-28 November 3 December 8-9 December 10 December |
| Final effective date for optional placing of Reinet | 12 December |