

REINET INVESTMENTS S.C.A.

Reinet Investments S.C.A.
(Incorporated in Luxembourg)
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Code: RNI
LEI: 0307021141926639

COMPANY ANNOUNCEMENT FOR IMMEDIATE RELEASE

19 NOVEMBER 2019

CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2019

The Board of Reinet Investments Manager S.A. announces the results of Reinet Investments S.C.A. for the six-month period ended 30 September 2019.

Key financial data

- **Reinet's net asset value of € 4.7 billion, reflects a compound return of 10 per cent per annum in euro terms, since March 2009, including dividends paid**
- **The net asset value at 30 September 2019 reflects a decrease of € 85 million or 1.8 per cent from € 4 830 million at 31 March 2019**
- **Net asset value per share at 30 September 2019: € 25.44 (31 March 2019: € 25.30)**
- **Share buyback programme: 4 439 000 ordinary shares repurchased during the period for a consideration of € 67 million with a total of 9 461 672 ordinary shares repurchased as of 30 September 2019 since commencement of the first programme for a consideration of € 135 million**
- **Commitments totalling € 28 million in respect of new and existing investments made during the period, and a total of € 38 million funded during the period**
- **Dividends from British American Tobacco during the period amounted to € 39 million**
- **Reinet dividend of some € 36 million, or € 0.19 per share (excluding treasury shares held), paid during the period**

Reinet Investments S.C.A. (the 'Company') is a partnership limited by shares incorporated in the Grand Duchy of Luxembourg and having its registered office at 35, boulevard Prince Henri, L-1724 Luxembourg. It is governed by the Luxembourg law on securitisation and in this capacity allows its shareholders to participate indirectly in the portfolio of assets held by its wholly-owned subsidiary Reinet Fund S.C.A., F.I.S. ('Reinet Fund'), a specialised investment fund also incorporated in Luxembourg. The Company's ordinary shares are listed on the Luxembourg Stock Exchange, Euronext Amsterdam and the Johannesburg Stock Exchange; the listing on the Johannesburg Stock Exchange is a secondary listing. The Company's ordinary shares are included in the 'LuxX' index of the principal shares traded on the Luxembourg Stock Exchange. The Company and Reinet Fund together with Reinet Fund's subsidiaries are referred to as 'Reinet'.

Reinet Investments S.C.A.
R.C.S. Luxembourg B 16 576

Legal Entity Identifier : 222100830RQTFVV22S80

Registered office: 35, boulevard Prince Henri, L-1724 Luxembourg, Tel. (+352) 22 42 10, Fax (+352) 22 72 53
Email: info@reinet.com, website: www.reinet.com

REINET INVESTMENTS S.C.A.

Cautionary statement regarding forward-looking statements

This document contains forward-looking statements as that term is defined in the United States Private Securities Litigation Reform Act of 1995. Words such as 'may', 'should', 'estimate', 'project', 'plan', 'believe', 'expect', 'anticipate', 'intend', 'potential', 'goal', 'strategy', 'target', 'will', 'seek' and similar expressions may identify forward-looking statements. Such forward-looking statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside Reinet's control. Reinet does not undertake to update, nor does it have any obligation to provide updates or to revise, any forward-looking statements.

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BUSINESS OVERVIEW

The Company has determined that it meets the definition of an investment entity in terms of the amended International Financial Reporting Standards ('IFRS') 10. The net asset value and income statement included in this business overview have however been presented in a more comprehensive format than required by IFRS in order to provide readers with detailed information relating to the underlying assets and liabilities.

Net asset value				
The net asset value ('NAV') at 30 September 2019 comprised:				
	30 September 2019		31 March 2019	
	€ m	%	€ m	%
Listed investments				
British American Tobacco p.l.c.	2 306	48.6	2 523	52.2
Other listed investments	55	1.2	82	1.7
Unlisted investments				
Pension Insurance Corporation Group Limited	1 623	34.2	1 480	30.6
Private equity and related partnerships	771	16.2	772	16.0
Trilantic Capital Partners	229	4.8	216	4.5
Fund IV, Fund V, Fund VI, TEP, TEP II, related general partners and management companies				
36 South macro/volatility funds	32	0.7	32	0.7
Asian private equity companies and portfolio funds	228	4.8	243	5.0
Milestone China Opportunities funds, investment holdings and management company participation	77		82	
Prescient China funds and investment management company	105		110	
Grab Holdings Inc.	46		51	
Specialised investment funds	282	5.9	281	5.8
Vanterra C Change TEM and holding companies	24		23	
NanoDimension funds and co-investment opportunities	35		26	
Snow Phipps funds and co-investment opportunities	121		105	
GAM Real Estate Finance Fund	12		37	
Other fund investments	90		90	
United States land development and mortgages	63	1.3	79	1.6
Diamond interests	43	0.9	46	1.0
Other investments	75	1.6	67	1.4
Total investments	4 936	104.0	5 049	104.5
Cash and liquid funds	398	8.4	360	7.5
Bank borrowings and derivatives				
Borrowings	(638)	(13.4)	(662)	(13.7)
Net derivative assets	134	2.8	135	2.8
Other liabilities				
Minority interest, fees payable and other liabilities, net of other assets	(85)	(1.8)	(52)	(1.1)
Net asset value	4 745	100.0	4 830	100.0

All investments are held, either directly or indirectly, by Reinet Fund.

INFORMATION RELATING TO CURRENT KEY INVESTMENTS

		Committed amount ⁽¹⁾ in millions	Remaining committed amount ⁽¹⁾ in millions	Invested amount ⁽²⁾ in millions	Realised proceeds ⁽²⁾ in millions	Current fair value ⁽¹⁾ in millions	Total realised and unrealised value ⁽³⁾ in millions
Listed investments							
British American Tobacco p.l.c.	EUR	-	-	1 739	2 088	2 306	4 394
	GBP	-	-	1 418	1 730	2 045	3 775
Other listed investments	EUR	37	-	74	47	55	102
	USD	40	-	95	53	60	113
Unlisted investments							
Pension Insurance Corporation Group Limited	EUR	614	-	663	-	1 623	1 623
	GBP	545	-	545	-	1 439	1 439
Trilantic Capital Partners	EUR	632	283	345	406	229	635
Euro investment	EUR	87	20	67	125	48	173
US dollar investment ⁽⁴⁾	USD	594	286	318	342	197	539
36 South macro/volatility funds	EUR	94	-	93	12	32	44
Euro investment	EUR	88	-	88	12	27	39
US dollar investment	USD	6	-	6	-	5	5
Asian private equity companies and portfolio funds							
Milestone China Opportunities funds, investment holdings and management company participation	EUR	155	4	127	108	77	185
	USD	169	4	165	123	84	207
Prescient China funds and investment management company	EUR	75	-	68	2	105	107
	USD	82	-	82	2	114	116
Grab Holdings Inc.	EUR	46	-	43	-	46	46
	USD	50	-	50	-	50	50
Specialised investment funds							
Vanterra C Change TEM and holding companies	EUR	65	4	53	2	24	26
	USD	71	4	67	3	26	29
NanoDimension funds and co-investment opportunities	EUR	93	30	57	38	35	73
Euro investment	EUR	4	-	4	1	2	3
US dollar investment	USD	96	32	64	42	35	77
Snow Phipps funds and co-investment opportunities	EUR	159	38	115	46	121	167
	USD	173	42	131	50	132	182
GAM Real Estate Finance Fund	EUR	113	31	87	81	12	93
	GBP	100	28	72	70	10	80
United States land development and mortgages							
	EUR	197	6	160	28	63	91
	USD	215	6	209	31	69	100
Diamond interests⁽⁵⁾							
	EUR	75	2	116	85	43	128
	ZAR	1 230	40	1 190	1 237	713	1 950

(1) Calculated using period end foreign exchange rates.

(2) Calculated using actual foreign exchange rates at transaction date.

(3) Total of realised proceeds and current fair value.

(4) The invested amount for Trilantic Capital Partners includes an initial payment of \$ 10 million.

(5) The exposure to the South African rand has been partially hedged by a forward exchange contract and borrowings in this currency.

PERFORMANCE

NET ASSET VALUE

The NAV of the Company comprises total assets less total liabilities, and equates to total equity under International Financial Reporting Standards. The decrease in the NAV of € 85 million during the period reflects the decrease in the fair value of certain investments, including British American Tobacco p.l.c. ('BAT') and the payment of a dividend to shareholders. Offsetting these decreases in value are dividends received from BAT in the period, and increases in the estimated fair value of certain investments, including Pension Insurance Corporation Group Limited. During the period, the Company also continued to fund the purchase of its own ordinary shares through buyback programmes. Details of the Company's NAV and details of movements in key investments can be found on pages 2 and 3.

The Company records its assets and liabilities in euro; the weakening of sterling and the South African rand against the euro, offset by the strengthening of the US dollar against the euro has resulted in an overall decrease in the value of certain assets and liabilities in euro terms. Applying current period-end exchange rates to the March 2019 assets and liabilities would have resulted in a decrease in value of some € 82 million.

SHARE BUYBACK PROGRAMME

The Company has repurchased 9 461 672 ordinary shares between November 2018 and September 2019 under four share buyback programmes, the last of which is not yet complete. The cost of the ordinary shares repurchased amounts to € 135 million, plus transaction costs.

Between April 2019 and September 2019, 4 439 000 ordinary shares were repurchased for € 67 million, plus transaction costs.

On 6 September 2019, the Company announced the commencement of a fourth share buyback programme in respect of a maximum of 3.1 million ordinary shares for an aggregate maximum amount of € 50 million commencing on 11 September 2019 and ending on 12 December 2019.

Details of each share buyback programme can be found in note 7 to the financial statements.

All ordinary shares repurchased are held as treasury shares.

In accordance with IAS 32, a liability of € 38 million has been recorded in respect of the maximum potential amount still to be paid in order to complete the current programme.

NET ASSET VALUE PER SHARE

The NAV per share and the adjusted NAV per share are calculated by dividing the NAV and adjusted NAV respectively by the number of shares outstanding (excluding treasury shares) of 186 480 614. The adjusted NAV is calculated by reversing the liability in respect of future repurchases of shares of € 38 million. The adjusted NAV is considered relevant as it eliminates the timing difference between the additional liability recorded for future share repurchases and the actual number of shares repurchased as at 30 September 2019.

	30 September 2019	31 March 2019
Shares in issue	195 942 286	195 942 286
Treasury shares	(9 461 672)	(5 022 672)
Net shares	186 480 614	190 919 614
	€ m	€ m
NAV (see page 2)	4 745	4 830
Reversal of future share buyback liability	38	49
Adjusted NAV	4 783	4 879
NAV per share	€ 25.44	€ 25.30
Adjusted NAV per share	€ 25.64	€ 25.56

INVESTMENTS

Reinet seeks, through a range of investment structures, to build partnerships with other investors, specialised fund managers and entrepreneurs to find and develop opportunities for long-term value creation for its shareholders.

Since its formation in 2008, Reinet has invested some € 2.4 billion and at 30 September 2019 committed to provide further funding of € 430 million to its current investments. Details of the funding commitments outstanding are given in the table on page 8. New commitments during the period under review amounted to € 28 million, and a total of € 38 million was funded during the period.

Major items impacting the NAV, significant changes in carrying value and new investments during the period under review are described on the following pages.

LISTED INVESTMENTS

BRITISH AMERICAN TOBACCO P.L.C.

The investment in BAT remains Reinet's single largest investment position and is kept under constant review, considering the company's performance, the industry outlook, cash flows from dividends, stock market performance, volatility and liquidity.

During the period under review, dividend income recorded from BAT amounted to € 39 million (£ 35 million), being BAT's second 2019 interim dividend received in August 2019. The first 2019 interim dividend of € 40 million (£ 35 million) was received in May 2019 and was recorded as a receivable in Reinet's March 2019 results. No amount has been recorded as receivable at 30 September 2019 as the next dividend record date is in October 2019.

Reinet holds 68.0 million shares in BAT, representing some 2.96 per cent of BAT's issued share capital. The value of Reinet's investment in BAT amounted to € 2 306 million at 30 September 2019, being some 48.6 per cent of Reinet's NAV (31 March 2019: € 2 523 million). The BAT share price on the London Stock Exchange decreased from £ 31.94 at 31 March 2019 to £ 30.08 at 30 September 2019, resulting in a decrease in value of € 140 million; the carrying value is also impacted by the weakening of sterling against the euro during the period, the effect of which amounts to some € 77 million.

The tobacco industry continues to be impacted by the US Food and Drug Administration regulation, which currently focuses on youth usage of vapour products and the reduction of menthol and nicotine content. However, in its half-year report, BAT reported good financial results, increased focus on new product launches, on track performance and expected accelerated revenue growth in the second half of the year.

BAT also commented that the risk relating to the adverse consequences of the UK's potential exit from the EU ('Brexit') is under review, however this is not currently deemed to be a principal risk for the BAT group.

Further information on BAT is available at www.bat.com/annualreport.

OTHER LISTED INVESTMENTS

As at 30 September 2019 and 31 March 2019, other listed investments comprise the following:

	30 September 2019 € m	31 March 2019 € m
SPDR Gold shares	29	25
Selecta Biosciences, Inc.	1	1
Soho China Limited	12	18
Li Ning Company Limited	-	26
Twist Bioscience Corporation	13	12
	55	82

During the period, Reinet sold its remaining 18.4 million shares in Li Ning Company Limited for proceeds of € 28 million realising a gain of € 11 million.

UNLISTED INVESTMENTS

Unlisted investments are carried at their estimated fair value. In determining fair value, Reinet Fund Manager S.A. (the 'Fund Manager') relies on audited and unaudited financial statements of investee companies, management reports and valuations provided by third-party experts. Valuation methodologies applied include the NAV of investment funds, discounted cash flow models and comparable valuation multiples, as appropriate.

PENSION INSURANCE CORPORATION GROUP LIMITED

Pension Insurance Corporation Group Limited's ('Pension Corporation') wholly-owned subsidiary, Pension Insurance Corporation plc ('Pension Insurance Corporation'), is a leading provider in the UK pension retirement market.

During the first half of 2019, Pension Corporation concluded £ 6 billion of buyouts and buy-ins with the trustees of defined benefit schemes and reinsured £ 7 billion of longevity reinsurance, including the reinsurance of almost £ 1.5 billion of deferred (future-pensioner) lives. This is the first time such a significant amount of deferred lives has been reinsured in any one period and signals increased capacity for this type of risk within the reinsurance market. Reinet believes this to be positive for the market in general and its investment in Pension Corporation.

Included in the £ 6 billion of new business is £ 425 million in respect of the Co-operative Group, £ 1.2 billion in respect of Dresdner Kleinwort, £ 900 million in respect of Marks & Spencer and £ 3.4 billion in respect of the British American Tobacco UK Pension Fund ('BAT Pension Fund'). The agreement with the BAT Pension Fund is Pension Insurance Corporation's largest ever transaction, taking its assets to over £ 39 billion.

At 30 June 2019, Pension Insurance Corporation reported it held £ 39.6 billion in assets (31 December 2018: £ 31.4 billion) and had insured 218 000 pension fund members (31 December 2018: 192 000). Clients include FTSE 100 companies, multinationals and the public sector.

Reinet's investment in Pension Corporation is carried at an estimated fair value of € 1 623 million at 30 September 2019 (31 March 2019: € 1 480 million). This value takes into account Pension Corporation's embedded value at 30 June 2019 of £ 3.9 billion (31 December 2018: £ 3.6 billion), valuation multiples drawn from industry data and a discount of 10 per cent which takes into account the illiquid nature of Reinet's investment.

The increase in the estimated fair value is mainly due to the increase in Pension Corporation's embedded value which reflects new business written during the period, offset by the weakening of sterling against the euro during the period.

Pension Insurance Corporation has considered the risks associated with the UK leaving the EU (Brexit) and the potential impact that this may have on its business model and policyholders. This includes scenario assessments to assess whether appropriate controls are in place to ensure that contractual relationships with various stakeholders continue to operate as intended post Brexit – including the ability to pay policyholders, relationships with banking and reinsurance counterparties and legislation around data security. Scenarios have also been performed considering potential macro-economic impacts to ensure that adequate controls are in place to mitigate the potential balance sheet impacts of market movements in a worst-case Brexit scenario on its solvency and liquidity position.

Further information on Pension Corporation is available at www.pensioncorporation.com.

PRIVATE EQUITY AND RELATED PARTNERSHIPS

TRILANTIC CAPITAL PARTNERS

Trilantic Capital Partners ('Trilantic') is composed of Trilantic North America and Trilantic Europe, two separate and independent private equity investment advisors focused on making controlling and significant minority interest investments in companies in their respective geographies. Trilantic North America primarily targets investments in the business services, consumer and energy sectors, and currently manages five fund families. Trilantic Europe primarily targets investments in the industrials, consumer and leisure, telecommunication, media and technology, business services and healthcare sectors, and currently manages two fund families.

Reinet and its minority partner invest in certain of the Trilantic general partnerships and management companies (together 'Trilantic Management'). Reinet and its minority partner, through Reinet TCP Holdings Limited, invest in two of the current funds under Trilantic's management. Reinet also directly invests in four additional funds under Trilantic's management. The terms of investment applicable to Reinet's investment in the Trilantic funds provide that Reinet will not pay any management fees or carried interest. In addition, Reinet receives a share of the carried interest payable on the realisation of investments held in the funds, once a hurdle rate has been achieved.

Reinet TCP Holdings Limited invests in Trilantic Capital Partners IV L.P. and Trilantic Capital Partners IV (Europe) L.P., these funds are in the process of realising value from underlying investments. In the period under review, distributions of some € 7 million were received.

Reinet invests in Trilantic Capital Partners V (North America) L.P. and Trilantic Energy Partners (North America) L.P., which both completed their investment period in June 2018 with Reinet making capital contributions of some € 1 million and receiving distributions of some € 14 million in the period under review. These US-based funds are focused on North American opportunities with Trilantic Energy Partners (North America) L.P. being especially focused on the oil and gas sector.

Reinet also invests in Trilantic Capital Partners VI Parallel (North America) L.P. (collectively with its parallel vehicles, 'Fund VI') and Trilantic Energy Partners II Parallel (North America) L.P. (collectively with its parallel vehicles 'TEP II'). Fund VI completed its fund raising in mid-2019 with total commitments of € 2.5 billion (\$ 2.75 billion), with Reinet making capital contributions of some € 17 million in the period under review. TEP II completed its fund raising in 2018 with total commitments of € 401 million (\$ 437 million). These US-based funds are focused on North American opportunities with TEP II being especially focused on the oil and gas sector.

Reinet's investment in Trilantic Management and the above funds is carried at the estimated fair value of € 229 million at 30 September 2019 (31 March 2019: € 216 million) of which € 4 million (31 March 2019: € 4 million) is attributable to the minority partner. The estimated fair value is based on unaudited valuation data provided by Trilantic Management at 30 June 2019, adjusted for changes in the value of listed investments included in the portfolios. The increase in the estimated fair value is due to net capital contributions of € 10 million, the strengthening of the US dollar against the euro and increases in estimated fair values of underlying investments.

During the period under review, gains of € 10 million (30 September 2018: € 16 million) and carried interest of € 3 million (30 September 2018: € 15 million) were realised.

Further information on Trilantic is available at www.trilantic.com.

ASIAN PRIVATE EQUITY COMPANIES AND PORTFOLIO FUNDS

Milestone China Opportunities funds, investment holdings and management company participation

Reinet has invested along with Milestone Capital in a management company based in Shanghai, and has also invested in certain funds and investment companies managed by Milestone Capital (together 'Milestone').

Milestone Capital has a strong track record in helping portfolio companies scale their operations and become listed on either domestic or foreign stock exchanges. Funds under management invest primarily in domestic Chinese high-growth companies seeking expansion or acquisition capital. Milestone funds seek to maximise medium- to long-term capital

appreciation by making direct investments to acquire minority or majority equity stakes in those companies identified by Milestone's investment team.

Current areas of investment include: restaurants; biopharmaceutical manufacturers; medical device manufacturers; food and beverage distribution; brands covering sportswear and apparel; big data services; e-commerce; power generation equipment; and online education.

The investment in Milestone is held at the estimated fair value of € 77 million (31 March 2019: € 82 million) based on unaudited financial information provided by Milestone Capital at 30 June 2019 adjusted for movements in listed investments and cash movements up to 30 September 2019.

The change in estimated fair value reflects capital repayments of € 28 million, offset by capital contributions, the strengthening of the US dollar against the euro and the increases in the value of underlying investments in the period.

Further information on Milestone Capital and Milestone funds is available at www.mcmchina.com.

Grab Holdings Inc.

Grab Holdings Inc. ('Grab') is one of the most frequently used mobile platforms in Southeast Asia. Grab provides access to safe and affordable transport, food and package delivery, mobile payments and financial services. Grab currently offers services in Singapore, Cambodia, Indonesia, Malaysia, Myanmar, the Philippines, Thailand and Vietnam.

In July 2018, Reinet invested € 43 million (\$ 50 million) in Grab. As at 30 September 2019, the investment in Grab is held at the estimated fair value of € 46 million (31 March 2019: € 51 million), calculated based on multiples drawn from industry data. The decrease in the estimated fair value is due to lower market multiples in respect of comparable listed companies.

Further information on Grab is available at www.grab.com.

SPECIALISED INVESTMENT FUNDS

NanoDimension funds and co-investment opportunities

Reinet is a limited partner in NanoDimension I, II and III limited partnerships and one co-investment opportunity alongside NanoDimension III. The focus of each fund is to invest in and support the establishment, technology development and scale up, growth and commercialisation of companies leveraging the advancement of new atomic and molecular structures. Product applications range from molecular diagnostics, immuno-oncology, immuno-tolerance, organs on chip, DNA synthesis and energy storage.

At 30 September 2019, the estimated fair value of Reinet's investment in the three funds and the co-investment amounted to € 35 million (31 March 2019: € 26 million). The estimated fair value is based on unaudited valuation data received from the fund manager as at 30 June 2019. The increase in the estimated fair value reflects capital contributions of € 4 million, increases in the value of underlying investments and the strengthening of the US dollar against the euro in the period.

Further information on NanoDimension is available at www.nanodimension.com.

Snow Phipps funds and co-investment opportunities

Snow Phipps Group ('Snow Phipps') is a private equity firm focused on lower middle-market control investments. Snow Phipps seeks to invest \$ 50 million to \$ 150 million of equity in market-leading companies primarily headquartered in North America with enterprise values between \$ 100 million and \$ 500 million. Snow Phipps implements a strategy of creating long-term capital appreciation through active operational management of its portfolio companies. By utilising its engaged operational approach, Snow Phipps is able to execute transactions involving corporate carve-outs, generational and management change, and add-on acquisition strategies. Snow Phipps primarily targets investments in the industrial, consumer and business services sectors, and currently manages three private equity funds with aggregate capital commitments of \$ 2.4 billion.

Reinet invests as a limited partner in Snow Phipps II, L.P., Snow Phipps III, L.P. and in five co-investment opportunities alongside Snow Phipps III, L.P.

Reinet's investment in the two funds and associated co-investments is carried at an estimated fair value of € 121 million at 30 September 2019 (31 March 2019: € 105 million), based on unaudited valuation data provided by Snow Phipps at 30 June 2019. The increase in the estimated fair value being due to additional capital invested, an increase in the estimated fair value of underlying investments and the strengthening of the US dollar against the euro in the period.

Further information on Snow Phipps is available at www.snowhipps.com.

GAM Real Estate Finance Fund

The GAM Real Estate Finance Fund ('REFF') was created to take advantage of opportunities resulting from a funding gap between the expected demand for commercial real estate finance and its availability from banks, other traditional lenders and equity investors. Its investment strategy focuses on the origination of commercial real estate loans primarily in Western Europe, and with a primary focus on the UK. At June 2019, REFF held four investments.

The investment is carried at the estimated fair value of € 12 million at 30 September 2019 (31 March 2019: € 37 million) based on unaudited valuation data provided by the fund manager at 30 June 2019.

The decrease in estimated fair value is mainly due to repayments of capital in the period, mostly owing to early settlement of loans, together with the weakening of sterling against the euro.

Other fund investments

This includes small, specialist funds investing in private equity businesses, property and start-up ventures.

Other fund investments are valued in total at their estimated fair value of € 90 million at 30 September 2019 based on valuation statements received from the fund managers (31 March 2019: € 90 million).

Included in this section is a limited partner investment in RLG Real Estate Partners L.P. ('RLG'), a property fund which is managed by a subsidiary of Compagnie Financière Richemont SA. RLG invests in and develops real estate properties, including luxury brand retail developments situated in prime locations throughout the world.

UNITED STATES LAND DEVELOPMENT AND MORTGAGES

The investment is carried at the estimated fair value of € 63 million as at 30 September 2019 (31 March 2019: € 79 million).

The current valuation is based on unaudited financial data as at 30 June 2019 adjusted for cash movements up to 30 September 2019. The decrease in the estimated fair value reflects repayments of € 21 million received during the period under review, offset by the strengthening of the US dollar against the euro during the period.

Further information on Reinet's investments may be found in the Reinet 2019 annual report which is available at www.reinet/investor-relations/reports.html.

COMMITTED FUNDS

Funding commitments are entered into in various currencies including sterling, US dollar and South African rand and are converted into euro using 30 September 2019 exchange rates.

	31 March 2019 ⁽¹⁾ € m	Exchange rate effects ⁽²⁾ € m	Committed during the period ⁽³⁾ € m	Funded during the period ⁽³⁾ € m	30 September 2019 ⁽³⁾ € m	30 September 2019 %
Private equity and related partnerships						
Trilantic Capital Partners						
Fund IV, Fund V, Fund VI, TEP, TEP II, related general partners and management companies ⁽⁴⁾	276	8	14	(18)	280	65.1
Asian private equity companies and portfolio funds						
Milestone China Opportunities funds, investment holdings and management company participation	4	-	-	-	4	0.9
Specialised investment funds						
Vanterra C Change TEM and holding companies	5	-	-	(1)	4	0.9
NanoDimension funds and co-investment opportunities	29	1	5	(5)	30	7.0
Snow Phipps funds and co-investment opportunities	38	1	5	(6)	38	8.8
GAM Real Estate Finance Fund	35	(1)	-	(3)	31	7.2
Other fund investments ⁽⁵⁾	33	-	(1)	-	32	7.5
United States land development and mortgages	5	1	-	-	6	1.4
Diamond interests	2	-	-	-	2	0.5
Other investments	3	-	5	(5)	3	0.7
	430	10	28	(38)	430	100.0

(1) Commitments calculated using 31 March 2019 exchange rates.

(2) Reflects exchange rate movements between 31 March 2019 and 30 September 2019.

(3) Amounts calculated using 30 September 2019 exchange rates, which may differ from actual exchange rates on the transaction date.

(4) Commitments noted represent only Reinet's share of the investments at 30 September 2019, additional commitments payable by minority partner amount to € 3 million in respect of Trilantic.

(5) Includes remaining commitment of € 32 million to RLG Real Estate Partners L.P.

CASH AND LIQUID FUNDS

Reinet holds cash on deposit principally in European-based banks and in liquidity funds holding highly rated short-term commercial paper.

Reinet's liquidity is measured by its ability to meet potential cash requirements, including unfunded commitments on investments and the repayment of borrowings, and at 30 September 2019 can be summarised as follows:

Cash and liquid funds	€ 398 m
Undrawn borrowing facility	€ 282 m
Cash required for unfunded commitments (refer to table on previous page)	(€ 430 m)
Cash required to meet ZAR borrowing obligations	(€ 27 m)

The undrawn borrowing facility comprises a revolving facility with Bank of America, N.A. of € 282 million (£ 250 million) (see below).

Medium-term bank borrowings of € 611 million will be settled by the exercise of put options over BAT shares or the proceeds of the sale of BAT shares, or may be rolled over or replaced by other borrowings or settled by available cash.

Reinet may sell further BAT shares or use such shares to secure additional financing facilities from time to time.

BANK BORROWINGS AND DERIVATIVES BORROWINGS

In September 2019, Reinet extended its borrowing facilities with Bank of America, N.A. to December 2022. The borrowing facilities permit Reinet to drawdown the equivalent of up to £ 250 million in single or multiple currencies to fund further investment commitments. As at 30 September 2019, these facilities had not been drawn upon (31 March 2019: € nil).

During early 2017, Reinet entered into a £ 500 million, medium-term financing arrangement with Merrill Lynch International, which runs to 2022. At 30 September 2019, the estimated fair value of the borrowing was € 567 million (£ 503 million) (31 March 2019: € 581 million (£ 500 million)). The £ 500 million financing transaction includes the purchase by Reinet of put options over approximately 15.5 million BAT shares for a premium of some € 92 million (£ 79 million) payable over the life of the transaction (the 'Premium Loan'). As at 30 September 2019, the Premium Loan is carried as a liability at an estimated fair value of € 44 million (£ 39 million) (31 March 2019: € 54 million (£ 46 million)). Some 3.7 million BAT shares have also been pledged to collateralise the Premium Loan and future interest payments. As part of the medium-term financing arrangement and Premium Loan a portion of BAT shares are on loan to Merrill Lynch International. Reinet retains the economic benefit of all shares on loan.

Reinet has also borrowed ZAR 443 million to fund its investments in South African projects. At 30 September 2019, the estimated fair value of the borrowing was € 27 million (31 March 2019: € 27 million). This loan matures in March 2020.

DERIVATIVE ASSETS/(LIABILITIES) – OPTIONS AND FORWARD EXCHANGE CONTRACT

As part of the aforementioned £ 500 million medium-term financing arrangement, Reinet purchased put options which provide protection should the value of the BAT shares used to secure the borrowings fall below a certain amount. Proceeds received as a result of the put options being exercised could be used to repay the amounts borrowed in full. The put options are carried at their estimated fair value of € 134 million at 30 September 2019 (31 March 2019: € 136 million). The decrease in the carrying value of the put options reflects the weakening of sterling against the euro in the period and the decrease in the time to maturity offset by the positive impact of the decrease in value of the underlying BAT shares. The cost of the put options is considered as part of the overall cost of financing and is included in the fair value adjustment on outstanding contracts in the income statement on page 10.

In the period under review, Reinet settled an outstanding forward exchange contract amounting to ZAR 230 million realising a loss of € 1.2 million. Reinet also entered into a new forward exchange contract to sell ZAR 300 million (31 March 2019: ZAR 230 million), which is carried at an estimated fair value of € 0.1 million (asset) at 30 September 2019 (31 March 2019: € 1 million (liability)).

Refer to page 54 of the Reinet 2019 annual report for a description of Reinet's policy on foreign exchange exposure.

OTHER LIABILITIES

MINORITY INTEREST, FEES PAYABLE AND OTHER LIABILITIES, NET OF OTHER ASSETS

The minority interest liability amounts to € 5 million (31 March 2019: € 6 million) and is in respect of a minority partner's share in the gains and losses not yet distributed to them arising from the estimated fair value movement of investments in which they have interests.

Fees payable and other liabilities comprise principally an accrual of € 38 million (31 March 2019: € 49 million) in respect of the potential maximum amount outstanding for the current share buyback programme, an accrual of € 19 million in respect of the management fee payable at 30 September 2019 (31 March 2019: € 19 million), a provision for deferred taxes of € 9 million (31 March 2019: € 7 million) relating to realised and unrealised gains arising from the investments in Trilantic and Snow Phipps, and withholding and corporate taxes of € 14 million (31 March 2019: € 11 million) relating to the investment in United States land development and mortgages.

No provision has been made in respect of a performance fee as at 30 September 2019 (31 March 2019: € nil) as the conditions required to pay a fee had not been met at that date.

The performance fee (if applicable) and management fee are payable to Reinet Investment Advisors Limited.

INCOME STATEMENT	Six-month period ended		Six-month period ended	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
	€ m	€ m	€ m	€ m
Income				
BAT dividends	39		37	
Interest and other investment income	8		17	
Realised gains on investments	25		54	
Realised loss on foreign exchange contract	(1)		-	
Carried interest earned on investments	3		15	
Total income		74		123
Expenses				
Management fee	(21)		(23)	
Operating expenses, foreign exchange and transaction-related costs	(4)		(5)	
Interest expense	(4)		(5)	
Tax expense	(4)		(9)	
Total expenses		(33)		(42)
Realised investment income, net of expenses		41		81
Fair value adjustments				
BAT	(217)		(460)	
Other investments	169		92	
Derivative instruments	(2)		21	
Borrowings	14		10	
Total fair value adjustments		(36)		(337)
		5		(256)
Effect of exchange rate changes on cash balances		2		(5)
Net profit/(loss)		7		(251)
Minority interest		-		-
Profit/(loss) attributable to the shareholders of the Company		7		(251)

INCOME

Dividend income from BAT recorded during the period amounted to € 39 million (£ 35 million) (30 September 2018: € 37 million (£ 33 million)). Dividend income recorded for the six months to September 2019 was in respect of BAT's second 2019 interim dividend of £ 0.5075 per share (2018: £ 0.4480 per share) with a record date of 28 June 2019, being the only dividend with a record date falling in the period under review.

Interest income is earned on bank deposits, investments and loans made to underlying investments. Included in other investment income are the foreign exchange movements on other liabilities and other assets of € 5 million (loss) (30 September 2018: € 2 million (loss)).

Realised gains on investments of € 25 million were mainly in respect of investments realised in Li Ning, Trilantic and Milestone.

A loss of € 1.2 million was realised on the settlement of the euro/ South African rand foreign exchange contract during the period.

Carried interest of € 3 million was attributable to Reinet in respect of investments realised by the Trilantic funds.

EXPENSES

The management fee for the period ended 30 September 2019 amounts to € 21 million (30 September 2018: € 23 million).

Operating expenses of € 4 million include € 1 million in respect of charges from Reinet Investments Manager S.A. (the 'General Partner') and other expenses, including legal and other fees, which amounted to € 3 million.

A performance fee may be payable for the year ended 31 March 2020 if certain conditions are met. The performance fee is calculated as 10 per cent of the Cumulative Total Shareholder Return as defined in the Company's prospectus, published on 10 October 2008, including dividends paid, over the period since completion of the rights issue in December 2008 up to 31 March 2020, less the sum of all performance fees paid in respect of previous periods. No provision for the performance fee was accrued in respect of the six-month periods ended 30 September 2019 and 2018.

Interest expense relates to sterling and South African rand denominated borrowings.

The net tax expense of € 4 million includes corporate and withholding taxes payable in respect of gains realised on Trilantic investments, offset by a reduction in the deferred tax provision related to unrealised gains, expected distributions and accrued interest in respect of the Trilantic, Snow Phipps and other US investments.

FAIR VALUE ADJUSTMENTS

The investment in 68.0 million BAT shares decreased in value by € 217 million during the period under review. Of this, € 140 million was attributable to the decrease in value of the underlying BAT shares in sterling terms and € 77 million due to the weakening of sterling against the euro during the period under review.

The unrealised fair value adjustment of € 169 million in respect of other investments includes an increase in the estimated fair value of the investment in Pension Corporation of € 143 million (refer to pages 5 and 6 for a full description of the overall movement of Pension Corporation during the period), € 23 million in Milestone and € 10 million in Snow Phipps, offset by decreases in the estimated fair value of certain other investments. The above amounts include the effect of changes in foreign exchange rates in the period under review.

The put options decreased in value by € 2 million, reflecting the weakening of sterling against the euro in the period and the decrease in the time to maturity offset by the positive impact of the decrease in value of the underlying BAT shares.

Borrowings are carried at estimated fair value reflecting the discounted cash flow value of future principal and interest payments taking into account prevailing interest rates. An unrealised gain of € 14 million arose in respect of the sterling borrowing; of this, a gain of € 18 million was due to the weakening of sterling against the euro during the period.

MINORITY INTEREST

The minority interest expense arises in respect of the minority partner's shares in the earnings of Reinet TCP Holdings Limited.

DIVIDEND

A cash dividend of some € 36 million or € 0.19 per share (excluding treasury shares held), was paid in September 2019, following approval at the annual general meeting on 27 August 2019. The Company only declares an annual dividend.

CAPITAL STRUCTURE

As at 30 September 2019, the Company had 195 941 286 ordinary registered shares and 1 000 management registered shares of no par value in issue.

As at 30 September 2019, 9 461 672 (31 March 2019: 5 022 672) ordinary shares were held as treasury shares. The voting and dividend rights attached to the treasury shares are suspended.

FINANCIAL STATEMENTS

The consolidated unaudited financial statements at 30 September 2019, on which this announcement is based, have been approved by the Board of the General Partner on 14 November 2019.

SHARE INFORMATION

The Company's ordinary shares are listed and traded on the Luxembourg Stock Exchange (symbol 'REINI', Thomson Reuters code REIT.LU), on Euronext Amsterdam (symbol 'REINA', Thomson Reuters code REINA.AS) and on the Johannesburg Stock Exchange (symbol 'RNI', Thomson Reuters code RNIJ.J) with the ISIN number LU0383812293; the listing on the Johannesburg Stock Exchange is a secondary listing. The Company's ordinary shares are included in the 'LuxX' index of the principal shares traded on the Luxembourg Stock Exchange.

Reinet Investments Manager S.A.
General Partner
For and on behalf of Reinet Investments S.C.A.

19 November 2019

Website: www.reinet.com

Sponsor
RAND MERCHANT BANK (a division of FirstRand Bank Limited)

Notes for South African editors

Acknowledging the interest in Reinet's results on the part of South African investors, set out below are key figures from the results expressed in rand.

Shares in issue

Reinet has repurchased 9 461 672 ordinary shares between November 2018 and September 2019 under four share buyback programmes, the last of which is not yet complete. The cost of the ordinary shares repurchased amounts to ZAR 2 174.16 million (€ 135 million), plus transaction costs.

Between April and September 2019, 4 439 000 ordinary shares were repurchased for ZAR 1 087.50 million (€ 67 million), plus transaction costs.

On 6 September 2019, Reinet announced the commencement of a fourth share buyback programme in respect of a maximum of 3.1 million ordinary shares for an aggregate maximum amount of € 50 million commencing on 11 September 2019 and closing on 12 December 2019.

All ordinary shares repurchased are held as treasury shares.

	<u>30 September 2019</u>	<u>31 March 2019</u>
Shares in issue	195 942 286	195 942 286
Treasury shares	(9 461 672)	(5 022 672)
Net shares	186 480 614	190 919 614

Net asset value

Using the closing euro/rand exchange rate prevailing as at 30 September 2019 of 16.5007 and a rate of 16.2632 as at 31 March 2019.

	<u>30 September 2019</u>	<u>31 March 2019</u>
Net asset value	ZAR 78 296 m	ZAR 78 551 m
Reversal of future share buyback liability	ZAR 627 m	ZAR 797 m
Adjusted net asset value	ZAR 78 923 m	ZAR 79 348 m

The decrease in the net asset value reflects the decrease in the net asset value in euro terms, together with the weakening of the South African rand against the euro during the quarter.

Net asset value per ordinary share

	<u>30 September 2019</u>	<u>31 March 2019</u>
Net asset value per share	ZAR 419.78	ZAR 411.46
Adjusted net asset value per share	ZAR 423.08	ZAR 415.69

Profit/(loss) for the period

Using the average euro/rand exchange rate for the period ended 30 September 2019 of 16.2404 and the average rate of 15.7041 for the period ended 30 September 2018.

	<u>30 September 2019</u>	<u>30 September 2018</u>
Profit/(loss) for the year	ZAR 114 m	(ZAR 3 942 m)

Headline earnings per share

To comply with the South African practice of providing Headline earnings per share data, the relevant data is as follows:

	<u>30 September 2019</u>	<u>30 September 2018</u>
Unadjusted earnings per share	€ 0.04	(€ 1.28)
Headline earnings per share *	€ 0.04	(€ 1.28)
Unadjusted earnings per share	ZAR 0.65	(ZAR 20.10)
Headline earnings per share *	ZAR 0.65	(ZAR 20.10)

* There are no dilutive instruments

Dividends paid

	<u>30 September 2019</u>	<u>30 September 2018</u>
Gross dividend per share	€ 0.19	€ 0.18
Gross dividend per share	ZAR 3.2381	ZAR 2.9861
Euro/rand exchange rate	17.0425	16.5893