

RICHEMONT

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RICHEMONT RESTRUCTURING PROPOSALS

In November 2007, Richemont announced that it was studying plans which might lead to a separation of its luxury goods operations from its other interests, which include its investment in British American Tobacco plc (“BAT”).

Richemont has conducted an extensive review of potential alternatives open to the Group in anticipation of the elimination of Luxembourg 1929 holding companies at the end of 2010. Richemont SA, the Group’s principal holding entity, currently benefits from the 1929 holding company status, as does the joint venture vehicle used by Richemont and Remgro Limited (“Remgro”) to hold the BAT interest.

The review has resulted in the development of proposals, which would see Richemont separated into two entities: a luxury business, headquartered in Switzerland, and an investment vehicle, which it is currently proposed should be based in Luxembourg and structured as an investment fund.

In addition to retaining their shares in the luxury goods business, it is envisaged that Richemont unitholders would receive shares in the investment vehicle and would be able to receive a substantial part of their interest in the BAT shares directly.

Subject to receipt of appropriate confirmations from Swiss regulators and SWX Swiss Exchange (“SWX”), the luxury goods business would continue to be listed on SWX, whilst it is expected that the new investment vehicle would be listed in Luxembourg, subject to the approval of Luxembourg regulators and the Bourse de Luxembourg. Appropriate arrangements would be put in place to allow holders of Richemont South African depository receipts (“DRs”) to hold and trade DRs in respect of both the luxury goods and investment entities, subject to the approval of the JSE Limited, which operates the Johannesburg stock exchange.

Discussions are in progress with BAT, which has provided a commitment, if so requested, to apply for a secondary listing of its shares on the Johannesburg stock exchange. This would enable South African residents who currently hold Richemont DRs to hold BAT shares directly.

Significant progress has been made to date in developing and refining the proposals. However, restructuring the Group is complex, involving the cooperation of Remgro and BAT, as well as the coordination of a large number of legal, fiscal and regulatory requirements and approvals in various jurisdictions. To date, not all of the necessary approvals have been obtained and a number of specific conditions must be fulfilled before the proposed restructuring can be implemented.

The proposed restructuring remains subject inter alia to the necessary conditions and approvals, which will include approval by the Board of Compagnie Financière Richemont SA as well as approval by unitholders in their capacity as shareholders of Compagnie Financière Richemont SA and participation certificate holders of Richemont SA. There can be no certainty that the proposed restructuring as outlined above or any modified proposals will be put forward for approval by unitholders or that such a restructuring would actually take place.

Further announcements will be made when appropriate. No further comment will be made until such time.

Richemont owns a portfolio of leading international brands or 'Maisons', which are managed independently of one another, recognising their individuality and uniqueness. The businesses operate in five areas: Jewellery Maisons, being Cartier and Van Cleef & Arpels; Specialist watchmakers, which is made up of Jaeger-LeCoultre, Piaget, IWC, Baume & Mercier, Vacheron Constantin, Officine Panerai and A. Lange & Söhne; Writing instrument manufacturers - Montblanc and Montegrappa; Leather and accessories Maisons, being Alfred Dunhill and Lancel; and Other businesses, which includes, specifically, Chloé as well as other, smaller Maisons and watch component manufacturing activities for third parties.

In addition to its luxury goods business, Richemont holds a 19.4 per cent interest in BAT, one of the world's leading tobacco groups.

'A' bearer units of Richemont are listed on SWX Swiss Exchange and are traded on SWX Europe.