

**Compagnie Financière
Richemont SA**

Remgro Limited

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Richemont and Remgro's interests in British American Tobacco

Compagnie Financière Richemont SA ("Richemont") and Remgro Limited ("Remgro") through their jointly held investment vehicle, R&R Holdings SA, ("R&R") hold a combined interest of 29.3 per cent in British American Tobacco plc ("BAT"). Richemont has an effective interest of 18.9 per cent in BAT and Remgro has an effective interest of 10.4 per cent. These percentage interests have grown in recent years as a consequence of the operation by BAT of its share buy-back programme.

R&R, Richemont, Remgro and BAT are parties to a Standstill Agreement originally entered into at the time of the merger of Rothmans International and BAT in 1999. Under the terms of this agreement, BAT is not permitted to continue with its buy-back programme without R&R's, Richemont's and Remgro's consent in writing once their combined interest reaches 30 per cent. At this level, the London Takeover Code would normally require that a cash offer be made for the shares in BAT that R&R does not already own. The Standstill Agreement therefore protects R&R and its shareholders from the obligation to make a compulsory bid for BAT.

BAT has announced today that it has sought R&R's, Richemont's and Remgro's consent to allow it to continue with its share buy-back programme, notwithstanding that it believes that the 30 per cent limit will be reached within the next 12 to 15 months. To preclude the obligation on R&R, Richemont or Remgro to make a cash bid for those shares that they do not already own, BAT has proposed to obtain approval from its independent shareholders for a waiver under the terms of the Takeover Code. The London Takeover Panel has indicated that, subject to such shareholder approval and its final review, it will waive the obligation.

Subject to the approval of BAT's independent shareholders and the waiver to be given by the Takeover Panel, R&R, Richemont and Remgro have agreed to the proposals made by BAT. In return for giving their consent, they have asked for and obtained a commitment from BAT that, if so requested, it will seek to obtain a secondary listing for its ordinary shares on the Johannesburg Stock Exchange, subject to all required regulatory approvals being obtained. Although the secondary listing would facilitate the trading of BAT ordinary shares in South Africa, neither Richemont, nor Remgro, nor R&R has any intention of making such a request to BAT at this time.

Johann Rupert, Executive Chairman of Compagnie Financière Richemont SA, said:

"Whilst the BAT shareholding has over the years been a strong underlying investment for Richemont, we do not wish to be placed under any obligation to make a bid for the company. Neither do we wish to be forced sellers under the BAT share buy-back programme to avoid such an obligation. We have therefore agreed to BAT's proposal, which would allow the buy-back programme to continue."

Thys Visser, Chief Executive Officer of Remgro Limited, said:

"The BAT proposal allows for the continuation of its buy-back programme for the benefit of all its shareholders. In particular, it would not give rise to circumstances under which Remgro would be obliged either to be a forced seller or to make a cash offer for the company. Together with Richemont, its co-investor, Remgro has agreed to BAT's proposal."

Further information:

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