

CAPEVIN HOLDINGS LIMITED

("Capevin Holdings" or "the Company" or "the Group")

(Incorporated in the Republic of South Africa)

Registration number 1997/020857/06

JSE Share code CVH

ISIN ZAE000167714

UNAUDITED INTERIM RESULTS

for the six months ended
31 December 2014

and

CASH DIVIDEND DECLARATION

- | | |
|---------------------------------------|--------------------------------|
| • Normalised headline earnings | +1.9% to R266.9 million |
| • Interim dividend per share | +21.0% to 12.4 cents |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 December		30 June
	2014	2013	2014
	R'000	R'000	R'000
ASSETS			
Non-current assets	2 465 137	2 446 006	2 303 459
Investment in joint venture	2 463 337	2 444 206	2 301 659
Available-for-sale asset	1 800	1 800	1 800
Current assets	7 710	6 360	6 626
Sundry debtors	-	20	-
Investment in money market fund	4 451	-	4 314
Cash and cash equivalents	3 259	6 340	2 312
Total assets	2 472 847	2 452 366	2 310 085
EQUITY AND LIABILITIES			
Equity			
Ordinary shareholders' interest	2 468 199	2 447 355	2 305 472
Non-current liabilities			
Deferred taxation	335	264	335
Current liabilities	4 313	4 747	4 278
Trade payables	203	388	335
Unclaimed dividends	4 050	3 949	3 912
Current income tax liability	60	410	31
Total equity and liabilities	2 472 847	2 452 366	2 310 085
Net asset value per share (cents)	280.4	278.1	262.0

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended		Year ended
	31 December		30 June
	2014	2013	2014
	R'000	R'000	R'000
Share of profit of joint venture	265 981	309 738	431 121
Loss on dilution of interest in joint venture	(1 881)	(2 448)	(158 921)
Investment income	394	130	596
Interest expense	-	(16)	-
Administrative expenses	(996)	(1 123)	(2 176)
Profit before taxation	263 498	306 281	270 620
Taxation	(108)	-	1 121
Profit for the period	263 390	306 281	271 741
Other comprehensive income	4 950	151 304	134 135
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Fair value adjustment – available-for-sale asset	-	1 333	1 262
Share of other comprehensive income of joint venture			
Fair value adjustment – available-for-sale asset	1 303	2 903	3 137
Currency translation differences	801	121 895	133 524
Reclassified to profit or loss	(162)	-	(13 987)
<i>Items that will not be reclassified to profit or loss:</i>			
Actuarial gains and losses of joint venture	(2 562)	20 798	922
Other equity movements of joint venture	5 570	4 375	9 277
Total comprehensive income for the period	268 340	457 585	405 876
Earnings attributable to ordinary shareholders	263 390	306 281	271 741
Headline earnings adjustable items			
Share of adjustments of joint venture before taxation	(951)	(1 142)	(2 913)
Tax on share of adjustments of joint venture	176	211	538
Loss on dilution of interest in joint venture	1 881	2 448	158 921
Headline earnings	264 496	307 798	428 287
Remeasurement of contingent consideration	2 388	(45 959)	(45 959)
Normalised headline earnings[#]	266 884	261 839	382 328
Earnings per share (cents)			
- Basic	29.9	34.8	30.9
- Diluted	29.8	33.3	28.3
Headline earnings per share (cents)			
- Basic	30.1	35.0	48.7
- Diluted	29.9	33.4	46.1
Number of shares (thousands)			
- In issue	880 103	880 103	880 103
- Weighted average	880 103	880 103	880 103

[#] Normalised headline earnings excludes the Company's share of Distell's remeasurement of the contingent consideration of the acquisition of Burn Stewart Distillers Limited (BSD) in the comparative period, as well as expenses relating to the finalisation of the BSD transaction in the current period.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Six months ended		Year ended
	31 December		30 June
	2014	2013	2014
	R'000	R'000	R'000
Ordinary shareholders' equity at the beginning of the period	2 305 472	2 092 013	2 092 013
Total comprehensive income	268 340	457 585	405 876
Unclaimed dividends written back	-	-	907
Dividends paid	(105 613)	(102 243)	(193 324)
Ordinary shareholders' equity at the end of the period	2 468 199	2 447 355	2 305 472
Dividend per share (cents)			
- Interim	12.40	10.25	10.25
- Final			12.00

CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended		Year ended
	31 December		30 June
	2014	2013	2014
	R'000	R'000	R'000
Cash flows from operating activities			
Dividends received	107 383	107 373	197 740
Dividends paid	(105 613)	(102 243)	(193 324)
Interest received	383	130	587
Administrative expenses	(996)	(1 123)	(2 176)
Taxation refunded/(paid)	(79)	(112)	647
Decrease in trade and other receivables	-	(20)	-
Increase/(decrease) in trade and other payables and unclaimed dividends	6	(306)	511
	1 084	3 699	3 985
Cash flows from investing activities			
Investment in money market fund	(137)	-	(4 314)
Net increase/(decrease) in cash and cash equivalents	947	3 699	(329)
Cash and cash equivalents at the beginning of the period	2 312	2 641	2 641
Cash and cash equivalents at the end of the period	3 259	6 340	2 312

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

The directors are responsible for the preparation of the interim financial statements, prepared under supervision of the financial director, Mr L C Verwey CA(SA), CFA, an employee of the Company's appointed manager, Remgro Management Services Limited. The interim financial statements have not been audited or reviewed by the Company's auditors.

The accounting policies applied in the preparation of these interim financial statements are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial statements, with the exception of the following new accounting standards, interpretations and amendments to IFRS standards that have come into effect and have been adopted by the Group in the current year:

- Amendments to IAS 32 Financial Instruments - Presentation (effective 1 January 2014)
- Amendments to IAS 19 Employee Benefits (effective 1 July 2014)
- Amendments to IAS 36 Impairment of Assets - Recoverable amount disclosures for non-financial assets (effective 1 January 2014)
- Amendments to IAS 39 Financial Instruments - Novation of derivatives and continuation of hedge accounting (effective 1 January 2014)
- Annual Improvements 2010-12 cycle (effective 1 July 2014)
- Annual Improvements 2011-13 cycle (effective 1 July 2014)
- IFRIC 21 Levies (effective 1 January 2014)

The adoption of these standards, interpretations and amendments had no material impact on the consolidated results of either the current or prior periods.

2. GROUP STRUCTURE

The sole investment of Capevin Holdings is an effective interest of 26.84% (31 December 2013: 28.87% and 30 June 2014: 26.86%) in the issued share capital of Distell Group Limited (Distell), held via its 50% interest in Remgro-Capevin Investments Proprietary Limited. The dilution in Capevin Holdings' interest in Distell since 31 December 2013 occurred mainly due to the restructuring of Distell's Black Economic Empowerment (BEE) transaction on 17 January 2014 when Distell issued 15.0 million ordinary shares (net of treasury shares).

3. SEGMENT REPORT

Capevin Holdings is an investment holding company, with its sole investment being an effective interest in Distell. The directors have not identified any other segment to report on.

COMMENTARY

FINANCIAL RESULTS

For the six months ended 31 December 2014 Distell's revenue increased by 10.5% to R11.0 billion on a sales volume increase of 3.7%. The financial results for the period were positively influenced by a weaker rand. Steep increases in excise duties and investments that were made to support corporate strategy were partially offset by lower increases in raw material input costs. Reported headline earnings for the six months ended 31 December 2014 decreased by 7.6% to R987.4 million, while headline earnings per share decreased by 13.4% to 455.7 cents. On a normalised basis, Distell's headline earnings increased by 9.5% to R996.3 million.

Capevin Holdings' headline earnings for the six months ended 31 December 2014 consequently decreased by 14.1% to R264.5 million (2013: R307.8 million). On a normalised basis, headline earnings increased by 1.9% to R266.9 million (2013: R261.8 million). Note that, as mentioned above, Capevin Holdings' interest in Distell diluted since 31 December 2013.

Capevin Holdings' intrinsic value decreased by 2.8% to R9.08 per share - based on Distell's last traded share price of R135.95 at 31 December 2014 (excluding capital gains tax). The discount to intrinsic value has narrowed from 12.3% at 30 June 2014 to 2.3% at 31 December 2014. On 27 February 2015, Distell's share price increased to R178.65, while Capevin Holdings' increased to R9.91 and the discount to its intrinsic value per share increased to 16.8%.

PROSPECTS

Distell's board stated that the global environment continues to be challenging due to diverging growth and monetary policy expectations in developed economies alongside a more notable moderation in emerging market growth. They therefore expect tough trading conditions to persist. Nevertheless Distell continues to pursue and invest in its long term strategy to deliver shareholder value. This is backed by a robust and diverse portfolio of appealing brands, as well as a strengthened and extended route to market network that continues to evolve across a range of economies and regions.

Refer to www.distell.co.za for Distell's comprehensive interim results.

DIRECTORATE

Mr Norman Celliers resigned as an independent non-executive director from the Board of Directors of Capevin Holdings on 12 September 2014. The Board wishes to thank Mr Celliers for his contributions over the years.

Ms Ethel Matenge-Sebesho was appointed as an independent non-executive director of Capevin Holdings on 12 September 2014. Ms Matenge-Sebesho has considerable experience in the banking and financial services sector at strategic and policy level and in several microfinance initiatives in South Africa.

Following the appointment of Mr Lucas Verwey as the Financial Director of Distell, he has resigned as the Financial Director of Capevin Holdings effective from 5 March 2015. Mr Pieter Louw has been appointed as the Financial Director of Capevin Holdings effective from 5 March 2015.

The Board wishes to thank Mr Verwey for his contribution and welcomes Mr Louw as an executive director of Capevin Holdings.

DECLARATION OF CASH DIVIDEND

In terms of the dividend policy of Capevin Holdings, dividends received from its indirect interest in Distell, after providing for administrative expenses, will be distributed to shareholders. The directors have consequently resolved to approve and declare an interim gross cash dividend (dividend number 21) of 12.40 cents (2013: 10.25 cents) per share for the six months ended 31 December 2014. The reason for the higher dividend increase compared to that of Distell is due to a portion of cash reserves included in the dividend. The dividend has been declared from income reserves.

There are no secondary tax on companies (STC) credits available for utilisation. The dividend is subject to a local dividend tax rate of 15% or 1.86 cents per share, resulting in a net dividend of 10.54 cents per share, unless the shareholder is exempt from paying dividend tax or is entitled to a reduced rate in terms of the applicable double-tax agreement.

The number of issued ordinary shares as at 4 March 2015 is 880 103 265. The Company's income tax number is 9599/656/71/8.

Dates of importance:

Last day to trade in order to participate in the dividend	Friday, 10 April 2015
Shares trade ex dividend	Monday, 13 April 2015
Record date	Friday, 17 April 2015
Payment date	Monday, 20 April 2015

Share certificates may not be dematerialised or rematerialised between Monday, 13 April 2015, and Friday, 17 April 2015, both days inclusive.

In terms of the Company's Memorandum of Incorporation, dividends will only be transferred electronically to the bank accounts of shareholders. In the instance where shareholders do not provide the Transfer Secretaries with their banking details, the dividend will not be forfeited but will be marked as "unclaimed" in the share register until the shareholder provides the Transfer Secretaries with the relevant banking details for payout.

Following changes to the Listings Requirements of the JSE, hard copies of the interim report will no longer be mailed to shareholders. The report will, however, be available on the Company's website at www.capevin.com. A copy of the integrated annual report will in future still be mailed to those shareholders who requested to receive a hard copy.

Signed on behalf of the Board of Directors.

Chris Otto
Chairman

Lucas Verwey
Financial Director

Stellenbosch
4 March 2015

DIRECTORATE

Non-executive directors

C A Otto* (*Chairman*),

J J Durand, A E v Z Botha*, R M Jansen*, E G Matenge-Sebesho*

(**Independent*)

Executive director

L C Verwey (*Financial Director*)[#]

[#]*Refer to the Directorate paragraph on page 6.*

CORPORATE INFORMATION

Secretary

Remgro Management Services Limited

Listing

JSE Limited

Sector: Consumer goods – Food and Beverage – Beverages

Business address and registered office

Millennia Park, 16 Stellantia Avenue, Stellenbosch 7600

(PO Box 456, Stellenbosch 7599)

Transfer Secretaries

Computershare Investor Services Proprietary Limited,

70 Marshall Street, Johannesburg 2001

(PO Box 61051, Marshalltown 2107)

Auditors

PricewaterhouseCoopers Inc.

Stellenbosch

Sponsor

Rand Merchant Bank (A division of FirstRand Bank Limited)

Website

www.capevin.com