

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

AUDITED SUMMARY CONSOLIDATED RESULTS FOR THE YEAR ENDED 30 JUNE 2015 AND CASH DIVIDEND DECLARATION

• Normalised headline earnings per share	+1.4% to 44.0 cents
• Headline earnings per share	-10.3% to 43.7 cents
• Intrinsic value per share at 30 June 2015, compared to 30 June 2014	+19.1% to R11.12
• Total ordinary dividend per share	+2.7% to 22.85 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June

	2015 R'000	2014 R'000
ASSETS		
Non-current assets	2 559 147	2 303 459
Investment in joint venture	2 557 347	2 301 659
Available-for-sale asset	1 800	1 800
Current assets	4 842	6 626
Investment in money market fund	-	4 314
Cash and cash equivalents	4 842	2 312
Total assets	2 563 989	2 310 085
EQUITY AND LIABILITIES		
Equity		
Ordinary shareholders' interest	2 546 060	2 305 472
Non-current liabilities		
Deferred taxation	335	335
Current liabilities	17 594	4 278
Trade payables	318	335
Unclaimed dividends	17 239	3 912
Current income tax liability	37	31
Total equity and liabilities	2 563 989	2 310 085
Net asset value per share (cents)	289.3	262.0

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended	
	30 June	
	2015	2014
	R'000	R'000
Share of profit of joint venture	385 899	431 121
Loss on dilution of interest in joint venture	(246)	(158 921)
Investment income	1 025	596
Unclaimed dividends forfeited	1 106	-
Administrative expenses	(2 280)	(2 176)
Profit before taxation	<u>385 504</u>	270 620
Taxation	(284)	1 121
Profit for the year	<u>385 220</u>	271 741
Other comprehensive income	70 113	134 135
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Fair value adjustment - available-for-sale asset	-	1 550
Tax charge relating to available-for-sale asset	-	(288)
Share of other comprehensive income of joint venture		
Fair value adjustment – available-for-sale asset	1 529	3 137
Currency translation differences	48 215	133 524
Reclassified to profit or loss	(361)	(13 987)
<i>Items that will not be reclassified to profit or loss:</i>		
Share of joint venture's remeasurements of post-employment benefits	16 332	922
Other equity movements of joint venture	4 398	9 277
Total comprehensive income for the year	<u>455 333</u>	<u>405 876</u>
Profit for the year attributable to:		
Owners of the parent	<u>385 220</u>	271 741
Total comprehensive income attributable to:		
Owners of the parent	<u>455 333</u>	<u>405 876</u>

HEADLINE EARNINGS RECONCILIATION

	Year ended 30 June	
	2015 R'000	2014 R'000
Earnings attributable to ordinary shareholders	385 220	271 741
Headline earnings adjustable items		
Share of adjustments of joint venture before taxation	(849)	(2 913)
Tax on share of adjustments of joint venture	157	538
Loss on dilution of interest in joint venture	246	158 921
Headline earnings	384 774	428 287
Remeasurement and reversal of contingent consideration	2 388	(45 959)
Normalised headline earnings[#]	387 162	382 328
Earnings per share (cents)		
- Basic	43.8	30.9
- Diluted	43.6	28.3
Headline earnings per share (cents)		
- Basic	43.7	48.7
- Diluted	43.5	46.1
Normalised headline earnings per share (cents)		
- Basic	44.0	43.4
- Diluted	43.8	40.8
Number of shares (thousands)		
- In issue	880 103	880 103
- Weighted average	880 103	880 103

[#] Normalised headline earnings excludes the Company's share of Distell Group Limited's remeasurement and reversal of the contingent consideration of the acquisition of Burn Stewart Distillers Limited. Distell changed its definition of normalised headline earnings. Consequently, Capevin Holdings' normalised headline earnings for 2014 decreased by R3 014 000 or 0.4 cents per share.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Year ended 30 June	
	2015 R'000	2014 R'000
Ordinary shareholders' equity at the beginning of the year	2 305 472	2 092 013
Total comprehensive income	455 333	405 876
Unclaimed dividends written back	-	907
Dividends paid	(214 745)	(193 324)
Ordinary shareholders' equity at the end of the year	2 546 060	2 305 472

Dividend per share (cents)

- Interim	12.40	10.25
- Final	10.45	12.00

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 30 June	
	2015 R'000	2014 R'000
Cash flows from operating activities		
Dividends received	200 088	197 740
Dividends paid	(214 745)	(193 324)
Interest received	1 015	587
Administrative expenses	(2 280)	(2 176)
Taxation (paid)/refunded	(278)	647
Increase in trade and other payables and unclaimed dividends	14 416	511
	(1 784)	3 985
Cash flows from investing activities		
Investment in money market fund	4 314	(4 314)
Net increase/(decrease) in cash and cash equivalents	2 530	(329)
Cash and cash equivalents at the beginning of the year	2 312	2 641
Cash and cash equivalents at the end of the year	4 842	2 312

ADDITIONAL INFORMATION

Fair value remeasurements

The following methods and assumptions are used to determine the fair value of each class of financial instruments:

- Financial instruments available-for-sale and investment in money market fund: Fair value is based on quoted market prices or, in the case of unlisted instruments, appropriate valuation methodologies, being the actual net asset value of the investment.

Financial instruments measured at fair value, are disclosed by level of the following fair value hierarchy:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following tables illustrate the fair values of financial assets and liabilities that are measured at fair value, by hierarchy level:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	Total
	R'000	R'000	R'000	R'000
30 June 2015				
Assets				
Available-for-sale asset	-	-	1 800	1 800
	-	-	1 800	1 800
30 June 2014				
Assets				
Available-for-sale asset	-	-	1 800	1 800
Investment in money market fund	4 314	-	-	4 314
	4 314	-	1 800	6 114

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, and the requirements of the Companies Act (No. 71 of 2008), as amended, applicable to summary financial statements. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*.

The accounting policies applied in the preparation of the consolidated financial statements, from which the summary consolidated financial statements were derived, are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements. During the year under review various new and revised accounting standards became effective, but their implementation had no impact on the results of either the current or prior year.

The summary consolidated financial statements do not contain all the information and disclosures required in the consolidated financial statements. The summary consolidated financial statements were extracted from the consolidated audited financial statements upon which PricewaterhouseCoopers Inc. has issued an unmodified report. The audited consolidated financial statements and the unmodified audit report are available for inspection at the Company's registered office.

These summary consolidated financial statements have been compiled by the Company's appointed manager, Remgro Management Services Limited, under the supervision of the Financial Director, P R Louw CA(SA).

2. GROUP STRUCTURE

The sole investment of Capevin Holdings is an effective interest of 26.82% (2014: 26.86%) in the issued share capital of Distell Group Limited (Distell), held via its 50% interest in Remgro-Capevin Investments Proprietary Limited (Remgro-Capevin Investments).

3. RELATED PARTY TRANSACTIONS

During the year the Group received dividends from Remgro-Capevin Investments (a joint venture) of R200 078 000 (2014: R198 327 000). The Group also paid administrative fees of R925 000 (2014: R810 000) to Remgro Management Services Limited (a subsidiary of an investor with significant influence over the Group).

During the 2014 financial year the Group paid administrative fees of R100 000 and sponsor fees of R9 000 to PSG Corporate Services Proprietary Limited, as well as professional fees of R43 000 to PSG Capital Proprietary Limited. These companies are subsidiaries of an investor with significant influence over the Group at the time the expenses were incurred.

Directors' emoluments

Director	30 June 2015	30 June 2014
A E v Z Botha	R17 400	R32 250
N Celliers	R11 600	R10 750
R M Jansen	R34 800	R32 250
E G Matenge-Sebesho	R11 600	-
C A Otto	R34 800	R26 875

Directors' interests

No director holds an interest in the securities of the Company (2014: 21 000 shares held by Mr C A Otto).

There has been no change in the interests of the directors in the securities of the Company from the reporting date up to the approval of the annual financial statements.

4. 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.

5. EVENTS AFTER THE REPORTING DATE

The Group is unaware of any matter or event that is material to the financial affairs of the Company that have occurred between the reporting date and the date of approval of the annual financial statements.

COMMENTARY (unaudited)**FINANCIAL RESULTS**

For the year ended 30 June 2015 Distell's revenue grew by 10.4% to R19.6 billion on a sales volume increase of 5.7%. Distell's results for the year, supported by strong overall revenue growth and efficiency improvements across the business, were impacted by investments made to support its corporate strategy, improve pricing relative to key competitors and support its capability to grow in Africa and select international markets. As a result, Distell's operating expenses increased by 10.9%, resulting in its normalised operating margin declining from 11.3% to 10.9%.

Distell's reported headline earnings for the year ended 30 June 2015 decreased by 5.2% to R1 434.6 million, while headline earnings per share decreased by 9.0% to 656.2 cents. Distell's normalised headline earnings, excluding the remeasurement and reversal of the contingent purchase consideration for Burn Stewart Distillers Limited, increased by 6.5% to R1 443.5 million.

Capevin Holdings' headline earnings per share for the year ended 30 June 2015 consequently decreased by 10.3% to 43.7 cents per share and on a normalised basis increased by 1.4% to 44.0 cents per share.

Capevin Holdings' intrinsic value increased by 19.1% to R11.12 per share based on Distell's last traded share price of R166.97 at 30 June 2015 (excluding capital gains tax). The discount to intrinsic value has widened from 12.3% at 30 June 2014 to 14.6% at 30 June 2015.

IMPACT OF DISTELL'S BLACK ECONOMIC EMPOWERMENT (BEE) TRANSACTION

On 17 January 2014 Distell issued 15.0 million shares (net of treasury shares) in terms of its restructured BEE transaction. Due to this transaction, Capevin Holdings' interest in Distell diluted from 28.90% to

26.86% in the 2014 financial year and a loss of R158.9 million was realised on the dilution in the comparative year.

PROSPECTS

Distell's board believes that the global environment will continue to be challenging due to diverging growth. While prospects in the developed world are improving, emerging economies, including South Africa, are showing slower growth. Tough trading conditions are therefore expected to persist. Despite these conditions, Distell continues to pursue and invest in its long-term strategy to grow 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 results.

DIRECTORATE

Mr N Celliers resigned as an independent non-executive director from the Board of Directors of the Company on 12 September 2014. Ms E G Matenge-Sebesho was appointed as an independent non-executive director of the Company on 12 September 2014.

Following the appointment of Mr L C Verwey as the Financial Director of Distell, he resigned as the Financial Director of the Company effective from 5 March 2015. Mr P R Louw was appointed as the Financial Director of the Company effective from 5 March 2015.

REPORTS OF THE INDEPENDENT AUDITOR

The Company's directors are responsible for the preparation of a summarised version of the audited consolidated financial statements.

These summary consolidated financial statements for the year ended 30 June 2015 have been audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the annual financial statements from which these summary consolidated financial statements were derived.

A copy of the auditor's report on the summary consolidated financial statements and of the auditor's report on the annual consolidated financial statements are available for inspection at the Company's registered office, together with the financial statements identified in the respective auditor's reports.

The auditor's report does not necessarily report on all of the information contained in this announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.

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 a final gross cash dividend (dividend number 22) of 10.45 cents (2014: 12.0 cents) per share for the year ended 30 June 2015. The dividend has been declared from income reserves.

A dividend withholding tax of 15% or 1.5675 cents per share will be applicable, resulting in a net dividend of 8.8825 cents per share, unless the shareholder concerned is exempt from paying dividend withholding tax or is entitled to a reduced rate in terms of an applicable double-tax agreement.

The total gross dividend per share for the year ended 30 June 2015 therefore amounts to 22.85 cents, compared to 22.25 cents for the year ended 30 June 2014, representing an increase of 2.7%.

The number of issued ordinary shares as at 9 September 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, 25 September 2015
Shares trade ex dividend	Monday, 28 September 2015
Record date	Friday, 2 October 2015
Payment date	Monday, 5 October 2015

Share certificates may not be dematerialised or rematerialised between Monday, 28 September 2015, and Friday, 2 October 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, while dividend cheques are no longer issued. 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.

The Annual Report will be posted to members and will be available on Capevin Holding's website at www.capevin.com during September 2015.

Signed on behalf of the Board of Directors.

Chris Otto
Chairman

Pieter Louw
Financial Director

Stellenbosch
9 September 2015

DIRECTORATE

Non-executive directors

C A Otto* (*Chairman*),

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

Executive director

P R Louw (*Financial Director*)

CORPORATE INFORMATION

Secretary

Remgro Management Services Limited

Listing

JSE Limited

Sector: Consumer goods – Food and Beverage – Beverages – Distillers & Vintners

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