CAPEVIN

HOLDINGS LIMITED

ANNUAL REPORT 2010

CONTENTS

KEY FINANCIAL STATISTICS

Group financial results for the year ended 30 June 2010

	2010 R'000	2009 R'000	% change
Profit for the year attributable to equity holders of the company	**(611 775)**	145 313	
Continuing operations	**138 178**	155 072	(10,9)
Discontinued operations	**(749 953)**	(9 759)	
Headline earnings attributable to equity holders of the company	**137 759**	156 192	
Continuing operations	**137 759**	155 497	(11,4)
Discontinued operations		695	
Earnings per share - basic and diluted (cents)			
Attributable earnings	**(136,6)**	35,1	
Continuing operations	**30,8**	37,5	(17,9)
Discontinued operations	**(167,4)**	(2,4)	
Headline earnings	**30,8**	37,7	
Continuing operations	**30,8**	37,5	(17,9)
Discontinued operations		0,2	
Dividend per share (cents)	**16,9**	8,7	94,3
Interim	**8,0**		
Final (declared after year-end)	**8,9**	8,7	
Net asset value per share (cents)	**173,8**	386,9	(55,1)
Share price			
Closing share price (cents)	**305,0**	390,0	
Closing share price of KWV Holdings Ltd shares distributed as a dividend in specie (cents)	**102,7**		
	407,7	390,0	4,5

CHAIRMAN'S REPORT

UNBUNDLING

Following the finalisation of the KWV group's restructuring, Capevin Holdings Limited (Capevin Holdings) and KWV Holdings Limited (KWV Holdings) are now completely separate entities, each with a new board and chairman.

A consequence of the unbundling was an accounting loss of R750 million in the financial statements of Capevin Holdings for the current year. In terms of accounting conventions, the dividend in specie should be recorded at fair value with the difference between the fair value and the carrying value of the assets distributed being recorded in the income statement. The fair value of the R1 029 million dividend in specie was determined by independent experts as being R279 million, and recognised in equity with the remaining accounting loss recognised in the income statement.

Investors are reminded that this accounting loss did not impact on the economic reality as they were still the owners of exactly the same assets, as shareholders of both Capevin Holdings and KWV Holdings, subsequent to the unbundling.

FINANCIAL RESULTS

Capevin Holdings' financial results from continuing operations reflect those of its associate company, Distell Group Limited (Distell), as this is the only significant asset of the group. During the year under review Distell's revenue, grew by 8,7% to R11,8 billion on a sales volume increase of 7,3%. Although reasonable sales volume growth was achieved, this year's results were significantly impacted by adverse exchange rates, and to a lesser extent, a less favourable sales mix. Benefits derived from improved throughput and better operating efficiencies were thus insufficient to protect margins and profitability. Consequently, operating profit declined by 1,2% and the net operating margin deteriorated to 11,8% (2009: 13,0%).

Distell's attributable and headline earnings per share for the year under review decreased by 1,5% and 1,2%, to 468,1 cents and 469,1 cents, respectively. Distell's diluted headline earnings per share, which also takes into account the cumulative dilutive effect of the Distell BEE transaction, decreased by 2,1% to 445,4 cents. This dilution could have a significant impact on Capevin Holdings' future results and it is disclosed in more detail in note 27 to the financial statements.

The attributable earnings from continuing operations of Capevin Holdings decreased by 10,9% to R138,2 million and headline earnings from continuing operations decreased by 11,4% to R137,8 million.

DIVIDEND

In terms of the dividend policy of Capevin Holdings, dividends received from its indirect interest in Distell, after providing for administration costs, will be distributed to shareholders.

Included in the figure for administration costs are once-off items emanating from the compulsory offer to shareholders, restructuring and name change. Administration costs of a recurring nature should in future only increase in line with inflation. A detailed breakdown of administration costs are disclosed in Annexure A to the financial statements.

On 19 February 2010 a maiden interim dividend of 8 cents per ordinary share was declared.

The directors have resolved to declare a final ordinary dividend of 8,9 cents (2009: 8,7 cents) per ordinary share for the year ended 30 June 2010.

PROSPECTS

The board of Distell said that although there were some early signs of a global economic recovery in the latter part of the financial year under review, the high levels of unemployment and limited disposable income are likely to continue to impact consumer spending adversely. The trading environment is expected to remain extremely competitive, both domestically and internationally.

However, Distell's business is appropriately structured with a diversified and exciting range of well-priced, quality brands in spirits, ciders, ready-to-drinks and wines to enable the group to compete effectively and to continue maximising trading opportunities and profitability.

Mampeule

Khutso Mampeule
Chairman

30 August 2010

CORPORATE GOVERNANCE STATEMENT

The Capevin Holdings Limited group (Capevin Holdings) is committed to the principles of transparency, integrity and accountability.

The group's associate company, Distell Group Limited (Distell), is similarly committed to these principles of good corporate governance.

BOARD OF DIRECTORS

Board composition

Directors are elected on recommendation of the current directors or, if properly nominated, by shareholders. Currently the board comprises six directors. All directors represent major shareholders in Capevin Holdings. The appointment of directors is formal and transparent, and considered to be a matter for the board as a whole.

Capevin Holdings is an investment holding company with limited day-to-day operations and has not filled the office of CEO. PSG Corporate Services (Proprietary) Limited has been appointed as manager and company secretary of Capevin Holdings. Accordingly, the directors are all considered to be non-executive. There is a clear division of responsibility at board level to ensure a balance of power and authority, such that no one individual has unfettered powers of decision making.

Mr KI Mampeule fills the role of Chairman and Mr CA Otto has been appointed as financial director. Mr CA Otto has no executive responsibilities other than that of the financial statements of Capevin Holdings.

Role and responsibilities

The directors retain full and effective control of the company and are responsible for the establishment of strategies, policies and the approval of financial objectives.

The company operates as an investment holding company which holds as its sole asset an indirect investment in Distell. In view of the narrow scope of the company's operations, the role of the board is limited to monitoring the company's investment performance and for ensuring that procedures and practices are in place to protect the company's assets and reputation. The board also assumes responsibility for the management of relationships with various stakeholders.

Directors have access to the advice and services of the company secretary and are entitled to seek independent professional advice at the company's expense if reasonably required in the execution of their corporate responsibilities.

The board has appointed an Audit and Risk Committee to assist it in the performance of its duties. A report by the Capevin Holdings Audit and Risk Committee has been provided on page 4 of this annual report.

Board meeting attendance

A restructuring of the KWV group was effected during July 2009 and Capevin Holdings' indirect investment in Distell was split from KWV's operational activities and assets. As a result, the previous board of directors resigned, except for Messrs AEvZ Botha and KI Mampeule, and new directors were appointed on 18 August 2009.

The board meets at least twice a year, or more frequently if required by circumstances. Attendance at meetings since the restructuring and up to the date of this report, was as follows:

Director	8 Sept 2009	18 Jan 2010	9 Feb 2010	30 Aug 2010
AEvZ Botha	√	√	√	√
JJ Durand[b]				√
KI Mampeule	√	√	√	√
JJ Mouton[a]	R	√	√	√
CA Otto[a]	√	√	√	√
MH Visser[b]				√

√ Present
R Recused from meeting
[a] Appointed on 18 August 2009
[b] Appointed on 24 March 2010

DEALING IN SECURITIES

Directors of the company are prohibited from dealing in securities of the company during price-sensitive periods.

REPORT OF THE AUDIT AND RISK COMMITTEE

The Capevin Holdings Limited Audit and Risk Committee ("the committee") comprises Messrs JJ Mouton (Chairman) and JJ Durand. With the finalisation of the KWV group's restructuring the previous audit committee resigned and a new audit committee was established. With Mr JJ Durand's appointment as director he replaced Mr CA Otto as member of the committee. All the members are non-executive directors. The committee met as set out below during the past year and the meetings are open for all the directors to attend. The meetings held during the year were attended as follows:

Director	21 July 2009	8 Sept 2009	9 Feb 2010	30 Aug 2010
AEvZ Botha		√	√	√
F-A du Plessis[c]	√	Adv		
JJ Durand[b]				√
KI Mampeule		√	√	√
JJ Mouton[a]		R	√	√
CA Otto[a]		√	√	√
PB Retief[c]	√	Adv		
IB Skosana[c]	A			
MH Visser[b]				√

√ Present

A Absent with apology

R Recused from meeting

Adv Attend in advisory capacity

[a] New board of directors appointed on 18 August 2009

[b] Appointed on 24 March 2010

[c] Member of previous committee; resigned on 18 August 2009

The committee reports that it has considered the matters set out in section 270A(5) of the Companies Act, 61 of 1973, as amended by the Corporate Laws Amendment Act, and is satisfied with the independence and objectivity of the external auditor, PricewaterhouseCoopers Inc. The committee has considered and recommended the fees payable to the external auditor and is satisfied with the extent of non-audit-related services performed.

Based on the information and explanations given by management and discussions with the independent external auditor regarding the results of their audit, the committee is satisfied that there was no material breakdown in the internal accounting controls during the financial year under review.

The committee has evaluated the financial statements of Capevin Holdings Limited and the group for the year ended 30 June 2010 and, based on the information provided to the committee, considers that the group complies, in all material respects, with the requirements of the Companies Act, 61 of 1973, as amended, and International Financial Reporting Standards (IFRS).

JJ Mouton
Chairman

30 August 2010

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The directors are responsible for the maintenance of adequate accounting records and to prepare annual financial statements that fairly represent the state of affairs and the results of the group. The external auditor is responsible for independently auditing and reporting on the fair presentation of these annual financial statements. Management fulfils this responsibility primarily by establishing and maintaining accounting systems and practices adequately supported by internal accounting controls. Such controls provide assurance that the group's assets are safeguarded, that transactions are executed in accordance with management's authorisations and that the financial records are reliable. The annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and incorporate full and reasonable disclosure. Appropriate and recognised accounting policies are consistently applied.

The Audit and Risk Committee of the group meets regularly with the external auditor, as well as administrative management, to evaluate matters concerning accounting policies, internal control, auditing and financial reporting. The external auditor has unrestricted access to all records, assets and personnel as well as to the Audit and Risk Committee.

The financial statements are prepared on the going concern basis, since the directors have every reason to believe that the group has adequate resources to continue for the foreseeable future.

The financial statements set out on pages 7 to 44 were approved by the board of directors of Capevin Holdings Ltd and are signed on its behalf by:

KI Mampeule
Chairman

CA Otto
Financial director

30 August 2010
Stellenbosch

DECLARATION BY THE COMPANY SECRETARY

We declare that, to the best of our knowledge, the company has lodged with the Registrar all such returns as are required of a public company in terms of the Companies Act, 61 of 1973, as amended, and that all such returns are true, correct and up to date.

PSG Corporate Services (Pty) Ltd
Per WL Greeff
Company secretary

30 August 2010
Stellenbosch

INDEPENDENT AUDITOR'S REPORT

to the members of Capevin Holdings Limited

We have audited the group annual financial statements and annual financial statements of Capevin Holdings Ltd, which comprise the consolidated and separate statements of financial position as at 30 June 2010, and the consolidated and separate income statements, statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 7 to 43.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements present fairly, in all material respects, the consolidated and separate financial position of Capevin Holdings Ltd as at 30 June 2010, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.

OTHER MATTER

The supplementary information set out on page 44 does not form part of the annual financial statements and is presented as additional information. We have not audited this schedule and accordingly we do not express an opinion thereon.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc.
Director: HD Nel
Registered auditor

30 August 2010
Cape Town

DIRECTORS' REPORT

NATURE OF BUSINESS

The company is an investment company which holds 51% (2009: 51%) of the issued share capital of JSE-listed Capevin Investments Ltd, which in turn holds 50% of the issued share capital of Remgro–Capevin Investments Ltd. The latter company holds 58,24% (2009: 58,45%) of the issued share capital of Distell Group Ltd ("Distell"), which invests mainly in the manufacture, distribution and marketing of wine, spirits and alcoholic fruit beverages. Accordingly, Capevin Holdings Ltd's effective interest in Distell is 14,85% (2009: 14,90%).

HOLDING COMPANY

The company has no holding company. Zeder Investments Ltd is the largest shareholder with 38,3% and two other shareholders, Remgro International Holdings (Pty) Ltd and VinPro Ltd (limited by guarantee), have interests in excess of 5% each.

OPERATING RESULTS

The main asset of the company is an indirect investment in Distell which is held through its subsidiary, Capevin Investments Ltd, and its associate company, Remgro-Capevin Investments Ltd. The equity method of accounting is therefore applied during the preparation of the consolidated financial statements.

Shareholder's attention is drawn to the information disclosed in note 27 of the financial statements regarding the dilution of the group's interest in Distell, as well as note 21.1 of the financial statements regarding the unbundling of the group's operational assets and activities.

The financial position and the results of operations are fully dealt with in the attached financial statements.

DIVIDENDS

On 19 February 2010 a maiden interim dividend of 8 cents per share was declared, and paid on 29 March 2010.

A final dividend of 8,9 cents (2009: 8,7 cents) per share was declared on 30 August 2010 and is payable on 29 September 2010.

SHARE CAPITAL

There has been no changes to the authorised and issued share capital of the company during the year. The authorised and issued share capital is disclosed in note 12 to the financial statements.

DIRECTORS

The directors of the company at the date of this report were:

- KI Mampeule (Chairman)
- AEvZ Botha
- JJ Durand (appointed 24 March 2010)
- JJ Mouton
- CA Otto (Financial director)
- MH Visser (appointed 24 March 2010)

DIRECTORS' INTERESTS

At 30 June 2010 and at the date of this report the directors of the company held no shares (2009: 2 243 519 shares) of the issued share capital of the company.

DIRECTORS' EMOLUMENTS

Directors' emoluments are set out in note 24.4 to the annual financial statements.

EVENTS SUBSEQUENT TO THE REPORTING DATE

The directors are unaware of any matter or event which is material to the financial affairs of the company that have occurred between the reporting date and the date of approval of these annual financial statements.

SECRETARY

The secretary of the company is PSG Corporate Services (Pty) Ltd. The business and postal addresses are set out below:

Business address	Postal address
1st Floor	PO Box 7403
Ou Kollege	Stellenbosch
35 Kerk Street	7599
Stellenbosch	
7600	

AUDITOR

PricewaterhouseCoopers Inc. will continue in office in accordance with section 270(2) of the Companies Act of South Africa.

STATEMENTS OF FINANCIAL POSITION
at 30 June 2010

		GROUP			COMPANY	
		2010	2009*	2008*	2010	2009**
	Notes	R'000	R'000	R'000	R'000	R'000
ASSETS						
Non-current assets		**1 525 464**	1 401 702	1 665 567	**136 406**	136 753
Property, plant and equipment	**2**			299 583		
Intangible assets	**3**			5 187		
Investment in subsidiaries	**4.1**				**136 156**	136 156
Investment in associates and joint ventures	**5**	**1 525 214**	1 401 105	1 319 894		
Available-for-sale financial assets	**6**	**250**	597	581	**250**	597
Loans and receivables	**7**			15 422		
Deferred taxation	**14**			24 900		
Current assets		**5 387**	1 264 394	1 006 045	**5 129**	704 865
Property, plant and equipment	**2**		229 461			
Intangible assets	**3**		888			
Investment in subsidiaries	**4.2**					198 495
Investment in associates and joint ventures	**5**		16 127			9 350
Loans and receivables	**7**		4 485			
Deferred taxation	**14**		17 674			
Inventory	**8**		731 435	691 958		
Trade and other receivables	**9**		232 009	239 105		3
Current income tax asset		**210**	21 344	24 427	**206**	
Derivative financial instruments	**10**		6 630	6 465		
Loans to subsidiaries	**4.3**					496 789
Cash and cash equivalents	**11**	**5 177**	4 341	44 090	**4 923**	228
Assets held for sale	**21.2**		54 949	5 477		
Total assets		**1 530 851**	2 721 045	2 677 089	**141 535**	841 618
EQUITY AND LIABILITIES						
Equity attributable to owners of the parent						
Share capital	**12**	**11**	11	11	**11**	11
Share premium	**12**	**7 000**	7 000	7 000	**7 000**	7 000
Reserves		**771 536**	1 725 917	1 564 063	**130 322**	825 158
Ordinary shareholders' interest		**778 547**	1 732 928	1 571 074	**137 333**	832 169
Non-controlling interests		**746 884**	686 818	553 614		
Total equity		**1 525 431**	2 419 746	2 124 688	**137 333**	832 169
Non-current liabilities		**35**	76	144 569	**35**	76
Non-current borrowings				43 196		
Deferred taxation	**14**	**35**	76	101 373	**35**	76
Current liabilities		**5 385**	301 223	404 911	**4 167**	9 373
Deferred taxation	**14**		92 828			
Current portion of non-current borrowings	**15.1**		42 907	30 484		
Current borrowings	**15.2**		29 488	217 490		
Trade and other payables	**16**	**155**	124 260	142 987	**65**	2 254
Unclaimed dividends		**5 230**	6 967	5 960	**4 102**	6 161
Derivative financial instruments	**10**		428	1 684		
Current income tax liability			4 345	6 306		958
Liabilities directly associated with assets held for sale				2 921		
Total liabilities		**5 420**	301 299	552 401	**4 202**	9 449
Total equity and liabilities		**1 530 851**	2 721 045	2 677 089	**141 535**	841 618

* Restated as set out in note 23 to the annual financial statements

** Reclassified as set out in note 23 to the annual financial statements

INCOME STATEMENTS
for the year ended 30 June 2010

	Notes	GROUP 2010 R'000	GROUP 2009* R'000	COMPANY 2010 R'000	COMPANY 2009 R'000
CONTINUING OPERATIONS					
Share of profit of associate	5	**274 493**	278 788		
Gain/(loss) on dilution of interest in associate		**1 413**	(1 101)		
Investment income	17	**644**	854	**76 415**	76 607
Other income	18	**322**		**322**	
Administrative expenses	19	**(5 667)**	(10 155)	**(3 639)**	(8 743)
Profit before taxation		**271 205**	268 386	**73 098**	67 864
Taxation	20	**1 294**	1 232	**1 294**	(2 312)
Profit for the year from continuing operations		**272 499**	269 618	**74 392**	65 552
DISCONTINUED OPERATIONS					
(Loss)/profit from discontinued operations	21.1	**(749 953)**	(9 759)	**(418 528)**	283 502
(Loss)/profit for the year		**(477 454)**	259 859	**(344 136)**	349 054
Attributable to:					
Non-controlling interests		**134 321**	114 546		
– Profit for the year from continuing operations		**134 321**	114 546		
– Profit for the year from discontinued operations					
Equity holders of the company		**(611 775)**	145 313	**(344 136)**	349 054
– Profit for the year from continuing operations		**138 178**	155 072	**74 392**	65 552
– (Loss)/profit for the year from discontinued operations		**(749 953)**	(9 759)	**(418 528)**	283 502
		(477 454)	259 859	**(344 136)**	349 054
Earnings per share – basic and diluted					
Attributable earnings (cents)					
– Continuing operations		**30,8**	37,5		
– Discontinued operations		**(167,4)**	(2,4)		
		(136,6)	35,1		
Headline earnings (cents)					
– Continuing operations		**30,8**	37,5		
– Discontinued operations			0,2		
		30,8	37,7		

* Restated as set out in note 23 to the annual financial statements

STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 30 June 2010

		GROUP		COMPANY	
		2010	**2009***	**2010**	**2009**
	Notes	**R'000**	**R'000**	**R'000**	**R'000**
(Loss)/profit for the year attributable to owners of the company		**(477 454)**	259 859	**(344 136)**	349 054
Other comprehensive (loss)/income, net of tax	**20**	**(11 837)**	(19 610)	**(221)**	14
Share of other comprehensive loss of associate		**(9 842)**	(23 861)		
Other equity movements of associate		**4 417**	5 504		
Revaluation of available-for-sale financial assets			14		14
Disposal of available-for-sale financial assets		**(221)**		**(221)**	
Currency translation differences			(1 201)		
Non-controlling interest in deferred taxation on change in unrealised profit in closing inventory of group companies			(66)		
Reclassification of reserves on unbundling		**(6 191)**			
Total comprehensive (loss)/income for the year		**(489 291)**	240 249	**(344 357)**	349 068
Attributable to:					
Non-controlling interests		**131 247**	105 485		
Equity holders of the company		**(620 538)**	134 764	**(344 357)**	349 068
		(489 291)	240 249	**(344 357)**	349 068

* Restated as set out in note 23 to the annual financial statements

STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 June 2010

	Share premium and capital R'000	Retained earnings* R'000	Equity reserve* R'000	Other reserves R'000	Non-controlling interest* R'000	Total R'000
GROUP						
Balance at 1 July 2008	7 011	955 741	671 497	(63 175)	553 614	2 124 688
Profit for the year		145 313			114 546	259 859
Other comprehensive loss, net of tax	–	–	(9 362)	(1 187)	(9 061)	(19 610)
Share of other comprehensive loss of associate			(14 866)		(8 995)	(23 861)
Other equity movements of associate			5 504			5 504
Revaluation of available-for-sale financial assets				14		14
Currency translation differences				(1 201)		(1 201)
Non-controlling interest in deferred taxation on change in unrealised profit in closing inventory of group companies					(66)	(66)
Total comprehensive income/(loss)	–	145 313	(9 362)	(1 187)	105 485	240 249
Transactions with owners	–	(42 185)	66 374	2 901	27 719	54 809
Treasury shares sold		(1 497)		2 044		547
Share-based payment expense for the year				857		857
Net transfer between reserves		(66 374)	66 374			–
Net interest in reserves sold to non-controlling interests					86 472	86 472
Acquisition of additional interests in subsidiaries		(43 849)				(43 849)
Disposal of interests in subsidiaries		121 298				121 298
Unclaimed dividends written back		7			6	13
Dividends paid		(51 770)			(58 759)	(110 529)
Balance at 30 June 2009	7 011	1 058 869	728 509	(61 461)	686 818	2 419 746
(Loss)/profit for the year		**(611 775)**			**134 321**	**(477 454)**
Other comprehensive loss, net of tax	**–**	**(5 776)**	**(2 766)**	**(221)**	**(3 074)**	**(11 837)**
Share of other comprehensive loss of associate			**(5 019)**		**(4 823)**	**(9 842)**
Other equity movements of associate			**2 253**		**2164**	**4 417**
Disposal of available-for-sale financial assets				**(221)**		**(221)**
Reclassification of reserves with unbundling		**(5 776)**			**(415)**	**(6 191)**

* Restated as set out in note 23 to the annual financial statements

STATEMENTS OF CHANGES IN EQUITY *(continued)*
for the year ended 30 June 2010

	Share premium and capital R'000	Retained earnings* R'000	Equity reserve* R'000	Other reserves R'000	Non-controlling interest* R'000	Total R'000
GROUP *(continued)*						
Total comprehensive (loss)/income	–	(617 551)	(2 766)	(221)	131 247	(489 291)
Transactions with owners	–	(426 471)	30 696	61 932	(71 181)	(405 024)
Movements in reserves due to unbundling		(9 941)	(35 365)	61 932	1 869	18 495
Net transfer between reserves		(66 061)	66 061			–
Unclaimed dividends written back		3 334			9	3 343
Unbundling – dividend in specie		(279 000)				(279 000)
Dividends paid		(74 803)			(73 059)	(147 862)
Balance at 30 June 2010	7 011	14 847	756 439	250	746 884	1 525 431

* Restated as set out in note 23 to the annual financial statements

	Share premium and capital R'000	Retained earnings R'000	Other reserves R'000	Total R'000
COMPANY				
Balance at 1 July 2008	7 011	531 623	457	539 091
Profit for the year		349 054		349 054
Other comprehensive income, net of tax				
Revaluation of available-for-sale financial assets			14	14
Total comprehensive income	–	349 054	14	349 068
Transactions with owners				
Dividends paid		(55 990)		(55 990)
Balance at 30 June 2009	7 011	824 687	471	832 169
Loss for the year		(344 136)		(344 136)
Other comprehensive loss, net of tax				
Disposal of available-for-sale financial assets			(221)	(221)
Total comprehensive loss	–	(344 136)	(221)	(344 357)
Transactions with owners	–	(350 479)	–	(350 479)
Unclaimed dividends written back		3 324		3 324
Unbundling – dividend in specie		(279 000)		(279 000)
Dividends paid		(74 803)		(74 803)
Balance at 30 June 2010	7 011	130 072	250	137 333

Dividend per share
Interim – maiden dividend of 8 cents per share
Final – 8,9 cents per share (2009: 8,7 cents)

STATEMENTS OF CASH FLOWS
for the year ended 30 June 2010

		GROUP		COMPANY	
		2010	**2009***	**2010**	**2009***
	Notes	**R'000**	**R'000**	**R'000**	**R'000**
Cash flows from operating activities					
Administrative expenses	**19**	**(5 667)**	(10 155)	**(3 639)**	(8 743)
(Decrease)/increase in trade and other payables and unclaimed dividends		**(862)**	2 569	**(1 142)**	2 216
Cash utilised in operations		**(6 529)**	(7 586)	**(4 781)**	(6 527)
Interest received		**640**	506	**370**	218
Taxation paid		**(2 439)**	(3 642)	**(2 454)**	(3 930)
Dividends received		**150 209**	150 553	**76 045**	76 389
Net cash (outflow)/inflow from discontinued operations	**21.1**		(16 130)		3 558
		141 881	123 701	**69 180**	69 708
Cash flows from investing activities					
Proceeds on disposal of available-for-sale financial asset		**669**		**669**	
Loan repaid by group company	**21.1**	**9 649**		**9 649**	
Cash given up on unbundling	**21.1**	**25 987**			
Net cash outflow from discontinued operations	**21.1**		(2 723)		(182 275)
		36 305	(2 723)	**10 318**	(182 275)
Cash flows from financing activities					
Dividends paid		**(147 862)**	(110 529)	**(74 803)**	(55 990)
Net cash inflow from discontinued operations	**21.1**		137 804		167 545
		(147 862)	27 275	**(74 803)**	111 555
Net increase in cash and cash equivalents		**30 324**	148 253	**4 695**	(1 012)
Cash and cash equivalents at beginning of the year		**(25 147)**	(173 400)	**228**	1 240
Cash and cash equivalents at end of the year	**11**	**5 177**	(25 147)	**4 923**	228

* Restated as set out in note 23 to the annual financial statements

ACCOUNTING POLICIES
for the year ended 30 June 2010

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented.

1.1 BASIS OF PREPARATION

The consolidated and separate annual financial statements of Capevin Holdings Ltd have been prepared in accordance with International Financial Reporting Standards (IFRS) and the manner required by the Companies Act of South Africa. The financial statements have been prepared under the historical cost convention, except where otherwise stated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in notes 1.2 and 1.26.

Standards, interpretations and amendments to published standards that are effective for the first time in 2010 and relevant to the group's operations

- IFRS 8 Operating Segments (effective January 2009). The standard requires an entity to adopt the 'management approach' to reporting on the financial performance of its operating segments. The standard sets out requirements for disclosure of information about an entity's operating segments and also about the entity's products and services, the geographical areas in which it operates, and its major customers. The disclosure should enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.
- IAS 1 Revised – Presentation of Financial Statements (effective January 2009). The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income. As a result the group presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income. Comparative information has been re-presented so that it is also in conformity with the revised standard. The change in accounting policy only impacts presentation aspects, and has no impact on the reported results of the group.
- IAS 27 Revised – Consolidated and Separate Financial Statements (effective July 2009). The revised standard requires the effect of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and the gain or loss is recognised in profit or loss.
- IFRIC 17 Distribution of Non-cash Assets to Owners (effective July 2009). The interpretation applies to the accounting for distributions of non-cash assets (commonly referred to as 'dividend in specie') to the owners of the entity. The interpretation clarifies that: a dividend payable should be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity; an entity should measure the dividend payable at the fair value of the net assets to be distributed; and an entity should recognise the difference between the dividend paid and the carrying amount of the net assets distributed in profit or loss. The classification, presentation and measurement requirements in IFRS 5 applicable to a non-current asset (or disposal group) that is classified as held for sale apply also to a non-current asset (or disposal group) that is classified as held for distribution to owners acting in their capacity as owners (held for distribution to owners).

Standards, interpretations and amendments to published standards that are effective for the first time in 2010 and not currently relevant to the group's operations

- Amendment to IFRS 2 Share-based Payment – Vesting Conditions and Cancellations (effective January 2009)
- IFRS 3 Revised – Business Combinations (effective July 2009)

- Amendments to IFRS 7 Financial Instruments: Disclosures (effective January 2009)
- IAS 23 Revised – Borrowing Costs (effective January 2009)
- Amendment to IAS 27 Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (effective January 2009)
- Amendment to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation (effective January 2009)
- Amendments to IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items (effective July 2009)
- IFRIC 15 Agreements for the Construction of Real Estate (effective January 2009)
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation (effective October 2008)
- IFRIC 18 Transfers of Assets from Customers (effective July 2009)
- AC 503 Revised – Accounting for Black Economic Empowerment Transactions (effective January 2009)
- AC 504 – IAS 19 (AC 116) – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction in the South African Pension Fund Environment (effective April 2009)
- Improvements to IFRSs 2008 (effective January 2009 and July 2009)
- Improvements to IFRSs 2009 (effective July 2009)

Standards, interpretations and amendments to published standards that are not yet effective but relevant to the group's operations

- IFRS 9 Financial Instruments (effective January 2013)

Management is in the process of assessing the impact of this standard on the reported results of the group.

Standards, interpretations and amendments to published standards that are not yet effective nor relevant to the group's operations

- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards (effective January 2010 and July 2010)
- Amendments to IFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions (effective January 2010)
- Amendment to IFRIC 14 Prepayments of a Minimum Funding Requirement (effective January 2011)
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (effective July 2010)
- Amendments to IAS 24 Related Party Disclosures (effective January 2011)
- Amendments to IAS 32 Classification of Rights Issues (effective February 2010)
- Improvements to IFRSs 2009 (effective January 2010)
- Improvements to IFRSs 2010 (effective July 2010 and January 2011)

1.2 BASIS OF CONSOLIDATION

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group.

They are de-consolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Investment in subsidiaries in the company financials are carried at cost less provision for impairment.

Transactions with non-controlling interests
The group treats transactions with non-controlling interests as transactions with equity owners of the group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Foreign subsidiaries
The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;
- income and expenses for each income statement are translated at an average exchange rate unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions; and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Joint ventures
Jointly controlled entities are those investments in which the group has a long-term interest and where joint control over the economic activity of an entity is established through a contractual arrangement.

All jointly controlled ventures are accounted for according to the equity method as with associated companies.

Investment in joint ventures in the company financials are carried at cost less provision for impairment.

Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in its associates' other comprehensive income and other reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

Dilution gains and losses arising on investments in associates are recognised in the income statement.

Investments in associates are accounted for at cost less accumulated impairment losses in the company's financial statements.

Interest-free loans to associates with no specific terms of repayment are considered to be a capital contribution to the associate and are included in the carrying amount of the investment.

Significant accounting policies of associates

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity), but excludes borrowing cost. Net realisable value is the estimated selling price in the ordinary course of business, less the applicable costs of completion and selling expenses. Costs of inventories include the transfer from equity of any gains/losses on qualifying cash flow hedges of raw material purchases.

Employee benefits – Retirement funds: Defined-benefit plans

The liability recognised in the statement of financial position in respect of defined-benefit pension plans and post-retirement medical benefits is the present value of the defined-benefit obligation at the reporting date less the fair value of plan assets together with adjustments to unrecognised past service costs. The defined-benefit obligation is actuarially valued every three years and reviewed every year by independent actuaries using the projected unit credit method. The present value of the defined-benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. Current service costs are recognised immediately in income. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised outside profit or loss in the period in which they occur and are presented in other comprehensive income.

Merchandising and promotional items
Merchandising and promotional items are expensed when the group has access to such items, regardless of when these items are utilised by the group.

1.3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated on the straight-line method at rates considered appropriate to reduce book values to estimated residual values over the useful lives of the assets, as follows:

Buildings	40
Machinery and equipment	10 – 50
Furniture and fittings	5 – 10
Vehicles	5 – 15

Land is not depreciated.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the income statement.

1.4 INTANGIBLE ASSETS

Goodwill
Goodwill represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the identifiable net assets acquired. Goodwill is reported in the statement of financial position as an intangible asset. Goodwill on acquisition of associated companies is included in investments in associated companies. Goodwill is tested annually for impairment and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The groups of cash-generating units are not larger than operating segments.

An excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities arises where the net assets of a subsidiary at the date of acquisition, fairly valued, exceed the cost of the acquisition. This excess arising on acquisitions is taken directly to income.

Computer software
Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring into use the specific software. These costs are amortised over their estimated useful lives (5 to 8 years). Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

1.5 IMPAIRMENT OF NON–FINANCIAL ASSETS
Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets, other than goodwill, that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

1.6 INVENTORY
Inventory is stated at the lower of cost and net realisable value. For manufactured products all direct expenses and production overheads, at normal activity levels, are included in the cost of inventory.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

1.7 DERIVATIVE FINANCIAL INSTRUMENTS
The group is party to financial instruments that reduce its exposure to fluctuations in foreign currency exchange rates and interest rates. These instruments mainly comprise foreign currency forward contracts and interest rate swap agreements. The purpose of these instruments is to reduce risk.

Derivative instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value.

Hedge accounting is not applied and changes in the fair value of any derivative instruments are taken to the income statement.

1.8 FINANCIAL ASSETS
The group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables in the statement of financial position consist of trade and other receivables and cash and cash equivalents, and are measured at amortised cost using the effective-interest method, less provision for impairment.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of them within 12 months of the reporting date.

Recognition and measurement of financial assets

Purchases and sales of financial assets are recognised on trade date (the date on which the group commits to purchase or sell the asset). Financial assets not carried at fair value through profit or loss, are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment activities.

Interest on available-for-sale securities calculated using the effective-interest method is recognised in the income statement as part of investment income. Dividends on available-for-sale equity instruments are recognised in the income statement as part of investment income when the group's right to receive payment is established.

The fair values of quoted financial assets are based on current bid prices. If the market for a financial asset is not active, the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, and discounted cash flow analysis refined to reflect the issuer's specific circumstances.

Impairment of financial assets

The group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

Loans and receivables are considered impaired if, and only if, there is objective evidence of impairment as a result of events that occurred after initial asset recognition (known as loss events) and these loss events have an adverse impact on the assets' estimated future cash flows that can be reliably measured. Objective evidence that loans and advances may be impaired, includes breach of contract, such as a default or delinquency in interest or principal payments. In this regard instalments past due date are considered in breach of contract. The amount of the impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Impairment losses are recognised in the income statement, and reversed through the income statement.

1.9 TRADE RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

Trade receivables against which a provision for impairment were made will be written off as soon as no further legal collections are possible. Trade receivables against which there were no previous provision for impairment, are written off directly to the income statement as soon as there are no further legal collections.

1.10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and investments in money market instruments. Cash and cash equivalents are classified as loans and receivables (refer note 1.8). Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

1.11 SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of any tax, from the proceeds.

Where any group company, including the KWV Share Incentive Trust, purchases the company's equity share capital such shares are classified as treasury shares. The consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders. These shares are treated as a deduction from the issued number of shares and taken into account in the calculation of the weighted average number of shares in issue.

1.12 RESERVES

Currency translation reserve

The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries and joint ventures into the presentation currency of the group.

Available-for-sale reserve

Gains and losses from changes in the fair value of available-for-sale investments (disclosed in note 6) are recognised in other comprehensive income until the financial asset is disposed of.

Share-based payment reserve

The share-based payment reserve comprises of amounts that were expensed as part of the group's equity-settled share-based compensation plan.

Equity reserve

The equity reserve comprises the group's share of associates' post-acquisition reserves, excluding non-controlling interests.

1.13 FINANCIAL LIABILITIES

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective-interest method.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective-interest method.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

1.14 PROVISIONS

Provisions are recognised when the group has a present legal or constructive liability as a result of past events, the settlement of which is expected to result in an outflow of economic benefits and if the monetary value of the liability can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as finance costs.

1.15 TAXATION

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associated companies, except where the group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

1.16 NON-CURRENT ASSETS (OR DISPOSAL GROUPS) HELD FOR SALE

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

1.17 REVENUE RECOGNITION

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The group bases its estimates on historical results taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sale of goods

Income from sales of products is accounted for when the risks and rewards pass to the customer and collectibility of related receivables is reasonably assured. It excludes excise duty to the extent that it was directly recovered from clients and also value added tax, sales tax, rebates and discounts. Sales within the group are eliminated on consolidation.

Revenue is recognised at the fair value of consideration received or receivable.

Interest income

Interest income is recognised on a time-proportion basis using the effective-interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised either as cash is collected or on a cost-recovery basis as conditions warrant.

Dividend income

Dividend income is recognised when the right to receive payment is established.

1.18 DIVIDEND DISTRIBUTION

Dividend distribution to the company's shareholders is recognised as a liability in the group's financial statements in the period in which the dividends are approved by the company's board of directors.

1.19 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in South African rands, which is the holding company's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation, at year-end exchange rates, of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, within operating expenses.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in other comprehensive income.

Group companies

Translation of the results and financial position of group companies is dealt with in note 1.2.

1.20 EMPLOYEE BENEFITS

Pension obligations

It is the company's policy to provide retirement benefits for its employees. For this purpose there are two funds with defined contributions, both which are regulated by the Pension Fund Act of 1956. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. All the company's employees are members of the funds and contribute to the funds monthly.

For defined-contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Short-term benefits

The cost of all short-term employee benefits, such as salaries, employee entitlements to leave pay, bonuses, medical aid and other contributions, are recognised during the period in which the employee renders the related service. The group recognises the expected cost of bonuses only when the group has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

Share-based payments

The group operates an equity-settled, share-based compensation plan, as well as a cash-settled scheme. The fair value of the employee services received in exchange for the granting of these instruments is recognised as an expense over the vesting period. The total amount to be expensed over the vesting period is determined by reference to the fair value of the instruments granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of instruments that are expected to be exercised. At each reporting date, the group revises its estimates of the number of instruments that are expected to vest and the impact of the revision of original estimates are recognised in the income statement over the remaining vesting period.

Share options ("options")

A share-based payment reserve is recognised as part of equity and represents the fair value of the options at grant date. The proceeds received net of any directly attributable transaction costs are credited to reserves when the options are exercised.

Cash-settled Share Appreciation Rights ("SARs")

A liability is raised for the fair value of the cash share scheme at each reporting date. Until the liability is settled, the group remeasures the fair value of the liability at each reporting date and at the date of settlement, with any changes in value recognised in profit or loss for the period.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting date are discounted to their present value.

Leave pay policy

The leave pay accrual relates to vested leave pay to which employees may become entitled upon leaving the employment of the group. The accrual arises as employees render a service that increases their entitlement to future compensated leave. The accrual is utilised when employees who are entitled to leave pay, leave the employment of the group or when the accrued leave due to an employee, is utilised.

1.21 STATEMENT OF CASH FLOWS

The statement of cash flows is prepared using the indirect method.

1.22 LEASES

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

1.23 BIOLOGICAL ASSETS

Biological assets are carried at fair value less expected selling cost. Gains and losses arising from changes in fair value are accounted for in profit and loss during the period in which they arise. Fair value is calculated by discounting the net cash flows of the vineyards over the remaining lives thereof at an appropriate discount rate. Agricultural products are initially stated at fair value less estimated point-of-sale costs at the time of harvest. Subsequent to initial recognition, agricultural products are stated at the lower of cost or net realisable value.

1.24 SEGMENT REPORT

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

1.25 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in accordance with IFRS require the use of certain critical accounting estimates. It requires management to exercise its judgement in the process of applying the group's accounting policies and in reporting assets and liabilities, income and expenses. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are mainly impairment of receivables, useful life and impairment of property, plant and equipment, inventory provisions and deferred and current income taxes.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The judgements and assumptions that are particularly relevant to the group's operations are:

Estimated impairment of investments in associates and joint ventures and of goodwill

This determination requires significant judgement. The main indicators of possible impairment are profitability and cash flows that are poor or significantly below expectations.

Where indications of impairment exist more detailed analyses are performed, including an assessment of the approved three year financial budgets and cash flow projections. Longer-term projections performed using stable working capital ratio's and reasonable growth rates in both income and costs.

Where goodwill is evaluated it is allocated to the group's cash-generating units. The recoverable amount of such a unit is determined based on value-in-use calculations.

	Land and buildings R'000	Machinery and equipment R'000	Furniture and fittings R'000	Vehicles R'000	Plant under con-struction R'000	Total R'000
2. PROPERTY, PLANT AND EQUIPMENT						
GROUP						
Year ended 30 June 2009						
Opening carrying value	50 168	229 404	15 605	4 458	2 760	302 395
Cost	70 258	513 695	43 680	10 826	2 760	641 219
Accumulated depreciation	(20 090)	(284 291)	(28 075)	(6 368)		(338 824)
Additions/(transfers)	696	25 998	3 526	1 510	(1 652)	30 078
Disposals	(816)	(1 537)	(225)	(1 008)		(3 586)
Depreciation charge	(1 835)	(27 043)	(5 276)	(815)		(34 969)
Impairment charge		(18 033)	(1 386)			(19 419)
Carrying value	48 213	208 789	12 244	4 145	1 108	274 499
Cost	69 934	525 024	46 049	9 470	1 108	651 585
Accumulated depreciation	(21 721)	(316 235)	(33 805)	(5 325)		(377 086)
Year ended 30 June 2010						
Opening carrying value	**48 213**	**208 789**	**12 244**	**4 145**	**1 108**	**274 499**
Cost	**69 934**	**525 024**	**46 049**	**9 470**	**1 108**	**651 585**
Accumulated depreciation	**(21 721)**	**(316 235)**	**(33 805)**	**(5 325)**		**(377 086)**
Unbundling	**(48 213)**	**(208 789)**	**(12 244)**	**(4 145)**	**(1 108)**	**(274 499)**
Carrying value	**–**	**–**	**–**	**–**	**–**	**–**

	GROUP 2010 R'000	GROUP 2009 R'000
Disclosed on the statement of financial position as:		
Assets held for sale		45 038
Property, plant and equipment		229 461
	–	274 499

The registers of land and buildings are available for inspection at the registered offices of the new holding company and its subsidiaries.

All property, plant and equipment formed part of the operational assets and activities unbundled during the year (refer note 21.1).

	GROUP		COMPANY	
	2010	2009	2010	2009
	R'000	R'000	R'000	R'000
3. INTANGIBLE ASSETS				
Computer software				
Opening carrying value	**888**	5 187		
Cost	**10 231**	10 030		
Accumulated amortisation	**(9 343)**	(4 843)		
Additions		202		
Disposals		(118)		
Amortisation charge		(1 115)		
Impairment charge		(3 268)		
Unbundling	**(888)**			
Carrying value	–	888		
Cost		10 231		
Accumulated amortisation		(9 343)		

All intangible assets formed part of the operational assets and activities unbundled during the year (refer note 21.1).

	GROUP		COMPANY	
	2010	2009	2010	2009
4. INVESTMENT IN SUBSIDIARY				
4.1 Listed subsidiaries				
Investment in listed Capevin Investments Ltd			**136 156**	136 156
Capevin Holdings Ltd holds a 51% (2009: 51%) interest in Capevin Investments Ltd.				
4.2 Unlisted subsidiaries				
KWV International Holding GmbH				10 821
KWV Intellectual Property (Pty) Ltd				130 000
KWV International (Pty) Ltd				57 664
KWV South Africa (Pty) Ltd				10
			–	198 495
4.3 Loans to subsidiaries				
Loan to KWV International (Pty) Ltd				81 358
Loan to KWV South Africa (Pty) Ltd				415 431
			–	496 789

The unlisted investments and loans formed part of the operational assets and activities unbundled during the year (refer note 21.1).

	GROUP			COMPANY	
	2010	**2009**	**2008**	**2010**	**2009**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**
5. INVESTMENT IN ASSOCIATE					
Equity interests					
Unlisted shares at cost less impairment		9 650	28 896		4 872
Interest in post-acquisition reserves		2 897	(3 807)		
Unrealised profit in closing inventory of associates and joint ventures		(3 940)	(4 214)		
Loans					
Golden Kaan Ltd		4 478	5 045		4 478
Unsecured, Euro-denominated loan bearing interest at 6,8%, and with no fixed repayment terms.					
Vititec (Pty) Ltd		3 042			
Unsecured, Rand-denominated loan bearing interest at prime less 2%, and with no fixed repayment terms.					
Thierry's Wine Services Ltd			2268		
Unsecured, Pound-denominated, interest-free loan with no fixed repayment terms.					
Current investment	–	16 127	28 188	–	9 350
Equity interests					
Unlisted investment in Remgro-Capevin Investments Ltd – at cost	**42 000**	42 000	42 000		
The investment comprises 50 ordinary shares of R1 each and an unsecured, interest-free loan with no specific terms of repayment. The investment ultimately represents a shareholding of 14,85% (2009: 14,90%) in Distell Group Ltd.					
Interest in post-acquisition reserves	**1 483 214**	1 359 105	1 249 706		
Balance at beginning of the year	**1 359 105**	1 249 706	1 115 554		
Share of profit of associate	**274 493**	278 788	272 041		
Dividend received from associate	**(150 205)**	(150 205)	(124 976)		
Gain/(loss) on dilution of interest in associate	**1 413**	(1 101)	(5 716)		
Unrealised profit in closing inventory of group companies	**3 833**	274	(4 032)		
Other comprehensive loss	**(5 425)**	(18 357)	(3 165)		
Non-current investment	**1 525 214**	1 401 105	1 291 706	–	–
	1 525 214	1 417 232	1 319 894	–	9 350

	GROUP 2010 R'000	GROUP 2009 R'000	GROUP 2008 R'000

5. INVESTMENT IN ASSOCIATE *(continued)*

The investments in associates and joint ventures classified as current formed part of the operational assets and activities unbundled during the year (refer note 21.1).

The market value of the Distell Group Ltd investment, based on the JSE Ltd price at 30 June 2010, amounted to R3,8 billion (2009: R3,2 billion).

The principal financial information in respect of Distell Group Ltd

	2010 R'000	2009 R'000	2008 R'000
Abridged statement of financial position			
Total assets	**8 201 031**	7 449 575	**6 408 123**
Non-current	**2 732 444**	2 360 319	**1 961 551**
Current	**5 468 587**	5 089 256	**4 446 572**
Total liabilities	**(2 962 730)**	(2 640 201)	**(1 975 923)**
Non-current	**(673 946)**	(638 974)	**(186 827)**
Current	**(2 288 784)**	(2 001 227)	**(1 789 096)**
Total equity	**5 238 301**	4 809 374	**4 432 200**
Abridged income statement			
Revenue	**11 808 884**	10 863 728	**9 409 597**
Profit for the year attributable to ordinary shareholders	**941 556**	953 712	**928 988**
Earnings per share (cents)			
– attributable earnings	**468,1**	475,3	**464,6**
– diluted earnings	**444,5**	455,4	**436,1**
– headline earnings	**469,1**	474,8	**459,3**
– diluted headline earnings	**445,4**	455,0	**431,2**
Dividend per share (cents)	**256,0**	256,0	**236,0**
– interim	**124,0**	124,0	**104,0**
– final (declared after year-end)	**132,0**	132,0	**132,0**

	GROUP 2010 R'000	GROUP 2009 R'000	COMPANY 2010 R'000	COMPANY 2009 R'000
6. AVAILABLE-FOR-SALE FINANCIAL ASSETS				
Unlisted investments				
Kaap Agri Ltd		347		347
Historical Homes of South Africa Ltd	**250**	250	**250**	250
	250	597	**250**	597
7. LOANS AND RECEIVABLES				
Loan to Edward Cavendish & Sons Ltd ("ECS")		4 485		

The loan was secured by ECS's holding company, Thierry's Wine Services. It carried interest at 14,17% and was repayable in monthly instalments of £19,500 over a five-year period. The loan was carried at an impaired valuation as there were doubts with regard to its recoverability.

The loan formed part of the operational assets and activities unbundled during the year (refer note 21.1).

	GROUP 2010 R'000	GROUP 2009 R'000	COMPANY 2010 R'000	COMPANY 2009 R'000
8. INVENTORY				
Liquid inventory		716 332		
Auxiliary material		25 014		
	–	741 346		
Disclosed on the statement of financial position as:				
Assets held for sale		9 911		
Inventory		731 435		
	–	741 346		
Inventory carried at net realisable value		15 563		
Cost of inventories recognised as expense and included in cost of sales		508 420		

The inventory formed part of the operational assets and activities unbundled during the year (refer note 21.1).

	GROUP 2010 R'000	GROUP 2009 R'000	COMPANY 2010 R'000	COMPANY 2009 R'000
9. TRADE AND OTHER RECEIVABLES				
Trade receivables		183 799		
Other receivables		53 483		3
	–	237 282	–	3
Less: provision for impairment		(5 273)		
	–	232 009	–	3

The trade and other receivables formed part of the operational assets and activities unbundled during the year (refer note 21.1).

	GROUP 2010 R'000	GROUP 2009 R'000	COMPANY 2010 R'000	COMPANY 2009 R'000
10. DERIVATIVE FINANCIAL INSTRUMENTS				
Foreign exchange options ("zero cost collar") – assets		4 891		
Forward exchange contracts				
– assets		1 739		
– liabilities		(167)		
Interest rate options ("zero cost collar") – liabilities		(261)		
	–	6 202		
The derivative financial instruments formed part of the operational assets and activities unbundled during the year (refer note 21.1).				
11. CASH AND CASH EQUIVALENTS				
Cash at bank and money market funds	**5 177**	4 341	**4 923**	228
Composition of cash and cash equivalents for purposes of the statements of cash flows:				
Cash at bank and money market funds	**5 177**	4 341	**4 923**	228
Borrowings (refer note 15)		(29 488)		
	5 177	(25 147)	**4 923**	228
Cash at bank and money market funds of R3 501 000 formed part of the operational assets and activities unbundled during the year (refer note 21.1).				
12. SHARE CAPITAL AND PREMIUM				
Authorised				
643 388 800 ordinary profit-sharing class A shares with a par value of 0,0025 cents each	**16**	16	**16**	16
1 556 611 200 ordinary non-profit-sharing class B shares with a par value of 0,0025 cents each	**39**	39	**39**	39
	55	55	**55**	55
Issued				
447 923 265 ordinary profit-sharing class A shares with a par value of 0,0025 cents each	**11**	11	**11**	11
Share premium				
Balance at beginning and end of year	**7 000**	7 000	**7 000**	7 000

At the previous reporting date 33 736 333 treasury shares were held by the KWV Employee Empowerment Trust (30 351 280 shares) and the KWV Share Incentive Trust (3 385 053 shares) and thus the net number of issued shares were 414 186 932. Through the unbundling of Capevin Holdings Ltd's operational assets and activities (refer note 21.1) these shares ceased to be treasury shares.

	Currency translation reserve R'000	Treasury shares R'000	Share-based payment reserve R'000	Available-for-sale reserve R'000	Total R'000
13. OTHER RESERVES					
GROUP					
Balance at 1 July 2008	4 233	(70 167)	2 302	457	(63 175)
Movement during the year	(1 201)				(1 201)
Treasury shares sold		2 044			2 044
Revaluation of available-for-sale financial assets				14	14
Share-based payment expense for the year			857		857
Balance at 30 June 2009	3 032	(68 123)	3 159	471	(61 461)
Unbundling	**(3 032)**	**68 123**	**(3 159)**		**61 932**
Disposal of available-for-sale financial assets				**(221)**	**(221)**
Balance at 30 June 2010	**–**	**–**	**–**	**250**	**250**
COMPANY					
Balance at 1 July 2008				457	457
Revaluation of available-for-sale financial assets				14	14
Balance at 30 June 2009				471	471
Disposal of available-for-sale financial assets				**(221)**	**(221)**
Balance at 30 June 2010				**250**	**250**

	GROUP		COMPANY	
	2010	2009	2010	2009
	R'000	R'000	R'000	R'000
14. DEFERRED TAXATION				
The movements on the deferred income tax account were as follows:				
Balance at beginning of the year	**75 230**	76 473	**76**	74
Accounted for against income		(1 311)		
Revaluation of available-for-sale financial assets		2		2
Non-controlling interest in change in unrealised profit in closing inventory of group companies		66		
Disposal of available-for-sale financial assets	**(41)**		**(41)**	
Unbundling	**(75 154)**			
	35	75 230	**35**	76
The analysis of deferred tax assets and liabilities is as follows:				
Capital allowances		57 924		
Inventory revaluation		40 839		
Provisions and accruals		(4 780)		
Revaluation of available-for-sale financial assets	**35**	76	**35**	76
Unrealised profit in closing inventories of group companies		(577)		
Computed taxation loss		(18 252)		
	35	75 230	**35**	76
The net deferred tax asset is represented on the statement of financial position by:				
Group companies with net deferred tax assets		(17 674)		
Group companies with net deferred tax liabilities	**35**	92 904		
	35	75 230		

	GROUP		COMPANY	
	2010	**2009**	**2010**	**2009**
	R'000	**R'000**	**R'000**	**R'000**
15. BORROWINGS				
15.1 Current portion of non-current borrowings				
Unsecured loan bearing interest at a fixed rate of 9,65% per annum. Interest is payable quarterly and the capital is repayable in 20 quarterly instalments over five years, with the final payment on 30 April 2010.		30 484		
Loan from Phetogo Investment Ltd bearing interest at rates varying between 1% and the prime rate. It is repayable in annual instalments on the holding company's dividend payment date, in amounts equal to the dividend on 7 955 117 shares in Capevin Holdings Ltd.		12 423		
	–	42 907		
15.2 Current borrowings				
Unsecured call borrowings with interest rates ranging between 8,8% and 9,5%.		29 488		
	–	72 395		
Fair value of borrowings		72 101		
At the previous reporting date these loans were all viewed as current due to the pending unbundling (refer note 21.1).				
16. TRADE AND OTHER PAYABLES				
Trade payables		57 617		
Other payables and accruals	**155**	66 643	**65**	2 254
	155	124 260	**65**	2 254
Trade and other payables of R120 876 000 formed part of the operational liabilities and activities unbundled during the year (refer note 21.1).				
17. INVESTMENT INCOME				
Dividend income				
Dividends received from Capevin Investments Ltd			**76 041**	76 041
Dividends received from available-for-sale investments	**4**	348	**4**	348
Interest income				
Cash and short-term funds	**640**	506	**370**	218
	644	854	**76 415**	76 607

	GROUP		COMPANY	
	2010	**2009**	**2010**	**2009**
	R'000	**R'000**	**R'000**	**R'000**
18. OTHER INCOME				
Profit on disposal of unlisted available-for-sale financial assets	**322**		**322**	
19. ADMINISTRATIVE EXPENSES				
Auditor's remuneration (audit services)	**798**	410	**622**	341
– current year	**252**	410	**141**	341
– prior year underprovision	**546**		**481**	
Expenses incurred in respect of mandatory offer	**685**		**335**	
Directors' emoluments	**288**	3 113	**288**	3 113
Other administrative expenses	**3 896**	6 632	**2 394**	5 289
	5 667	10 155	**3 639**	8 743
20. TAXATION				
South Africa normal tax				
Current year		72		3 616
Prior year overprovision	**(1 253)**	(1 304)	**(1 253)**	(1 304)
South Africa normal tax – deferred	**(41)**		**(41)**	
	(1 294)	(1 232)	**(1 294)**	2 312
	%	**%**	**%**	**%**
Tax rate reconciliation:				
Standard rate for companies	**28,00**	28,00	**28,00**	28,00
Income from associate	**(28,49)**	(29,54)		
Exempt dividend income			**(29,13)**	(10,94)
Income of a capital nature	**(0,02)**	(0,14)	**(0,06)**	(16,72)
Non-deductible expenses		1,73		0,69
Adjustment for foreign taxation		(0,03)		
Prior year overprovision	**(0,46)**	(0,67)	**(1,71)**	(0,37)
Tax losses for which no deferred income tax asset was recognised	**0,49**		**1,13**	
	(0,48)	(0,65)	**(1,77)**	0,66
History shows that STC credits increase over time as dividends received exceeds dividends paid. Therefore no deferred tax asset has been raised on the unutilised STC credits:	**11 413**	283 424	**1 242**	253 562

21. DISCONTINUED OPERATIONS

21.1 Unbundling of operational assets and activities

Effective 1 July 2009 Capevin Holdings Ltd unbundled its operational assets and activities and retained only its interest in the listed subsidiary, Capevin Investments Ltd (previously KWV Investments Ltd), as well as an available-for-sale investment in Historical Homes of South Africa Ltd.

As a result all unbundled assets and liabilities, classified during the prior year as being current pending the unbundling, have been distributed as a dividend in specie and accounted for in accordance with IFRIC 17 "Distributions of Non-cash Assets to Owners". In terms of IFRIC 17 the dividend in specie should be recorded at fair value with the difference between the fair value and the carrying value of the assets distributed being recorded in the income statement. The fair value of the R1 029 million dividend in specie was determined by independent experts as being R279 million, and recognised in equity with the remaining accounting loss recognised in the income statement.

The assets relating to KWV South Africa's grape juice concentrate business have been presented as held for sale during the prior year, and formed part of the operational assets and activities unbundled (refer note 21.2).

	GROUP R'000	COMPANY R'000
Net assets of unbundled operations:		
Property, plant and equipment	229 461	
Intangible assets	888	
Investments in subsidiaries		198 495
Investments in associates and joint ventures	16 127	9 350
Loans and receivables	4 485	
Deferred tax assets	17 674	
Inventory	731 435	
Trade and other receivables	232 006	
Current income tax assets	21 325	
Derivative financial assets	6 630	
Loans to subsidiaries		496 789
Cash and cash equivalents	3 501	
Assets held for sale	54 949	
Deferred tax liabilities	(92 828)	
Borrowings	(72 395)	
Trade and other payables	(120 876)	
Derivative financial liabilities	(428)	
Current income tax liabilities	(3 387)	
	1 028 567	704 634
Dividend in specie	(279 000)	(279 000)
Movements in reserves and non-controlling interest	(18 495)	
Taxation on unbundling transaction	2 543	2 543
Loss on unbundling	(749 953)	(418 528)
Loan repaid by group company	(9 649)	(9 649)
Cash proceeds on unbundling	(25 987)	–
Cash and cash equivalents of unbundled operations	25 987	
Net cash flow on unbundling	–	–

	GROUP		COMPANY	
	2010	**2009**	**2010**	**2009**
	R'000	**R'000**	**R'000**	**R'000**
21. DISCONTINUED OPERATIONS *(continued)*				
Cash flows from discontinued operations:				
Net cash (outflow)/inflow from operating activities		(16 130)		3 558
Net cash outflow from investing activities		(2 723)		(182 275)
Net cash inflow from financing activities		137 804		167 545
	–	118 951	–	(11 172)
Above cash flows includes KWV South Africa's grape juice concentrate business (refer note 21.2).				
Results of unbundled operational assets and activities:				
Revenue		693 864		
Cost of sales		(437 658)		
Gross profit	–	256 206	–	–
Other income and net gains and losses		(7 191)		282 938
Operating expenses		(257 484)		
Operating (loss)/profit	–	(8 469)	–	282 938
Finance income		3 458		564
Finance costs		(37 498)		
Share of profit of associates and joint ventures		(4 002)		
(Loss)/profit before taxation	–	(46 511)	–	283 502
Taxation		6 766		
(Loss)/profit from continuing operations	–	(39 745)	–	283 502
Profit from discontinued operations (refer note 21.2)		29 986		
(Loss)/profit for the year	–	(9 759)	–	283 502
Loss on assets to be distributed remeasured to fair value	**(749 953)**		**(418 528)**	
(Loss)/profit from discontinued operations	**(749 953)**	(9 759)	**(418 528)**	283 502

21. DISCONTINUED OPERATIONS *(continued)*

21.2 Disposal of grape juice concentrate business

The assets relating to KWV South Africa's grape juice concentrate business have been presented as held for sale during the prior year, following the finalisation of the sale of the business, as a going concern, to Orange River Wine Cellars in Upington. The effective date of this transaction was 1 September 2009, and thus the business formed part of the operational assets and activities unbundled effective 1 July 2009 (refer note 21.1).

	GROUP 2009 R'000
The disposal group classified as held for sale included:	
Property, plant and equipment (refer note 2)	45 038
Inventory (refer note 8)	9 911
	54 949
Results of grape juice concentrate business:	
Revenue	176 108
Cost of sales	(153 330)
Gross profit	22 778
Operating expenses	(189)
Profit before income tax	22 589
Taxation	(6 325)
Profit for the year	16 264
Profit on sale of discontinued operations (plant propagation business)	13 722
Profit from discontinued operations	29 986
Cash flows from grape juice concentrate business:	
Net cash inflow from operating activities	35 907
Net cash outflow from investing activities	(4 131)
	31 776

22. EARNINGS PER SHARE

GROUP

	Continuing operations		Discontinued operations		Total	
	2010 R'000	2009 R'000	2010 R'000	2009 R'000	2010 R'000	2009 R'000
The calculation of earnings per share is based on the following:						
Earnings attributable to equity holders of the company	**138 178**	155 072	**(749 953)**	(9 759)	**(611 775)**	145 313
Interest in adjustments of associate, net of taxation	**302**	(137)			**302**	(137)
(Gain)/loss on dilution of interest in associate	**(721)**	562			**(721)**	562
Loss on unbundling			**749 953**		**749 953**	–
Profit on sale of non-current assets				(19 228)	**–**	(19 228)
Impairment of loans and receivables				13 347	**–**	13 347
Impairment of property, plant and equipment and software				16 335	**–**	16 335
Headline earnings attributable to equity holders of the company	**137 759**	155 497	**–**	695	**137 759**	156 192
Number of shares used in calculation of earnings per share (thousands)						
Shares in issue at beginning of the year					**414 187**	413 578
Movement in treasury shares						609
Treasury shares released through unbundling (effective 1 July 2009)					**33 736**	
					447 923	414 187
Basic and diluted						
Attributable earnings per share (cents)	**30,8**	37,5	**(167,4)**	(2,4)	**(136,6)**	35,1
Headline earnings per share (cents)	**30,8**	37,5		0,2	**30,8**	37,7

23. RESTATEMENT/RECLASSIFICATION OF PRIOR YEAR FIGURES

Prior year figures have been restated to account for the effects of the amendment to IAS 38 Intangible Assets on Distell Group Ltd's financial results. Promotional stock and merchandising items were previously included in inventory and expensed through the income statement when utilised. In accordance with the amendment to IAS 38, promotional stock and merchandising items should be expensed through the income statement when such items are earmarked for promotional purposes.

Capevin Holdings Ltd also changed its accounting policy following the guidance in IAS 27 Revised – Consolidated and Separate Financial Statements, whereby any gain or loss on the dilution of interest in an associate should be accounted for in the income statement. The group's previous policy was to account for such gain or loss directly in equity.

Following the amendment to IAS 27, cash flows arising from changes in ownership interests in a subsidiary that do not result in a loss of control are classified as cash flows from financing activities.

Following the unbundling (refer note 21.1) dividends received are now classified as cash flows from operating activities.

The effect of these restatements are as follows on the group results:

	Previously reported R'000	Currently reported R'000	Difference R'000
Statement of financial position at 30 June 2009			
Investment in associates and joint ventures	1 408 165	1 401 105	(7 060)
Income statement for the year ended 30 June 2009			
Share of profit of associate	278 990	278 788	(202)
Loss on dilution of interest in associate		(1 101)	(1 101)
Profit for the year	261 162	259 859	(1 303)
Equity movements for the year ended 30 June 2009			
Equity reserve opening balance	675 416	671 497	(3 919)
Non-controlling interests opening balance	556 553	553 614	(2 939)
Loss on dilution of interest in associate	(1 101)		1 101
			(7 060)
Statements of cash flows for the year ended 30 June 2009			
Group			
Cash flows from operating activities	(26 852)	123 701	150 553
Cash flows from investing activities	315 375	(2 723)	(318 098)
Cash flows from financing activities	(140 270)	27 275	167 545
Company			
Cash flows from operating activities	(6 681)	69 708	76 389
Cash flows from investing activities	61 659	(182 275)	(243 934)
Cash flows from financing activities	(55 990)	111 555	167 545
Impact on earnings per share			
Attributable earnings per share (cents)	35,3	35,1	(0,2)
Headline earnings per share (cents)	37,8	37,7	(0,1)

The comparative figures for trade and other payables in the statement of financial position has been reclassified to reflect the split between unclaimed dividends and trade and other payables.

24. RELATED-PARTY TRANSACTIONS

24.1 Dividends received and administrative fees paid

During the year the group received dividends from Distell Group Ltd (an associate) as set out in note 5, and the group paid administrative fees of R1 037 000 (excl VAT) (2009: Rnil) and a sponsor fee of R25 000 (excl VAT) (2009: Rnil) to PSG Corporate Services (Pty) Ltd (a fellow subsidiary of an investor with significant influence over the group).

24.2 Trading activities

During the prior year (with the group's operational activities and assets still forming part of the group) the group companies entered into various sales transactions with associates, and wine and grapes were sometimes purchased from directors. The disclosure relating to these transactions and balances were not relevant to an understanding of the current period's financial statements.

	GROUP	
	2010 R'000	**2009 R'000**
24.3 Administration fees levied on subsidiaries		3 212
24.4 Directors' emoluments		
Executive	–	7 271
EE Böhme		1 555
MJ Loubser		3 385
CC Stewart		2 331
Non-executive	**371**	3 094
AEvZ Botha	**41**	230
VA Christian	**27**	304
D de Wet	**72**	565
AS du Plessis		294
F-A du Plessis	**18**	213
CJ du Toit		103
MM Isaacs	**27**	126
PBB Hugo	**27**	258
BS Jack-Pama		70
AE Jacobs	**13**	75
KI Mampeule	**35**	125
JF Mouton	**10**	134
JJ Mouton	**20**	
CA Otto	**20**	
PB Retief	**23**	282
IB Skosana	**26**	157
CH Wiese	**12**	158
Retired directors – pensions		
Pensions	**2**	19
Total directors' emoluments	**373**	10 384
Less: paid by subsidiaries		(7 271)
Less: paid by PSG Corporate Services (Pty) Ltd – in terms of administrative agreement	**(85)**	
Paid by the company	**288**	3 113

	GROUP	
	2010	**2009**
	R'000	**R'000**

24. RELATED-PARTY TRANSACTIONS *(continued)*

The current year's directors' emoluments related to fees and travel allowances paid to directors.

At the previous reporting date there were 1,9 million unexercised share options of executive directors. Through the unbundling (refer note 21.1) the entities that have awarded these options no longer form part of the group.

24.5 Key management remuneration

	2010 R'000	2009 R'000
Remuneration	**373**	13 096
Share-based payment expense		1 384
	373	14 480

25. EQUITY COMPENSATION BENEFITS

During the prior year (with the group's operational activities and assets still forming part of the group) the group offered equity compensation benefits to employees. The disclosure relating to these transactions and balances were not re-presented, since it is not relevant to an understanding of the current period's financial statements.

26. CONTINGENT LIABILITIES

Distell Group Ltd has lodged an appeal against revised tax assessments issued by the South African Revenue Service. The matter will be heard in the Special Income Tax court. The group's interest in the amount that is at risk is R4,4 million (2009: R4,4 million).

At the previous reporting date (with the group's operational activities and assets still forming part of the group) the group had certain contingent liabilities. The disclosure relating to these items were not re-presented, since it is not relevant to an understanding of the current period's financial statements.

27. BLACK ECONOMIC EMPOWERMENT (BEE) AND DILUTION OF INTEREST IN ASSOCIATE

In October 2005 Distell entered into a broad-based black economic empowerment transaction. As part of this transaction options on Distell shares were issued to the BEE consortium and have been accounted for in terms of IFRS 2 Share-based Payment.

The cost of this transaction to Distell's shareholders, calculated by using an option pricing model, equated to R122,3 million. Of this amount, R67,2 million, related to non-employees and has been expensed in full in the 2006 financial year, with a corresponding increase in equity. The remaining R55,1 million relates to Distell employees' portion and is being expensed over a vesting period of eight years.

In terms of the transaction Distell will issue ordinary shares to the BEE consortium, between 30 June 2013 and 30 June 2015. This will result in a dilution of Capevin Holdings Ltd's interest (through it's shareholding in Capevin Investments Ltd) in Distell.

The extent of the eventual dilution of Distell's shareholders will depend on a number of factors, but it will not exceed the maximum limit of 15%.

When these shares are issued to the BEE consortium, Capevin Investments Ltd will recognise, a dilution of up to 15% against its investment in its associate (currently carried at R1,5 billion). At the same time its interest in Distell's earnings will decrease by up to 15%

27. BLACK ECONOMIC EMPOWERMENT (BEE) AND DILUTION OF INTEREST IN ASSOCIATE *(continued)*

To take cognisance of the above, Distell's 2010 financial statements disclose diluted headline earnings per share that is 5,1% (2009: 4,2%) less than the headline earnings per share.

Although there has been no real dilution of Capevin Holdings' interest yet, this is viewed as a realistic indication of the extent to which the rights, that will lead to the eventual dilution, have already vested.

If the basis on which Distell has calculated its diluted headline earnings per share is applied to the group's results, its headline earnings for the year would decrease by R7,0 million (2009: R6,6 million) to 29,2 cents per share (2009: 36,1 cents).

28. COMMITMENTS

At the previous reporting date (with the group's operational activities and assets still forming part of the group) the group had certain capital, operating lease and credit facility commitments. The disclosure relating to these items were not re-presented, since it is not relevant to an understanding of the current period's financial statements.

29. FINANCIAL RISK MANAGEMENT

The financial instruments on the current year's statement of financial position are limited to available-for-sale financial assets, cash and cash equivalents and trade payables.

Cash and cash equivalents are classified as loans and receivables and trade payables are classified as liabilities measured at amortised cost.

The group and company's current operations expose it to negligible levels of credit, interest rate and price risk, and no currency risk.

Credit risk relates to bank balances held with financial institutions. The risk is limited by the high credit rating (Moody's: A3) of the financial institutions.

Interest rate risk relates only to the bank balances and any change in interest rates will have a negligible effect on the group and company's results.

Price risk relates only to the investment in Historical Homes of South Africa Ltd and any change in the investment's fair value is expected to have a negligible effect on the group and company's results.

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. The group and company's financial liabilities are all payable within 12 months from the reporting date.

Fair value estimation

Effective 1 January 2010, the group adopted the amendment to IFRS 7 for financial instruments that are measured in the statement of financial position at fair value. This requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

The available-for-sale investment in Historical Homes of South Africa Ltd is categorised as level 2 (refer note 6). No other assets are measured at fair value.

Comparative disclosures for financial risk management

Since the unbundling (refer note 21.1) of the group's operational assets and activities, the composition and extent of financial risks affecting the group changed significantly. Therefore the comparative financial risk management disclosures were not re-presented, since it is not relevant to an understanding of the current period's financial statements.

ANNEXURE A: DETAILED INCOME STATEMENT

for the year ended 30 June 2010

	COMPANY	
	2010	2009
	R'000	R'000
Investment income	**76 415**	76 607
Profit on disposal of unlisted available-for-sale financial asset	**322**	
Administrative expenses		
Recurring nature	**(1 542)**	(1 324)
Administration fees	**(456)**	
Advertising and promotions	**(789)**	(849)
Auditor's remuneration – current year	**(58)**	(341)
Insurance	**(52)**	(42)
Professional and secretarial fees	**(149)**	(77)
Other	**(38)**	(15)
Non-recurring nature	**(2 097)**	(7 419)
Auditor's remuneration – current year	**(83)**	
Auditor's remuneration – prior year underprovision	**(481)**	
Directors' emoluments	**(288)**	(3 113)
Entertainment	**(44)**	(358)
Expenses incurred in respect of mandatory offer	**(335)**	
Professional and secretarial fees	**(840)**	(3 668)
Travel	**(26)**	(280)
Profit before taxation	**73 098**	67 864

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given of the annual general meeting of shareholders of Capevin Holdings Limited ("Capevin Holdings" or "the company") to be held at PSG Group's offices situated at 1st Floor, Ou Kollege, 35 Kerk Street, Stellenbosch on Friday, 22 October 2010 at 09:30.

1. To receive and consider the annual financial statements of the company and the reports of the directors and the auditor for the year ended 30 June 2010.

2. Re-election of directors

    2.1 To re-elect as director Mr JJ Mouton who retires by rotation in terms of the articles of association of the company and, being eligible, offers himself for re-election.

    Summary curriculum vitae of Jan Mouton

    Mr Mouton obtained the degrees BAcc (Hons) and MPhil Finance and is a Chartered Accountant (SA). He is currently the manager of PSG Flexible Fund and a non-executive director of PSG Group Ltd.

    2.2 To re-elect as director Mr CA Otto who retires by rotation in terms of the articles of association of the company and, being eligible, offers himself for re-election.

    Summary curriculum vitae of Chris Otto

    Mr Otto obtained the degrees BComm LLB and is a director of numerous companies, including a non-executive director of PSG Group Ltd.

3. To confirm the reappointment of PricewaterhouseCoopers Inc. as auditor for the ensuing year on the recommendation of the Capevin Holdings Audit and Risk Committee.

4. To confirm the auditor's remuneration for the year ended 30 June 2010 as determined by the Capevin Holdings Audit and Risk Committee.

5. To consider and, if deemed fit, pass, with or without modification, the following special resolution:

    5.1 Special resolution

    "Resolved as a special resolution that in terms of section 62 of the Companies Act, 61 of 1973, as amended, and with effect from the date of registration of this special resolution, the articles of association of the company be and is hereby substituted with new articles of association, copies whereof were available from the company secretary and on the company's website (www.capevin.com) and which new articles were available for inspection at the company's registered office as from the date that the notice of this annual general meeting was posted to shareholders."

    Shareholders are advised that copies of the complete new set of articles of association proposed for adoption in terms of the above special resolution may be obtained from the company secretary and from the company's website (www.capevin.com) and are available for inspection at the company's registered office.

Reason for and effect of the special resolution

(i) The reason for and effect of the special resolution is to adopt new articles of association for the company which will replace the existing articles of association.

Information relating to the special resolution

(i) General information in respect of directors (page 7), major shareholders (page 7), directors' interest in securities and material changes (page 7) and the share capital of the company (page 31) is contained in the annual report to which this notice is attached.

(ii) The company is not involved in any legal or arbitration proceedings, nor are any proceedings pending or threatened of which the company is aware that may have or have had in the previous 12 months, a material effect on the company's financial position.

(iii) The directors, whose names are on page 7 of the annual report to which this notice is attached, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts that have been made.

VOTING

Shareholders entitled to attend and vote at the annual general meeting may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a member of the company. A form of proxy, in which the relevant instructions for its completion are set out, is enclosed for the use of shareholders who hold their shares in their own name and wishes to be represented at the annual general meeting. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the annual general meeting.

The instrument appointing a proxy and the authority (if any) under which it is signed must reach the company secretary at the address given below by no later than 12:00 on Wednesday, 20 October 2010.

Shareholders whose shares are held by a Central Securities Depository Participant (CSDP) or broker as nominee on behalf of such shareholders, who wish to attend the annual general meeting in person will need to request their CSDP or broker to provide them with the necessary authority in terms of the custody agreement entered into between such shareholders and the CSDP or broker.

On a poll, ordinary shareholders will have one vote in respect of each share held. Shareholders whose shares are held by a CSDP or broker as nominee on behalf of such shareholders, who are unable to attend the annual general meeting and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or broker in the manner and time stipulated therein.

By order of the board

PSG Corporate Services (Pty) Ltd
Company secretary

23 September 2010
Stellenbosch

Registered office
Capevin Holdings Ltd
Ou Kollege
35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

Transfer secretaries
Link Market Services (Pty) Ltd
11 Diagonal Street
Johannesburg, 2001
(PO Box 4844, Johannesburg, 2000)

C A P E V I N

HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1997/020857/06)
("Capevin Holdings" or "the company")

FORM OF PROXY – FOR USE BY SHAREHOLDERS WHO HOLD THEIR SHARES IN THEIR OWN NAME AND BY CSDPs OR BROKERS WHO HOLD SHARES AS NOMINEES ON BEHALF OF SHAREHOLDERS

For use at the annual general meeting of ordinary shareholders of the company to be held at PSG Group's offices situated at 1st Floor, Ou Kollege, 35 Kerk Street, Stellenbosch on Friday, 22 October 2010 at 09:30.

I/We (Full name in print)____

of (address) ____

being the registered holder of __________________________ ordinary shares hereby appoint:

1. ____ or failing him/her,
2. ____ or failing him/her,
3. the chairman of the meeting,

as my proxy to vote for me/us at the annual general meeting for purposes of considering and, if deemed fit, passing, with or without modification, the special resolution and ordinary resolutions to be proposed thereat and at each adjournment thereof and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares registered in my/our name(s) in accordance with the following instructions (see Notes):

	Number of shares		
	In favour of	Against	Abstain
1. To adopt the annual financial statements and reports			
2.1 To re-elect JJ Mouton as director			
2.2 To re-elect CA Otto as director			
3. To confirm the reappointment of the auditor, PricewaterhouseCoopers Inc.			
4. To confirm the auditor's remuneration			
5. Special resolution – replace the articles of association			

Please indicate your voting instruction by way of inserting the number of shares or by a cross in the space provided.

Signed at ____________________ on this ____________ day of ________________ 2010

Signature(s) ____

Assisted by (where applicable) (state capacity and full name)

____

Each Capevin Holdings shareholder is entitled to appoint one or more proxy(ies) (who need not be a shareholder(s) of the company) to attend, speak and vote in his stead at the annual general meeting.

Notes

1. A Capevin Holdings shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space(s) provided, with or without deleting "the chairman of the annual general meeting". The person whose name appears first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow.

2. A Capevin Holdings shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of shares to be voted on behalf of that shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the chairman of the annual general meeting, if he/she is the authorised proxy, to vote in favour of the resolutions at the meeting, or any other proxy to vote or to abstain from voting at the meeting as he/she deems fit, in respect of all the shares concerned. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or his/her proxy, but the total of the votes cast and in respect whereof abstentions are recorded may not exceed the total of the votes exercisable by the shareholder or his/her proxy.

3. When there are joint registered holders of any shares, any one of such persons may vote at the meeting in respect of such shares as if he/she was solely entitled thereto, but, if more than one of such joint holders be present or represented at any meeting, that one of the said persons whose name stands first in the register in respect of such shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member, in whose name any shares stand, shall be deemed joint holders thereof.

4. Forms of proxy must be completed and returned to be received by the secretary of the company, PSG Corporate Services (Pty) Ltd (PO Box 7403, Stellenbosch, 7599), by not later than 12:00 on Wednesday, 20 October 2010.

5. Any alteration or correction made to this form of proxy must be initialled by the signatory(ies).

6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company's secretary or waived by the Chairman of the annual general meeting.

7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.

ADMINISTRATION

Details of Capevin Holdings Ltd	Previously KWV Ltd Registration number 1997/020857/06
Secretary and registered office	PSG Corporate Services (Pty) Ltd Registration number 1996/004840/07 Ou Kollege 35 Kerk Street Stellenbosch, 7600 (PO Box 7403, Stellenbosch, 7599) Telephone +27 21 887 9602 Facsimile +27 21 887 9619
Transfer secretaries	Link Market Services (Pty) Ltd 11 Diagonal Street Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000)
Sponsor	PSG Capital
Auditor	PricewaterhouseCoopers Inc.
Website address	www.capevin.com

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