

NOTES TO THE INTERIM RESULTS

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The interim financial statements of Capevin Holdings Limited ("the company" or "the group" or "Capevin Holdings") have been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS), including IAS 34 – *Interim Financial Reporting* and the requirements of the South African Companies Act of 1973, as amended. The accounting policies applied in the preparation of these interim financial statements are consistent with those used in the previous financial year, and no new accounting standards, interpretations or amendments to IFRS were relevant.

2. GROUP STRUCTURE

The sole investment of Capevin Holdings is an effective interest of 14,83% (31 December 2009: 14,87% and 30 June 2010: 14,85%) in the issued share capital of Distell Group Limited ("Distell"), held via its 51% (31 December 2009: 51% and 30 June 2010: 51%) interest in Capevin Investments Limited.

3. COMMITMENTS AND CONTINGENCIES

Distell has lodged an appeal against revised tax assessments issued by the South African Revenue Service. The matter was heard in the Special Income Tax Court during October 2010, but judgement has not yet been delivered. The group's interest in the amount that is at risk is R4,4 million (31 December 2009: R4,4 million and 30 June 2010: R4,4 million).

4. SEGMENT REPORT

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

5. DISCONTINUED OPERATIONS

Effective 1 July 2009, Capevin Holdings unbundled its operational assets and liabilities and retained only its interest in the listed subsidiary, Capevin Investments Limited. For more information regarding the unbundling, and its financial effects, please refer to the group's annual report for the year ended 30 June 2010.

6. RECLASSIFICATION OF PRIOR YEAR FIGURES

The cash flow results for the six months ended 31 December 2009 have been reclassified to ensure consistent classification relating to discontinued operations' cash flows, when compared with the cash flow results reported for the year ended 30 June 2010.

	Previously reported R'000	Currently reported R'000	Difference R'000
Six months ended 31 December 2009			
Cash flows from investment activities	8 298	34 284	(25 986)
Cash flows from financing activities	(50 439)	(76 425)	25 986

Furthermore, the dividends paid during the six months ended 31 December 2009, as presented in the statement of changes in equity, were reclassified to clearly distinguish between cash dividends paid and the unbundling dividend (refer note 5).

COMMENTARY

FINANCIAL RESULTS

During the six months under review Distell's revenue grew by 3,6% to R6,9 billion on a sales volume increase of 2,8%. Although reasonable sales volume growth was achieved, the results for the period under review were significantly affected by adverse exchange rates and, to a lesser extent, a less favourable sales mix. Benefits were derived from improved throughput and better operating efficiencies; however, these were insufficient to protect margins and profitability. Consequently, operating profit declined marginally by 0,1%, while the net operating margin deteriorated to 13,8% (2009: 14,3%).

Capevin Holdings' consolidated results reflect the marginal increase in Distell's profit for the period under review.

The company's intrinsic value is calculated based on Distell's share price at 31 December 2010 (excl. CGT).

PROSPECTS

The board of Distell said that although there are indications of a global economic recovery, lingering vulnerabilities persist in some quarters. Moreover, widespread unemployment and limited disposable income are likely to continue to impact adversely on consumer spending. However, Distell remains confident in the inherent strength and continued relevance of its diverse and well-balanced portfolio.

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

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. The directors have consequently resolved to declare an ordinary dividend (dividend number 13) of 8,5 cents (2009: 8,0 cents) per ordinary class A share for the six months ended 31 December 2010.

The salient dates of this dividend distribution are:

Last day to trade cum dividend	Friday, 11 March 2011
Trading ex dividend commences	Monday, 14 March 2011
Record date	Tuesday, 22 March 2011
Date of payment	Thursday, 24 March 2011

Share certificates may not be dematerialised or rematerialised between Monday, 14 March 2011, and Tuesday, 22 March 2011, both days inclusive.

Signed on behalf of the board of directors

CA Otto
Chairman

A Wessels
Financial director

Stellenbosch
23 February 2011

ADMINISTRATIVE INFORMATION

Registration number: 1997/020857/06

Directors: CA Otto (Chairman), AEvZ Botha, JJ Durand, JJ Mouton, MH Visser, A Wessels

Secretary: PSG Corporate Services (Pty) Ltd

Registered office: 1st Floor, Ou Kollege, 35 Kerk Street, Stellenbosch, 7600; PO Box 7403, Stellenbosch, 7599

Transfer secretaries: Computershare Investor Services (Pty) Ltd, 70 Marshall Street, Johannesburg, 2001; PO Box 61051, Marshalltown, 2107

Auditor: PricewaterhouseCoopers Inc.

CAPEVIN
HOLDINGS LIMITED

UNAUDITED
INTERIM RESULTS
for the six months ended 31 December 2010

- Intrinsic value per share of **R5,08**
- Increase in headline earnings per share of **3% to 20,7 cents**
- Dividend per share of **8,5 cents**

www.capevin.com

GROUP INCOME STATEMENT

	Unaudited Six months ended 31 December	Audited Year ended 30 June	
	2010	2009	2010
	R'000	R'000	R'000
CONTINUING OPERATIONS			
Share of profit of associate	183 347	181 599	274 493
Gain on dilution of interest in associate	896	767	1 413
Investment income	267	284	644
Other income		101	322
Administrative expenses	(1 306)	(3 389)	(5 667)
Profit before taxation	183 204	179 362	271 205
Taxation	(74)	48	1 294
Profit for the period from continuing operations	183 130	179 410	272 499
DISCONTINUED OPERATIONS			
Loss from discontinued operations (refer note 5)		(749 953)	(749 953)
Profit/(loss) for the period	183 130	(570 543)	(477 454)

Attributable to:

Equity holders of the company	93 212	(659 599)	(611 775)
– Continuing operations	93 212	90 354	138 178
– Discontinued operations		(749 953)	(749 953)
Non-controlling interests			
– Continuing operations	89 918	89 056	134 321
	183 130	(570 543)	(477 454)

Headline earnings reconciliation:

Continuing operations	92 739	90 034	137 759
Profit for the period attributable to equity holders of the company	93 212	90 354	138 178
Interest in adjustments of associate, net of taxation	(16)	71	302
Gain on dilution of interest in associate	(457)	(391)	(721)
Discontinued operations	–	–	–
Loss for the period attributable to equity holders of the company		(749 953)	(749 953)
Loss on unbundling (refer note 5)		749 953	749 953

Headline earnings

	92 739	90 034	137 759
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Earnings per share (cents)

Attributable (basic and diluted)	20,8	(147,2)	(136,6)
– Continuing operations	20,8	20,2	30,8
– Discontinued operations		(167,4)	(167,4)
Headline (basic and diluted)	20,7	20,1	30,8
– Continuing operations	20,7	20,1	30,8
– Discontinued operations			

Number of shares in issue and weighted average (thousands)

	447 923	447 923	447 923
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GROUP STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Six months ended 31 December	Audited Year ended 30 June	
	2010	2009	2010
	R'000	R'000	R'000
Profit/(loss) for the period	183 130	(570 543)	(477 454)
Share of other comprehensive (loss)/profit of associate	(9 633)	873	(9 842)
Other equity movements of associate	2 265	1 953	4 417
Disposal of available-for-sale financial assets			(221)
Reclassification of reserves on unbundling (refer note 5)		(6 191)	(6 191)
Total comprehensive income/(loss) for the period	175 762	(573 908)	(489 291)
Attributable to:			
Equity holders of the company	89 454	(664 349)	(620 538)
Non-controlling interests	86 308	90 441	131 247
	175 762	(573 908)	(489 291)

GROUP STATEMENT OF FINANCIAL POSITION

	Unaudited 31 December	Audited 30 June	
	2010	2009	2010
	R'000	R'000	R'000
ASSETS			
Non-current assets	1 624 890	1 512 930	1 525 464
Investment in associate	1 624 640	1 512 680	1 525 214
Available-for-sale financial asset	250	250	250
Current assets	5 525	4 881	5 387
Cash and cash equivalents	5 525	4 822	5 177
Trade and other receivables		40	
Income tax receivable		19	210
Total assets	1 630 415	1 517 811	1 530 851
EQUITY AND LIABILITIES			
Equity	1 626 479	1 508 927	1 525 431
Ordinary shareholders' interest	830 435	767 246	778 547
Non-controlling interests	796 044	741 681	746 884
Non-current liabilities			
Deferred taxation	35		35
Current liabilities	3 901	8 884	5 385
Trade payables	692	991	155
Unclaimed dividends	3 135	6 907	5 230
Income tax payable	74	986	
Total equity and liabilities	1 630 415	1 517 811	1 530 851
Net asset value per share (cents)	185,4	171,3	173,8

GROUP STATEMENT OF CHANGES IN EQUITY

	Unaudited Six months ended 31 December	Audited Year ended 30 June	
	2010	2009*	2010
	R'000	R'000	R'000
Ordinary shareholders' equity at beginning of period	778 547	1 732 928	1 732 928
Total comprehensive income/(loss)	89 454	(664 349)	(620 538)
Unclaimed dividends written back	2 299		3 334
Movements due to unbundling (refer note 5)			
Dividend in specie		(279 000)	(279 000)
Reserve movements		16 636	16 626
Dividends paid	(39 865)	(38 969)	(74 803)
Ordinary shareholders' equity at end of period	830 435	767 246	778 547
Non-controlling interests' equity at end of period	796 044	741 681	746 884
Beginning of period	746 884	686 818	686 818
Total comprehensive income	86 308	90 441	131 247
Unclaimed dividends written back	308		9
Movement in reserves due to unbundling (refer note 5)		1 878	1 869
Dividends paid	(37 456)	(37 456)	(73 059)
Total equity at end of period	1 626 479	1 508 927	1 525 431
Dividend per share (cents)			
– Interim	8,5	8,0	8,0
– Final			8,9
<i>* Reclassified to ensure consistent classification (refer note 6).</i>			
GROUP STATEMENT OF CASH FLOWS			
	Unaudited Six months ended 31 December	Audited Year ended 30 June	
	2010	2009*	2010
	R'000	R'000	R'000
Cash flows from operating activities	(1 306)	(2 679)	(5 667)
Administrative expenses	(1 306)	(2 679)	(5 667)
Increase/(decrease) in payables and unclaimed dividends	1 048	(403)	(862)
Cash utilised in operations	(258)	(3 082)	(6 529)
Interest received	267	284	640
Taxation refunded/(paid)	210	(2 542)	(2 439)
Dividends received	77 450	77 450	150 209
	77 669	72 110	141 881
Cash flows from investment activities		34 284	36 305
Cash flows from financing activities	(77 321)	(76 425)	(147 862)
Dividends paid	(77 321)	(76 425)	(147 862)
Net increase in cash and cash equivalents	348	29 969	30 324
Cash and cash equivalents at beginning of period	5 177	(25 147)	(25 147)
Cash and cash equivalents at end of period	5 525	4 822	5 177
<i>* Reclassified to ensure consistent classification (refer note 6).</i>			