CAPEVIN
INVESTMENTS LIMITED

(Previously KWV Investments Limited)

ANNUAL REPORT 2009

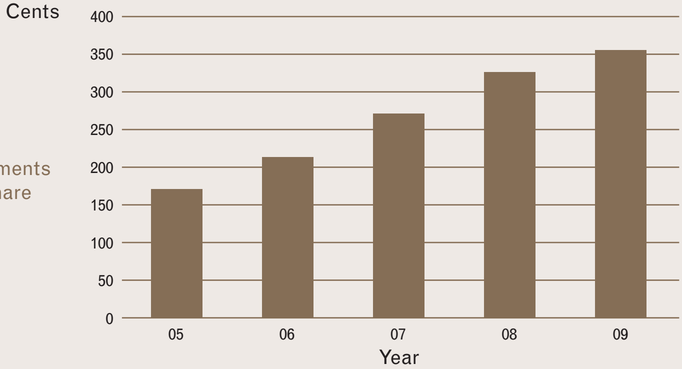
Contents

Salient features: Financial results

for the year ended 30 June 2009

	2009	2008
Net profit attributable to ordinary shareholders (R'000)	**277 786**	277 832
Headline earnings (R'000)	**277 518**	274 752
Earnings per share (cents)		
– Attributable earnings	**661,4**	661,5
– Headline earnings	**660,8**	654,2
Dividend per share (cents)	**355,0**	326,0
– interim	**173,0**	144,0
– final (declared after year-end)	**182,0**	182,0
Net asset value per share	**R33,61**	R31,01

Capevin Investments
Dividend per share



The main asset of the company represents a 29,22% (2008: 29,25%) shareholding in Distell Group Limited

Distell		
Highlights of operating results	**2009**	2008
Income (Rmillion)	**10 864**	9 410
Net asset value per share	**R24,04**	R22,21
Earnings per share (cents)		
Attributable earnings	**475,6**	476,3
Diluted earnings	**455,8**	447,1
Headline earnings	**475,2**	471,0
Diluted headline earnings	**455,3**	442,2
Dividend per share	**256,0**	236,0

Chairman's report

FINANCIAL RESULTS

The group's financial results reflect those of its associate company, Distell Group Limited (Distell), as this is the only significant asset of the group. The attributable income of Distell grew by 0,2%. The increase of 4,8% in operating profit resulted mainly from continued revenue growth, but this was countered by substantial increases in material and distribution costs and the operating margin declined from 14,3% to 13,0%.

Distell's headline earnings increased by 1,2% to R953,5 million and headline earnings per share by 0,9% to 475,2 cents. Distell's diluted earnings per share, which also takes into account the cumulative dilutive effect of the Distell BEE transaction, increased by 1,9% to 455,8 cents.

This dilution could have a significant impact on Capevin Investments' future results and it is disclosed in more detail in note 5 to the financial statements.

The attributable earnings of Capevin Investments remained at R277,8 million (2008: R277,8 million) while headline earnings per share increased by 1,0% to 660,8 cents.

The policy of the company is to distribute total dividends received to shareholders after providing for administrative costs which amounted to R1 412 000 (2008: R1 122 000). The directors have declared a final dividend of 182 cents (2008: 182 cents) per ordinary share, bringing the total dividend to 355 cents (2008: 326 cents) per share for the year. This represents an increase of 8,9% over the previous year.

PROSPECTS

The board of Distell noted that South Africa had not escaped the impact of the global economic crises and that this became evident during the second half of the reporting period when sales growth declined significantly.

Furthermore, despite some signs of a global economic recovery, uncertainty persists in world markets and neither the timing, nor the extent of an upturn can be predicted currently.

However, the Distell board believes that the group should be able to continue on its strategic course, based on its strong financial position as well as its portfolio of diverse brands and its capacity to trade across a spectrum of markets.

Khutso Mampeule
Chairman

Corporate governance statement

CODE

The company is committed to the principles of good corporate governance and upholds the highest standards of integrity and ethics. The company accepts and supports in principle the Code of Corporate Practices and Conduct as contained in the 2002 King report and complies with the principles and requirements thereof insofar as considered practicable and applicable.

BOARD OF DIRECTORS

Board composition

Directors are elected on recommendation of the current directors or, if properly nominated, by shareholders. Currently the board comprises four independent non-executive directors.

The board is responsible for ensuring that the combined skills and experience of directors are sufficient to execute the strategies of the company.

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 Group Limited. 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.

Board meeting attendance

A restructuring of the KWV group was effected during July 2009 and the group's investment in Capevin Investments Limited was split from its operational interests. As a result all directors previously appointed by KWV resigned and the board of Capevin Holdings Limited appointed new directors on 22 July 2009.

Corporate governance statement *continued*

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

Director		29 Jul	26 Aug	17 Feb	29 May	12 Aug
AEvZ Botha	a					√
PBB Hugo	b	√	√	√	√	
EE Böhme	c				√	
D de Wet	d	√	√	√	√	
AS du Plessis	e	√	√	√	A	
MJ Loubser	d	√	√	√	√	
KI Mampeule	a					√
JJ Mouton	a					√
CA Otto	a					√

Present √
Absent with apology A

a	Appointed	22 Jul 2009
b	Resigned as chairman	22 Jul 2009
c	Appointed – 26 March 2009; resigned	22 Jul 2009
d	Resigned	22 Jul 2009
e	Retired	30 Jun 2009

PSG Corporate Services (Proprietary) Limited, a wholly-owned subsidiary of PSG Group Limited, was appointed as manager and company secretary of Capevin Investments Limited during August 2009. Capevin Investments' risk management and system of internal controls will be identical to that of PSG Group going forward.

DEALINGS IN SECURITIES

In terms of the group policy of the holding company, directors of the company as well as directors and certain employees in the KWV group, were prohibited from dealing in securities of the company during price-sensitive periods.

The same policy will apply going forward.

Declaration by the company secretary

We declare that the company has, for the year under review, lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Companies Act, 1973, and that all such returns are true, correct and up to date.

PSG Corporate Services (Pty) Ltd

Per CJ Siertsema
Company secretary

Report of the audit and risk committee

The board also functions as the audit committee of the company.

In the past the financial statements were presented to the audit and risk management committee of the KWV group, for their information.

Currently all members of the audit and risk committee are non-executive directors that act independently.

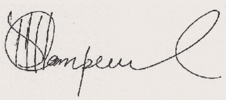
The committee reports that it has considered the matters set out in section 270A(5) of the Companies Act, 61 of 1973, as amended by the Corporate Laws Amendment Act, and is satisfied with the independence and objectivity of the external auditor, PricewaterhouseCoopers Incorporated. The committee has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

As required by the JSE Listings Requirement 3.84(h), the committee has satisfied itself that the group financial director has appropriate expertise and experience.

The directors are of the opinion that the risk management and internal control procedures of the Distell group receive thorough attention by the relevant board and are satisfied that the company's investment in Distell is adequately safeguarded.

Based on the information and explanations given by management, as well as 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 Investments Limited and the group for the year ended 30 June 2009 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).



Khutso Mampeule
Chairman

2 September 2009

Directors' responsibility for financial reporting

In accordance with Companies Act requirements, the directors are responsible for the preparation of annual financial statements which conform with International Financial Reporting Standards (IFRS) and which fairly present the state of affairs of the company and the group as at the end of the financial year, and the net income and cash flows for that period. The directors are also responsible for the other information included in the annual report and for both its accuracy and its consistency with the financial statements.

It is the responsibility of the independent external auditor to report on the fair presentation of the financial statements.

The directors are ultimately responsible for the internal controls. Management enabled the directors to meet their responsibilities in this regard. Appropriate accounting policies are applied on a consistent and going concern basis. With regard to standards and systems of internal control, the company relied on the controls, delegation of responsibilities, accounting procedures and segregation of duties which were applied by previous management of the holding company. The directors are satisfied that these standards and systems of internal control provide reasonable assurance as to the integrity and reliability of financial records and of the financial statements.

Based on the information and explanations given by management, the directors are of the opinion that the accounting controls are adequate and that the financial records may be relied upon for preparing the financial statements and maintaining accountability for the company's assets and liabilities. Nothing has come to the attention of the directors to indicate that any breakdown in the functioning of these controls, resulting in material loss to the company, has occurred during the year and up to the date of this report. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

The financial statements which appear on pages 10 to 27 were approved by the board of directors on 2 September 2009 and are signed on its behalf by:

Chris Otto
Financial director

Report of the independent auditor

to the members of Capevin Investments Limited

We have audited the annual financial statements and group annual financial statements of Capevin Investments Limited, which comprise the directors' report, the balance sheet and the consolidated balance sheet as at 30 June 2009, the income statement and the consolidated income statement, the consolidated statement of recognised income and expense, the cash flow statement and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 10 to 27.

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.

Report of the independent auditor

to the members of Capevin Investments Limited

Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated and seperate financial position of Capevin Investments Limited as at 30 June 2009, and its consolidated and separate financial performance and 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.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Incorporated

Director: H Zeelie
Registered Auditor

PO Box 215
Paarl 7620

2 September 2009

Directors' report

for the year ended 30 June 2009

NATURE OF BUSINESS

The company is an investment company which holds 50% of the issued share capital of Remgro-KWV Investments Limited. The latter company holds 58,4% (2008: 58,5%) of the issued share capital of Distell Group Limited ("Distell"), which invests its funds mainly in the manufacture, distribution and marketing of wine, spirits and alcoholic fruit beverages.

HOLDING COMPANY

The holding company of Capevin Investments Limited is Capevin Holdings Limited. Capevin Holdings Limited holds 51,0% (2008: 57,1%) of the issued share capital in the company.

OPERATING RESULTS

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

Shareholders' attention is drawn to the information disclosed in note 5 of the financial statements regarding the dilution of Capevin Investments' interest in Distell.

The net income attributable to ordinary shareholders amounts to R277 786 000 (2008: R277 832 000) after having taken into account income from the associate of R278 990 000 (2008: R278 905 000).

DIVIDENDS

The following dividends were paid or declared:

On 23 March 2009 an interim dividend of 173 cents (2008: 144 cents) per share was paid.

A final dividend of 182 cents (2008: 182 cents) per share was declared on 2 September 2009 and is payable on 28 September 2009.

SHARE CAPITAL

There has been no change in the authorised and issued share capital of the company during the year.

ANALYSIS OF SHAREHOLDING

at 30 June 2009

	Number	Number of shares	Percentage
Public shareholders	1 590	16 550 364	39,4%
Non-public shareholders	3	25 449 636	60,6%
Holding company: Capevin Holdings Limited	1	21 420 000	51,0%
Remgro International Holdings (Pty) Ltd	1	4 028 136	9,6%
Director: PBB Hugo	1	1 500	0,0%
	1 593	42 000 000	100,0%

Directors' report

for the year ended 30 June 2009

DIRECTORS

The names of the directors appear on the inside back cover.

DIRECTORS' INTEREST

At 30 June 2009 and at the date of this report the directors of the company held 1 500 (2008: 1 500) of the issued share capital of the company.

The directors were nominated by Capevin Holdings Limited and are/were members of its board and management. They received no additional remuneration in their capacity as directors of Capevin Investments Limited.

SECRETARY

PSG Corporate Services (Pty) Ltd

Postal and business address:
Ou Kollege
PO Box 7403 (35 Kerk Street)
Stellenbosch, 7600

AUDITOR

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

Balance sheet (Group)

at 30 June 2009

	Note	2009 R'000	2008 R'000
ASSETS			
Non-current assets			
Investment in associate	2	**1 411 998**	1 302 671
Current assets		**631**	377
Cash and cash equivalents		**612**	361
Taxation receivable		**19**	16
Total assets		**1 412 629**	1 303 048
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	3	**42 000**	42 000
Reserves		**1 369 695**	1 260 454
Ordinary shareholders' funds	4	**1 411 695**	1 302 454
Current liabilities			
Payables		**934**	594
Total equity and liabilities		**1 412 629**	1 303 048

Income statement (Group)

for the year ended 30 June 2009

	Note	2009 R'000	2008 R'000
Income from associate		**278 990**	278 905
Interest income		**288**	68
Administrative expenses		**(1 412)**	(1 122)
Profit before taxation	6	**277 866**	277 851
Taxation	7	**(80)**	(19)
Net profit attributable to ordinary shareholders		**277 786**	277 832
		Cents	
Earnings per share	8		
– Attributable earnings		**661,4**	661,5
Dividend per share		**355,0**	326,0
– Interim		**173,0**	144,0
– Final (declared after year-end)		**182,0**	182,0

Statement of recognised income and expense (Group)

for the year ended 30 June 2009

	Note	2009 R'000	2008 R'000
Net profit attributable to ordinary shareholders		**277 786**	277 832
Interest in associate's *net income recognised directly in equity*	4	**(23 861)**	(11 496)
Dilution of investment in associate		**(1 101)**	(5 716)
Total recognised income for the year		**252 824**	260 620

Cash flow statement (Group)

for the year ended 30 June 2009

	2009 R'000	2008 R'000
Cash flow from operating activities		
Administrative expenses	**(1 412)**	(1 122)
Increase in payables	**353**	57
Cash utilised in operations	**(1 059)**	(1 065)
Dividends received	**150 205**	124 976
Dividends paid	**(149 100)**	(123 900)
Interest received	**288**	68
Taxation paid	**(83)**	(47)
Net increase in cash and cash equivalents	**251**	32
Cash and cash equivalents at beginning of the year	**361**	329
Cash and cash equivalents at end of the year	**612**	361

Notes to the financial statements

for the year ended 30 June 2009

1. ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis, except if otherwise indicated, in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act of South Africa and the Listings Requirements of the JSE Limited.

These consolidated annual financial statements incorporate accounting policies that have been consistently applied to both years presented, with the exception of the implementation of the following new standards, interpretations and amendments to IFRS that became effective during the current financial year :

Amendments to IAS 39 – *Financial Instruments: Recognition and Measurement* and IFRS 7 *Financial Instruments: Disclosures – Reclassification of Financial Assets*.

IFRIC 12, *Service Concession Arrangements*.

IFRIC 13, *Customer Loyalty Programmes*.

IFRIC 14, IAS 19 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*.

These standards, interpretations and amendments to published standards are not relevant and the adoption thereof had no impact on the group's financial statements.

1.1 Standards, amendments and interpretations of existing standards that are not yet effective and have not been early adopted by the group

– *The following standards, amendments and interpretations of existing standards have been published and is mandatory for the group's accounting periods beginning after 30 June 2009:*

IFRS 3, *Business Combinations – Revised* (effective 1 July 2009)

IFRS 8, *Operating Segments* (effective 1 January 2009)

IAS 1, *Presentation of Financial Statements – Revised* (effective 1 January 2009)

IAS 23, *Borrowing costs – Revised* (effective 1 January 2009)

IAS 27, *Consolidated and Separate Financial Statements – Revised* (effective 1 July 2009)

Amendment to IFRS 2, Amendment to IFRS 2 *Share-Based Payment: Vesting Conditions and Cancellations* (effective 1 January 2009)

Amendments to IAS 32 and IAS 1, Amendment to IAS 32 *Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation* (effective 1 January 2009)

Amendments to IFRS 1 and IAS 27, Amendments to IFRS 1 *First-Time Adoption of International Financial Reporting Standards* and IAS 27 *Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* (effective 1 January 2009)

Amendments to IAS 39, Amendments to IAS 39 *Financial Instruments: Recognition and Measurement Exposures Qualifying for Hedge Accounting* (effective 1 July 2009)

IFRIC 15, *Agreements for the Construction of Real Estate* (effective 1 January 2009)

IFRIC 16, *Hedges of a Net Investment in a Foreign Operation* (effective 1 October 2008)

IFRIC 17, *Distributions of Non-cash Assets to Owners* (effective 1 July 2009)

IFRIC 18, *Transfers of Assets from Customers* (effective 1 July 2009)

The adoption of the above standards, interpretations and amendments to IFRS is not expected to have a material impact on the group's financial results, financial position or its cash flow in future financial periods.

1.2 Critical accounting estimates and judgements

Management has made no significant estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The results of the associate company, which are equity accounted in the consolidated results, includes some significant estimates and judgements. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are mainly biological assets, impairment of receivables, retirement benefits, impairment of intangibles, useful life and impairment of property, plant and equipment, inventory provisions, share options and deferred and income taxes.

1.3 Basis of consolidation

Associates

Associates are all entities over which the group has significant influence, but not control. Investments in associates are accounted for by using the equity method of accounting and are initially recognised at cost.

The group's share of its associates' post-acquisition profits or losses are recognised in the income statement, and its share of post-acquisition movements in reserves are recognised in reserves. The group's interest in the retained income and reserves of associates is transferred to an equity reserve.

The dilutive and anti-dilutive effects of equity transactions by associates that the group is not party to are accounted for directly against equity.

Investments in associates are accounted for at cost less accumulated impairment losses in the stand alone financial statements of the holding company.

1.4 Cash and cash equivalents
Cash and cash equivalents consist of balances at banks.

1.5 Revenue recognition
Interest income is recognised on a time-proportion basis using the effective interest method and dividends are recognised when the right to receive payment is established.

1.6 Taxation
– *Current taxation*
The charge for current taxation is based on the results for the period and is adjusted for items that are non-assessable or disallowed. Current taxation is measured at the amount expected to be paid, using taxation rates and laws enacted or substantively enacted at the balance sheet date.

– *Secondary taxation on companies (STC)*
STC is provided in respect of dividend payments, net of dividends received, and recognised as a tax expense in the income statement.

– *Deferred taxation*
A deferred tax asset is recognised for unutilised STC credits to the extent that it is probable that dividends will be declared against which the STC credits can be utilised.

1.7 Dividends
Dividend distributions are recognised in the period in which they are declared by the company's board of directors.

1.8 Cash flow statement
The cash flow statement is prepared using the indirect method.

1.9 Segment report
Capevin Investments Limited is an investment holding company and its only investment is an effective interest in Distell Group Limited. It is not appropriate to divide the business in segments and no segment report is supplied.

Notes to the financial statements

for the year ended 30 June 2009

	2009 R'000	2008 R'000
2. INVESTMENT IN ASSOCIATE		
(Also refer to note 12)		
At cost		
Unlisted investment in Remgro-KWV Investments Limited	**42 000**	42 000
– Comprising 50 ordinary shares of R1 each and an unsecured, interest-free loan with no specific terms of repayment.		
Interest in post-acquisition reserves	**1 369 998**	1 260 671
– Balance at beginning of the year	**1 260 671**	1 115 623
– Income from associate	**278 990**	278 905
– Dividend received from associate	**(150 205)**	(124 976)
– Dilution of interest in associate	**(1 101)**	(5 716)
– Movements in equity of associate	**(18 357)**	(3 165)
	1 411 998	1 302 671
The investment ultimately represents a shareholding of 29,22% (2008: 29,25%) in Distell Group Limited. Based on the share price ruling on the JSE Limited at the close of business on 30 June 2009, the value of the investment amounted to:	**3 227 070**	2 696 070

3. SHARE CAPITAL

	2009 R'000	2008 R'000
Authorised		
56 000 000 ordinary shares of R1 each	**56 000**	56 000
Issued		
42 000 000 ordinary shares of R1 each	**42 000**	42 000

In terms of a shareholders' resolution 10% of the 14 000 000 unissued ordinary shares are under the control of the directors until the forthcoming annual general meeting.

	2009 R'000	2008 R'000
4. RECONCILIATION OF MOVEMENTS ON CAPITAL AND RESERVES		
Share capital		
Balance at beginning and end of the year	**42 000**	42 000
Retained earnings		
Balance at beginning of the year	**(217)**	(233)
Net profit attributable to ordinary shareholders	**277 786**	277 832
Net transfer to equity reserve	**(127 684)**	(148 213)
Dilution of investment in associate	**(1 101)**	(5 716)
Unclaimed dividends written back	**13**	13
Dividends paid	**(149 100)**	(123 900)
Balance at end of the year	**(303)**	(217)
Equity reserve		
Balance at beginning of the year	**1 260 671**	1 115 623
Additions for the year:		
Net transfer from retained earnings	**127 684**	148 213
Interest in associate's net income recognised directly in equity	**(23 861)**	(11 496)
Fair value adjustments (net of tax):		
– available-for-sale investments	**999**	496
– currency translation differences	**(16 614)**	1 258
– actuarial gains and losses	**(8 246)**	(13 250)
Other movements in equity of associate	**5 504**	8 331
Balance at end of the year	**1 369 998**	1 260 671
Reserves at end of the year	**1 369 695**	1 260 454
Equity at end of the year	**1 411 695**	1 302 454

5. BLACK ECONOMIC EMPOWERMENT (BEE) AND DILUTION OF INTEREST

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. R67,2 million of this amount 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 8 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 Investments' interest 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 Limited will recognise a dilution of up to 15% against its investment in its associate (currently carried at R1,41 billion). At the same time its interest in Distell's earnings will decrease by up to 15%.

To take cognisance of the above, Distell's 2009 financial statements disclose diluted earnings per share that is 4,2% (2008: 6,1%) less than the attributable earnings per share.

Although there has been no real dilution of Capevin Investments' interests 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 earnings per share is applied to Capevin Investments Limited's results, its headline earnings for the year would decrease by R11,6 million (2008: R16,8 million) to 633,2 cents (2008: 614,1 cents) per share.

	2009 R'000	2008 R'000
6. PROFIT BEFORE TAXATION		
Profit before taxation is stated after taking into account the following:		
Auditor's remuneration	**69**	57
Managerial and administrative fees	**1 343**	1 065

7. TAXATION		
South African normal taxation	**80**	19
Reconciliation of rate of taxation	**%**	%
Standard rate for companies	**28,00**	28,00
Adjusted for:		
– Income from associate	**(28,12)**	(28,10)
– Non-deductible expenditure	**0,14**	0,11
Net reduction	**(27,98)**	(27,99)
Effective rate	**0,02**	0,01

The applicable rate is determined by South African Income Tax legislation.

	R'000	R'000
Secondary taxation on companies (STC)		
No provision was made for STC.		
STC credits available for utilisation against future dividend payments	**9 066**	7 961

History shows that Capevin Investment Limited's STC credits increase over time as dividends received exceed dividends paid. No deferred tax asset is therefore raised.

Notes to the financial statements

for the year ended 30 June 2009

	2009	2008
8. EARNINGS PER SHARE		
The calculation of earnings per share is based on net profit attributable to ordinary shareholders divided by the weighted average number of shares issued.		
	'000	'000
Ordinary shares		
– issued	**42 000**	42 000
– used in calculation of earnings per share	**42 000**	42 000
	R'000	R'000
Reconciliation of headline earnings		
Net profit attributable to ordinary shareholders	**277 786**	277 832
Adjusted for after-tax interest in associate's capital profits	**(268)**	(3 080)
Headline earnings	**277 518**	274 752
	Cents	Cents
Earnings per share		
– Attributable earnings	**661,4**	661,5
– Headline earnings	**660,8**	654,2

9. FINANCIAL INSTRUMENTS

Financial instruments on the balance sheet include investments, bank balances and payables.

9.1 Credit risk

Credit risk relates to bank balances held with financial institutions. This risk is limited by the high credit rating of the financial institutions.

9.2 Interest rate risk

The company is exposed to short-term interest rate risk in respect of the return on its cash.

Changes in interest rates will have a negligible effect on the group's results.

9.3 Fair values

The carrying value of financial instruments, excluding investments, approximates their fair value. The fair value of investments is disclosed in note 2.

10. CONTINGENT LIABILITY

Distell Group Limited has lodged an appeal against revised tax assessments issued by the South African Revenue Services. The matter will be heard in the Special Income Tax court. The group's interest in the amount that is at risk is R8,6 million.

		2009	2008
		R'000	R'000
11.	**RELATED PARTY TRANSACTIONS**		
11.1	Dividends received from associate:		
	Distell Group Limited	**150 205**	124 976
11.2	The following transactions were entered into with KWV South Africa (Proprietary) Limited (a fellow subsidiary up to year-end and the holding company, Capevin Holdings Limited (previously KWV Limited).		
	Administrative fees paid	**778**	637
	Interest income	**278**	54

Interest was mainly earned on the dividends received from Distell which were invested for a week, at money market rates, until Capevin Investments' dividends were paid.

12. ABRIDGED FINANCIAL STATEMENTS OF ASSOCIATED COMPANY: DISTELL

	2009 R'000	2008 R'000
BALANCE SHEET *at 30 June 2009*		
Non-current assets	**2 360 319**	1 961 551
Property, plant and equipment	**1 773 480**	1 546 159
Other assets	**586 839**	415 392
Current assets	**5 122 889**	4 479 232
Inventory	**3 714 655**	3 268 555
Trade and other receivables	**1 155 381**	954 036
Taxation receivable	**74 381**	62 968
Cash and cash equivalents	**178 472**	193 673
Total assets	**7 483 208**	6 440 783
Total equity	**4 833 526**	4 455 666
Ordinary shareholders' funds	**4 831 501**	4 453 641
Minority interest	**2 025**	2 025
Non-current liabilities	**648 455**	196 021
Long-term liabilities	**422 386**	2 938
Deferred taxation	**207 769**	177 460
Retirement benefit obligations	**18 300**	15 623
Current liabilities	**2 001 227**	1 789 096
Trade payables and provisions	**1 659 814**	1 533 268
Interest-bearing borrowings	**324 267**	226 027
Taxation payable	**17 146**	29 801
Total equity and liabilities	**7 483 208**	6 440 783
INCOME STATEMENT *for the year ended 30 June 2009*		
Revenue	**10 863 728**	9 409 597
Profit before taxation	**1 419 392**	1 377 900
Taxation	**(464 994)**	(425 899)
Minority interest	**–**	453
Net profit attributable to ordinary shareholders	**954 398**	952 454
Earnings per share	**Cents**	Cents
– attributable earnings	**475,6**	476,3
– diluted earnings	**455,8**	447,1
– headline earnings	**475,2**	471,0
– diluted headline earnings	**455,3**	442,2
Dividend per share	**256,0**	236,0
– interim	**124,0**	104,0
– final (declared after year-end)	**132,0**	132,0

Financial statements of the company

(Unconsolidated)

	Note	2009 R'000	2008 R'000
BALANCE SHEET *at 30 June 2009*			
ASSETS			
Non-current assets			
Investment in associate	2	**42 000**	42 000
Current assets		**631**	377
Cash and cash equivalents		**612**	361
Taxation receivable		**19**	16
Total assets		**42 631**	42 377
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	3	**42 000**	42 000
Reserves		**(303)**	(217)
Ordinary shareholders' funds		**41 697**	41 783
Current liabilities			
Payables		**934**	594
Total equity and liabilities		**42 631**	42 377

	Note	2009 R'000	2008 R'000
INCOME STATEMENT *for the year ended 30 June 2009*			
Dividends received		**150 205**	124 976
Interest income		**288**	68
Administrative expenses		**(1 412)**	(1 122)
Profit before taxation	6	**149 081**	123 922
Taxation	7	**(80)**	(19)
Net profit attributable to ordinary shareholders		**149 001**	123 903

No statement of recognised income and expense is provided, as there are no movements other than net profit.

Financial statements of the company

(Unconsolidated)

	2009 R'000	2008 R'000
CASH FLOW STATEMENT *for the year ended 30 June 2009*		
Cash flow from operating activities		
Administrative expenses	**(1 412)**	(1 122)
Increase in payables	**353**	57
Cash utilised in operations	**(1 059)**	(1 065)
Dividends received	**150 205**	124 976
Dividends paid	**(149 100)**	(123 900)
Interest received	**288**	68
Taxation paid	**(83)**	(47)
Net increase in cash and cash equivalents	**251**	32
Cash and cash equivalents at beginning of the year	**361**	329
Cash and cash equivalents at end of the year	**612**	361

NOTE TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

	2009 R'000	2008 R'000
RECONCILIATION OF MOVEMENTS ON CAPITAL AND RESERVES		
Share capital at beginning and end of the year	**42 000**	42 000
Retained earnings		
Balance at beginning of the year	**(217)**	(233)
Net profit attributable to ordinary shareholders	**149 001**	123 903
Unclaimed dividends written back	**13**	13
Dividends paid	**(149 100)**	(123 900)
Balance at end of the year	**(303)**	(217)
Equity at end of the year	**41 697**	41 783

For further notes, refer to notes on pages 16 – 25

Notice to shareholders

The twenty eigth annual general meeting of the company will be held on Friday 23 October 2009 in the Boardroom, KWV Head Office, Suider-Paarl at 09:00 to:

1. Consider and approve the financial statements for the year ended 30 June 2009.

2. Elect a director in lieu of Mr CA Otto who retires in terms of the Articles of Association. He is and declares himself eligible for re-election.

3. Elect a director in lieu of Mr JJ Mouton who retires in terms of the Articles of Association. He is and declares himself eligible for re-election.

4. Elect a director in lieu of Mr AEvZ Botha who retires in terms of the Articles of Association. He is and declares himself eligible for re-election.

5. Elect a director in lieu of Mr KI Mampeule who retires in terms of the Articles of Association. He is and declares himself eligible for re-election.

6. Transact any other business that may be transacted at an annual general meeting.

A member may, in writing, appoint a proxy (who need not be a member of the company) to attend the meeting, speak and vote on his / her behalf (whether by a show of hands or by ballot).

The enclosed proxy form must reach the registered office of the company at least 24 hours prior to the commencement of the meeting.

By order of the board of directors.

PSG Corporate Services (Pty) Ltd
Secretary

Stellenbosch

2 September 2009

Proxy form
CAPEVIN INVESTMENTS LIMITED
(Previously KWV Investments Limited)
(Registration number 1979/007263/06)

I ____
(name in full)

being a member of CAPEVIN Investments Limited, hereby appoint ____________________

or failing him the chairman of the board of directors or failing him the chairman of the meeting as my proxy to vote for me and on my behalf at the annual general meeting of the company, to be held on 23 October 2009 and at any adjournment thereof as follows:

	For	Against	Abstain
Resolution (1) Approval of financial statements			
Resolution (2) Election of Mr CA Otto as director			
Resolution (3) Election of Mr JJ Mouton as director			
Resolution (4) Election of Mr AEvZ Botha as director			
Resolution (5) Election of Mr KI Mampeule as director			

Unless otherwise instructed above, my proxy may vote as he/she thinks fit.

Signed this ____________________ day of ____________________ 2009

Signature ____

Address ____

____

Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and speak and vote, whether by a show of hands or by ballot, in his stead. A proxy need not be a member of the company.

2. This proxy form, duly signed and completed, must reach the registered office of the company not later than twenty-four hours before the time set for this meeting.

Administration

for the year ended 30 June 2009

Capevin Investments Limited
(Previously KWV Investments Limited)
(Reg no. 1979/007263/06)

Directors (Non-executive)

AEvZ Botha
KI Mampeule
JJ Mouton
CA Otto

Secretary

PSG Corporate Services (Pty) Ltd

Registered office

1st Floor
Ou Kollege
35 Kerk Street
Stellenbosch
7600
South Africa

Transfer secretaries

Computershare Investor Services (Pty) Ltd
70 Marshall Street
Johannesburg
2001
and
PO Box 61051
Marshalltown
2107

Sponsor

PSG Capital (Pty) Ltd

Auditors

PricewaterhouseCoopers Incorporated

GREYMATTER & FINCH # 4681