

CAPEVIN HOLDINGS LIMITED

Incorporated in the Republic of South Africa  
 Registration number: 1997/020857/06  
 JSE share code: CVH  
 ISIN number: ZAE000167714  
 ("Capevin Holdings" or "the company" or "the group")

AUDITED RESULTS FOR THE YEAR ENDED 30 JUNE 2013 AND NOTICE OF ANNUAL GENERAL MEETING

- Normalised headline earnings per share increased by 15,6% to 43,8 cents
- Headline earnings per share increased by 12,3% to 34,6 cents
- Intrinsic value per share increased by 15,1% to R8,13
- Final dividend per share increased by 20,6% to 11,7 cents

SUMMARY CONSOLIDATED INCOME STATEMENT

	Audited 30 June 2013 R'000	Audited 30 June 2012 R'000
Share in profits of associate	317 249	281 167
Gain on dilution of interest in associate	2 644	1 496
Investment income	527	413
Administrative expenses	(2 476)	(6 583)
Profit before taxation	317 944	276 493
Taxation	(3 335)	(122)
Profit for the year	314 609	276 371
Attributable to:		
Owners of the parent	292 208	138 582
Non-controlling interests	22 401	137 789
	314 609	276 371
Earnings per share (cents)		
- Attributable (basic and diluted)	35,2	30,9
Number of shares (thousands)		
- In issue	880 103	447 923
- Weighted average	829 189	447 923

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Audited 30 June 2013 R'000	Audited 30 June 2012 R'000
Profit for the year	314 609	276 371
Items that may be reclassified subsequently to profit or loss:		
Tax charge relating to available-for-sale financial asset		(12)
Share of other comprehensive income of associate		
Fair value adjustments - available-for-sale financial assets	2 396	1 487
Currency translation differences	84 568	7 964

Items that will not be reclassified to profit or loss:

Share of other comprehensive income of associate		
Actuarial gains and losses	66 930	6 573
Other equity movements of associate	5 415	5 337
Total comprehensive income for the year	473 918	297 720
Attributable to:		
Owners of the parent	453 173	149 464
Non-controlling interests	20 745	148 256
	473 918	297 720

#### SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Audited 30 June 2013 R'000	Audited 30 June 2012 R'000
<b>ASSETS</b>		
Non-current assets	2 095 530	1 794 697
Investment in associate	2 095 280	1 794 447
Available-for-sale financial asset	250	250
Current assets		
Cash and cash equivalents	2 641	3 445
Total assets	2 098 171	1 798 142
<b>EQUITY AND LIABILITIES</b>		
Equity		
Ordinary shareholders' interest	2 092 976	911 698
Non-controlling interests	-	879 328
Total equity	2 092 976	1 791 026
Non-current liabilities		
Deferred taxation	47	47
Current liabilities	5 148	7 069
Trade payables	606	2 769
Unclaimed dividends	4 037	4 245
Income tax payable	505	55
Total equity and liabilities	2 098 171	1 798 142
Net asset value per share (cents)	237,8	203,5
Net tangible asset value per share (cents)	237,8	203,5

#### SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Audited 30 June	Audited 30 June
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	2013 R'000	2012 R'000
Ordinary shareholders' equity at beginning of year	911 698	842 531
Total comprehensive income	453 173	149 464
Unclaimed dividends written back	1 412	777
Shares issued	2 485 035	
Dividends paid	(173 380)	(81 074)
Transactions with non-controlling interest	(1 584 962)	
Ordinary shareholders' equity at end of year	2 092 976	911 698
Non-controlling interests' equity at end of year	-	879 328
Beginning of year	879 328	809 184
Total comprehensive income	20 745	148 256
Unclaimed dividends written back		71
Dividends paid		(78 183)
Transactions with non-controlling interest	(900 073)	
Total equity at end of year	2 092 976	1 791 026
Dividend per share (cents)		
- Interim	10,0	9,4
- Final	11,7	9,7

#### SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

	Audited 30 June 2013 R'000	Audited 30 June 2012 R'000
Cash flows from operating activities		
Administrative expenses	(2 476)	(6 583)
Decrease in trade and other receivables		5
(Decrease)/increase in trade and other payables and unclaimed dividends	(959)	3 979
Cash utilised in operations	(3 435)	(2 599)
Interest received	519	406
Taxation paid	(2 885)	(142)
Dividends paid	(173 380)	(159 257)
Dividends received	178 377	161 361
Net decrease in cash and cash equivalents	(804)	(231)
Cash and cash equivalents at beginning of year	3 445	3 676
Cash and cash equivalents at end of year	2 641	3 445

#### NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

##### 1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The summary consolidated financial statements have been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards ("IFRS"), including IAS 34 - Interim Financial Reporting; the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee; the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council; the requirements of the South African Companies Act of 2008, as amended; and the Listings Requirements of the JSE Ltd. The accounting policies applied in the preparation of these summary consolidated financial statements are consistent with those used in the previous financial year. The only amendment that is effective for the first time in the current financial year is:

- Amendments to IAS 1 - Presentation of Financial Statements (effective 1 July 2012)

The adoption of these amendments has had no material impact on the consolidated results of either the current or prior years.

## 2. GROUP STRUCTURE

The sole investment of Capevin Holdings is an effective interest of 28,90% (30 June 2012: 14,78%) in the issued share capital of Distell Group Ltd ("Distell"), held via its 50% interest in Remgro-Capevin Investments Ltd.

## 3. RELATED PARTY TRANSACTIONS

During the year the group received dividends from Remgro-Capevin Investments Ltd (an associate) of R178 369 000, and the group paid administrative fees of R810 000 (2012: R1 244 000) and a sponsor fee of R33 000 (2012: R31 000) to PSG Corporate Services (Pty) Ltd (a fellow subsidiary of an investor with significant influence over the group at the time of the expenses being incurred).

## 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.

	Audited 30 June 2013 R'000	Audited 30 June 2012 R'000
Profit for the year attributable to owners of the parent	292 208	138 582
Non-headline items		
Interest in adjustments of associate	(3 135)	180
Gain on dilution of interest in associate	(2 644)	(763)
Taxation effect of non-headline items	130	(50)
Headline earnings	286 559	137 949
Abnormal excise and interest provision and the impact of new business acquisitions, net of taxation	76 417	31 686
Normalised headline earnings *	362 976	169 635
Headline earnings per share (cents)	34,6	30,8
Normalised headline earnings per share (cents) *	43,8	37,9

\* Normalised headline earnings excludes the impact of an additional excise duty and interest provision and the impact of new business acquisitions by Distell. Normalised headline earnings and normalised headline earnings per share are not included in IFRS and are therefore not audited.

## 6. CONTINGENCY

In the prior year Distell received an assessment from the South African Revenue Service with regards to additional employees tax relating to the Distell group's share incentive scheme. During the year under review, Distell was successful in its objection to the assessment and therefore no contingent liability exists.

## 7. 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 Payments.

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. 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 Holdings Ltd's interest (through its shareholding in Remgro-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 Holdings Ltd will recognise a dilution of up to 15% against its investment in its associate (currently carried at R2,1 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 2013 financial statements disclose diluted headline earnings per share that is 8,3% (2012: 6,6%) less than the headline earnings per share.

Although there has been no real dilution of Capevin Holdings Ltd's 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, Capevin Holdings' headline earnings for the year would decrease by R23,7 million (2012: R9,2 million) to 31,7 cents (2012: 28,7 cents) per share.

#### COMMENTARY

#### SCHEME OF ARRANGEMENT

On 13 August 2012 a scheme of arrangement was implemented in terms of which Capevin Holdings acquired the remaining ordinary shares in Capevin Investments Ltd ("Capevin Investments") not already held by Capevin Holdings, being 20 580 000 shares representing 49% of Capevin Investments' issued share capital. Capevin Investments' shareholders received 21 Capevin Holdings shares for each share disposed of. Capevin Investments was delisted following the listing of Capevin Holdings on the JSE on 3 August 2012. All the assets and liabilities of Capevin Investments were subsequently distributed to Capevin Holdings in terms of section 47 of the Income Tax Act, 58 of 1962.

#### FINANCIAL RESULTS

Distell reported a 12,0% increase in headline earnings to R1 086 million, with headline earnings per share increasing by 11,7%. Capevin Holdings' headline earnings per share for the year ended 30 June 2013 consequently increased by 12,3% to 34,6 cents per share.

The company's intrinsic value increased by 15,1% to R8,13 per share - based on Distell's last traded share price of R121,94 at 30 June 2013 (excluding capital gains tax).

Following the restructuring detailed above, Capevin Holdings' discount to intrinsic value has narrowed from 23,4% at 30 June 2012 to 17,6% at 30 June 2013. Recurring administration costs for the year under review decreased by 29,1% due to simplification of the group structure.

#### PROSPECTS

Distell believes challenging trading conditions will persist in the year ahead. However, the strength, appeal and diversity of its brands, its enhanced capacity to trade across a spectrum of markets and the security of its financial position will allow it to continue pursuing its strategic course.

Refer to [www.distell.co.za](http://www.distell.co.za) for Distell's comprehensive results.

#### AUDITED FINANCIAL STATEMENTS

PricewaterhouseCoopers Inc. has audited the results for the year ended 30 June 2013 and their unmodified audit opinions on the annual financial statements and the summarised financial statements contained herein, are available for inspection at the company's registered office.

These summarised consolidated financial statements, together with the consolidated annual

financial statements from which they have been derived, were compiled under the supervision of Mr A Mellet, a Chartered Accountant (SA) and an employee of the company's appointed manager,  
PSG Corporate Services (Pty) Ltd.

The consolidated annual financial statements, including the unmodified audit opinion, is available on Capevin Holdings' website [www.capevin.com](http://www.capevin.com) or may be requested and obtained in person, at no charge, at the registered office of the company during office hours.

#### DIVIDEND

In terms of the dividend policy of Capevin Holdings, dividends received from its indirect interest in Distell, after providing for administrative expenses, will be distributed to shareholders. The directors have consequently resolved to declare a final gross ordinary dividend (dividend number 18) of 11,7 cents (2012: 9,7 cents) per share for the year ended 30 June 2013.

The dividend has been declared from income reserves.

There are no STC credits available for utilisation. The dividend is subject to a local dividend tax rate of 15% or 1,755 cents per share, resulting in a net dividend of 9,945 cents per share, unless the shareholder is exempt from paying dividend tax or is entitled to a reduced rate in terms of the applicable double-tax agreement. The number of issued ordinary shares is 880 103 265 at the date of this declaration. The company's income tax reference number is 9599656718.

The salient dates of this dividend distribution are:

Last day to trade cum dividend	Friday, 6 September 2013
Trading ex dividend commences	Monday, 9 September 2013
Record date	Friday, 13 September 2013
Date of payment	Monday, 16 September 2013

Share certificates may not be dematerialised or rematerialised between Monday, 9 September 2013, and Friday, 13 September 2013, both days inclusive.

#### ANNUAL GENERAL MEETING

The company's annual general meeting will be held at PSG Group's office situated at 1st Floor, Ou Kollege, 35 Kerk Street, Stellenbosch on Thursday, 17 October 2013, at 10:00.

Shareholders are hereby advised that the company's annual report, containing the notice of the annual general meeting and the audited summarised financial statements for the year ended 30 June 2013, will be dispatched to shareholders on or about, 16 September 2013. The annual report will then also be available at [www.capevin.com](http://www.capevin.com).

Signed on behalf of the board of directors

Chris Otto  
Chairman

Andries Mellet  
Financial director

Stellenbosch  
23 August 2013

#### ADMINISTRATIVE INFORMATION

Directors: CA Otto (Chairman)^, A Mellet\*, AEvZ Botha^, N Celliers#, JJ Durand#, RM Jansen^, LC Verwey# (\* Executive, # Non-executive, ^ Independent non-executive)

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.

Sponsor: PSG Capital