

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The interim financial statements of Capevin Holdings Ltd ("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, as well as AC 500 standards; 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 interim 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 the following:

- 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 periods.

These unaudited interim financial statements 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.

2. GROUP STRUCTURE

The sole investment of Capevin Holdings is an effective interest of 28,93% (31 December 2011: 14,80% and 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. COMMITMENTS AND CONTINGENCIES

Distell received an assessment from the South African Revenue Service for additional employees tax relating to Distell's share incentive scheme. Distell obtained legal and tax specialist opinions on this matter, which indicated that no provision is necessary and they submitted an objection to this assessment. The Capevin Holdings group's interest in the amount that is at risk is R15,2 million (excluding penalties and interest).

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.

COMMENTARY

RESTRUCTURING

On 13 August 2012, a scheme of arrangement ("Scheme") was implemented in terms of which Capevin Holdings acquired all the ordinary shares in Capevin Investments not already held by Capevin Holdings, being 20 580 000 shares. Following the implementation of the Scheme, Capevin Investments became a wholly owned subsidiary of Capevin Holdings. Capevin Investments' shareholders received the Scheme consideration of 21 Capevin Holdings shares for each Scheme share disposed of. Capevin Investments was delisted following the listing of Capevin Holdings on the JSE on 3 August 2012. All the assets of Capevin Investments were subsequently distributed to Capevin Holdings in terms of section 47 of the Income Tax Act.

FINANCIAL RESULTS

Distell reported a 12,9% increase in headline earnings to R877,4 million, with headline earnings per share increasing by 12,6%. Capevin Holdings' headline earnings for the six months ended 31 December 2012 consequently increased by 16,1% to 29,6 cents per share.

The company's intrinsic value increased by 17,6% to R7,06 per share – based on Distell's last traded share price of R105,94 at 31 December 2012 (excluding capital gains tax).

Following the restructuring detailed above, Capevin Holdings' discount to intrinsic value has narrowed from 23% at June 2012 to 10% at 31 December 2012. Administration costs for the period also decreased by 11,5% due to simplification of the group structure.

PROSPECTS

The prevailing macro-economic volatility makes it difficult to predict consumer spending trends in the markets where Distell trades. The board of Distell is not expecting significant changes in the current conditions, as disposable income remains under severe pressure, both domestically and internationally.

Distell remains confident in the versatility and quality of their portfolio and the pricing of their products. Their underlying financial position remains strong and they continue to invest in brands, plant and other infrastructure to compete effectively and to maximise trading opportunities.

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

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 an interim gross ordinary dividend (dividend number 17) of 10,0 cents (2011: 9,4 cents) per share for the six months ended 31 December 2012. The dividend has been declared from income reserves.

There are no STC credits available for utilisation. The dividend is subject to a local dividends tax rate of 15% or 1,5 cents per share, resulting in a net dividend of 8,5 cents per share, unless the shareholder is exempt from paying dividends 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	Wednesday, 27 March 2013
Trading ex dividend commences	Thursday, 28 March 2013
Record date	Friday, 5 April 2013
Date of payment	Monday, 8 April 2013

Share certificates may not be dematerialised or rematerialised between Thursday, 28 March 2013, and Friday, 5 April 2013, both days inclusive.

Signed on behalf of the board of directors

Chris Otto
Chairman

Stellenbosch
4 March 2013

Andries Mellet
Financial director

ADMINISTRATIVE INFORMATION

Capevin Holdings Ltd **Registration number:** 1997/020857/06 **JSE share code:** CVH
ISIN: ZAE000167714 **Directors:** CA Otto (Chairman), A Mellet* (Financial director), AEvZ Botha, JJ Durand, LC Verwey, N Celliers, RM Jansen (* 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

www.capevin.com

CAPEVIN
HOLDINGS LIMITED

UNAUDITED INTERIM RESULTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2012

↑ **16,1%**
to **29,6 cents**

Headline earnings
per share

↑ **17,6%**
to **R7,06**

Intrinsic value
per share

↑ **6,4%**
to **10,0 cents**

Interim dividend
per share

GROUP INCOME STATEMENT	Unaudited		Audited
	Six months ended	Year ended	Year ended
	31 December	30 June	30 June
	2012	2011	2012
	R'000	R'000	R'000
Share in profits of associate	253 949	225 462	281 167
Gain on dilution of interest in associate	1 459	951	1 496
Investment income	262	205	413
Administrative expenses	(1 112)	(1 257)	(6 583)
Profit before taxation	254 558	225 361	276 493
Taxation	127	(54)	(122)
Profit for the period	254 685	225 307	276 371
Attributable to:			
Owners of the parent	232 284	114 687	138 582
Non-controlling interests	22 401	110 620	137 789
	254 685	225 307	276 371
Profit for the period attributable to equity holders of the company	232 284	114 687	138 582
Non-headline items			
Interest in adjustments of associate, net of taxation	(37)	37	130
Gain on dilution of interest in associate	(1 459)	(485)	(763)
Headline earnings	230 788	114 239	137 949
Abnormal excise provision, net of taxation			31 686
Normalised headline earnings	230 788	114 239	169 635
Earnings per share (cents)			
– Attributable (basic and diluted)	29,8	25,6	30,9
– Headline (basic and diluted)	29,6	25,5	30,8
– Normalised headline (basic and diluted)*	29,6	25,5	37,9
Number of shares (thousands)			
– In issue	880 103	447 923	447 923
– Weighted average	779 105	447 923	447 923

* Normalised headline earnings exclude the impact of an additional excise duty provision by Distell provided for in the June 2012 year-end reporting period. Distell made adequate provision for additional excise duty on wine aperitifs and no further provisions are needed.

GROUP STATEMENT OF COMPREHENSIVE INCOME	Unaudited		Audited
	Six months ended	Year ended	Year ended
	31 December	30 June	30 June
	2012	2011	2012
	R'000	R'000	R'000
Profit for the period	254 685	225 307	276 371
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Share of other comprehensive income of associate			
Fair value adjustments: available-for-sale financial assets	1 262	476	1 487
Currency translation differences	6 841	9 498	7 964
Tax charge relating to available-for-sale financial asset			(12)
<i>Items that will not be reclassified to profit or loss:</i>			
Share of other comprehensive income of associate			
Actuarial gains and losses	9 330	7 617	6 573
Other equity movements of associate	2 287	2 089	5 337
Total comprehensive income for the period	274 405	244 987	297 720
Attributable to:			
Owners of the parent	253 660	124 724	149 464
Non-controlling interests	20 745	120 263	148 256
	274 405	244 987	297 720

GROUP STATEMENT OF FINANCIAL POSITION	Unaudited		Audited
	31 December	30 June	30 June
	2012	2011	2012
	R'000	R'000	R'000
ASSETS			
Non-current assets	1 980 641	1 820 671	1 794 697
Investment in associate	1 980 391	1 820 421	1 794 447
Available-for-sale financial asset	250	250	250
Current assets	4 950	4 926	3 445
Income tax receivable		4	
Cash and cash equivalents	4 950	4 922	3 445
Total assets	1 985 591	1 825 597	1 798 142
EQUITY AND LIABILITIES			
Equity			
Ordinary shareholders' interest	1 980 877	929 025	911 698
Non-controlling interests		892 127	879 328
Total equity	1 980 877	1 821 152	1 791 026
Non-current liabilities			
Deferred taxation	47	35	47
Current liabilities	4 667	4 410	7 069
Trade payables	511	716	2 769
Unclaimed dividends	4 156	3 693	4 245
Income tax payable		1	55
Total equity and liabilities	1 985 591	1 825 597	1 798 142
Net asset value per share (cents)	225,1	207,4	203,5

GROUP STATEMENT OF CHANGES IN EQUITY	Unaudited		Audited
	Six months ended	Year ended	Year ended
	31 December	30 June	30 June
	2012	2011	2012
	R'000	R'000	R'000
Ordinary shareholders' equity at beginning of period	911 698	842 531	842 531
Total comprehensive income	253 660	124 724	149 464
Unclaimed dividends written back	816	739	777
Shares issued	2 485 035		
Dividends paid	(85 370)	(38 969)	(81 074)
Transactions with non-controlling interest	(1 584 962)		
Ordinary shareholders' equity at end of period	1 980 877	929 025	911 698
Non-controlling interests' equity at end of period	–	892 127	879 328
Beginning of period	879 328	809 184	809 184
Total comprehensive income	20 745	120 263	148 256
Unclaimed dividends written back		33	71
Dividends paid		(37 353)	(78 183)
Transactions with non-controlling interest	(900 073)		
Total equity at end of period	1 980 877	1 821 152	1 791 026
Dividend per share (cents)			
– Interim	10,0	9,4	9,4
– Final			9,7

GROUP STATEMENT OF CASH FLOWS	Unaudited		Audited
	Six months ended	Year ended	Year ended
	31 December	30 June	30 June
	2012	2011	2012
	R'000	R'000	R'000
Cash flows from operating activities			
Administrative expenses	(1 112)	(1 257)	(6 583)
Decrease in trade and other receivables (Decrease)/increase in payables and unclaimed dividends	(1 531)	1 297	3 979
Cash (utilised in)/generated by operations	(2 643)	40	(2 599)
Interest received	254	198	406
Taxation refunded/(paid)	72	(132)	(142)
Dividends received	89 192	77 462	161 361
Dividends paid	(85 370)	(76 322)	(159 257)
Net increase/(decrease) in cash and cash equivalents	1 505	1 246	(231)
Cash and cash equivalents at beginning of period	3 445	3 676	3 676
Cash and cash equivalents at end of period	4 950	4 922	3 445