



SUMMARISED
GROUP REPORT 2014

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Notice of annual general meeting	Inserted
Form of proxy	Inserted

Notice in terms of Section 29(3) of the Companies Act, 2008 ("the Act")

These summarised financial statements are a summary of the annual financial statements of the group for the year ended 31 March 2014.

The annual financial statements of the group have been audited in compliance with the Act.

The preparation of the annual financial statements has been supervised by DP Smit CA(SA).

A copy of the annual financial statements is available at request from the registered offices of the group.

PROFILE

KWV IS ONE OF THE LEADING WINE AND SPIRITS PRODUCERS IN SOUTH AFRICA.

KWV is known internationally for brands such as Roodeberg, KWV wines, Laborie, Golden Kaan, Cathedral Cellar, The Mentors, Café Culture, Wild Africa Cream and the KWV 3, 5, 10, 15 and 20 Year Old brandies.

Our head office is located in Paarl, in the Western Cape region – one of the country's top wine-producing regions.

The company sources wines and grapes from the best and most sought-after viticultural regions in South Africa.

KWV is a founder member of the Industry Association for the Responsible Use of Alcohol (ARA).



AWARDS

In the year under review, KWV's wines and brandies were awarded an impressively wide number of trophies, medals and awards in local and international competitions.

Decanter World Wine Awards

Cathedral Cellar	Sauvignon blanc 2012	Gold & SA Trophy under 15£ (SB)	May 2013
KWV The Mentors	Cabernet Franc 2010	Gold & SA Trophy under 15£ (BDX)	May 2013
KWV The Mentors	Chardonnay 2012	Gold & SA Trophy under 15£ (CY)	May 2013
KWV Classic	Tawny	Gold	May 2013
KWV The Mentors	Grenache blanc 2011	Gold	May 2013
KWV The Mentors	Shiraz 2011	Gold	May 2013

Concours Mondial – de Bruxelles

KWV The Mentors	Shiraz 2011	Grand Gold	May 2013
KWV The Mentors	Pinotage 2011	Gold	May 2013
KWV The Mentors	Petit Verdot 2011	Gold	May 2013
Laborie	Jean Taillefert 2011	Gold	May 2013
Cathedral Cellar	Triptych 2011	Gold	May 2013
KWV Classic	Tawny	Gold	May 2013

Old Mutual Trophy Wine Show

KWV The Mentors	Petit Verdot 2011	Trophy Best Niche Red	May 2013
KWV The Mentors	Sauvignon blanc 2009	Trophy Best SB Museum	May 2013
Perold	Insignis 2011	Gold	May 2013

International Spirits Challenge

KWV Brandy	KWV 15	Best Brandy in the world	June 2013
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Mundus Vini

KWV The Mentors	Sauvignon blanc (DRL) 2012	Gold & Best SA White Wine of Show	September 2013
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Veritas (Best producer of the year award)

KWV Classic	Cape Tawny	Double Gold	October 2013
KWV The Mentors	Orchestra 2010	Double Gold	October 2013
KWV The Mentors	Pinotage 2011	Double Gold	October 2013
Laborie	MCC Blancs de Blanc 2009	Double Gold	October 2013

South African Wine Index

KWV Brandy	KWV 20	Top brand of the Year	December 2013
KWV Brandy	KWV 20	Platinum	December 2013

Wine Star Awards

KWV Brandy	KWV 15	Double Gold	January 2014
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CHAIRMAN'S REPORT

Our group remains committed to a volume-growth strategy, with growth driven by our key KWV, Laborie and Roodeberg brands.

For many years, KWV did not have stability in its shareholding and control structure. This impacted its performance and was often a distraction to management. Fortunately those days are behind us, and we can now focus on building the group into a global, diversified, alcoholic beverage business.

The KWV brand is very strong and is associated with quality and heritage. During the year, the group changed its logo and adopted "Proud Pioneers" as part of its future identity. We think that "Proud Pioneers" encapsulates the group's role historically and provides inspiration for the future.

However, much work remains to be done to place the group on a sound footing. The financial performance of the group and the group's reliance on brandy in the South African market are challenges that will be addressed.

Cost management in the group has improved significantly with our largest cost, advertising and marketing, being managed strictly in accordance with our sales methodology.

Our group remains committed to a volume-growth strategy, with growth driven by our key KWV, Laborie and Roodeberg brands. Achieving branded growth requires an investment in marketing and advertising, and the board has committed to this strategy, even if it reduces profitability in the short term.

While the unrest that plagued the industry last year has largely subsided, the damage of the events will be with us for some time. We have, however, discussed with all our suppliers the need to promote fair labour practices and general ethical conduct as necessary steps to sustain our industry in the long term. This also applies to our procurement policies. We have encouraged all stakeholders to work together to build, nurture and expand our industry in ways and means which promote sustainability, profitability and reciprocity for all.

We encourage all role players to present a fair and balanced view of our industry. We believe the majority of the stakeholders are very committed to fair-trade principles and our industry could be considered a leader in the independent accreditation of fair-trade suppliers.

The retail selling price pressure and margin degradation on our products as a result of increases in excise duty continue. Excise duties on brandy increased by a further 12% in February 2014. These increases, if they continue, will eventually lead to the demise of the declining brandy category. We do not think that higher prices and tariffs will result in people consuming less alcohol; rather, they will merely change their consumption patterns to cheaper and illegal products.

Our interaction with government on brandy tariffs will hopefully bear fruit. It appears that brandy consumption has largely shifted to whisky, with most products in the category being imported.

CHAIRMAN'S REPORT *(continued)*

As brandy is replaced by whisky, the economic benefits of wine production for brandy will be reduced leading, in our opinion, to job losses and to a negatively affected trade balance.

The proposed government plans to ban alcohol advertising are detrimental to the industry. We will continue to engage authorities on this matter. The effect of the ban will merely entrench existing brands and make them stronger.

Despite all these challenges, we are fortunate to have a loyal supplier base and dedicated staff who support and believe in the KWV way and vision.

We thank the board for their continued support and guidance.



Marcel Golding

Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

Our business model received a substantial gift during the year with the rand depreciating by more than 20% against our major trading currencies.

The first 12-month reporting period of KWV under the control of the Niveus group was below our expectations. While many good reasons can be advanced for our performance, we have to recognise that many of the issues we faced were within our control or could have been foreseen with better planning and management. I hope to report next year that we are fast learners and that the business continues to move forward.

The business managed to deliver a small headline profit and substantially improve its working capital management. The improvement in our performance is better than it appears, as the prior reporting period was for nine months only and excluded the April to June period, which traditionally is not a very robust trading period and which was particularly bad in the current reporting period.

Our business model received a substantial gift during the year with the rand depreciating by more than 20% against our major trading currencies. We did not receive the benefit of this depreciation, as we had hedged our forward sales going into the financial year. Had we not done this, we would have improved our profitability significantly. That said, we are not in the business of receiving gifts; we are in the wine and spirits business, and going into the year we were comfortable that the hedged exchange rates gave us an acceptable profit margin on our budgeted sales.

Our business model will, however, benefit from the weaker currency, and many of our shareholders remain invested in KWV for this reason. The wine business is described by many people as a bad business given its low return on assets; the currency will hopefully make it less so.

We continue to hedge a portion of our future sales. Our overall business operates close to breakeven. Our priority must be to stay in business rather than to bet on the currency. We set our sales prices in advance of our selling cycle and, as far as possible, we would like to be certain that the margin we calculate then is the margin we achieve when we receive payment for our sales.

The main reasons for not meeting our budgeted profits were an underperformance in the anticipated volume growth and a substantial write-down of inventory due to the slower than expected sales.

Inventory write-downs are a risk inherent in the wine business as sourcing decisions for wine are made well in advance of the financial period. In the current period, we had to sell wine at reduced prices as the ability to store wine in bulk is limited and extended storage also affects the quality of the wine. In addition, white wine is not often sold after the current vintage expires. As our portfolio grows and we sell wine into more markets, our ability to manage this risk will improve. Unfortunately, we had the same problems in our 2012 reporting period. We constantly work on our early warning systems to enable us to limit the cost when planned volumes do not materialise.

The global wine market remains unstable with the most significant change in the South African market still being the growth in bulk wine exports. Bulk wine exports can be beneficial to the industry, as higher volumes benefit the value chain through lower unit costs and increased profitability. Unfortunately, the bulk export wines are often low-price wine. These lower-priced wines are bottled overseas, often under concept labels, but sold as South African wine. The risk is that South African

CHIEF EXECUTIVE OFFICER'S REPORT *(continued)*

wine is seen increasingly as good quality lower-priced wine, relegating South Africa to a perceived lower-priced wine country.

We believe that the international strength of our brands provides some insurance against this threat. KWV was rated 32nd on the list of most admired international wine brands by Drinks International. We remain the only South African wine brand on this list.

As I have indicated in my previous reports, our strategy is to improve profitability through volume growth. The volume challenges in traditional wine markets were less severe than in the prior year, mainly due to the improvement in economic conditions in our key export markets and the depreciation in our exchange rate, making our products more attractive than our international competitors.

Our South African wine sales are improving in our key branded categories, and, as we indicated in 2012, the growth in sales under the KWV brand demonstrates our brand strength. The investment in our own sales force and merchandising management continues to deliver. It is also pleasing to see local market growth in our Laborie and Roodeberg brands. Roodeberg is an iconic South African product and our premiumisation strategy requires us to manage constantly the pricing and position of this brand in order to retain its status.

In 2012, we indicated that we plan to premiumise our portfolio increasingly. The investment behind our Mentors range is part of this strategy. The international awards achieved by this range reinforce its position as South Africa's most awarded wine. We have also launched our new Cathedral Cellar website, changing the way in which we communicate with our consumers.

Brandy remains important to KWV in the local market. The decline in brandy consumption is placing significant pressure on the profitability of our local operations. Unfortunately, there appears to be no end in sight to the decline and, while the industry will continue to promote brandy and try to premiumise the category, this will not change fortunes in the near term.

Competition in the sector remains fierce with aggressive pricing from our competitors. Brand positioning is important to us. We cannot hand the category to our competitors and have countered with our own pricing strategies in order to remain relevant in the category, even at the expense of profitability. While our volumes have declined, the KWV brand has grown market share. The release of our 12-year-old brandy was very well received in the market.

While the volumes of our ready-to-drink (RTD) portfolio continue to be small in our overall universe, we remain committed to the portfolio. The marketing investment in the portfolio is managed to be aligned with volumes and we do not spend too far ahead of volume growth.

In line with our volume-growth strategy, we have continued to invest in the sales and marketing of our brands in Africa and the USA. The USA is the largest wine market in the world and, in comparison with UK, offers reasonable margins. However, doing business in the USA is both difficult and expensive, even for the large wine companies, as the fragmentation of the market and the state-specific legislation is complex. We will continue to assess our go-to-market (GTM) strategies and the investment in the market.

Our plans for 2015 are to:

- *Improve the profitability of the South African business by increasing volume of our own and third-party products*
- *Continue to develop Africa and Asia. Where required, invest in own infrastructure in Africa to drive growth*
- *Increase volume through our US sales office*
- *Continue to manage advertising and marketing spend in line with volumes*
- *Improve inventory and procurement management to reduce the cost of inventory write-downs*
- *Premiumise the KVV portfolio*



André van der Veen
Chief Executive Officer

FINANCIAL REPORT

The group's gross profit margin improved from 29,8% in the prior period to 31,5%. The main contributors were the weakening of about 20% in the rand, increased volumes and an improved sales mix.

In the prior year, KWV changed its financial year-end to 31 March and, as a result, the comparative period is for nine months only, which impacts the comparability of the income statement information. The group also changed its accounting policy with regard to excise duties as duties are now included in Revenue, Cost of Sales and Inventory. This change had no effect on KWV's profit or net asset value, and relevant comparative numbers have been restated.

Revenue of R1 110 million is roughly 4% above that of the prior period, if it is adjusted for only nine months. However, the nine months from July 2012 to March 2013 exclude the slow quarter of April to June 2012. On a year-on-year comparison, revenue increased by 10,5%.

Total revenue growth was disappointing in light of the fact that export sales received a significant boost from the rand being around 20% weaker than in the prior year.

Wine sales did well during the year, mainly because of solid volume growth in Europe and South Africa. KWV also increased the sales of packed wines by about 1 million litres compared to the preceding 12-month period. In addition, revenues and margins were boosted by an improved sales mix as our core brands, Roodeberg and KWV, performed well. Export revenue was boosted by the weaker rand.

Packed spirit sales were flat compared to the prior year and volumes declined. The main reason was fierce competition in the South African market, especially as whisky continues to grow at the expense of the brandy category. Not only were volumes under pressure, but the sales mix deteriorated and profit margins were squeezed due to pricing pressure. This slowdown and pressure on our spirits business was mitigated to an extent by continued growth in exports of bulk spirits into Europe.

KWV's RTD portfolio faces many of the same challenges as spirits, as it is also focused on the South African market. Sales volumes were flat, with a 5% decrease in revenue. There was, however, a much smaller spend on advertising and promotion. On a marginal cost basis, the portfolio contributed to profitability as opposed to the prior year, when it still required significant investment.

Contract bottling volumes and revenues were significantly less than in the prior year. The business has low margins. The loss of volume did not impact the group's profitability significantly, but it did result in less recoveries of our fixed production costs.

From a regional perspective, sales in Europe performed well, and volumes, revenues and profitability improved above expectation. However, export volumes to the rest of the world, Africa in particular, were flat and improved profitability resulted mainly from the weaker rand.

Sales of packed beverages in South Africa are seasonal. This adds significantly to the apparent decline in revenue as the comparative nine-month period excludes the slowest quarter. As mentioned above, contract bottling, packed spirits and RTDs all struggled, with only our wine sales growing in South Africa. Although top-line growth was below expectation, our South African business continued to improve the management of sales and distribution costs, resulting in improved efficiencies and profitability.

The group's gross profit margin improved from 29,8% (restated due to the inclusion of excise duties in revenue and cost of sales) in the prior period to 31,5%. The main contributors were the weakening of about 20% in the rand, increased volumes, and an improved sales mix with regard to wine sales and increased bulk spirit sales. Lower throughput and increased inventory write-offs detracted from performance.

Other gains and losses contain significant exchange rate losses of R48,2 million compared to a loss of R16,4 million in the prior period. The losses resulted from foreign exchange contracts that KWV used to hedge its budgeted export sales for 2014. When the rand weakened sharply in 2013, it benefited the group's export revenue and gross margins, but resulted in exchange rate losses with regard to these hedging contracts.

Operating expenses have increased from 28,0% of revenue to 28,3%. Sales, marketing and distribution expenses decreased, in particular in the South African market, while operational and administrative expenses were impacted by a few one-off items and increased above inflation.

The net effect is that the group made an operating loss of R2,2 million compared to a profit of R3,5 million in the comparative nine months and generated headline earnings of R1,8 million compared to R7,1 million in the prior period.

With regard to the group's financial position, the total assets and liabilities are stable. The most noticeable change is the improved cash position, and increased payables.

KWV's net asset value improved marginally from R17,85 to R17,88 per share.

SUSTAINABILITY

A key component of KVV's business strategy is to be a responsible, contributing corporate citizen. We are committed to the empowerment, development and growth of disadvantaged communities.

KVV's Sustainability Strategy is aligned to the Millennium Development Goals, the King III Report and the company's overall mission and vision.

The objectives of KVV's sustainability policy are to:

- *create a positive, sustainable impact on communities through investment to improve the quality of life and welfare of disadvantaged communities;*
- *build and improve relationships with the company's existing and potential stakeholders;*
- *create strategic partnerships; and*
- *advocate and promote the responsible use of our products and other alcoholic beverages within the self-regulatory environment in which KVV operates.*

COMMUNITY DEVELOPMENT AND SOCIAL UPLIFTMENT

The key building blocks of our Social Sustainability Strategy are enterprise development and socio-economic development.

Enterprise development

The Clothing Bank

The Clothing Bank is considered a best practice example of sustainable enterprise development. The Clothing Bank's holistic programme focuses on the training and development of unemployed mothers – from demotivated brokenness, low self-esteem and dependence on handouts to empowered, confident and financially independent women.

Coaching plays a vital role in the upliftment and emotional empowerment of the participating women. Life coaches continue to meet with participants during the two-year training period. Participants start running a small business within weeks of joining the programme. The objective is that they should earn sufficient income to provide for their family's basic needs. When participants exit The Clothing Bank, they are supported to find alternative micro-franchise business solutions and are mentored to migrate from their small retail business to new "business in a box" opportunities. KVV sponsored 10 women to participate in this initiative in the 2014 financial year.

Masikhule Childcare (Masikhule)

The main focus of Masikhule's training is early childhood development (ECD), especially for staff at rural and township ECD centres. Implementation of a sound ECD programme requires that the centres should have the basic resources, including equipment, educational materials and stationery. Masikhule's mission is to ensure that infants and young children from disadvantaged communities receive valuable and appropriate stimulation which is vital for holistic development and future learning. They offer accessible, community-based training in ECD skills to crèche and community workers. Masikhule aims to enrich the lives of unemployed women in these communities by providing training in childcare skills and placing them in suitable jobs as child minders. KVV sponsored a group of 14 women from Klapmuts for this training during February 2014.

Socio-economic development

The Pebbles Project

The purpose of the Pebbles Project is to enrich the lives of children with special educational needs from disadvantaged backgrounds. They provide

support and training to local wine farms and township crèches and establish after-school supervision for older children living in the Winelands. Funding from KWV was used for the after-school club sport programme as well as the after-school computer programme to enable children to do homework and research needed for school projects.

The Klapmuts Community Centre

The aim of supporting this centre is to create an environment in which disadvantaged and challenged children and mothers can be stimulated and taught. KWV is working in partnership with the social worker from the Dutch Reformed Church Suider-Paarl, who is responsible for the counselling sessions and the running of a soup kitchen.

KWV is also able to run other social upliftment projects from this property. The women are using recycled materials like wine corks to create crafts which they sell to the public. They create decorative cushions, children's tracksuits, clothing and soft toys in their sewing project.

Staff from KWV donated their 67 minutes on Mandela Day at the Centre to paint the kitchen container as well as a mural inside the centre.

AIKIDO SOUTH AFRICA® (ASA)

AIKIDO SOUTH AFRICA® was established to teach aikido, a traditional Japanese martial art, to children, youth and adults across the spectrum. ASA currently provides training programmes to disadvantaged children from the most impoverished communities in the Boland, including Mbekweni, Klappmuts and Paarl. KWV has partnered with ASA by providing a facility where ASA training programmes can take place.

Pinotage Youth Development Academy (PYDA)

PYDA develops young talent for employment in the wine industry and related sectors. It is intended that the Academy will transform the lives of the students and their communities, as well as contribute to broader transformation efforts. Its high-quality youth development programme dovetails with the government's education initiatives, such as the provision of further education and training (FET) to those unable to access a university education. KWV has partnered with them on this journey by assisting with work placements and practical support from specialist employees.

KWV also supports the following organisations:

- *Boland School for Autism*
www.bolandautism.org.za
- *Drakenstein Association for Persons with Disabilities (APD)*
- *The Institute for the Blind*
www.blind-institute.org.za
- *Klappmuts Primary School*
- *Ligstraal School for Learners with Special Educational Needs (LSEN)*
www.ligstraalschool.com
- *Valcare Trust*
www.valcare.org.za

Responsible use of alcohol

KWV, as a founding member of the Industry Association for Responsible Alcohol Use (ARA), is committed to supporting the ARA in its objectives to reduce alcohol-related harm through combating the misuse and abuse of alcoholic beverages.

The ARA is one of the main funders of the Foundation for Alcohol Related Research (FARR), which does extensive research in the area of Fetal Alcohol Syndrome (FAS) and Fetal Alcohol Spectrum Disorders (FASD).

KWV subscribes to the ARA Code of Commercial Communication (CCC) and is committed to complying with the Code in support of the self-regulatory environment in which the business operates.

ENVIRONMENT

KWV's commitment to the environment is reflected in its environmental policy and the Integrated Management System (IMS). Practices and procedures relating to the purchase of raw materials as well as production and packaging operations are evaluated to ensure minimal detrimental effect on the environment.

SUSTAINABILITY *(continued)*

The IMS also places an emphasis on product quality, food safety, employee health and safety as well as sustainable practices.

KWV and all its suppliers of grapes and wine products are accredited members of the Integrated Production of Wine (IPW) scheme. The IPW scheme is an international forerunner of sustainable and responsible viticulture farming and production practices.

KWV has a continuous focus on the sustainable principles of the IPW scheme and has spent time with suppliers of raw material to understand and apply the principles.

KWV has embarked on implementing an environmental sustainability programme. The programme is driven by our sustainability manager. KWV has identified environmental champions, who will evaluate, measure and monitor the environmental aspects and impacts in their various areas of responsibility. These champions will also identify environmental initiatives and measure the progress on a regular basis at their multi-disciplinary team meetings.

KWV has submitted the required inputs and outputs for the HCI Carbon Disclosure Project.

Biodiversity

The Laborie Estate is a member of the Biodiversity Wine Initiative (BWI). We successfully passed both IPW and BWI audits. Our farming activities at Laborie are conducted in an environmentally sustainable manner.

Further initiatives include:

- *Setting aside areas where natural plant life can be preserved.*
- *Actively clearing alien vegetation to create an environment where natural fynbos can be re-established.*

Water and energy management

The real-time monitoring devices which were installed on the respective electricity and water distribution networks at KWV Paarl production site have been used to establish a consumption baseline for these resources.

The consumption of process services, for example water and electricity, are actively monitored per department and managed through the environmental sustainability programme.

Further energy management initiatives include the following:

- *The lighting energy audit was updated and consolidated to include a life cycle cost analysis.*
- *KWV is continuously investigating and implementing techniques and technologies to improve operational efficiencies and, in the process, reducing the impact of our carbon footprint and fossil fuel consumption.*
- *Further investigation into energy saving will be done with respect to solar energy and biomass technologies.*

Waste management and recycling

By actively managing and monitoring our waste management programme, KWV has, in collaboration with recycling partners, improved recycling rates by recycling a total of 520 tons of solid waste. Liquid waste has also been added to the KWV recycling programme.

As required by the National Environmental Management: Waste Act, KWV has successfully registered its production site in Paarl on the South African Waste Information System (IPWIS), as regulated by the Minister of Water and Environmental Affairs.

Effluent treatment

Paarl

As per the Drakenstein Municipal Industrial Effluent By-law No 18/2007, KWV has applied for and has obtained an Industrial Effluent Disposal Permit. This permit is valid for a period of five years. Alternative methods of treating our industrial effluent are being investigated.

Upington

In terms of the new National Environmental Management: Waste Act, the legal process has been completed. An application for a Waste Licence has been submitted to the Department of Environmental Affairs and Planning.

As part of determining alternative effluent treatment methods, trials for a wetland pilot plant are ongoing.

Worcester

The Solamoyo Processing Company, consisting of KWV, Distell and Brenn-O-Kem on a 40/40/20% partnership basis, has completed the effluent disposal project. The management of the site is done as per the Management Services Agreement between Solamoyo Process Company and the Breede Valley Municipal Council.

KWV safety and process risk management

Afri Compliance has conducted their annual audit at KWV and has awarded KWV with a certificate of compliance with Afri Compliance Protocol for practices in terms of local legislation and regulations promulgated as per all the applicable Acts.

Environmental initiatives

KWV is a proud pioneer of and contributor to The Glass Recycling Company (TGRC).

KWV's contribution is another way of demonstrating our commitment to sustain a "greener" environment. We serve on the board to ensure that funding is used to maintain a sustainable future.

TGRC aims to improve recycling of glass through:

- *providing glass banks to recycle glass and to minimise the glass taken to landfill;*
- *raising public awareness; and*
- *providing funding for entrepreneurs to recycle glass.*

TRANSFORMATION

Broad-based black economic empowerment (BBBEE)

KWV's level 4 BBBEE rating makes it one of the most empowered companies in the wine industry. KWV's black ownership status is without peer in the industry, as the company has significant shareholding by Niveus Investments and the KWV Employee Empowerment Trust (KEET), the latter being a trust held by black employees.

One of the company's key transformation objectives is to develop the communities in which it operates. In partnership with the Food and Beverage SETA (Foodbev SETA) and KWV staff members, the company employed 30 unemployed black youths as part of a formal learning programme. The intention of the programme is to employ the youths for a period of 12 months during which they will gain valuable industry experience and knowledge.

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 year. The directors are also responsible for the other information included in the group report and for both its accuracy and its consistency with the financial statements.

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

The directors are ultimately responsible for the internal controls. Management enables the directors to meet their responsibilities in this regard. Standards and systems of internal control are designed and implemented by management to provide reasonable assurance as to the integrity and reliability of financial records and of the financial statements and to adequately safeguard, verify and maintain accountability for the group's assets. Appropriate accounting policies, supported by reasonable and prudent judgements and estimates, are applied on a consistent and going concern basis. Systems and controls include the proper delegation of responsibilities, effective accounting procedures and adequate segregation of duties.

Based on the information and explanations given by management and the internal auditors, 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 group'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 group, have occurred during the year and up to the date of this report. The directors have a reasonable expectation that the company and the group has adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing the financial statements.

The financial statements which appear on pages 17 to 22 were approved by the board of directors on 8 May 2014 and are signed on their behalf by:



Marcel Golding
Chairman



André van der Veen
Chief Executive Officer

DECLARATION BY THE COMPANY SECRETARY

I hereby confirm, in my capacity as company secretary of KWV Holdings Ltd that for the year ended 31 March 2014, the company has filed all required returns and notices in terms of the Companies Act, 2008 and that all such returns and notices are to the best of my knowledge and belief true, correct and up to date.



Albert Eksteen
Company Secretary

REPORT OF THE GROUP AUDIT AND RISK MANAGEMENT COMMITTEE

The Group Audit and Risk Management Committee (“Audit Committee”) consists of a minimum of three directors, the majority of whom are independent non-executive directors. The board chairperson and the chief executive officer attend meetings by invitation while the external and internal auditors, together with relevant members of management, also attend meetings by invitation. Directors who are not members of the Audit Committee may attend committee meetings. The internal and external auditors enjoy unrestricted access to the Audit Committee.

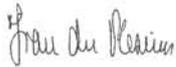
Attendance at meetings held during the year under review, was as follows:

Director	May	Nov
F-A du Plessis (chairman)	√	√
KR Moloko	√	√
JA Copelyn	√	A

The committee reports that it has considered the matters set out in section 94(7)(f) of the Companies Act, 2008, 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.

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 KWV Holdings Limited and the group for the year ended 31 March 2014 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, 2008 and International Financial Reporting Standards (IFRS).



F-A du Plessis

Chairman of the Audit Committee

8 May 2014

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

to the shareholders of KVV Holdings Limited

The summarised consolidated financial statements, set out on pages 18 to 22, which comprise the summarised consolidated statement of financial position as at 31 March 2014, and the summarised consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes are derived from the audited consolidated financial statements of KVV Holdings Limited for the year ended 31 March 2014. We expressed an unmodified audit opinion on those consolidated financial statements in our audit report dated 8 May 2014. Our auditor's report on the audited consolidated financial statements contained an Other Matter paragraph: "Other Reports Required by the Companies Act" (refer below).

The summarised consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summarised consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of KVV Holdings Limited.

DIRECTORS' RESPONSIBILITY FOR THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of a summary of the audited consolidated financial statements in accordance with the basis described in note 1 and the requirements of the Companies Act of South Africa as applicable to summarised financial statements.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the summarised consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements".

OPINION

In our opinion, the summarised consolidated financial statements derived from the audited consolidated financial statements of KVV Holdings Limited for the period ended 31 March 2014 are consistent, in all material respects, with those consolidated financial statements, in accordance with the basis described in note 1 and the requirements of the Companies Act of South Africa as applicable to summarised financial statements.

OTHER REPORTS REQUIRED BY THE COMPANIES ACT

The "Other Reports Required by the Companies Act" paragraph in our audit report dated 8 May 2014 states that as part of our audit of the consolidated financial statements for the year ended 31 March 2014, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated financial statements. These reports are the responsibility of the respective preparers. The paragraph also states that, based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The paragraph does not have an effect on the summarised consolidated financial statements or our opinion thereon.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc.

Director: TS Bruwer

Registered Auditor

Paarl

8 May 2014

DIRECTORS' REPORT

NATURE OF ACTIVITIES

The primary activities of KVV Holdings Limited and its subsidiaries were as follows:

- The purchase of grapes, wine and distilling wine for processing and maturation, which products are eventually sold in the form of wine, brandy and other distillates
- The sales, marketing and distribution of branded liquor products
- Making and managing investments in associated businesses

FINANCIAL RESULTS

The financial results of the group are disclosed in the attached financial statements.

DIVIDEND

No dividend (2013: 0 cents) per ordinary share is declared for the year under review.

EVENTS AFTER REPORTING PERIOD

No material events which may have a significant influence on the financial position of the company occurred between the date of the financial year end and the date of approval of the financial statements.

DIRECTORS

The complete board of directors as at 8 May 2014 is set out on the cover of this document.

AUDITORS

PricewaterhouseCoopers Inc. will continue in office in accordance with section 90(6) of the Companies Act 71 of 2008.

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2014

	31 March	30 June	
	2014	2013	
	R'000	Restated R'000	
		Restated R'000	
ASSETS			
Non-current assets	253 320	245 258	249 605
Property, plant and equipment	217 469	204 988	204 696
Intangible assets	17 964	19 472	20 040
Interest in associates and joint ventures	15 272	15 141	15 094
Loans and receivables	–	–	2 000
Deferred taxation	2 615	5 657	7 775
Current assets	1 355 787	1 323 092	1 245 076
Inventory	1 002 707	977 579	938 479
Trade and other receivables	212 738	211 220	201 706
Current income tax assets	687	2 023	1 713
Derivative financial instruments	5 952	2 544	2 422
Loans and receivables	2 523	22 208	45 453
Bank and cash balances	131 180	107 518	55 303
Total assets	1 609 107	1 568 350	1 494 681
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	1	1	1
Share premium	425 722	425 722	425 722
Reserves	799 431	797 824	789 878
Total equity	1 225 154	1 223 547	1 215 601
Non-current liabilities			
Deferred taxation	31 194	34 760	38 608
Current liabilities			
Trade and other payables	328 848	285 628	233 811
Derivative financial instruments	23 911	24 091	5 156
Current income tax liabilities	–	324	1 505
Total equity and liabilities	1 609 107	1 568 350	1 494 681

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2014

	2014 12 months R'000	2013 9 months Restated R'000
Revenue	1 110 212	800 741
Cost of sales	(760 482)	(562 479)
Gross profit	349 730	238 262
Other income	9 437	4 898
Other gains and (losses) – net	(47 388)	(15 598)
Operating expenses	(313 975)	(224 089)
Promotion, marketing and distribution	(229 004)	(170 407)
Operational and administrative expenses	(84 971)	(53 682)
Operating profit/(loss)	(2 196)	3 473
Interest received	3 871	3 626
Finance costs	(635)	(449)
Share of profit of associates and joint ventures	331	142
Profit before income tax	1 371	6 792
Income tax	(431)	596
Profit for the year	940	7 388
Other comprehensive income		
Change in foreign currency translation reserve	667	558
Total comprehensive income	1 607	7 946

(Attributable to equity holders of the company)

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2014

	2014	2013
	12 months	9 months
	R'000	R'000
Share capital		
Balance at beginning and end of the year	1	1
Share premium		
Balance at beginning and end of the year	425 722	425 722
Reserves		
<i>Common control reserve</i>		
Balance at beginning and end of the year	787 230	787 230
<i>Retained earnings</i>		
Balance at beginning of the year	9 371	1 925
Net profit attributable to ordinary shareholders	940	7 388
Equity accounted earnings transferred to equity reserve	(131)	58
Balance at end of the year	10 180	9 371
<i>Treasury shares</i>		
Balance at beginning and end of the year	(2 923)	(2 923)
<i>Equity reserve</i>		
Balance at beginning of the year	2 566	2 624
Transfer of equity accounted earnings from retained earnings	131	(58)
Balance at end of the year	2 697	2 566
<i>Currency translation reserve</i>		
Balance at beginning of the year	1 580	1 022
Movement during the year	667	558
Balance at end of the year	2 247	1 580
Total reserves at end of the year	799 431	797 824
Equity at end of the year	1 225 154	1 223 547

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2014

	2014 12 months R'000	2013 9 months R'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash from operations before changes in working capital	53 005	52 138
Changes in working capital	(14 845)	(9 463)
Cash from operations	38 160	42 675
Interest received	3 871	3 626
Finance costs	(771)	(379)
Taxation (paid)/refunded	57	(2 625)
Net cash inflow from operating activities	41 317	43 297
CASH FLOW FROM INVESTING ACTIVITIES		
Replacement of property, plant and equipment	(22 463)	(9 171)
Additions to property, plant and equipment	(16 196)	(8 326)
Acquisition of property, plant and equipment	(38 659)	(17 497)
Proceeds on disposal of property, plant and equipment	990	1 267
Acquisition of software	(441)	(877)
Investment in joint venture	(497)	(106)
Repayments of loans receivable	20 752	25 931
Dividends received	200	200
Net cash inflow/(outflow) from investing activities	(17 655)	8 918
Net increase in cash and cash equivalents	23 662	52 215
Cash and cash equivalents at beginning of the year	107 518	55 303
Cash and cash equivalents at end of the year	131 180	107 518

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2014

1. BASIS FOR PREPARATION AND ACCOUNTING POLICY

The group's financial statements, from where the summarised financial statements were derived, were prepared in accordance with International Financial Reporting Standards. The accounting policy according to which the financial statements were prepared, agrees to the policy applied in the previous year. The only exception is the inclusion of excise duties in the valuation of Inventory, and in Revenue and Cost of sales.

The external auditors PricewaterhouseCoopers Inc. audited the financial statements of the group. The complete set of financial statements as well as a copy of the unqualified audit report are available for inspection at the registered office.

	2014 12 months Number '000	2013 9 months Number '000
2. EARNINGS PER SHARE		
Shares issued and used in the calculation of earnings per share	68 538	68 538
	R'000	R'000
Profit for the year	940	7 388
Adjusted for:		
– Profit on sale of property, plant and equipment	(35)	(289)
– Impairment of property, plant and equipment	849	–
Headline earnings	1 754	7 099
	Cents	Cents
Earnings per share		
– Attributable earnings	1,4	10,8
– Headline earnings	2,6	10,4
	R'000	R'000
3. SEGMENTAL ANALYSIS		
Functional analysis of sales	1 110 212	800 741
Wine	471 607	291 806
Spirits	556 944	415 931
Other	81 661	93 004
Regional analysis of sales	1 110 212	800 741
South Africa	601 081	498 627
Europe and the United Kingdom	340 721	189 327
Africa (excl. South Africa)	87 243	58 771
Rest of the world	81 167	54 016
Operating profit/(loss) per region:	(2 196)	3 473
Trading profit: South Africa	15 434	20 627
Trading profit: Europe and the United Kingdom	85 734	31 316
Trading profit: Africa (excl. South Africa)	14 966	12 477
Trading profit: Rest of the world	4 592	3 435
Items not allocated to segments:		
Other income, gains and losses	(37 951)	(10 700)
Operational and administrative expenses	(84 971)	(53 682)

ADMINISTRATIVE INFORMATION

Directors

MJA Golding (Chairman)
A van der Veen (CEO)
JA Copelyn
F-A du Plessis
NL Ellis
MN Joubert
KI Mampeule
KR Moloko
DP Smit (Executive)
LA van Dyk

Auditors

PricewaterhouseCoopers Incorporated
PwC Building
Zomerlust Estate
Berg River Boulevard
Paarl
Telephone: 021 807 7100

Bankers

Absa Bank Limited
Suider-Paarl

Company secretary

AW Eksteen
Telephone: 021 807 3911

Enquiries regarding transfer of shares

Bill Botha
Link Market Services
Telephone: 011 713 0800

Registered office

La Concorde
57 Main Street
Paarl
7646
South Africa

Postal address

PO Box 528
Suider-Paarl
7624

Website

www.kwv.co.za

Company registration number

2009/012871/06

SHAREHOLDERS' DIARY

Record date for the Annual General Meeting
Annual general meeting

20 June 2014
25 June 2014

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given in terms of section 62 of the Companies Act, 2008, (Act 71 of 2008) as amended (“the Act”) that the annual general meeting of the company will be held on Wednesday 25 June 2014 at 10:00 at La Concorde, 57 Main Street, Paarl, to transact the following business and to consider and, if deemed fit, to pass the following ordinary and special resolutions with or without modification:

1. ORDINARY RESOLUTION NUMBER 1

Presentation of the directors’ report

To receive and adopt the directors’ report for the year ended 31 March 2014.

2. ORDINARY RESOLUTION NUMBER 2

Presentation of audited financial statements

To receive and adopt the audited financial statements for the year 31 March 2014.

3. ORDINARY RESOLUTION NUMBER 3

Presentation of audit committee report

To receive and adopt the report of the Audit and Risk Management Committee for the year ended 31 March 2014.

ELECTION OF DIRECTORS

Clause 22.7 of the company’s memorandum of incorporation determines that no person other than a director retiring at the meeting shall, unless recommended by the directors for election, be eligible for election to the office of director at any annual general meeting unless, not less than 7 (seven) days nor more than 14 (fourteen) days before the day appointed for the meeting, there shall have been given to the secretary notice in writing by some member duly qualified to be present and vote at the meeting for which such notice is given of the intention of such member to propose such person for election and also notice in writing signed by the person to be proposed of her/his willingness to be elected.

The directors have recommended the following:

4. ORDINARY RESOLUTION NUMBER 4

To re-elect Mr Neil Ellis who retires at this annual general meeting in terms of the memorandum of incorporation and who is eligible and available for re-election.

Mr Ellis is a well known and respected wine producer and owner of Neil Ellis Wines near Stellenbosch, which he founded in 1986. He launched his career in the corporate environment (with KWV, then South Africa’s biggest wine co-operative) before taking up residency at the historic Groot Constantia Estate. Mr Ellis then migrated to Zevenwacht. He served as chairman of the KWV Wine Committee and is a member of the Cape Winemakers Guild.

5. ORDINARY RESOLUTION NUMBER 5

To re-elect Mr John Copelyn who retires at this annual general meeting in terms of the memorandum of incorporation and who is eligible and available for re-election.

Mr Copelyn is the CEO of Hosken Consolidated Investments Limited and also serves on the boards of e.tv, Tsogo Sun and Seardel, amongst others. He is a trustee of the HCI Foundation and is a board member of various subsidiaries of the Southern African Clothing and Textile Workers Union. He holds a BA Hons degree from the University of the Witwatersrand as well as a BProc degree through Unisa. He was admitted as an attorney in 1980, and worked in several different roles in the trade union movement, as well as trade union federal structures. He later became a member of parliament and was a member of the Finance Portfolio, Mineral and Energy Portfolio and Trade and Industry Portfolio Committees.

NOTICE OF THE ANNUAL GENERAL MEETING *(continued)*

6. ORDINARY RESOLUTION NUMBER 6

To re-elect Mr Marcel Golding who retires at this annual general meeting in terms of the memorandum of incorporation and who is eligible and available for re-election.

Marcel Golding is Chairman of Hosken Consolidated Investments (listed on the JSE), and is also a director of a number of companies, including Golden Arrow Bus Company, Tsogo Sun Group, Vukani Gaming Corporation (Pty) Limited, Yfm and Sabido Investments Group (Pty) Limited. He is also CEO of e.tv. He was the founding chairman of the Mineworkers Investment Company (linked to the National Union of Mineworkers), one of the two pioneering trade union investment companies in South Africa. Marcel holds a post-graduate degree from the University of Cape Town where he tutored and lectured for a brief period, before joining the National Union of Mineworkers in the mid '80s. He was elected the first Deputy General Secretary of the union in 1987. Whilst a unionist he served on various Cosatu executive and committee structures, and also served as member of both the Miners International Federation and the Southern African Miners Federation executive committees. From 1994 to 1997 he served as a member of parliament, where he chaired the Minerals and Energy Committee and the Audit Commission. He pioneered key health and safety legislation for the mining industry, as well as policy papers in both the mining and energy fields. He resigned from parliament to head the only trade union-controlled listed company on the JSE Securities Exchange in 1997. Marcel is also involved in a number of philanthropic, development and policy organisations as a trustee or director, including the HCI Foundation, The Wheatfield Estate Foundation, and the Minerals and Energy and Policy Centre. He is currently also chairman of the board of KWV Holdings Limited.

APPOINTMENT OF AUDITORS AND AUDIT AND RISK MANAGEMENT COMMITTEE

7. ORDINARY RESOLUTION NUMBER 7

Re-appointment of independent auditors

To re-appoint PricewaterhouseCoopers Inc. as independent external auditors of the company and to appoint Mr TS Bruwer as designated auditor, for the ensuing year.

8. ORDINARY RESOLUTION NUMBER 8

To appoint Ms Fran du Plessis as a member of the Audit and Risk Management Committee of the company.

9. ORDINARY RESOLUTION NUMBER 9

To appoint Ms Keneilwe Moloko as a member of the Audit and Risk Management Committee of the company.

10. ORDINARY RESOLUTION NUMBER 10

To appoint Mr John Copelyn as a member of the Audit and Risk Management Committee of the company.

NOTICE OF THE ANNUAL GENERAL MEETING *(continued)*

INTERCOMPANY LOAN

11. SPECIAL RESOLUTION NUMBER 1

In terms of the requirements of section 65(11)(f) of the Act, shareholders are requested to approve the following resolution as a special resolution:

“Resolved that in terms of and pursuant to the provisions of section 45(3)(a)(ii) of the Companies Act No. 71 of 2008, as amended, the company is hereby authorised, by way of general authority to:

- 1.1. provide intercompany loans to companies or corporations which are related or inter-related to the company; and/or
- 1.2. provide direct or indirect financial assistance to companies or corporations which are related or inter-related to the company”.

Explanation

Special resolution number 1 is required in terms of section 45 of the Act to grant the directors of the company the authority to cause the company to provide financial assistance by way of loan, guarantee, the provision of security or otherwise, to any company or corporate entity which is related or inter-related to the company. The special resolution does not authorise the provision of financial assistance to a director or prescribed officer of the company.

DIRECTORS' REMUNERATION

12. SPECIAL RESOLUTION NUMBER 2

In terms of the requirements of section 65(11)(h) of the Act, shareholders are requested to approve the following resolution as a special resolution:

“In terms of and pursuant to the provisions of section 66(9) of the Companies Act No. 71 of 2008, as amended, the company is hereby authorised to pay remuneration to its non-executive directors for their services as directors as set out in the following table.

Chairman	R150 000 per annum
Director	R90 000 per annum
Chairman of committee	R20 000 per annum
Member of committee	R5 000 per meeting, with a maximum of R10 000.”

Explanation:

Special resolution number 2 is required in terms of section 66(9) of the Act, which provides that remuneration payable to non-executive directors of a company in respect of their services as directors must be approved by special resolution of the shareholders of the company.

NOTICE OF THE ANNUAL GENERAL MEETING *(continued)*

RECORD DATE

The transfer of shares will be suspended from Friday 20 June 2014 ("Record Date") until after the annual general meeting. No share transfers from the Record Date up to the date of the meeting will be recognised for voting purposes at the meeting. Only the shareholders as indicated on the share register on the Record Date will be entitled to vote at the meeting being either personally present or represented by proxy.

PROXIES

A shareholder who is entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, participate in and vote at the meeting in the place of the shareholder. Such a proxy need not also be a shareholder of the company. A form of proxy, in which is set out the relevant instructions for its completion, is enclosed for the use of shareholders who are unable to attend the meeting but who wish to be represented thereat. Proxies may only be revoked in writing.

The instrument appointing a proxy and the authority (if any) under which it is signed must reach the office of the company secretary by no later than 10:00 on Monday 23 June 2014.

IDENTIFICATION

The attention of shareholders is drawn to the provisions of section 63(1) of the Act, which determines that:

"Before any person may attend or participate in a shareholders meeting that person must present reasonably satisfactory identification."

Shareholders or their proxies wishing to attend the meeting are therefore advised to bring their identity document, passport or drivers's licence and, in the case of a legal person, documentary proof confirming the authority of a person signing the form of proxy in a representative capacity.

VOTES

On a show of hands, any person present and entitled to exercise voting rights shall have one vote.

On a poll, any person present and entitled to exercise voting rights shall have the number of votes determined in accordance with the voting rights associated with the securities held by that shareholder.

RESOLUTIONS

For an ordinary resolution to be approved by shareholders, it must be supported by more than 50% of the voting rights exercised on the resolution.

For a special resolution to be approved by shareholders, it must be supported by at least 75% of the voting rights exercised on the resolution.

By order of the board of directors.



Albert Eksteen
Group Secretary

Paarl
8 May 2014



KWV Holdings Limited
 Registration number 2009/012871/06
 (“the company”)

**Form of proxy
 Annual general meeting
 Wednesday 25 June 2014**

I/We (full names) _____

of (address) _____

being a shareholder of KWV Holdings Limited, hereby appoint _____

of (address) _____

or in the event of the absence of the abovementioned proxy or if a specific proxy is not appointed in terms hereof, the chairman of the general meeting, as my/our proxy to vote for me/us and on my/our behalf at the general meeting to be held on 25 June 2014 at 10:00 and at any adjournment thereof in respect of the resolutions as set out in the notice of the said meeting, as follows:

	For	Against	Abstain
Ordinary Resolution Number 1 Approval of directors’ report			
Ordinary Resolution Number 2 Approval of financial statements			
Ordinary Resolution Number 3 Approval of Audit and Risk Management Committee report			
Ordinary Resolution Number 4 Re-election of Mr Neil Ellis as a director			
Ordinary Resolution Number 5 Re-election of Mr John Copelyn as a director			
Ordinary Resolution Number 6 Re-election of Mr Marcel Golding as a director			
Ordinary Resolution Number 7 Appointment of Mr Tertius Bruwer as auditor			
Ordinary Resolution Number 8 Appointment of Ms Fran du Plessis as member of the Audit and Risk Management Committee			
Ordinary Resolution Number 9 Appointment of Ms Keneilwe Moloko as member of the Audit and Risk Management Committee			
Ordinary Resolution Number 10 Appointment of Mr John Copelyn as member of the Audit and Risk Management Committee			
Special Resolution Number 1 Intercompany loan			
Special Resolution Number 2 Directors’ remuneration			

IMPORTANT: PLEASE SEE THE NOTES ON THE BACK OF THIS PROXY FORM.

This proxy appointment is	Revocable	Irrevocable	(please indicate)
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Signed at _____ on this the _____ day of _____ 2014.

Signature of shareholder _____

Signature of witness _____

NOTES:

1. Indicate instructions to proxy in respect of each resolution by way of a clear cross in the applicable block provided above. Unless otherwise instructed my/our proxy may vote as he or she deems fit.
2. A shareholder of the company who is entitled to be present and vote may appoint any individual, including an individual who is not a shareholder of the company, as a proxy to participate in, and speak and vote at, the meeting on behalf of the shareholder.
3. Any amendment or correction made on this Form of Proxy must be initialled by the signatory.
4. The appointment of a proxy is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder.
5. The appointment of a proxy is revocable unless the proxy appointment expressly states otherwise. If the appointment is revocable the revocation of a proxy must be in writing and signed by the person giving the proxy.
6. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the instrument appointing the proxy provides otherwise.
7. This proxy appointment, unless revoked earlier, remains valid only until the end of the meeting.
8. In the case of a legal person (company, CC, trust etc.), documentary proof confirming the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy provided that the chairman of the general meeting may waive this requirement if he is satisfied that the person had the necessary authority.
9. A copy of the instrument appointing a proxy must be deposited at the registered office of the company (For attention: the Group Secretary) not less than 48 (forty eight) hours (excluding Saturdays, Sundays and public holidays) prior to the time determined for the commencement of the meeting, i.e. by 10:00 on Monday 23 June 2014. The registered address of the company is La Concorde, 57 Main Street, Paarl, 7646. For purposes of "depositing" proxy forms sent to the company secretary by fax will be accepted, at fax number 021 807 3000.
10. Proxies not complying with the above requirements will be rejected.