

NIVEUS INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 1996/005744/06)

Share code: NIV

ISIN: ZAE000169553

("Niveus")

ANNOUNCEMENT OF AN ACQUISITION BY NIVEUS OF 8 000 000 ORDINARY SHARES IN THE ISSUED SHARE CAPITAL OF KWV HOLDINGS LIMITED ("KWV")

1. INTRODUCTION

Niveus hereby advises shareholders that it has concluded an agreement to acquire 8 000 000 ordinary shares of KWV from Withmore Investments 1 Proprietary Limited (the "Seller"), being 11.67% of the issued share capital of KWV net of treasury shares (the "Sale Shares"), in exchange for cash and the issue of new Niveus ordinary shares ("Niveus Shares") on the terms set out in paragraph 4 below (the "Transaction").

2. RATIONALE FOR THE TRANSACTION

The Transaction will enable the Seller to effect an exchange which provides them with an opportunity to diversify their investment and have access to the potential returns of the broader asset base of Niveus which operates in industries other than those directly related to KWV.

3. OVERVIEW OF KWV

KWV is one of the leading wine and spirits producers in South Africa. The company sources wines and grapes from the best and most sought after viticultural regions in South Africa. In addition, KWV owns several internally renowned brands such as Roodeberg, KWV Wines, Laborie, Golden Kaan, Cathedral Cellar, Cafe Culture, jimmijagga, Wild Africa Cream and the KWV 3, 5, 10, 15 and 20-year old brandies.

4. TERMS OF THE TRANSACTION

Niveus has concluded an agreement to acquire the Sale Shares from the Seller, being 11.67% of the issued share capital of KWV net of treasury shares, in exchange for a cash amount of R7,344,000, and the issue of 5,500,000 new Niveus Shares.

Niveus shareholder approval placing the unissued shares under the control of the Niveus directors has been granted by way of an ordinary resolution in terms of clause 9.2.2 of Niveus' memorandum of incorporation.

5. CONDITIONS PRECEDENT

The Transaction is not subject to any conditions precedent and will be effective from the date of issue of the 5,500,000 Niveus Shares, which is expected to be on or about 14 December 2012.

6. PRO FORMA FINANCIAL EFFECTS OF THE TRANSACTION

The table below sets out the financial effects of the Transaction on Niveus shareholders assuming that Niveus acquires the Sale Shares based on the unaudited interim results of Niveus for the six months ended 30 September 2012. As the pro forma financial effects are unaudited and illustrative, they may not give a true reflection of the financial effects of the Transaction. The Niveus directors are responsible for the preparation of the unaudited pro forma financial information.

	Before the Transaction - as reported 30 September 2012 ⁽¹⁾	After the Transaction ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾ ⁽⁶⁾⁽⁷⁾	% Change
Earnings per Niveus share (cents)	10.60	326.52	2,980.4%
Headline earnings per Niveus share (cents)	12.68	4.72	(62.8%)
Net asset value ("NAV") per Niveus share (cents) ⁽⁸⁾	467.37	727.31	55.6%
Net tangible asset value ("NTAV") per Niveus share (cents) ⁽⁸⁾	415.88	660.54	58.8%
Weighted average number of Niveus shares (thousands")	82,879	88,376	6.6%
Actual number of Niveus shares (thousands")	107,119	112,619	5.1%

Notes:

The unaudited pro forma financial information is indicative only and has been based on the assumptions set out below:

1. The financial information shown in the "Before the Transaction" column has been extracted from the unaudited consolidated interim results of Niveus for the six month period ended 30 September 2012.
2. The effects of the Transaction have been calculated using the unaudited consolidated six month results of KWV for the six month period ended 30 June 2012. These results were calculated by subtracting the 6 month results to 31 December 2011 from the 12 month results to 30 June 2012.
3. It has been assumed that the transactions were effected on 1 March 2012 for income statement purposes and on 30 September 2012 for balance sheet purposes.
4. It has been assumed that after the implementation of the Transaction, Niveus will hold an effective 51.6% of KWV and will control KWV. As a result, it is assumed that KWV is accounted for as a subsidiary and will no longer be accounted for as an associate of Niveus.
5. Interest earned on the cash foregone as a result of the cash consideration paid, being R7,344,000, was calculated at a pre-tax rate of 5.46%.
6. Once off transaction costs have been excluded from the pro forma financial effects.
7. The negative goodwill arises as a result of KWV being consolidated by Niveus and is calculated as the difference between the net asset value of KWV which will be consolidated less purchase consideration for the KWV shares, the carrying value of the investment in associate in Niveus' accounts and the share of KWV's net assets owned by minorities. The negative goodwill is excluded from headline earnings per share and accounts for the difference in the effect on earnings and headline earnings per share.
8. The increase in NAV is attributable to the net effect of the consolidation of KWV.
9. Niveus has not yet conducted an exercise in terms of IFRS 3 to identify and value any intangible assets not currently recognised on KWV's balance sheet. The detailed identification and valuation exercise will only be completed once the Transaction is implemented.

7. NIVEUS SHAREHOLDINGS IN KWV

At the Last Practicable Date, being 10 December 2012, Niveus owns a direct and indirect beneficial interest of 27,365,648 KWV ordinary shares (39.93% of KWV's ordinary shares (net of treasury shares)).

8. RESPONSIBILITY STATEMENT

The Transaction is categorised as a Category 2 transaction for Niveus in terms of the Listings Requirements of the JSE Limited. As a result, Niveus is required to publish this announcement containing details of the Transaction.

Niveus accepts responsibility for the information contained in this announcement. To the best of its knowledge and belief, the information contained in this announcement is true and nothing has been omitted which is likely to affect the import of the information.

Cape Town

11 December 2012

Investment Bank and Sponsor to Niveus:

Investec Bank Limited

Legal Advisers to Niveus:

Edward Nathan Sonnenbergs Inc