

KWV shareholders get offer they can toast

By [Ann Crotty June](#)

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The end might finally be in sight for the long-suffering minority shareholders in KWV, the Paarl-based liquor company whose brands include Roodeberg and Cathedral Cellar. A group controlled by businessman Vivian Imerman is offering R16.91 a share for KWV's operating assets.



Tjeerd Wiersma via [Wikimedia Commons](#)

Imerman's company, Visari, will not be buying KWV's heritage assets, which include properties around Paarl and a valuable art collection, which have been valued at R3 a share.

For most of the past year, KWV has been trading at about 600c. Although the Visari offer made public on Wednesday values KWV at R19.91 a share, which is a level not seen in several years, it sparked no trading and no price increases.

Chris Logan, of Opportune Investments, said this reflected the difficulty of trading in the share since the Financial Services Board clamped down on over-the-counter trading two years ago. Since then, KWV share trading has had to be done through the company secretary in a cumbersome manner that is anything but transparent.

It is unclear whether the R1.15bn cash that will be paid to Niveus, the HCI subsidiary that owns 57% of KWV, will be passed onto the minority shareholders or whether Niveus will attempt to hold on to all of it. An additional complicating factor is that payment by Visari will be staggered over three years as guarantees of asset quality are verified. An initial R515m will

be paid on the day the deal becomes effective.

KWV, whose shareholders have traditionally been grape-growing farmers in the Western Cape, has been in turmoil since the nineties. Despite changes to the company's control structure, it has consistently failed to come close to reclaiming the dominant position it once enjoyed (by law) in the South African wine-exporting industry.

The results for the most recent financial year showed management unable to take advantage of the sharp decline in the rand to boost overseas sales.

Imerman is known for the turnaround and profitable sale of Scotch whisky maker Whyte and Mackay. Logan is hoping Imerman can pull off a similar turnaround at KWV.

Source: Business Day

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