

RESULTS

FOR THE YEAR ENDED 28 FEBRUARY 2011



- Recurring headline earnings per share **↑ 14,8%** to **27,1 cents**
- Headline earnings per share **↑ 9,2%** to **18,9 cents**
- Attributable earnings per share **↑ 89,3%** to **26,5 cents**
- Sum-of-the-parts value per share **↑ 29,9%** to **274 cents**

OVERVIEW

Zeder is a long-term value investor in the agriculture, food and beverage sectors. The current value of its portfolio is R2,5bn, of which Kaap Agri Ltd and Capevin Holdings Ltd represent 78%. During the year under review, we invested R211,8m to increase our interests in already existing investments trading at attractive values.

RESULTS

Zeder had a satisfactory year ended 28 February 2011. The two key benchmarks we believe to measure performance are our growth in recurring headline earnings per share and in our sum-of-the-parts ("SOTP") value per share, which respectively increased by 14,8% and 29,9%.

	2009 Rm	2010 Rm	2011 Rm
Recurring earnings	222,9	236,2	316,8
Food and Agri	169,5	190,3	256,5
Beverages	53,4	45,9	60,3
Net interest and other income and expenses	9,0	16,5	1,1
Recurring headline earnings	(35,9)	(44,6)	(53,2)
Non-recurring headline earnings	196,0	208,1	264,7
Investments marked to market	(42,6)	(56,1)	(79,9)
Once-off items*	(28,7)	(12,2)	(28,3)
	(13,9)	(43,9)	(51,6)
Headline earnings	153,4	152,0	184,8
Headline earnings	15,2	(28,4)	74,3
Attributable earnings	168,6	123,6	259,1
Recurring headline earnings per share (cents)	32,2	23,6	27,1
Headline earnings per share (cents)	25,2	17,3	18,9
Attributable earnings per share (cents)	27,7	14,0	26,5
Dividend per share (cents)	7,0	4,0	4,0
Weighted average number of shares in issue (million)**	609,0	880,6	978,1

* Relates mainly to the impact of Pioneer Foods' Competition Commission penalty

** Increased number of shares in issue due to rights issue during June 2009 at R1,35 per share

Zeder's recurring headline earnings is the sum of its effective interest in that of each of its underlying investees, regardless of its percentage shareholding. The result is that investments, in which Zeder holds less than 20% and is usually not equity accounted in terms of accounting standards, are included in the calculation of our consolidated recurring headline earnings. This provides management and investors with a more realistic and simplistic way of evaluating Zeder's earnings performance.

Recurring headline earnings increased by 27,2% to R264,7m and recurring headline earnings per share by 14,8% to 27,1 cents for the year under review. Headline earnings per share increased by 9,2% to 18,9 cents, and attributable earnings per share increased by 89,3% to 26,5 cents. The significant increase in attributable earnings per share was mainly as a result of the R65,6m non-headline profit on the disposal of Zeder's interest in KVV.

During the year under review, Zeder's SOTP value per share (calculated using the quoted market prices for all OTC-traded unlisted investments) increased by 29,9% to R2,74. The SOTP value is analysed in the table below:

Company	2009		2010		2011	
	% Interest	Value (Rm)	% Interest	Value (Rm)	% Interest	Value (Rm)
Kaap Agri	34,3	437,2	41,3	812,8	43,9	1 270,4
Capevin Holdings	25,7	413,7	37,0	552,5	39,5	691,3
KVV Holdings*			31,3	214,6		
Capespan	12,1	49,8	14,6	54,5	22,7	84,7
Suidwes	17,1	47,1	18,4	53,4	21,8	76,1
NWK	5,9	31,9	7,4	42,1	8,8	57,9
Other investments		162,7		235,7		318,0
Total investments		1 142,4		1 965,6		2 498,4
Cash and cash equivalents		27,9		121,6		206,0
Other net assets/(liabilities)		3,0		(20,9)		(28,6)
SOTP value		1 173,3		2 066,3		2 675,8
SOTP value per share (rand)		1,92		2,11		2,74
Number of shares in issue (million)		611,3		978,1		978,1
Intrinsic value per share (rand)**		2,85		2,68		3,14

* KVV Holdings unbundled from Capevin Holdings (July 2009) and disposed of (February 2011)

** Calculated using the see-through market prices for Zeder's indirect investments in Pioneer Foods and Distell, quoted market prices for all other OTC-traded unlisted investments and, where applicable, appropriate valuation multiples for unquoted investments

Kaap Agri / Pioneer Foods

Zeder increased its interest in Kaap Agri from 41,3% to 43,9% during the past year. Kaap Agri's own operations, together with its 31,2% economic interest in Pioneer Foods, continued to deliver attractive results.

During November 2010, Pioneer Foods and the Competition Commission announced the final penalty settlement figure of R855m emanating from the investigation into bread and milling price irregularities. Pioneer Foods engaged proactively with the Competition Commission to resolve the matter as amicably and quickly as possible. Zeder's share of the non-recurring penalty had a negative impact of R40,5m on both headline and attributable earnings in the current financial year.

Excluding the effects of the penalty, Pioneer Foods' headline earnings per share increased by 42% for their financial year ending 30 September 2010. With this matter resolved, Zeder is positive about Pioneer Foods' future.

Capevin Holdings (Distell) / KVV Holdings

The history can be summarised as follows:

- Before July 2009, KVV housed KVV's own operational assets together with an indirect interest in Distell.
- During July 2009, KVV's own operations (transferred to a newly created KVV Holdings) were unbundled to existing shareholders of KVV.
- Zeder was instrumental in unbundling KVV's operational assets from the Distell interest, primarily through the use of a trust to ensure that the management of KVV focus on the profitability of KVV's own operations.
- Subsequent to the unbundling, KVV changed its name to Capevin Holdings and shareholders were accordingly invested in two entities, being Capevin Holdings (indirect interest in Distell) and KVV Holdings (KVV's own operational assets).
- For each KVV share held on 30 June 2009, trading at R3,90, the combined market value of the Capevin Holdings and KVV Holdings shares received from the unbundling amounted to R5,05 at 28 February 2011. This represents a 29,5% growth in shareholder value.

Since the unbundling, Zeder increased its interest in KVV Holdings to 35,3%. Although KVV Holdings is asset rich, its performance was disappointing with their interim results to 31 December 2010 implying an ROE of about 1%. Pioneer Foods made a bid for KVV Holdings' entire share capital, which Zeder supported, believing it to be a fair offer and among other things, a perfect fit in obtaining distribution synergies. Following the failed bid, we sold our entire interest in KVV Holdings to HCI and other parties for R286m (average disposal price of R11,82 per share). This, combined with the current market value of the retained interest in Capevin Holdings and dividends received over the investment period, represent a compounded annual rate of return of 18,8%.

Zeder remains invested in Capevin Holdings, and has increased its interest to 39,5%. Capevin Holdings, through its 14,8% indirect interest in Distell, recently reported interim results reflecting a 3% increase in headline earnings per share. This increase is considered encouraging, taking into account the continuing difficult economic conditions and adverse exchange rates.

Capespan

Zeder increased its stake in Capespan from 14,6% to 22,7% during the year under review.

Capespan performed well and its attributable earnings per share, adjusted to exclude extraordinary items, increased by 18% for its financial year ended 31 December 2010.

Capespan is underpinned by an attractive dividend yield of 6,8%, and we remain optimistic about its growth potential.

Other investments

Although small when compared to the above companies, the rest of our investment portfolio continues to yield attractive returns. We believe shareholder value can be created through increased tradability in these shares, once share restrictions and holding structures have been relaxed.

PROSPECTS

Zeder remains confident in the continued importance of the agri, food and beverage sectors and will continue investing in such. Current cash of R206m and funding resources of R250m provide Zeder with the necessary means to continue acquiring assets at low price-earnings multiples and price-to-book values.

AUDITED FINANCIAL STATEMENTS

Zeder's abridged audited financial results have been released on the Securities Exchange News Service (SENS) and are also available at www.zeder.co.za.

DIVIDEND

The directors of Zeder have resolved to declare a final dividend of 4 cents per share (2010: 4 cents) for the year ended 28 February 2011, in accordance with its dividend policy of paying 100% of free cash flow as an ordinary dividend.

As a result of the Competition Commission penalty, Pioneer Foods paid no dividend for its year ended 30 September 2010, which resulted in a 20% reduction in Kaap Agri's dividend. This had a negative impact on Zeder's free cash flow and dividend.

The salient dates of Zeder's dividend distribution are:

Last day to trade cum dividend	Thursday, 28 April 2011
Trading ex dividend commences	Friday, 29 April 2011
Record date	Friday, 6 May 2011
Date of payment	Monday, 9 May 2011

Share certificates may not be dematerialised or rematerialised between Friday, 29 April 2011, and Friday, 6 May 2011, both days included.

Signed on behalf of the board of directors

Jannie Mouton
Chairman

Antonie Jacobs
Chief executive officer

Stellenbosch
11 April 2011

Zeder Investments Limited

Incorporated in the Republic of South Africa Registration number: 2006/019240/06 Share code: ZED
ISIN: ZAE000088431 Directors: JF Mouton (chairman), AE Jacobs* (CEO), WL Greeff* (FD), CA Otto, MS du Pré le Roux, GD Eksteen, LP Retief† (* executive † independent non-executive)

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