ZEDER
INVESTMENTS LIMITED

Previously Friedshelf 766 (Pty) Limited
(Incorporated in the Republic of South Africa)
(Registration number 2006/019240/06)
JSE share code: ZED ISIN: ZAE000088431
("Zeder" or "the company")

DISPOSAL BY ZEDER OF ITS SHAREHOLDING IN PIONEER FOOD GROUP LIMITED TO KAAP AGRI LIMITED IN EXCHANGE FOR KAAP AGRI LIMITED SHARES

1. INTRODUCTION

Shareholders are advised that the company has entered into an agreement with Kaap Agri Limited ("Kaap Agri") in terms whereof it will dispose of its shareholding in Pioneer Food Group Limited ("Pioneer"), being 5,84%, to Kaap Agri in exchange for Kaap Agri shares ("the share exchange").

2. RATIONALE AND FUTURE OUTLOOK

The share exchange will result in Kaap Agri's shareholding in Pioneer increasing by 5,84% to 27,81%, and Zeder's shareholding in Kaap Agri increasing from 5,00% to 21,81%.

The board of Zeder regards the share exchange as an effective means of substantially increasing its strategic interest in Kaap Agri, as well as maintaining (and increasing) its interest in Pioneer. The transaction represents a mechanism for Zeder to consolidate its holdings in Kaap Agri and to equity account its Kaap Agri investment. This is in line with Zeder's stated objective of achieving interests in each of its underlying investments of between 20% and 30%. The board of Zeder believes that Zeder's investment in Kaap Agri will ultimately enhance earnings and bring with it annuity income streams, which will reduce Zeder's exposure to the volatility of marked-to-market profits.

Kaap Agri offers a wide range of services to the agricultural community in the Northern and Western Cape. It has several Agrimark stores that not only provide general farming requisites, but also cater for the general public seeking out gardening, DIY or other outdoor equipment. This shift in emphasis has had a positive impact on Kaap Agri's revenue and profits in the past financial year.

Pioneer has in its over 70 years of existence grown to become one of South Africa's largest food manufacturers. Although the core of its business is largely the milling and baking of grain, it has developed an array of well-known household brands through organic and acquisitive growth, such as Bokomo, Sasko, Heinz, Pepsi, Ceres, Liqui-Fruit and branded SAD products.

3. TERMS OF THE SHARE EXCHANGE

3.1 The share exchange will be done on a 400 to 100 basis, i.e. for every 100 Pioneer shares received by Kaap Agri from Zeder, it will issue 400 new Kaap Agri shares to Zeder.

3.2 The effective date is 1 August 2007.

3.3 The share exchange, as well as the restructuring of Kaap Agri, upon which the share exchange is dependent, is subject to the approval of Kaap Agri shareholders.

3.4 Zeder intends retaining its Kaap Agri shares in the foreseeable future.

4. PRO FORMA FINANCIAL EFFECTS OF THE SHARE EXCHANGE

Set out below are the pro forma financial effects of the share exchange, based on Zeder's audited results for the six months ended 28 February 2007. The unaudited pro forma financial effects of the share exchange have been prepared for illustrative purposes only so as to provide information as to how the share exchange might have impacted on the audited results of Zeder and because of their nature may not give a fair reflection of Zeder's financial position after the share exchange nor of the effect on Zeder's future earnings. The unaudited pro forma financial effects are the responsibility of the company's directors:

	Column 1 Before the share exchange (1) (cents)	Column 2 After the share exchange (2)(3) (cents)	Percentage change (%)
Earnings per share	27,8	25,6	(7,9)
Headline earnings per share	27,8	25,6	(7,9)
Net asset value per share	224,5	231,8	3,3
Net tangible asset value per share	224,5	231,8	3,3
Number of shares in issue (million)	571,3	571,3	–
Weighted average number of shares in issue (million)	490,5	490,5	–

Notes:

(1) The figures in Column 1 have been extracted from the audited financial results of Zeder for the six months ended 28 February 2007.

(2) The earnings and headline earnings per share figures in Column 2 have been calculated on the basis that the share exchange was effected on 1 September 2006 and based on the following assumptions:
- The after-tax fair value gains on Zeder's investments in Pioneer and Kaap Agri, amounting to R15,5 million and R8,8 million respectively, have been excluded;
- Interest income net of tax at 29% has been reduced by R0,9 million to take into account additional Pioneer shares acquired subsequent to 28 February 2007 and disposed of in terms of this transaction;
- The dividends received from Pioneer and Kaap Agri have been excluded; and
- Equity accounted earnings of Zeder's effective 21,81% interest in Kaap Agri, amounting to R20,8 million, have been taken into account.

(3) The net asset value and net tangible asset value per share figures in Column 2 have been calculated on the basis that the share exchange was effected on 28 February 2007 and based on the following assumptions:
- The total aggregate consideration in respect of the share exchange was received on that date;
- The after-tax carrying value of Zeder's investment in Pioneer amounting to R298,4 million has been excluded;
- The cash balance has been reduced by R31 million, being the consideration paid for 982 812 Pioneer shares subsequent to 28 February 2007; and
- The additional 16,81% interest acquired in Kaap Agri, amounting to R370,6 million, has been included.

5. DOCUMENTATION

Should the JSE require a circular to be sent to shareholders containing the details of the share exchange, same will be posted to shareholders in due course.

6. WITHDRAWAL OF CAUTIONARY

Shareholders are advised that they no longer need exercise caution when dealing in the company's securities.

5 July 2007
Stellenbosch

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