

SUMMARISED RESULTS

FOR THE YEAR ENDED 28 FEBRUARY 2018



SOTP value ↓ **8,0%** to
R7,85 per share as at 28 February 2018

Recurring headline earnings ↓ **35,2%** to
27,6 cents per share

Dividend maintained at
11 cents per share

OVERVIEW

Zeder is an investor in the broad agribusiness industry, with a specific focus on the food and beverage sectors. Its underlying investment portfolio was valued at R14,21bn on 28 February 2018. Zeder's 27,0% interest in Pioneer Foods remains its largest investment, representing 53,9% (2017: 62,7%) of the portfolio.

REVIEW OF OPERATING ENVIRONMENT

Zeder and its portfolio companies traded under challenging macro conditions during the period under review. Political uncertainty and the further deterioration of the fiscal stance of South Africa eroded business and consumer confidence; local and regional economic growth remained constrained while the impact and effects of the concurrent record drought had to be managed. Understandably, most of its investee companies reported weaker earnings for their corresponding reporting periods due to the aforementioned and, in large part, factors that are unlikely to reoccur. Combined, these factors weighed on Zeder's financial results. Notwithstanding these challenges and financial results, most portfolio companies delivered acceptably against operational targets and should improve or recover during the next reporting cycle as some of the aforementioned factors improved significantly towards the end of the financial year.

SUM-OF-THE-PARTS ("SOTP")

Zeder's SOTP value per share, calculated using the quoted market prices for all JSE-listed investments, and market-related valuations for unlisted investments, decreased by 8,0% during the reporting period to R7,85 as at 28 February 2018. At the close of business on Thursday, 5 April 2018, Zeder's SOTP value per share was R7,72.

Company	28 Feb 2017		28 Feb 2018		5 Apr 2018	
	Interest (%)	Rm	Interest (%)	Rm	Interest (%)	Rm
Pioneer Foods	27,1	9 538	27,0	7 660	27,0	7 340
Capespan	98,1	1 975	97,5	2 259	97,5	2 259
Zaad	91,4	1 531	93,2	2 043	93,2	2 043
Kaap Agri	39,8	1 321	40,9	1 376	40,9	1 465
Agrivision Africa	55,6	614	56,0	591	56,0	591
Quantum Foods	26,7	193	27,7	246	27,7	267
Other		39		33		34
Total investments		15 211		14 208		13 999
Cash		173		111		107
Other net assets		120		108		109
Debt funding		(798)		(1 000)		(1 008)
SOTP value		14 706		13 427		13 207
Number of shares in issue (net of treasury shares) (million)		1 725		1 710		1 710
SOTP value per share (rand)		8,53		7,85		7,72

RECURRING HEADLINE EARNINGS

Zeder's consolidated recurring headline earnings is the sum of its effective interest in that of each of its underlying investments. The result is that investments in which Zeder holds less than 20% and are generally not equity accountable in terms of accounting standards, are included in the calculation of consolidated recurring headline earnings, while once-off (i.e. non-recurring) income and expenses are excluded. This provides management and investors with a more realistic and transparent way of evaluating Zeder's earnings performance.

	Audited		28 Feb 2018 Rm
	28 Feb 2017 Rm	Change (%)	
Recurring headline earnings from investments	821	(29,8)	576
Management (base) fee	(75)		
Net interest, taxation and other income and expenses	(55)		(102)
Recurring headline earnings	691	(31,4)	474
Non-recurring headline earnings			
Management fee internalisation charge	(1 449)		
Other	(12)		(49)
Headline (loss)/earnings	(770)	n/a	425
Non-headline items	(26)		(171)
Attributable (loss)/earnings	(796)	n/a	254
Weighted average number of shares in issue (net of treasury shares) (million)	1 622		1 717
Recurring headline earnings per share (cents)	42,6	(35,2)	27,6
Headline (loss)/earnings per share (cents)	(47,5)	n/a	24,8
Attributable (loss)/earnings per share (cents)	(49,1)	n/a	14,8

Zeder's recurring headline earnings per share was 27,6 cents for the year ended 28 February 2018, reflecting a decrease of 35,2% compared to the 42,6 cents reported for the prior year. This result is due to a combination of decreases reported by Pioneer Foods, Capespan, Zaad and Agrivision Africa, increases reported by Kaap Agri and Quantum Foods and the positive effects of the internalisation of the base management fee.

Following the once-off management fee internalisation charge of R1,45bn to the income statement in the prior year, headline earnings per share increased from a loss of 47,5 cents in the prior year, to a profit of 24,8 cents in the current year. The recurring headline earnings was offset by net non-recurring losses of R49m (2017: R1,46bn), which consists mainly of the adverse accounting effect of Pioneer Foods' historical BEE transaction given the increase in its share price.

Attributable earnings per share increased from a loss of 49,1 cents in the prior year to a profit of 14,8 cents in the current year as a result of the aforesaid, offset by net non-headline losses of R171m (2017: R26m), which consists mainly of the recognition of deferred tax on the transfer of the Golden Wing Mau associate to equity securities and goodwill impairments at investee level.

Profit before finance costs and taxation per Zeder's consolidated income statement resulted in a profit of R693m for the year under review, compared to the loss in the prior year of R489m mainly due to the aforementioned once-off management fee internalisation charge in the prior year.

NOTEWORTHY FEEDBACK

During the period under review, Zeder initiated and progressed on a number of corporate actions and potential investments, both within its existing portfolio and new platform opportunities. Unfortunately, the larger opportunities pursued did not materialise. Encouraging progress was however made on smaller, higher-growth sectors, as alluded to during Zeder's previous results presentations. In this regard, initial investments and commitments were made to new ventures in the logistics, related technology and smart vertical farming industries, respectively.

PROSPECTS

Zeder remains actively involved with its underlying portfolio of companies and continuously seeks new investment opportunities. We believe that, despite inevitable cyclicality, investing in the agribusiness industry should offer attractive long-term returns and the strength of our companies and management teams, combined with a defensive portfolio mix, should contribute to the continued sustainability of results. We believe that the company and its shareholders will benefit from same.

DIVIDEND

The directors have resolved to declare a gross final dividend of 11,0 cents (2017: 11,0 cents) per share from income reserves in respect of the year ended 28 February 2018. The final dividend amount, net of South African dividend tax of 20%, is 8,8 cents per share for those shareholders who are not exempt from dividend tax. The number of ordinary shares in issue at the declaration date is 1 715 179 121 and the income tax number of the company is 9406891151.

The salient dates of this dividend distribution are:

Last day to trade cum dividend	Tuesday, 8 May 2018
Trading ex dividend commences	Wednesday, 9 May 2018
Record date	Friday, 11 May 2018
Date of payment	Monday, 14 May 2018

Share certificates may not be dematerialised or rematerialised between Wednesday, 9 May 2018 and Friday, 11 May 2018, both days inclusive.

AUDITED FINANCIAL RESULTS

This voluntary announcement contains only a summary of the information of the full announcement made on SENS on Tuesday, 17 April 2018, and is the responsibility of the directors. Please refer to the full announcement for additional information. The full announcement is also available for viewing on Zeder's website at www.zeder.co.za or may be requested and obtained in person, at no charge, at the registered office of the company or the company's sponsor during office hours. Any investment decisions by investors and/or shareholders should be based on consideration of the full announcement.

Signed on behalf of the board

Jannie Mouton
Chairman
Stellenbosch
17 April 2018

Norman Celliers
Chief executive officer