THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions commencing on page 6 of this Circular apply *mutatis mutandis* to this cover.

ACTION REQUIRED BY SHAREHOLDERS:

1. This entire Circular is important and should be read with particular attention to the section entitled "Action required by Shareholders", which commences on page 4.
2. If you are in any doubt as to what action to take, you should consult your Broker, CSDP, banker, accountant, attorney or other professional advisor immediately.
3. If you have disposed of all your Zeder Shares, please forward this Circular and the attached form of proxy *(blue)* to the purchaser to whom, or the Broker, CSDP or other agent through whom, the disposal was effected.

ZEDER
INVESTMENTS LIMITED

ZEDER INVESTMENTS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2006/019240/06)
Share code: ZED, ISIN Number: ZAE000088431
("**Zeder**" or "**the Company**")

CIRCULAR TO SHAREHOLDERS

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relating to:

- the authority to implement the CVH Disposal; and
- the amendment of the Management Agreement;

and incorporating:

- the Notice of General Meeting of Zeder Shareholders; and
- a form of proxy in respect of the General Meeting *(blue)* for use by Certificated Shareholders and Dematerialised Shareholders with "own-name" registration only.

PSG CAPITAL
Corporate advisor and sponsor

QuestCo CORPORATE ADVISORY
Lead independent sponsor

pwc
Independent reporting accountant

Date of issue: 20 May 2013

This Circular is available in English only. Copies of this Circular may be obtained during normal business hours from the registered office of Zeder, the offices of PSG Capital, the website www.zeder.co.za and the Transfer Secretaries at their respective addresses set out in the "Corporate Information and Advisors" section of this Circular from the date of issue hereof until the date of the General Meeting.

CORPORATE INFORMATION AND ADVISORS

Company secretary and registered office
PSG Corporate Services (Proprietary) Limited
(Registration number 1996/004848/07)
1st Floor, Ou Kollege
35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

Transfer secretaries
Computershare Investor Services (Proprietary) Limited
(Registration number 2004/003647/07)
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Auditor and Independent Reporting Accountant
PricewaterhouseCoopers Incorporated
(Registration number 1998/012055/21)
Capital Place
Neutron Avenue
Technopark, Stellenbosch, 7600
(PO Box 57, Stellenbosch, 7599)

Lead independent sponsor
QuestCo (Proprietary) Limited
Registration number 2002/005616/07
The Pivot
No 1 Monte Casino Blvd
Entrance D, 2nd Floor
Fourways, 2055
(PO Box 98956, Sloane Park, 2152)

Date of incorporation
21 June 2006

Place of incorporation
South Africa

Corporate advisor and sponsor
PSG Capital (Proprietary) Limited
(Registration number 2006/015817/07)
1st Floor, Ou Kollege
35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

and at:

1st Floor, Building 8
Inanda Greens Business Park
54 Wierda Road West
Wierda Valley
Sandton, 2196
(PO Box 987, Parklands, 2121)

CONTENTS

ACTION REQUIRED BY SHAREHOLDERS

The definitions and interpretations commencing on page 6 of this Circular apply to this section headed "Action required by Shareholders".

This Circular is important and requires your immediate attention. The action you need to take, is set out below. If you are in any doubt as to what action to take, please consult your Broker, CSDP, banker, attorney, accountant or other professional advisor immediately. If you have disposed of all of your Zeder Shares, this Circular should be handed to the purchaser to whom, or the CSDP, Broker or other agent through whom, the disposal was effected.

A General Meeting of Zeder Shareholders will be held at 10:00 on Thursday, 20 June 2013, at 1st Floor, Ou Kollege, 35 Kerk Street, Stellenbosch, Western Cape to consider and, if deemed fit, to pass with or without modification, the resolutions required to authorise the CVH Disposal and the Management Agreement Amendment. A notice convening the General Meeting is attached to, and forms part of, this Circular.

1. DEMATERIALISED SHAREHOLDERS WITHOUT "OWN-NAME" REGISTRATION

1.1 Voting at the General Meeting

1.1.1 If you do not wish to, or are unable to, attend the General Meeting and you have not been contacted by your CSDP or Broker, it is advisable for you to contact your CSDP or Broker immediately and furnish your CSDP or Broker with your voting instructions in the manner and by the cut-off time stipulated by your CSDP or Broker in terms of the Custody Agreement between you and your CSDP or Broker.

1.1.2 If your CSDP or Broker does not obtain voting instructions from you, your CSDP or Broker will be obliged to act in accordance with the instructions contained in the Custody Agreement between you and your CSDP or Broker.

1.1.3 You must not complete the attached form of proxy *(blue)*.

1.2 Attendance and representation at the General Meeting

1.2.1 In accordance with the Custody Agreement between you and your CSDP or Broker, you must advise your CSDP or Broker if you wish to:

1.2.1.1 attend, speak and vote at the General Meeting; or

1.2.1.2 send a proxy to represent you at the General Meeting.

1.2.2 Your CSDP or Broker should then issue the necessary letter of representation to you for you or your proxy to attend, speak and vote at the General Meeting.

2. CERTIFICATED SHAREHOLDERS OR DEMATERIALISED SHAREHOLDERS WITH "OWN-NAME" REGISTRATION

2.1 Voting, attendance and representation at the General Meeting

You may attend, speak and vote at the General Meeting in person (or, if you are a company or other body corporate, be represented by a duly authorised natural person). Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached form of proxy *(blue)* in accordance with its instructions and returning it to the Transfer Secretaries at Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), to be received by them no later than 48 hours before the commencement of the General Meeting (or any adjournment of the General Meeting), excluding Saturdays, Sundays and official public holidays.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 6 of this Circular apply to this section.

	2013
Record date to determine which shareholders are eligible to receive notice of the General Meeting	Friday, 10 May
Circular incorporating Notice of General Meeting and form of proxy, posted to Zeder Shareholders	Monday, 20 May
Announcement regarding the CVH Disposal and the Management Agreement Amendment, and convening the General Meeting, released on SENS	Monday, 20 May
Announcement regarding the CVH Disposal and the Management Agreement Amendment, and convening the General Meeting, published in the press	Tuesday, 21 May
Last day to trade in order to be eligible to vote at the General Meeting	Friday, 7 June
Record date to be eligible to vote at the General Meeting	Friday, 14 June
Last day to lodge forms of proxy in respect of the General Meeting at 10:00 on	Tuesday, 18 June
General Meeting of Zeder Shareholders held at 10:00 on	Thursday, 20 June
Results of the General Meeting released on SENS	Thursday, 20 June
Results of the General Meeting published in the South African press	Friday, 21 June

Notes:

1. The above dates and times are subject to change. Any material changes will be released on SENS.
2. All times quoted in this Circular are local times in South Africa.
3. If the General Meeting is adjourned or postponed, forms of proxy submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting unless the contrary is stated on such forms of proxy.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless the context indicates a contrary intention, a word or an expression which denotes any gender includes the other genders, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa* and the following words and expressions bear the meanings assigned to them below:

"Base Fee"	the base management fee due to the Manager in terms of the Management Agreement as remuneration for the Services and which is currently calculated in accordance with the Existing Management Fee Structure, but which will in future, subject to the approval of the Management Agreement Amendment by Zeder Shareholders at the General Meeting, be calculated in accordance with the New Management Fee Structure;
"Broker"	a "stockbroker" as defined in the Securities Services Act, or its nominee;
"cents"	South African cents, in the official currency of South Africa;
"Certificated Share"	a Zeder Share that has not been Dematerialised, title to which is evidenced by a share certificate or other document of title;
"Certificated Shareholder"	a Zeder Shareholder who holds Certificated Shares;
"Circular"	this circular to Shareholders, dated 20 May 2013, together with the annexures hereto, and including the Notice of General Meeting and the form of proxy *(blue)* in relation to the General Meeting;
"Companies Act"	the Companies Act, No. 71 of 2008, as amended from time to time;
"CSDP"	a "participant", as defined in the Securities Services Act;
"Custody Agreement"	a custody mandate agreement between a person and a CSDP or Broker, regulating their relationship in respect of Dematerialised Shares held on Zeder's uncertificated securities register administered by a CSDP or Broker on behalf of that person;
"Capevin Holdings" or "CVH"	Capevin Holdings Limited (registration number 1997/020857/06), a public company incorporated under the laws of South Africa, the shares of which are listed on the JSE;
"the Company" or "Zeder"	Zeder Investments Limited (registration number 2006/019240/06), a public company incorporated under the laws of South Africa, the shares of which are listed on the JSE;
"CVH Disposal"	the potential disposal by the Company of the CVH Sales Shares, on the terms set out in paragraph 2 of this Circular;
"CVH Sale Shares"	all shares held by the Company, through its wholly-owned subsidiary, Zeder Financial Services, in Capevin Holdings, amounting to 46 466 692 ordinary shares, equalling approximately 5.3% of the total issued ordinary share capital of Capevin Holdings;
"CVH Shares"	ordinary shares in the issued share capital of Capevin Holdings;
"Dematerialise" or "Dematerialisation"	the process by which Certificated Shares are converted into an electronic format as Dematerialised Shares and recorded in Zeder's uncertificated securities register administered by a CSDP;
"Dematerialised Share"	a Zeder Share that has been Dematerialised or has been issued in Dematerialised form, and is held on Zeder's uncertificated securities register administered by a CSDP;

"Dematerialised Shareholder"	a Zeder Shareholder who holds Dematerialised Shares;
"Directors" or "Board"	the directors of Zeder as at the Last Practicable Date, whose names are set out on page 9 of this Circular;
"Distell"	Distell Group Limited (registration number 1988/005808/06), a public company incorporated under the laws of South Africa, the shares of which are listed on the JSE;
"Existing Management Fee Structure"	the existing manner in which the Fees are calculated in accordance with the Management Agreement, as set out in **Annexure 6** to the Circular;
"Fees"	collectively, the Base Fee and the Performance Fee;
"General Meeting"	the general meeting of Zeder Shareholders to be held at 10:00 on Thursday, 20 June 2013 at 1st Floor, Ou Kollege, 35 Kerk Street, Stellenbosch, Western Cape, to consider and, if deemed fit, approve the CVH Disposal and the Management Agreement Amendment;
"Independent Reporting Accountants"	PricewaterhouseCoopers Incorporated (registration number 1998/012055/21), a personal liability company incorporated under the laws of South Africa;
"Initial CVH Disposal"	the initial disposal of shares in Capevin Holdings by the Company, referred to in paragraph 1.1.1 of the Circular;
"JSE"	the exchange, licensed under the Securities Services Act, operated by JSE Limited (registration number 2005/022939/06), a public company incorporated under the laws of South Africa;
"Last Practicable Date"	the last practicable date prior to the finalisation of this Circular, being 2 May 2013;
"JSE Listings Requirements"	the Listings Requirements of the JSE in force as at the Last Practicable Date;
"Management Agreement"	the management agreement existing between the Company, Zeder Investments Corporate Services and the Manager, originally concluded on or about 29 September 2006, as subsequently amended on or about 2 April 2008 and on or about 18 November 2010, in terms of which the Manager provides the Services to the Zeder Group;
"Management Agreement Amendment"	the amendment of the Management Agreement in the manner set out in paragraph 3 of this Circular;
"Manager"	PSG Corporate Services, as the duly appointed nominee of PSG Group;
"New Management Fee Structure"	the proposed new manner in which the Fees will in future be calculated, as set out in paragraph 3.4 of the Circular, subject to the approval of the Management Agreement Amendment by Zeder Shareholders at the General Meeting;
"Notice of General Meeting"	the notice of general meeting forming part of this Circular;
"Performance Fee"	the performance fee due to the Manager in terms of the Management Agreement and which is currently calculated in accordance with the Existing Management Fee Structure, but which will in future, subject to the approval of the Management Agreement Amendment by Zeder Shareholders at the General Meeting, be calculated in accordance with the New Management Fee Structure;

"PSG Capital"	PSG Capital (Proprietary) Limited (registration number 2006/015817/07), a private company incorporated under the laws of South Africa;
"PSG Corporate Services"	PSG Corporate Services (Proprietary) Limited (registration number 1996/004840/07), a private company incorporated under the laws of South Africa and a wholly-owned subsidiary of PSG Group;
"PSG Financial Services"	PSG Financial Services Limited (registration number 1919/000478/06), a public company incorporated under the laws of South Africa, being a wholly-owned subsidiary of PSG Group;
"PSG Group"	PSG Group Limited (registration number 1970/008484/06), a public company incorporated under the laws of South Africa, the shares of which are listed on the JSE;
"Rand" or "R"	South African Rand, the official currency of South Africa;
"Register"	the Company's securities register, including all uncertificated securities registers;
"Securities Services Act"	the Securities Services Act, No. 36 of 2004, as amended from time to time;
"SENS"	the Stock Exchange News Service of the JSE;
"Services"	means the services to be provided by the Manager in terms of the Management Agreement, as set out in **Annexure 5** to the Circular;
"South Africa"	the Republic of South Africa;
"Trading Day"	each trading day of the relevant share on the exchange on which such share is listed, excluding any Saturday, Sunday or official public holiday in South Africa;
"Transfer Secretaries" or "Computershare"	Computershare Investor Services (Proprietary) Limited (registration number 2004/003647/07), a private company incorporated under the company laws of South Africa;
"VWAP"	volume weighted average price;
"Zeder Financial Services"	Zeder Financial Services Limited (registration number 2010/006171/06), a public company incorporated under the laws of South Africa, being a wholly-owned subsidiary of Zeder;
"Zeder Group"	the Company, Zeder Financial Services, Zeder Investments Corporate Services and any other subsidiaries as may be acquired from time to time;
"Zeder Investments Corporate Services"	Zeder Investments Corporate Services (Proprietary) Limited (registration number 2010/009472/07), a private company incorporated under the company laws of South Africa, being a wholly-owned subsidiary of the Company;
"Zeder Shareholders" or "Shareholders"	registered holders of Zeder Shares; and
"Zeder Shares" or "Shares"	ordinary shares with a par value of R0.01 (one cent) each in the issued share capital of Zeder.

ZEDER INVESTMENTS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2006/019240/06)
Share code: ZED, ISIN Number: ZAE000088431
("**Zeder**" or "**the Company**")

Directors of Zeder
JF Mouton (chairman)*
N Celliers (chief executive officer)
WL Greeff (financial director)
AE Jacobs*
PJ Mouton*
GD Eksteen*#
CA Otto*#
MS du P le Roux*#
LP Retief*#

* Non-executive
#Independent

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

1.1 Introduction

CVH Disposal

1.1.1 Shareholders are referred to the Company's announcement on SENS on Friday, 15 February 2013 and in the press on Monday, 18 February 2013, advising Shareholders that the Company had, with effect from 15 February 2013, through its wholly-owned subsidiary, Zeder Financial Services, disposed of a total of 133,300,000 ordinary listed shares, which it held in Capevin Holdings, equivalent to 15.1% of the issued share capital of Capevin Holdings, for a disposal consideration of R6.00 per share, equating to a total cash consideration of R799.8 million.

1.1.2 Following the Initial CVH Disposal, the Company though its wholly-owned subsidiary, Zeder Financial Services, continues to hold the CVH Sale Shares, which comprise 46 466 692 shares in Capevin Holdings, equivalent to approximately 5.3% of the total issued ordinary share capital of Capevin Holdings.

1.1.3 In terms of the JSE Listings Requirements, the Company requires Shareholder approval should it wish to dispose of the CVH Sale Shares during the 12 months following the Initial Disposal. The Company wishes to obtain the authority to implement the CVH Disposal, should it deem it necessary, for the reasons set out in paragraph 2 below.

Management Agreement Amendment

1.1.4 The Manager provides the Services to the Zeder Group in terms of the Management Agreement.

1.1.5 Zeder has received enquiries from certain institutional shareholders regarding the Existing Management Fee Structure and, in particular, the Base Fee component.

1.1.6 Zeder now wishes to propose the amendment of the Existing Management Fee Structure, for the reasons and on the terms set out in paragraph 3 below.

1.2 Purpose of this Circular

The purpose of this Circular is to –

1.2.1 provide Shareholders with information regarding the authority to implement the CVH Disposal;

1.2.2 provide Shareholders with information regarding the Management Agreement Amendment; and

1.2.3 convene a General Meeting of Shareholders in terms of the Notice of General Meeting attached to and forming part of this Circular to consider and, if deemed fit, approve the CVH Disposal and the Management Agreement Amendment.

2. CVH DISPOSAL

2.1 Rationale for the CVH Disposal

2.1.1 Capevin Holdings is an investment holding company, having as its significant asset an indirect interest of 28.93% in Distell, which is South Africa's leading producer and marketer of fine wines, spirits, ciders and ready-to-drinks.

2.1.2 Zeder is also an investment holding company and mainly invests in food, beverage and agricultural companies, where Zeder can directly or indirectly add value. As Zeder cannot add meaningful value at a Distell level, and as Zeder's shareholding in Capevin Holdings has reduced to approximately 5.3%, Zeder is considering the disposal of its remaining investment in Capevin Holdings and to utilise the proceeds of the CVH Disposal in existing and/or new companies where Zeder can play a more meaningful role instead.

2.2 Categorisation and authority to implement the CVH Disposal

In terms of the JSE Listings Requirements, Zeder is required to aggregate the CVH Disposal with the Initial CVH Disposal in the event that the CVH Disposal is completed during the 12-month period following the Initial CVH Disposal. Accordingly, the CVH Disposal, if completed prior to 14 February 2014, taken together with the Initial CVH Disposal, will constitute a Category 1 transaction in terms of the JSE Listings Requirements. As such, the Company requires the authority of Zeder Shareholders to implement the CVH Disposal, by means of the adoption of Ordinary Resolution Number 1, as set out in the Notice of General Meeting.

2.3 Mechanism for CVH Disposal

2.3.1 In terms of the CVH Disposal –

2.3.1.1 the CVH Sale Shares may be disposed of by the Company in the open market or by means of any other sale methodology (including a private placement), and may occur in one or in several tranches; and

2.3.1.2 the CVH Sale Shares shall be disposed of at an average price per share that is, at the time of the disposal, not less than 90% (ninety percent) of the VWAP of CVH Shares over the 30 (thirty) Trading Days immediately preceding the disposal of the CVH Sale Shares.

2.4 Authority to dispose

The authority to dispose of the CVH Sale Shares shall expire on 14 February 2014, being the date 12 months after the Initial CVH Disposal.

2.5 Approval of the CVH Disposal

The Company has received irrevocable undertakings from certain institutional Shareholders (Allan Gray and Coronation), who currently, and with their clients, collectively hold 26.6% of the issued share capital of the Company, to exercise the voting rights for all Zeder Shares held by them on the date of the General Meeting, or, if applicable, to recommend that their clients exercise such voting rights, in favour of the CVH Disposal proposed in Ordinary Resolution Number 1 in the Notice of General Meeting. Further particulars regarding the abovementioned institutional Shareholders appear in the table in paragraph 3.5.3 below.

3. MANAGEMENT AGREEMENT AMENDMENT

3.1 Rationale for the Management Agreement Amendment

3.1.1 Zeder has received enquiries from certain institutional shareholders regarding the Existing Management Fee Structure and, in particular, the Base Fee component. Having reviewed same, Zeder proposes that the Management Agreement be amended by the deletion of the Existing Management Fee Structure and the adoption of the New Management Fee Structure, on the terms set out in paragraph 3.4.

3.1.2 In this regard, the Company has received irrevocable undertakings from certain material institutional Shareholders (Allan Gray and Coronation), who currently, and with their clients, collectively hold 26.6% of the issued share capital of the Company, to vote in favour of or, if applicable, to recommend that their clients vote in favour of, the Management Agreement Amendment proposed in Ordinary Resolution Number 2 in the Notice of General Meeting. Shareholders are referred to paragraph 3.5.3 below for further information in this regard.

3.2 Background regarding the Management Agreement

3.2.1 The Company was created as a specialised investor in the agricultural, beverages, food and related sectors, with its main object being that of acquiring interests in and making investments in companies, business undertakings, operations and other entities in the agricultural, beverages, food and related sectors or having their investments in those sectors, whether in South Africa or abroad.

3.2.2 Zeder Investments Corporate Services has been established to render management and other services primarily to the Zeder Group and investee entities.

3.2.3 The Manager has been appointed by Zeder Investments Corporate Services to render the Services and to enable Zeder Investments Corporate Services to achieve the above object.

3.3 Existing Management Fee Structure

In terms of the Existing Management Fee Structure, the Base Fee payable by Zeder to the Manager is calculated as 2% (two percent) of the net asset value of the Zeder Group, excluding cash, and as 0.15% (zero point one five percent) of cash held by the Zeder Group, while the Performance Fee payable by Zeder to the Manager is calculated at the rate of 10% (ten percent) above the agreed benchmark, as set out in more detail in **Annexure 6** to this Circular.

3.4 New Management Fee Structure

3.4.1 It is proposed that, following the approval by Zeder Shareholders of the proposed New Management Fee Structure, the Fees shall be calculated as set out in paragraph 3.4, read with **Annexure 7** to this Circular, with effect from 1 March 2013.

3.4.2 ***Base Fee***

The Base Fee is to be calculated half-yearly, with the Base Fee in respect of each half-year (as defined in **Annexure 7**) being calculated as an annual percentage of 1.5% of the Average Market Capitalisation (as defined in **Annexure 7**) of Zeder. Please refer to **Annexure 7** for further details in this regard.

3.4.3 ***Performance Fee***

3.4.3.1 The Performance Fee is to be calculated annually, with reference to the Zeder share price, at the rate of 20% (twenty percent) above the GOVI (as defined in **Annexure 7** to this Circular) plus 4% (four percent). Please refer to **Annexure 7** for further details in this regard.

3.4.3.2 The maximum Performance Fee for any financial year shall not exceed the total Base Fees earned for that financial year. If the Potential Performance Fee (as defined in **Annexure 7**) for any financial year would have exceeded such total Base Fees, save for the aforementioned maximum cap, then the End Hurdle (as defined in **Annexure 7**) for that financial year is to be adjusted downwards on the basis set out in **Annexure 7**.

3.4.3.3 Dividends accrued in any financial year will be counted back for purposes of the calculation of the Performance Fee for that financial year.

Rights issue and corporate action adjustments

3.4.3.4 Rights issues and other corporate actions in respect of the share capital of the Company will result in an adjustment of the mechanism used for the calculation of the Performance Fee. Shareholders are referred to **Annexure 7** for further details in this regard.

3.4.4 ***Comparison of Fees – Illustrative scenarios***

In order to assist Zeder Shareholders in evaluating the New Management Fee Structure, illustrative scenarios are included in **Annexure 8** to this Circular, showing a comparison between Fees under the Existing Management Fee Structure and the New Management Fee Structure.

3.5 Approval of the Management Agreement Amendment

3.5.1 There is no statutory or regulatory requirement, whether in terms of the JSE Listings Requirements, the Companies Act or otherwise, for the Management Agreement Amendment to be approved by Zeder Shareholders.

3.5.2 However, for purposes of good corporate governance and in order to obtain the view of Shareholders in this regard, the Company wishes to provide Shareholders with the opportunity to vote on the adoption of the Management Agreement Amendment and has, to this end, included Ordinary Resolution Number 2 in the Notice of General Meeting for approval by Shareholders.

3.5.3 The Company has received irrevocable undertakings from the following Shareholders, who currently, and with their clients, collectively hold 26.6% of the issued share capital of the Company, to exercise the voting rights for all Zeder Shares held by them on the date of the General Meeting, or, if applicable, to recommend that their clients exercise such voting rights, in favour of the Management Agreement Amendment proposed in Ordinary Resolution Number 2 in the Notice of General Meeting:

Zeder Shareholder	Number of Zeder shares	% of Zeder issued share capital
Coronation Fund Managers	121,890,470	12.5%
Allan Gray	138,297,623	14.1%
Total	**260,188,093**	**26.6%**

3.5.4 PSG Group's shareholding in the Company is held via its wholly-owned subsidiary, PSG Financial Services (see the table at paragraph 6.5.1 below for further information in this regard). PSG Financial Services has confirmed that it will abstain from voting in respect of Ordinary Resolution Number 2 in the Notice of General Meeting.

4. FINANCIAL INFORMATION

4.1 Historical financial information of Capevin Holdings

4.1.1 Extracts of the historical financial information of Capevin Holdings for the last three financial years ended 30 June 2010, 30 June 2011 and 30 June 2012 are annexed at **Annexure 1**. Copies of the full financial statements for those periods will be available for inspection in terms of paragraph 13 below and are also available on the website of Capevin Holdings (www.capevin.com).

4.1.2 The interim financial information for Capevin Holdings for the six months ended 31 December 2012 are annexed at **Annexure 2**. Copies of the financial statements for this interim period will be available for inspection in terms of paragraph 13 below and are also available on the website of Capevin Holdings (www.capevin.com).

4.2 *Pro forma* financial effects

The purpose of the table below is to illustrate the unaudited *pro forma* financial effects of the CVH Disposal and such unaudited *pro forma* financial effects, as set out below, are the responsibility of the Directors. The unaudited *pro forma* financial effects are presented in a manner consistent with the basis on which the historical financial information of Zeder has been prepared and in terms of Zeder's accounting policies. The unaudited *pro forma* financial effects have been presented for illustrative purposes only and, because of their nature, may not give a fair reflection of Zeder's financial position, changes in equity or of the effect on future earnings post the implementation of the CVH Disposal.

These unaudited *pro forma* financial effects as set out below should be read in conjunction with the unaudited *pro forma* statement of financial position and statement of comprehensive income as set out in **Annexure 3**, together with the assumptions upon which the financial effects are based, as indicated in the notes thereto in **Annexure 3**.

The Independent Reporting Accountants' report on the unaudited *pro forma* financial information appears in **Annexure 4** to this Circular.

	Audited 28 Feb 2013 cents	Adjustment for the CVH Disposal cents	*Pro forma* after the CVH Disposal cents	% Change
Attributable earnings per share(1)(3)(5)(6)(7)(8)(15)	52.3	0.2	52.5	0.4
Headline earnings per share(1)(3)(5)(6)(7)(9)(15)	20.1	(0.5)	19.6	(2.5)
Recurring headline earnings per share(1)(3)(5)(6)(10)(15)(16)	25.7	(0.9)	24.8	(3.5)
Net asset value per share(2)(4)(11)(12)(13)(14)(15)	335.7	0.7	336.4	0.2
Tangible net asset value per share(2)(4)(11)(12)(13)(14)(15)	319.5	0.7	320.2	0.2

Notes and assumptions:

None of the adjustments for the CVH Disposal will have a continuing effect, except for the interest income effect (refer note 5) and the decrease in the share of profits of associated companies (refer note 6) and their related tax effects.

1. The attributable earnings per share, headline earnings per share and recurring headline earnings per share figures after the CVH Disposal are calculated on the basis that the CVH Disposal was effected on 1 March 2012.
2. The net asset value per share and tangible net asset value per share figures after the CVH Disposal are calculated on the basis that the CVH Disposal was effected on 28 February 2013.
3. The attributable earnings per share, headline earnings per share and recurring headline earnings per share figures are calculated using a weighted average number of shares in issue of 978,088,517 for the period ended 28 February 2013.
4. The net asset value per share and tangible net asset value per share calculations are based on 978,088,517 shares in issue as at 28 February 2013.

5. Investment income increased with R14.0m, which consists of the following:
   5.1 Assuming the net proceeds from the CVH Disposal are invested in Zeder's Money Market account, additional interest income of R14.3m would have been received during the year. The net proceeds are calculated by assuming that the CVH Sale Shares are sold for R6.42 per share, which is the VWAP of the 30 Trading Days preceding the last practicable date and less transaction costs of R1.9m.
   5.2 The CVH Disposal would have resulted in less Capevin Holdings dividends being received and consequently less interest income on cash balances. The effect of the aforementioned is a decrease in interest income of R0.3m.
   5.3 Interest income from investing in Zeder's Money Market account is calculated by applying a net annualised interest rate of 4.8% to the relevant periods.
6. The share of profits of associated companies relating to the CVH Sale Shares was R15.2m for the year, and is therefore excluded from the calculation of attributable earnings per share, headline earnings per share and recurring headline earnings per share.
7. The non-headline profit from the CVH Disposal amounts to R8.7m, which is calculated as the difference between the net proceeds (refer note 5.1) and the carrying value of the CVH Sale Shares at 28 February 2013.
8. The taxation expense for the year is increased with R5.5m, which consists of the following:
   8.1 Taxation payable of R3.9m on the net increase in interest income (refer note 5), at the applicable rate of 28%.
   8.2 A capital gains tax expense on the CVH Disposal of R25.5m and the realisation of a deferred tax liability relating to the CVH Sale Shares of R23.9m, which are both calculated at an effective rate of 18.67%.
9. The adjustment to non-headline earnings consists of a decrease of R0.1m in the non-headline profit from associated companies, the above mentioned R8.7m profit from the CVH Disposal and the R1.6m net effect of the capital gains tax expense and the deferred tax realised (refer note 8.2).
10. The adjustment to non-recurring headline earnings is a R3.7m non-recurring headline profit, which is the result of Zeder sharing in less of Distell's excise duties provision and Capevin's restructuring costs.
11. The non-current assets held for sale of R287.7m, as per the statement of financial position at 28 February 2013, are derecognised with the CVH Disposal.
12. As a result of the CVH Disposal, equity attributable to owners of the parent is adjusted with a R8.7m gain on disposal and a net taxation expense of R1.6m.
13. A deferred tax liability of R23.9m relating to the non-current assets held for sale is realised with the CVH Disposal.
14. The CVH Disposal results in a capital gains tax payable of R25.5m, which is calculated at an effective rate of 18.67%.
15. The audited financial information for the year ended 28 February 2013 incorporates the effects of the Initial CVH Disposal. The effects mainly consist of a non-headline gain on disposal of R508m, a capital gains tax expense of R67m and a fair value loss of R7m resulting from the subsequent measurement of the Sale Shares.
16. Recurring headline earnings includes equity securities' see-through recurring headline earnings and excludes the related net fair value gains/losses and investment income (as recognised in the income statement). Associated companies' and subsidiaries' one-off gains/losses are excluded from recurring headline earnings.

5. DIRECTORS

5.1 Directors' service contracts

Service agreements have been concluded between the Manager and each of the executive Directors on terms and conditions that are standard for such appointments and the fact that Zeder is an investment holding company, with the duration of the executive Directors' employment being determined in such agreements and copies of such agreements being available for inspection in terms of paragraph 13 below. There are no service contracts between Zeder and any of its non-executive Directors. As at the date of this Circular, no further candidates have been nominated or proposed as Directors of Zeder. Accordingly, no service contracts with any proposed Directors have been entered into.

5.2 Directors' interests

Directors' interests in Zeder Shares

5.2.1 As at the Last Practicable Date, the following Directors (including persons who resigned as Directors within the last 18 months) or associates of such Directors held a beneficial or non-beneficial interest, whether directly or indirectly, in Zeder Shares –

	Beneficial		Non-beneficial		Total shareholding	
Director	**Direct**	**Indirect**	**Direct**	**Indirect**	**Number**	**%**
AE Jacobs[(1)]		70,000			70,000	0.007
WL Greeff	80,000				80,000	0.008
JF Mouton				80,000	80,000	0.008
MS du Pré le Roux				250,000	250,000	0.026
CA Otto				80,000	80,000	0.008
Total	**80,000**	**70,000**	**–**	**410,000**	**560,000**	**0.057**

Notes:

1. AE Jacobs resigned as an executive director of Zeder with effect from 30 April 2012 and was subsequently reappointed as a non-executive director of Zeder with effect from 8 April 2013.

5.2.2 There has been no change in the interests held by Directors, as set out in the table at paragraph 5.2.1 above, between the end of the previous financial year ended 28 February 2013 and the Last Practicable Date.

5.2.3 *Directors' interests in the CVH Disposal or the Management Agreement Amendment*

5.2.3.1 No Director of the Zeder Group (including Directors who resigned during the last 18 months) has or had any material beneficial interests, directly or indirectly, in any transactions which were effected by Zeder during the current or immediately preceding financial year or during an earlier financial year and remain in any respect outstanding or unperformed.

5.2.3.2 No Director or promoter has any beneficial interest, direct or indirect, in the CVH Disposal or the Management Agreement Amendment, nor is any Director a member of a partnership, syndicate or other association of persons that has such an interest.

5.3 Directors' emoluments and incentives

5.3.1 Directors emoluments are paid by the PSG Group in terms of the Management Agreement. The following remuneration was paid to Directors for the financial year ended 28 February 2013:

Director	Basic salary R	Performance related R	Company contributions R[3]	Directors' fees R	TOTAL R
Executive					
N Celliers	1,084,000	1,000,000	16,000		**2,100,000**
AE Jacobs[2]	249,000		3,000		**252,000**
WL Greeff[1]					**–**
Non-executive					
JF Mouton[1]					**–**
GD Eksteen				99,000	**99,000**
PJ Mouton[1]					**–**
CA Otto[1]					**–**
MS du P le Roux				99,000	**99,000**
LP Retief				104,000	**104,000**

Notes

1. The JSE Listings Requirements require that the Company also discloses remuneration and benefits received or receivable by Directors of Zeder from, *inter alia*, any entity that provides management or advisory services to Zeder. As indicated in this Circular, PSG Corporate Services, as the duly appointed nominee of PSG Group, is the Manager under the Management Agreement. In this regard, the Company confirms that Messrs JF Mouton, PJ Mouton, CA Otto and WL Greeff are remunerated by a subsidiary of PSG Group for their services to PSG Group, which services includes acting as Directors on the Board of Zeder. Such remuneration is accordingly not payable by Zeder. Further particulars regarding such remuneration are contained in **Annexure 9** to the Circular.
2. AE Jacobs resigned as an executive Director of Zeder with effect from 30 April 2012 and was subsequently reappointed as a non-executive Director of Zeder with effect from 8 April 2013. The basic salary disclosed in the table above in respect of AE Jacobs includes allowances of R30,000.
3. Company contributions referred to above, relate to contributions to medical aid and similar insurances. No pension contributions are made.

5.3.2 The emoluments received by Directors will not be varied as a consequence of the CVH Disposal or the Management Agreement Amendment.

5.3.3 Zeder has not during the financial year ended 28 February 2013 paid any management, consulting, technical or other fees for services rendered by Directors, directly or indirectly, including payments to management companies, a part of which was then paid to a Director (save, to the extent applicable, for any portion of the Fees that may have been utilised for the remuneration of Directors detailed in clause 5.3.1 above or **Annexure 9** to this Circular).

6. OTHER RELATED MATTERS

6.1 Prospects

The Board believes that the agribusiness, food and beverage sectors offer rewarding investment opportunities, both locally and abroad. It is for this reason that Zeder is passionate about investment opportunities in Africa and beyond. Zeder's existing portfolio provides a solid foundation to build upon and resources will be allocated both internally and externally to achieve Zeder's targets.

6.2 Material loans

As at the Last Practicable Date, no material loans are outstanding and owing by Zeder or any of its subsidiaries.

6.3 Material changes

There have been no material changes in the financial or trading position of the Zeder Group since 28 February 2013.

6.4 Material contracts

To the best of the Directors' belief the Zeder Group has not entered into, verbally or in writing, any material contract other than in the ordinary course of business either –

6.4.1 within the last two years prior to the date of this Circular; or

6.4.2 at any time which contains an obligation or settlement that is material to the Zeder Group at the date of this Circular.

6.5 Major shareholders

6.5.1 As far as the Board is aware, the following Zeder Shareholders, as at the Last Practicable Date, held, directly or indirectly, an interest of 5% or more of the issued ordinary share capital of Zeder –

Zeder Shareholder	Number of Zeder shares	% of Zeder issued share capital
PSG Financial Services[(1)]	415,176,633	42.4%
Coronation Fund Managers[(2)]	121,890,470	12.5%
Allan Gray[(2)]	138,297,623	14.1%
Sanlam[(2)]	72,159,904	7.4%
Total	**747,524,630**	**76.4%**

Notes

1. PSG Financial Services is a beneficial Shareholder of the Company.
2. The shareholdings reflected for these entities, includes Shares held directly or indirectly by these entities and/or their clients in the Company, on a beneficial or non-beneficial basis.

6.5.2 There has been no change in controlling shareholder(s) or trading objects of Zeder or any of its subsidiaries in the last five years prior to the Last Practicable Date.

6.6 Secretarial and technical fees

Company secretarial services are provided to the Zeder Group by PSG Corporate Services in terms of the Management Agreement.

7. WORKING CAPITAL STATEMENT

The Board is of the opinion that the working capital resources of the Zeder Group are sufficient for the Zeder Group's current working capital requirements and will be adequate for a period of 12 months from the date of issue of this Circular.

8. EXPENSES

The estimated costs of the CVH Disposal and the Management Agreement Amendment, including preparing and distributing this Circular, holding the General Meeting and implementing the CVH Disposal and the Management Agreement Amendment, including the fees payable to professional advisors, are approximately R1,940,000, including VAT, and include the following –

Expenses of Zeder	R
Sponsor and corporate advisor – PSG Capital	455,000
Lead independent sponsor – QuestCo	57,000
Independent Reporting Accountant – PwC	60,000
JSE documentation fees	35,000
Printing and postage costs	65,000
Transfer secretaries – Computershare Investor Services	10,000
Announcements and publication	40,000
Brokerage and other related expenses	1,190,000
Other – contingency	28,000
Estimated total	**1,940,000**

9. DIRECTORS' RECOMMENDATION

9.1 The Directors have considered the terms and conditions of the CVH Disposal and are of the opinion that the terms thereof are fair and reasonable and in the interests of Zeder Shareholders.

9.2 The Directors recommend that Zeder Shareholders vote in favour of the resolution approving the CVH Disposal, to be proposed at the General Meeting.

9.3 The Directors, in their personal capacities, intend to vote the Zeder Shares held by them in favour of the resolution approving the CVH Disposal, to be proposed at the General Meeting.

10. LITIGATION STATEMENT

There are no legal or arbitration proceedings (including any such proceedings that are pending or threatened) in relation to the Zeder Group, of which the Directors are aware which may have, or have had, a material effect on the Zeder Group's financial position during the past 12 months preceding the date of this Circular.

11. ADVISORS' CONSENTS

The parties referred to in the "Corporate Information and Advisors" section on the inside front cover of this Circular have consented in writing to act in the capacities stated and to their names being stated in the Circular and, in the case of the Independent Reporting Accountants, have consented to the references to their report in the form and context in which they appear, and have not withdrawn their consents prior to the publication of the Circular.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are shown on page 9 of this Circular collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief, that there are no facts which have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made, and that this Circular contains all information required by law and the JSE Listings Requirements.

13. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection by Zeder Shareholders during normal business hours at the registered office of Zeder and at the offices of PSG Capital (the details of which appear in the "Corporate Information and Advisors" section of this Circular) from the date on which this Circular is issued until the date on which the General Meeting is held (both days inclusive) –

13.1 the memorandum of incorporation of Zeder and its subsidiaries;

13.2 the audited annual financial statements of Zeder for the three financial years ended 28 February 2011, 29 February 2012 and 28 February 2013;

13.3 the audited annual financial statements of Capevin Holdings for the three financial years ended 30 June 2010, 30 June 2011 and 30 June 2012;

13.4 the unaudited interim financial statements of Capevin Holdings for the six months ended 31 December 2012;

13.5 the report of the Independent Reporting Accountant on the unaudited *pro forma* financial information of Zeder, as reproduced in **Annexure 4**;

13.6 the consent letter of the Independent Reporting Accountant and all other consent letters referred to in paragraph 11 of this Circular;

13.7 the Management Agreement

13.8 service contracts of the executive Directors; and

13.9 a signed copy of this Circular.

SIGNED AT STELLENBOSCH ON 13 MAY 2013 ON BEHALF OF ALL THE DIRECTORS OF ZEDER INVESTMENTS LIMITED, AS LISTED BELOW, IN TERMS OF POWERS OF ATTORNEY SIGNED BY SUCH DIRECTORS

N CELLIERS
Chief executive officer

JF Mouton
N Celliers
WL Greeff
GD Eksteen
AE Jacobs

PJ Mouton
CA Otto
MS du P le Roux
LP Retief

ANNEXURE 1 – HISTORICAL FINANCIAL INFORMATION OF CAPEVIN HOLDINGS

The abridged consolidated statements of financial position, statements of comprehensive income, statements of changes in equity, cash flow statements and notes of Capevin Holdings –

– for the financial years ended 30 June 2011 and 2012, have been extracted and compiled from the reported results of Capevin Holdings for the year ended 30 June 2012; and

– for the financial year ended 30 June 2010 have been extracted and compiled from the historical financial information contained in the published circular by Capevin Holdings and Capevin Investments Limited ("**CVI**") to CVI shareholders dated 8 June 2012,

and the Directors accept responsibility for the information in this **Annexure 1** having been correctly extracted and compiled from the abovementioned reported and published results of Capevin Holdings.

The historical financial information of Capevin Holdings for the financial years ended 30 June 2010, 2011 and 2012 was audited by PricewaterhouseCoopers Incorporated and was reported on without qualification for all of the aforementioned financial periods.

Copies of the full financial statements for those periods will be available for inspection in terms of paragraph 13 of the Circular and are also available on the website of Capevin Holdings (www.capevin.com).

Additional disclosures in terms of the JSE Listings Requirements

In addition to the historical financial information that has been extracted and compiled, as set out above, from Capevin Holdings' reported results and published circular dated 8 June 2012, the following additional information is also disclosed, as required in terms of section 8 of the JSE Listings Requirements –

– No material facts or circumstances occurred between the end of the latest financial year of Capevin Holdings ended 30 June 2012 and the date of the Circular, other than as may be set out in **Annexure 2** to this Circular.

– Capevin Holdings is a passive investment holding company, having as its sole investment an indirect interest in the issued share capital of Distell (31 December 2012: 28.93% effective interest in Distell (post restructuring of Capevin Holdings, as referred to in **Annexure 2**); 30 June 2012: 14.78% effective interest in Distell).

– No adjustments have been made to previously reported historical financial information used in preparing the report in this **Annexure 1** in respect of any retrospective application of changes in accounting policy or correction of fundamental errors.

CAPEVIN HOLDINGS LIMITED AND ITS SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION
as at 30 June 2012

		GROUP			COMPANY		
		2012	2011	2010	**2012**	2011	2010
	Notes	**R'000**	R'000	R'000	**R'000**	R'000	R'000
ASSETS							
Non-current assets		**1,794,697**	1,652,027	1,525,464	**136,406**	136,406	136,406
Investment in subsidiary	2				**136,156**	136,156	136,156
Investment in associate	3	**1,794,447**	1,651,777	1,525,214			
Available-for-sale financial asset	4	**250**	250	250	**250**	250	250
Current assets		**3,445**	3,685	5,387	**2,221**	3,396	5,129
Trade receivables			5			5	
Current income tax asset			4	210			206
Cash and cash equivalents	5	**3,445**	3,676	5,177	**2,221**	3,391	4,923
Total assets		**1,798,142**	1,655,712	1,530,851	**138,627**	139,802	141,535
EQUITY AND LIABILITIES							
Equity attributable to owners of the parent							
Stated/share capital	6	**7,011**	11	11	**7,011**	11	11
Share premium	6		7,000	7,000		7,000	7,000
Reserves		**904,687**	835,520	771,536	**125,625**	129,464	130,322
Ordinary shareholders' interest		**911,698**	842,531	778,547	**132,636**	136,475	137,333
Non-controlling interests		**879,328**	809,184	746,884			
Total equity		**1,791,026**	1,651,715	1,525,431	**132,636**	136,475	137,333
Non-current liabilities							
Deferred taxation	7	**47**	35	35	**47**	35	35
Current liabilities		**7,069**	3,962	5,385	**5,944**	3,292	4,167
Trade payables		**2,769**	164	155	**2,289**	74	65
Unclaimed dividends		**4,245**	3,719	5,230	**3,622**	3,139	4,102
Current income tax liability		**55**	79		**33**	79	
Total liabilities		**7,116**	3,997	5,420	**5,991**	3,327	4,202
Total equity and liabilities		**1,798,142**	1,655,712	1,530,851	**138,627**	139,802	141,535
Net asset value per share (cents)		**204**	188	174			

CAPEVIN HOLDINGS LIMITED AND ITS SUBSIDIARY
INCOME STATEMENTS
for the year ended 30 June 2012

		GROUP			COMPANY		
		2012	2011	2010	**2012**	2011	2010
	Notes	**R'000**	R'000	R'000	**R'000**	R'000	R'000
Share of profit of associate		**281,167**	279,168	274,493			
Gain on dilution of interest in associate		**1,496**	1,726	1,413			
Investment income	8	**413**	472	644	**81,599**	76,214	76,415
Other income	9			322			322
Administrative expenses	10	**(6,583)**	(2,528)	(5,667)	**(4,986)**	(960)	(3,639)
Profit before taxation		**276,493**	278,838	271,205	**76,613**	75,254	73,098
Taxation	11	**(122)**	(206)	1,294	**(70)**	(152)	1,294
Profit for the year from continuing operations		**276,371**	278,632	272,499	**76,543**	75,102	74,392
DISCONTINUED OPERATIONS							
Loss from discontinued operations	16			(749,953)			(418,528)
Profit/(loss) for the year		**276,371**	278,632	(477,454)	**76,543**	75,102	(344,136)
Attributable to:							
Equity holders of the company		**138,582**	141,695	(611,775)	**76,543**	75,102	(344,136)
– Profit for the year from continuing operations		**138,582**	141,695	138,178	**76,543**	75,102	74,392
– Loss for the year from discontinued operations				(749,953)			(418,528)
Non-controlling interests							
– Profit for the year from continuing operations		**137,789**	136,937	134,321			
		276,371	278,632	(477,454)	**76,543**	75,102	(344,136)
Earnings per share – basic and diluted (cents)	12						
Attributable earnings (cents)							
– Continuing operations		**30.9**	31.6	30.8			
– Discontinued operations				(167.4)			
		30.9	31.6	(136.6)			

CAPEVIN HOLDINGS LIMITED AND ITS SUBSIDIARY
STATEMENTS OF COMPREHENSIVE INCOME
for the year ended 30 June 2012

		GROUP			COMPANY		
		2012	2011	2010	**2012**	2011	2010
	Notes	**R'000**	R'000	R'000	**R'000**	R'000	R'000
Profit for the year attributable to equity holders of the company		**276,371**	278,632	(477,454)	**76,543**	75,102	(344,136)
Other comprehensive income/(loss), net of tax		**21,349**	(4,126)	(11,837)	**(12)**	–	(221)
Share of other comprehensive income/(loss) of associate		**16,024**	(8,537)	(9,842)			
Other equity movements of associate		**5,337**	4,411	4,417			
Disposal of available-for-sale financial assets				(221)			(221)
Reclassification of reserves on unbundling				(6,191)			
Tax charge relating to component of other comprehensive income		**(12)**			**(12)**		
Total comprehensive income for the year		**297,720**	274,506	(489,291)	**76,531**	75,102	(344,357)
Attributable to:							
Equity holders of the company		**149,464**	139,591	(620,538)	**76,531**	75,102	(344,357)
Non-controlling interests		**148,256**	134,915	131,247			
		297,720	274,506	(489,291)	**76,531**	75,102	(344,357)

CAPEVIN HOLDINGS LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CHANGES IN EQUITY
for the year ended 30 June 2012

GROUP	Stated/ share capital R'000	Retained earnings R'000	Equity reserve R'000	Other reserves R'000	Non-controlling interest R'000	Total R'000
Balance at 1 July 2009	7,011	1,058,869	728,509	(61,461)	686,818	2,419,746
(Loss)/profit for the year		(611,775)			134,321	(477,454)
Other comprehensive loss, net of tax	–	(5,776)	(2,766)	(221)	(3,074)	(11,837)
Share of other comprehensive loss of associate			(5,019)		(4,823)	(9,842)
Other equity movements of associate			2,253		2,164	4,417
Disposal of available-for-sale financial assets				(221)		(221)
Reclassification of reserves with unbundling (refer note 16)		(5,776)			(415)	(6,191)
Total comprehensive (loss)/income	–	(617,551)	(2,766)	(221)	131,247	(489,291)
Transactions with owners	–	(426,471)	30,696	61,932	(71,181)	(405,024)
Movements in reserves due to unbundling		(9,941)	(35,365)	61,932	1,869	18,495
Net transfer between reserves		(66,061)	66,061			–
Unclaimed dividends written back		3,334			9	3,343
Unbundling – dividend *in specie*		(279,000)				(279,000)
Dividends paid		(74,803)			(73,059)	(147,862)
Balance at 30 June 2010	7,011	14,847	756,439	250	746,884	1,525,431
Profit for the year		141,695			136,937	278,632
Other comprehensive loss, net of tax	–	–	(2,104)	–	(2,022)	(4,126)
Share of other comprehensive loss of associate			(4,354)		(4,183)	(8,537)
Other equity movements of associate			2,250		2,161	4,411
Total comprehensive income/(loss)	–	141,695	(2,104)	–	134,915	274,506
Transactions with owners	–	(142,258)	66,651	–	(72,615)	(148,222)
Net transfer between reserves		(66,651)	66,651			–
Unclaimed dividends written back		2,332			341	2,673
Dividends paid		(77,939)			(72,956)	(150,895)
Balance at 30 June 2011	**7,011**	**14,284**	**820,986**	**250**	**809,184**	**1,651,715**
Profit for the year		**138,582**			**137,789**	**276,371**
Other comprehensive income, net of tax	**–**	**(12)**	**10,894**	**–**	**10,467**	**21,349**
Share of other comprehensive income of associate			**8,172**		**7,852**	**16,024**
Other equity movements of associate			**2,722**		**2,615**	**5,337**
Tax charge relating to component of other comprehensive income		**(12)**				**(12)**
Total comprehensive income	**–**	**138,570**	**10,894**	**–**	**148,256**	**297,720**
Transactions with owners	**–**	**(142,165)**	**61,868**	**–**	**(78,112)**	**(158,409)**
Net transfer between reserves		**(61,868)**	**61,868**			**–**
Unclaimed dividends written back		**777**			**71**	**848**
Dividends paid		**(81,074)**			**(78,183)**	**(159,257)**
Balance at 30 June 2012	**7,011**	**10,689**	**893,748**	**250**	**879,328**	**1,791,026**

CAPEVIN HOLDINGS LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CHANGES IN EQUITY (continued)
for the year ended 30 June 2012

COMPANY	Stated/ share capital R'000	Retained earnings R'000	Other reserves R'000	Total R'000
Balance at 1 July 2009	7,011	824,687	471	832,169
Total comprehensive income	–	(344,136)	(221)	(344,357)
Loss for the year		(344,136)		(344,136)
Other comprehensive loss, net of tax				
Disposal of available-for-sale financial assets			(221)	(221)
Transactions with owners	–	(350,479)	–	(350,479)
Unclaimed dividends written back		3,324		3,324
Unbundling – dividend *in specie* (refer note 16)		(279,000)		(279,000)
Dividends paid		(74,803)		(74,803)
Balance at 30 June 2010	7,011	130,072	250	137,333
Total comprehensive income				
Profit for the year		75,102		75,102
Transactions with owners	–	(75,960)	–	(75,960)
Unclaimed dividends written back		1,979		1,979
Dividends paid		(77,939)		(77,939)
Balance at 30 June 2011	7,011	129,214	250	136,475
Total comprehensive income	**–**	**76,531**	**–**	**76,531**
Profit for the year		**76,543**		**76,543**
Other comprehensive income, net of tax		**(12)**		**(12)**
Transactions with owners	**–**	**(80,370)**	**–**	**(80,370)**
Unclaimed dividends written back		**704**		**704**
Dividends paid		**(81,074)**		**(81,074)**
Balance at 30 June 2012	**7,011**	**125,375**	**250**	**132,636**

Dividend per share
Interim: 9.4 cents (2011: 8.5 cents; 2010: 8 cents) – declared 17 February 2012 and paid 22 March 2012
Final: 9.7 cents (2011: 8.7 cents; 2010: 8.9 cents) – declared 3 September 2012 and payable 1 October 2012

CAPEVIN HOLDINGS LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CASH FLOWS
for the year ended 30 June 2012

		GROUP			COMPANY		
		2012	2011*	2010	**2012**	2011*	2010
	Notes	**R'000**	R'000	R'000	**R'000**	R'000	R'000
Cash flows from operating activities							
Administrative expenses	**10**	**(6,583)**	(2,528)	(5,667)	**(4,986)**	(960)	(3,639)
Decrease in trade and other receivables		**5**			**5**		
Increase/(decrease) in trade and other payables and unclaimed dividends		**3,979**	1,171	(862)	**3,402**	1,025	(1,142)
Cash (utilised in)/generated by operations		**(2,599)**	(1,357)	(6,529)	**(1,579)**	65	(4,781)
Interest received		**406**	467	640	**217**	275	370
Taxation (paid)/received		**(142)**	79	(2,439)	**(116)**	133	(2,454)
Dividends paid		**(159,257)**	(150,895)		**(81,074)**	(77,939)	
Dividends received		**161,361**	150,205	150,209	**81,382**	75,934	76,045
		(231)	(1,501)	141,881	**(1,170)**	(1,532)	69,180
Cash flows from investing activities							
Proceeds on disposal of available-for-sale financial asset				669			669
Loan repaid by group company				9,649			9,649
Cash given up on unbundling	**16**			25,987			
		–	–	36,305	**–**	–	10,318
Cash flows from financing activities							
Dividends paid				(147,862)			(74,803)
Net (decrease)/increase in cash and cash equivalents		**(231)**	(1,501)	30,324	**(1,170)**	(1,532)	4,695
Cash and cash equivalents at beginning of the year		**3,676**	5,177	(25,147)	**3,391**	4,923	228
Cash and cash equivalents at end of the year	**5**	**3,445**	3,676	5,177	**2,221**	3,391	4,923

** Reclassified as set out in note 18*

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented.

1.1 BASIS OF PREPARATION

The consolidated and company annual financial statements of Capevin Holdings Ltd have been prepared in accordance with International Financial Reporting Standards (IFRS) and the manner required by the Companies Act of South Africa and the JSE Listing Requirements. The financial statements have been prepared under the historical cost convention, except where otherwise stated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Management has made no significant estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

The results of the associate company, which are equity accounted in the group's financial statements, includes some significant estimates and judgements. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are mainly biological assets, impairment of receivables, retirement benefits, impairment of intangible assets, useful life and impairment of property, plant and equipment, inventory provisions, share options and deferred and income taxes.

Standards, interpretations and amendments to published standards that are effective for the first time in 2012 and relevant to the group's operations

No new standards, interpretations or amendments, which are relevant to the group's operations, became effective during the year.

Standards, interpretations and amendments to published standards that are effective for the first time in 2012 and not currently relevant to the group's operations

- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards (July 2011)
- Amendment to IFRS 7 Financial Instruments: Disclosures (effective July 2011)
- Amendments to IAS 24 Related Party Disclosures (effective January 2011)
- Improvements to IFRSs 2010 (effective January 2011)
- Amendment to IFRIC 14 Prepayments of a Minimum Funding Requirement (effective January 2011)
- Amendments to AC 504: IAS 19 (AC 116) – The limit on a defined benefit asset, Minimum funding requirements and their interaction in the South African pension fund environment (effective January 2011)

Standards, interpretations and amendments to published standards that are not yet effective but relevant to the group's operations

- IFRS 9 Financial Instruments (effective January 2015)
- IFRS 10 Consolidated Financial Statements (effective January 2013)
- IFRS 12 Disclosure of Interests in Other Entities (effective January 2013)
- IFRS 13 Fair Value Measurement (effective January 2013)
- Amendment to IAS 1 Presentation of Financial Statements (effective July 2012)
- Amendment to IAS 19 Employee Benefits (effective January 2013)
- Consequential amendments to IAS 27 Separate Financial Statements, resulting from the issue of IFRS 10, 11 and 12 (effective January 2013)
- Consequential amendments to IAS 28 Investments in Associates, resulting from the issue of IFRS 10, 11 and 12 (effective January 2013)

Management is in the process of assessing the impact of these new standards and amendments on the reported results of the group.

Standards, interpretations and amendments to published standards that are not yet effective nor relevant to the group's operations

– Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards (effective January 2013)
– Amendment to IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities (effective January 2013)

– IFRS 11 Joint Arrangements (effective January 2013)
– Amendment to IAS 12 Income Taxes (effective January 2012)
– Amendment to IAS 32 Offsetting Financial Assets and Financial Liabilities (effective January 2014)
– Improvements to IFRSs 2011 (effective January 2013)
– IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (effective January 2013)

1.2 BASIS OF CONSOLIDATION

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Investment in subsidiaries in the company financials are carried at cost less provision for impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

Transactions with non-controlling interests

The group treats transactions with non-controlling interests as transactions with equity owners of the group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries and associates

When the group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

Where equity securities are transferred to investment in associated companies upon gaining significant influence ("step acquisition"), the investment is transferred at its fair value. Goodwill is calculated at each stage of step acquisitions.

The group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in its associates' other comprehensive income and other reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

Dilution gains and losses arising in investments in associates are recognised in the income statement.

Where equity securities are transferred to investment in associated companies upon gaining significant influence ("step acquisition"), the investment is transferred at its fair value with the resulting gain or loss, as well as any acquisition-related costs, recognised in the income statement. Goodwill is calculated at each stage of step acquisitions. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

After applying the equity method, investments in associated companies are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Investments in associates are accounted for at cost less accumulated impairment losses in the company's financial statements.

Interest-free loans to associates with no specific terms of repayment are considered to be a capital contribution to the associate and are included in the carrying amount of the investment.

Significant accounting policies of associates

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity), but excludes borrowing cost. Net realisable value is the estimated selling price in the ordinary course of business, less the applicable costs of completion and selling expenses. Costs of inventories include the transfer from equity of any gains/losses on qualifying cash flow hedges purchases of raw materials.

Employee benefits – Retirement funds: Defined-benefit plans

The liability recognised in the statement of financial position in respect of defined-benefit pension plans and post-retirement medical benefits is the present value of the defined-benefit obligation at the reporting date less the fair value of plan assets together with adjustments to unrecognised past service costs. The defined-benefit obligation is actuarially valued every three years and reviewed every year by independent actuaries using the projected unit credit method. The present value of the defined-benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. Current service costs are recognised immediately in income. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised outside profit or loss in the period in which they occur and are presented in other comprehensive income.

1.3 FINANCIAL ASSETS

The group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables in the statement of financial position consist of trade and other receivables and cash and cash equivalents, and are measured at amortised cost using the effective interest method, less provision for impairment.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of them within 12 months of the reporting date.

Recognition and measurement of financial assets

Purchases and sales of financial assets are recognised on trade date (the date on which the group commits to purchase or sell the asset). Financial assets not carried at fair value through profit or loss is initially recognised at fair value plus transaction costs that are directly attributable to their acquisition. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment activities.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of investment income. Dividends on available-for-sale equity instruments are recognised in the income statement as part of investment income when the group's right to receive payment is established.

The fair values of quoted financial assets are based on current bid prices. If the market for a financial asset is not active, the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, and discounted cash flow analysis refined to reflect the issuer's specific circumstances.

Impairment of financial assets

The group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

Loans and receivables are considered impaired if, and only if, there is objective evidence of impairment as a result of events that occurred after initial asset recognition (known as loss events) and these loss events have an adverse impact on the assets' estimated future cash flows that can be reliably measured. Objective evidence that loans and advances may be impaired, includes breach of contract, such as a default or delinquency in interest or principal payments. In this regard instalments past due date are considered in breach of contract. The amount of the impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Impairment losses are recognised in the income statement, and reversed through the income statement.

1.4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and investments in money market instruments. Cash and cash equivalents are classified as loans and receivables (refer note 1.3).

1.5 SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of any tax, from the proceeds.

1.6 RESERVES

Available-for-sale reserve

Gains and losses from changes in the fair value of available-for-sale investments are recognised in other comprehensive income until the financial asset is disposed of.

Equity reserve

The equity reserve comprises the group's share of associates' post-acquisition reserves, excluding non-controlling interests.

1.7 FINANCIAL LIABILITIES

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity.

Trade payables and unclaimed dividends

Trade payables and unclaimed dividends are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.8 TAXATION

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associated companies, except where the group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

1.9 REVENUE RECOGNITION

Interest income is recognised according to the effective-interest method and dividends are recognised when the right to receive payment is established.

1.10 DIVIDEND DISTRIBUTION

Dividend distribution to the company's shareholders is recognised as a liability in the group's financial statements in the period in which the dividends are approved by the company's board of directors.

1.11 STATEMENT OF CASH FLOWS

The statement of cash flows is prepared using the indirect method.

1.12 SEGMENT REPORT

Capevin Holdings Ltd is an investment holding company with its only significant investment being an effective interest in Distell Group Ltd. The directors have not identified any other segment to report on.

1.13 OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.14 DIVIDENDS WITHHOLDING TAX/SECONDARY TAX ON COMPANIES

The STC tax consequence of dividends was recognised as a taxation charge in profit and loss in the same period that the related dividend is accrued as a liability. The STC liability was reduced by dividends received during the dividend cycle. Where dividends declared exceeded the dividends received during a cycle, STC was payable at the STC rate on the net amount. Where dividends received exceeded dividends declared within a cycle, there was no liability to pay STC. The potential tax benefit related to excess dividends was carried forward to the next dividend cycle as an STC credit. Deferred tax assets were recognised on unutilised STC credits to the extent that it was probable that the company will declare dividends in the following year to utilise such STC credits.

During the current year secondary tax on companies was abolished on dividends declared, effective from 1 April 2012, and has been replaced by a dividends withholding tax. STC credits will not directly benefit the company because withholding tax is levied on the shareholder and not the company. While STC was a tax on the entity paying the dividend, the new withholding tax is levied on the recipient in respect of cash dividends. Capevin Holdings Ltd is responsible for deducting any withholding tax due and remitting it to SARS on behalf of the recipient. Any existing STC credits held by the entity is used to provide relief to shareholders against the withholding tax. Once the STC credits have been exhausted, withholding tax would be deducted on the excess. If the entity has STC credits and pays a dividend to an entity that is exempt from withholding tax, the STC credit is not used, but rather passes to the recipient along with the dividend. Existing STC credits will expire on 1 April 2015 if not utilised.

		GROUP			COMPANY		
		2012	2011	2010	**2012**	2011	2010
		R'000	R'000	R'000	**R'000**	R'000	R'000
2.	**INVESTMENT IN SUBSIDIARY**						
	Investment in listed Capevin Investments Ltd				**136,156**	136,156	136,156
	Capevin Holdings Ltd holds a 51% (2011: 51%; 2010: 51%) interest in Capevin Investments Ltd.						
3.	**INVESTMENT IN ASSOCIATE**						
	Unlisted investment in Remgro-Capevin Investments Ltd – at cost	**42,000**	42,000	42,000			
	The investment comprises 50 ordinary shares of R1 each and an unsecured, interest-free loan with no specific terms of repayment. The investment ultimately represents a shareholding of 14.78% (2011: 14.81%; 2010: 14.85%) in Distell Group Ltd.						
	Interest in post-acquisition reserves	**1,752,447**	1,609,777	1,483,214			
	Balance at beginning of the year	**1,609,777**	1,483,214	1,359,105			
	Share of profit of associate	**281,167**	279,168	274,493			
	Dividend received from associate	**(161,354)**	(150,205)	(150,205)			
	Gain on dilution of interest in associate	**1,496**	1,726	1,413			
	Unrealised profit in closing inventory of group companies			3,833			
	Other comprehensive loss	**21,361**	(4,126)	(5,425)			
	Carrying value	**1,794,447**	1,651,777	1,525,214			
	The market value of the investment, based on the JSE Ltd closing price at 30 June 2012, amounted to R5.3 billion (2011: R4.2 billion; 2010: R3.8 billion).						

	GROUP			COMPANY		
	2012	2011	2010	**2012**	2011	2010
	R'000	R'000	R'000	**R'000**	R'000	R'000
The principal financial information in respect of Distell Group Ltd are:						
Abridged statement of financial position						
Total assets	**9,854,770**	8,483,580	8,201,031			
Non-current	**3,321,717**	2,986,668	2,732,444			
Current	**6,533,053**	5,496,912	5,468,587			
Total liabilities	**(3,648,791)**	(2,789,571)	(2,962,730)			
Non-current	**(659,953)**	(731,858)	(673,946)			
Current	**(2,988,838)**	(2,057,713)	(2,288,784)			
Total equity	**6,205,979**	5,694,009	5,238,301			
Abridged income statement						
Revenue	**14,176,047**	12,327,786	11,808,884			
Profit for the year attributable to ordinary shareholders	**969,070**	960,673	941,556			
The principal financial information in respect of Distell Group Ltd are:						
Earnings per share (cents)						
– attributable earnings	**479.3**	476.2	468.1			
– diluted earnings	**447.4**	448.0	444.5			
– headline earnings	**479.7**	476.8	469.1			
– diluted headline earnings	**447.8**	448.6	445.4			
Dividend per share (cents)	**295.0**	256.0	256.0			
– interim	**143.0**	124.0	124.0			
– final (declared after year-end)	**152.0**	132.0	132.0			

Additional excise duty provision

Wine aperitifs, launched almost 40 years ago, are produced by adding flavourants, water and distilled spirit to a deflavoured wine base. The final alcohol content of these products varies between 18% and 23% by volume (ABV). In the past, wine and fermented beverages, with a 23% ABV or below, were considered fermented products, while all those with a higher alcohol level were regarded as spirit products.

In 2007, South African Revenue Service (SARS) determined that wine aperitifs should be reclassified and included under the higher duty tariff category known as spirituous beverages. Distell's view, that the products should remain classifiable under the tariff heading for fortified fermented beverages, as it has been since the inception of this category, was supported by legal opinion. The matter was heard by the Supreme Court of Appeal (CSA) in May 2012. The Court held that these wine aperitifs should be classified as spirituous beverages.

As a result of this ruling, Distell has had to provide for additional duty of R297.8 million in respect of all periods up to February 2011. The Capevin Holdings group's interest of this provision amounts to R44 million.

In response to representations from both Distell and the South African liquor Brandowners Association, SARS, with effect from 23 February 2011, announced and implemented specific duty rate bands for products with an alcohol content between 15% and 23% ABV. These tariffs are considerably lower than those pertaining to spirituous beverages.

		GROUP			COMPANY	
	2012 R'000	2011 R'000	2010 R'000	**2012 R'000**	2011 R'000	2010 R'000
4. AVAILABLE-FOR-SALE FINANCIAL ASSET						
Unlisted investment						
Historical Homes of South Africa Ltd	**250**	250	250	**250**	250	250
5. CASH AND CASH EQUIVALENTS						
Cash at bank and money market funds	**3,445**	3,676	5,177	**2,221**	3,391	4,923
6. STATED/SHARE CAPITAL						
Authorised						
2012: 2,000,000,000 ordinary shares of no par value 2011 & 2010: 643,388,800 ordinary profit-sharing class A shares with a par value of 0.0025 cents each		16	16		16	16
2011 & 2010: 1,556,611,200 ordinary non-profit-sharing class B shares with a par value of 0.0025 cents each		39	39		39	39
	–	55	55	**–**	55	55
Issued						
Stated capital						
2012: 447,923,265 ordinary shares of no par value	**7,011**			**7,011**		
Share capital						
2011 & 2010: 447,923,265 ordinary profit-sharing class A shares with a par value of 0.0025 cents		11	11		11	11
Share premium						
2011 & 2010: Balance at end of the year		7,000	7,000		7,000	7,000
Total	**7,011**	7,011	7,011	**7,011**	7,011	7,011

Alterations to stated/share capital during the year

With a view to simplify the share capital of the Company, and as there are no class B shares in issue, the shareholders of the Company approved the proposed cancellation of all authorised class B shares in terms of section 36(2) of the Companies Act.

Additional to the above, all of the company's authorised and issued profit-sharing class A shares were converted into 643,388,800 ordinary shares of no par value and then increased to 2,000,000,000 ordinary shares of no par value in anticipation of the scheme of arrangement.

7. DEFERRED TAXATION

	GROUP 2012 R'000	GROUP 2011 R'000	GROUP 2010 R'000	COMPANY 2012 R'000	COMPANY 2011 R'000	COMPANY 2010 R'000
The movements on the deferred income tax account were as follows:						
Balance at beginning of the year	**35**	35	75,230	**35**	35	76
Change in Capital Gains Tax rate	**12**			**12**		
Disposal of available-for-sale financial assets			(41)			
Unbundling (refer note 16)			(75,154)			
	47	35	35	**47**	35	35
The analysis of deferred tax assets and liabilities is as follows:						
Revaluation of available-for-sale financial assets	**35**	35	35	**35**	35	35
Change in Capital Gains Tax rate	**12**			**12**		

		GROUP			COMPANY		
		2012	2011	2010	**2012**	2011	2010
		R'000	R'000	R'000	**R'000**	R'000	R'000
8.	**INVESTMENT INCOME**						
	Dividend income						
	Dividends received from Capevin Investments Ltd				**81,375**	75,934	76,041
	Dividends received from available-for-sale investments	**7**	5	4	**7**	5	4
	Interest income						
	Cash and short-term funds	**406**	467	640	**217**	275	370
		413	472	644	**81,599**	76,214	76,415
9.	**OTHER INCOME**						
	Profit on disposal of unlisted available-for-sale financial assets			322			322
10.	**ADMINISTRATIVE EXPENSES**						
	Auditor's remuneration (audit services)	**177**	150	798	**78**	64	622
	– current year	**160**	150	252	**69**	64	141
	– prior year underprovision	**17**		546	**9**		481
	Directors' emoluments	**150**		288	**150**		288
	Professional fees	**2,678**	169		**2,643**	169	
	Other administrative expenses	**3,579**	2,209	3,896	**2,116**	727	2,394
	Expenses incurred in respect of mandatory offer			685			335
		6,583	2,528	5,667	**4,986**	960	3,639
11.	**TAXATION**						
	South Africa normal tax						
	Current year	**112**	130		**60**	76	
	Prior year over provision			(1,253)			(1,253)
	South Africa normal tax – deferred			(41)			(41)
	South Africa secondary tax on companies	**10**	76		**10**	76	
		122	206	(1,294)	**70**	152	(1,294)
		%	%	%	**%**	%	%
	Tax rate reconciliation:						
	Standard rate for companies	**28.00**	28.00	28.00	**28.00**	28.00	28.00
	Income from associate	**(28.62)**	(28.21)	(28.49)			
	Exempt dividend income				**(29.74)**	(28.25)	(29.13)
	Income of a capital nature			(0.02)			(0.06)
	Non-deductible expenses	**0.67**	0.25		**1.82**	0.35	
	Prior year over provision			(0.46)			(1.71)
	Secondary tax on companies		0.03		**0.01**	0.10	
	Tax losses for which no deferred income tax asset was recognised			0.49			1.13
		0.04	0.07	(0.48)	**0.09**	0.20	(1.77)

During the current year secondary tax on companies was abolished on dividends declared effective from 1 April 2012 and has been replaced by a dividend withholding tax. The existing STC credits of R13,682,000 (2011: R11,486,000; 2010: R11,413,000) held by the group will be used to provide relief to shareholders against the new withholding tax.

		Continuing operations			Discontinued operations			Total		
		2012 R'000	2011 R'000	2010 R'000	**2012 R'000**	2011 R'000	2010 R'000	**2012 R'000**	2011 R'000	2010 R'000
12.	**EARNINGS PER SHARE**									
	Earnings attributable to equity holders of the company	**138,582**	141,695	138,178			(749,953)	**138,582**	141,695	(611,775)
	Interest in adjustments of associate, net of taxation	**130**	187	302				**130**	187	302
	Gross amount	**180**	260	592				**180**	260	592
	Tax effect	**(50)**	(73)	(290)				**(50)**	(73)	(290)
	Gain on dilution of interest in associate	**(763)**	(880)	(721)				**(763)**	(880)	(721)
	Loss on unbundling (refer note 16)						749,953			749,953
	Headline earnings attributable to equity holders of the company	**137,949**	141,002	137,759	**–**	–	–	**137,949**	141,002	137,759
	Adjusted for (net of taxation):									
	Abnormal excise provision (refer note 3)	**31,686**						**31,686**		
	Gross amount	**44,009**						**44,009**		
	Tax effect	**(12,323)**						**(12,323)**		
	Normalised headline earnings	**169,635**	141,002	137,759	**–**	–	–	**169,635**	141,002	137,759
	Number of shares used in calculation of earnings per share (thousands)									
	Shares in issue at beginning and end of the year							**447,923**	447,923	447,923
	Basic and diluted									
	Earnings per share (cents)	**30.9**	31.6	30.8	**–**	–	(167.4)	**30.9**	31.6	(136.6)
	Headline earnings per share (cents)	**30.8**	31.5	30.8	**–**	–	–	**30.8**	31.5	30.8
	Normalised headline earnings (cents)	**37.9**	31.5	30.8	**–**	–	–	**37.9**	31.5	30.8

13. RELATED-PARTY TRANSACTIONS

During the current year the group received dividends from Distell Group Ltd (an associate) as set out in note 3, and the group paid administrative fees of R1,244,000 (2011: R1,182,000; 2010: R1,182,000), a sponsor fee of R31,000 (2011: R29,000; 2010: R29,000) and a professional services fee relating to the scheme of arrangement of R1,950,000 to PSG Corporate Services (Pty) Ltd (a fellow subsidiary of an investor with significant influence over the group).

During the current year the independent directors of Capevin Investments Ltd (a subsidiary), Messrs AEvZ Botha, R Jansen and J Hugo each received R50,000 from Capevin Holdings Ltd for their role in evaluating the fairness of the scheme of arrangement that was implemented on 13 August 2012.

During the prior year, as part of the group's administration agreement, PSG Corporate Services (Pty) Ltd paid directors' remuneration

- For services rendered up to and including the board meeting held on 30 August 2010, R20,000 was paid to each of Messrs AEvZ Botha and JJ Mouton, and R25,000 was paid to Mr KI Mampeule in his capacity as chairman.
- For services rendered up to and including the board meeting held on 23 February 2011, R20,000 was paid to Mr AEvZ Botha.

During the 2010 financial year, as part of the group's administration agreement, PSG Corporate Services (Pty) Ltd paid directors' remuneration of R20,000 to each of Messrs AEvZ Botha, JJ Mouton and CA Otto, and R25,000 to Mr KI Mampeule in his capacity as chairman.

14. COMMITMENTS AND CONTINGENCIES

The Distell Group Ltd ("Distell group") received an assessment from the South African Revenue Service for additional employees tax relating to Distell group's share incentive scheme. The Distell group obtained legal and tax specialist opinions on this matter, which indicated that no provision is necessary and the Group submitted an objection to this assessment. The Capevin Holdings group's interest in the amount that is at risk is R7,8 million (excluding penalties and interest).

15. BLACK ECONOMIC EMPOWERMENT (BEE) AND DILUTION OF INTEREST IN ASSOCIATE

In October 2005 Distell entered into a broad-based black economic empowerment transaction. As part of this transaction, options on Distell shares were issued to the BEE consortium and have been accounted for in terms of IFRS 2 *Share-Based Payments.*

The cost of this transaction to Distell's shareholders, calculated by using an option pricing model, equated to R122.3 million. R67.2 million of this amount related to non-employees and has been expensed in full in the 2006 financial year. The remaining R55.1 million relates to Distell employees' portion and is being expensed over a vesting period of eight years.

In terms of the transaction Distell will issue ordinary shares to the BEE consortium, between 30 June 2013 and 30 June 2015. This will result in a dilution of Capevin Holdings Ltd's interest (through it's shareholding in Capevin Investments Ltd) in Distell. The extent of the eventual dilution of Distell's shareholders will depend on a number of factors, but it will not exceed the maximum limit of 15%.

When these shares are issued to the BEE consortium, Capevin Investments Ltd will recognise a dilution of up to 15% against its investment in its associate (currently carried at R1.8 billion). At the same time its interest in Distell's earnings will decrease by up to 15%.

To take cognisance of the above, Distell's 2012 financial statements disclose diluted headline earnings per share that is 6.6% (2011: 5.9%; 2010: 5.1%) less than the headline earnings per share.

Although there has been no real dilution of Capevin Holdings Ltd's interest yet, this is viewed as a realistic indication of the extent to which the rights that will lead to the eventual dilution, have already vested.

If the basis on which Distell has calculated its diluted headline earnings per share is applied to the group's results, its headline earnings for the year would decrease by R9.2 million (2011: R8.3 million; 2010: R7.0 million) to 28.7 cents (2011: 29.6 cents; 2010: 29.2 cents) per share.

16. UNBUNDLING

Effective 1 July 2009 Capevin Holdings Ltd unbundled its operational assets and activities and retained only its interest in the listed subsidiary, Capevin Investments Ltd (previously KWV Investments Ltd), as well as an available-for-sale investment in Historical Homes of South Africa Ltd.

As a result all unbundled assets and liabilities were distributed as a dividend *in specie* and accounted for in accordance with IFRIC 17 "Distributions of Non-cash Assets to Owners". In terms of IFRIC 17 the distribution should be recorded at fair value with the difference between the fair value and the carrying value of the assets distributed being recorded in the income statement. The fair value of the distribution was determined by independent experts, being R279 million, and accordingly recognised in equity with the remainder recognised in the income statements.

17. FINANCIAL RISK MANAGEMENT

The financial instruments on the current year's statement of financial position are limited to available-for-sale financial assets, cash and cash equivalents and trade payables.

Cash and cash equivalents are classified as loans and receivables and trade payables and unclaimed dividends are classified as liabilities measured at amortised cost.

The group and company's current operations expose it to negligible levels of credit, interest rate and price risk, and no Credit risk relates to bank balances held with financial institutions. The risk is limited by the high credit rating (Moody's: A3) of the financial institutions.

Interest rate risk relates only to the bank balances and any change in interest rates will have a negligible effect on the group and company's results.

17. FINANCIAL RISK MANAGEMENT (CONTINUED)

Price risk relates only to the investment in Historical Homes of South Africa Ltd and any change in the investment's fair value is expected to have a negligible effect on the group and company's results.

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities. The group and company's financial liabilities are all payable within 12 months from the reporting date.

Fair value estimation

Financial instruments that are measured at fair value is disclosed according to the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

The available-for-sale investment in Historical Homes of South Africa Ltd is categorised as level 2 (refer note 4). No other assets are measured at fair value.

Capital risk management

The group's objective when managing capital is to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders. The group's dividend policy is to declare and pay dividends according to its free cash flow model, i.e. dividends and interest received less administrative expenses and taxation paid.

The group's capital comprises total equity, as shown in the group statement of financial position. When funding is required, the group will either raise additional capital or utilise debt. There is no restriction on the level of gearing. However, the group will continuously assess the extent of gearing employed, in the context of the level of liquidity within the group's portfolio.

18. RECLASSIFICATION OF PRIOR YEAR FIGURES

The cash flow results for the year ended 30 June 2011 have been reclassified to ensure consistent classification throughout the group relating to dividends paid. Dividends paid was previously classified as "cash flows from financing activities". Due to the nature of Capevin Holdings' operations, being that of an investment holding company, dividends paid have been reclassified as "cash flows from operating activities".

Group	Previously reported R'000	Currently reported R'000	Difference R'000
Cash flows from operating activities	149,394	(1,501)	150,895
Cash flows from financing activities	(150,895)		(150,895)
			–

Company	Previously reported R'000	Currently reported R'000	Difference R'000
Cash flows from operating activities	76,407	(1,532)	77,939
Cash flows from financing activities	(77,939)		(77,939)
			–

19. SHARE ANALYSIS

	Shareholders Number	%	Shares held Number	%
Range of shareholding				
1 – 500	21	0.6	6,129	0.0
501 – 1,000	75	2.3	66,508	0.0
1,001 – 5,000	1,243	37,6	3,230,724	0.7
Over 5,000	1,969	59.5	444,619,904	99.3
	3,308	100	447,923,265	100
Public and non-public shareholding				
Non-public				
– Zeder Financial Services Ltd	1	0.0	178,493,655	39.8
– Remgro International Holdings (Pty) Ltd	1	0.0	50,977,168	11.4
– VinPro Ltd	1	0.0	35,535,496	7.9
Public	3,305	100.0	182,916,946	40.8
	3,308	100.0	447,923,265	100

	2012 Number	2012 %	2011 Number	2011 %	2010 Number	2010 %
Individual shareholders holding 5% at the reporting date						
Zeder Financial Services Ltd	178,493,655	39.8	178,200,445	39.8	171,604,327	38.3
Remgro International Holdings (Pty) Ltd	50,977,168	11.4	50,762,165	11.3	*	
VinPro Ltd	35,535,496	7.9	35,535,496	7.9	*	
	265,006,319		264,498,106		447,923,265	

** 2010 information not available.*

ANNEXURE 2 – INTERIM FINANCIAL INFORMATION OF CAPEVIN HOLDINGS

The interim financial information in this **Annexure 2** has been extracted from the published unaudited interim results of Capevin Holdings for the six months ended 31 December 2012 and the Directors accept responsibility for the information in this **Annexure 2** having been correctly extracted from such published results of Capevin Holdings. No adjustments have been made to previously published historical financial information used in preparing the report in this **Annexure 2** in respect of the retrospective application of changes in accounting policy or correction of fundamental errors.

Copies of the published unaudited interim results of Capevin Holdings for the six months ended 31 December 2012 will be available for inspection in terms of paragraph 13 of the Circular and are also available on the website of Capevin Holdings (www.capevin.com).

GROUP INCOME STATEMENT

	Unaudited six months ended 31 December		Audited year ended 30 June
	2012	2011	2012
	R'000	R'000	R'000
Share in profits of associate	**253,949**	225,462	281,167
Gain on dilution of interest in associate	**1,459**	951	1,496
Investment income	**262**	205	413
Administrative expenses	**(1,112)**	(1,257)	(6,583)
Profit before taxation	**254,558**	225,361	276,493
Taxation	**127**	(54)	(122)
Profit for the period	**254,685**	225,307	276,371
Attributable to:			
Owners of the parent	**232,284**	114,687	138,582
Non-controlling interests	**22,401**	110,620	137,789
	254,685	225,307	276,371
Profit for the period attributable to equity holders of the company	**232,284**	114,687	138,582
Non-headline items			
Interest in adjustments of associate, net of taxation	**(37)**	37	130
Gain on dilution of interest in associate	**(1,459)**	(485)	(763)
Headline earnings	**230,788**	114,239	137,949
Abnormal excise provision, net of taxation			31,686
Normalised headline earnings	**230,788**	114,239	169,635
Earnings per share (cents)			
– Attributable (basic and diluted)	**29.8**	25.6	30.9
– Headline (basic and diluted)	**29.6**	25.5	30.8
– Normalised headline (basic and diluted)*	**29.6**	25.5	37.9
Number of shares (thousands)			
– In issue	**880,103**	447,923	447,923
– Weighted average	**779,105**	447,923	447,923

* Normalised headline earnings excludes the impact of an additional excise duty provision by Distell provided for in the June 2012 year-end reporting period. Distell made adequate provision for additional excise duty on wine aperitifs and no further provisions are needed.

GROUP STATEMENT OF COMPREHENSIVE INCOME

	Unaudited six months ended 31 December **2012** **R'000**	2011 R'000	Audited year ended 30 June 2012 R'000
Profit for the period	**254,685**	225,307	276,371
Items that may be reclassified subsequently to profit or loss:			
Share of other comprehensive income of associate			
Fair value adjustments – available-for-sale financial assets	**1,262**	476	1,487
Currency translation differences	**6,841**	9,498	7,964
Tax charge relating to available-for-sale financial asset			(12)
Items that will not be reclassified to profit or loss:			
Share of other comprehensive income of associate			
Actuarial gains and losses	**9,330**	7,617	6,573
Other equity movements of associate	**2,287**	2,089	5,337
Total comprehensive income for the period	**274,405**	244,987	297,720
Attributable to:			
Owners of the parent	**253,660**	124,724	149,464
Non-controlling interests	**20,745**	120,263	148,256
	274,405	244,987	297,720

GROUP STATEMENT OF FINANCIAL POSITION

	Unaudited six months ended 31 December 2012 R'000	Unaudited six months ended 31 December 2011 R'000	Audited year ended 30 June 2012 R'000
ASSETS			
Non-current assets	**1,980,641**	1,820,671	1,794,697
Investment in associate	**1,980,391**	1,820,421	1,794,447
Available-for-sale financial asset	**250**	250	250
Current assets	**4,950**	4,926	3,445
Income tax receivable		4	
Cash and cash equivalents	**4,950**	4,922	3,445
Total assets	**1,985,591**	1,825,597	1,798,142
EQUITY AND LIABILITIES			
Equity			
Ordinary shareholders' interest	**1,980,877**	929,025	911,698
Non-controlling interests	**–**	892,127	879,328
Total equity	**1,980,877**	1,821,152	1,791,026
Non-current liabilities			
Deferred taxation	**47**	35	47
Current liabilities	**4,667**	4,410	7,069
Trade payables	**511**	716	2,769
Unclaimed dividends	**4,156**	3,693	4,245
Income tax payable		1	55
Total equity and liabilities	**1,985,591**	1,825,597	1,798,142
Net asset value per share (cents)	**225.1**	207.4	203.5

GROUP STATEMENT OF CHANGES IN EQUITY

	Unaudited six months ended 31 December 2012 R'000	Unaudited six months ended 31 December 2011 R'000	Audited year ended 30 June 2012 R'000
Ordinary shareholders' equity at beginning of period	**911,698**	842,531	842,531
Total comprehensive income	**253,660**	124,724	149,464
Unclaimed dividends written back	**816**	739	777
Shares issued			2,485,035
Dividends paid	**(85,370)**	(38,969)	(81,074)
Transactions with non-controlling interest	**(1,584,962)**		
Ordinary shareholders' equity at end of period	**1,980,877**	929,025	911,698
Non-controlling interests' equity at end of period	**–**	892,127	879,328
Beginning of period	**879,328**	809,184	809,184
Total comprehensive income	**20,745**	120,263	148,256
Unclaimed dividends written back		33	71
Dividends paid	**–**	(37,353)	(78,183)
Transactions with non-controlling interest	**(900,073)**		
Total equity at end of period	**1,980,877**	1,821,152	1,791,026
Dividend per share (cents)			
– Interim	**10.0**	9.4	9.4
– Final			9.7

GROUP STATEMENT OF CASH FLOWS

	Unaudited six months ended 31 December 2012 R'000	Unaudited six months ended 31 December 2011 R'000	Audited year ended 30 June 2012 R'000
Cash flows from operating activities			
Administrative expenses	**(1,112)**	(1,257)	(6,583)
Decrease in trade and other receivables			5
(Decrease)/increase in payables and unclaimed dividends	**(1,531)**	1,297	3,979
Cash (utilised in)/generated by operations	**(2,643)**	40	(2,599)
Interest received	**254**	198	406
Taxation refunded/(paid)	**72**	(132)	(142)
Dividends received	**89,192**	77,462	161,361
Dividends paid	**(85,370)**	(76,322)	(159,257)
Net increase/(decrease) in cash and cash equivalents	**1,505**	1,246	(231)
Cash and cash equivalents at beginning of period	**3,445**	3,676	3,676
Cash and cash equivalents at end of period	**4,950**	4,922	3,445

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The interim financial statements of Capevin Holdings Ltd ("the company" or "the group" or "Capevin Holdings") have been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS), including IAS 34 – Interim Financial Reporting, as well as AC 500 standards; the requirements of the South African Companies Act of 2008, as amended; and the Listings Requirements of the JSE Ltd. The accounting policies applied in the preparation of these interim financial statements are consistent with those used in the previous financial year. The only amendment that is effective for the first time in the current financial year is the following:

– Amendments to IAS 1 Presentation of Financial Statements (effective 1 July 2012)

The adoption of these amendments has had no material impact on the consolidated results of either the current or prior periods.

These unaudited interim financial statements were compiled under the supervision of Mr A Mellet, a Chartered Accountant (SA) and an employee of the company's appointed manager, PSG Corporate Services (Pty) Ltd.

2. GROUP STRUCTURE

The sole investment of Capevin Holdings is an effective interest of 28,93% (31 December 2011: 14,80% and 30 June 2012: 14,78%) in the issued share capital of Distell Group Ltd ("Distell"), held via its 50% interest in Remgro-Capevin Investments Ltd.

3. COMMITMENTS AND CONTINGENCIES

Distell received an assessment from the South African Revenue Service for additional employees tax relating to Distell's share incentive scheme. Distell obtained legal and tax specialist opinions on this matter, which indicated that no provision is necessary and they submitted an objection to this assessment. The Capevin Holdings group's interest in the amount that is at risk is R15,2 million (excluding penalties and interest).

4. SEGMENT REPORT

Capevin Holdings is an investment holding company with its sole investment being an effective interest in Distell. The directors have not identified any other segment to report on.

COMMENTARY

RESTRUCTURING

On 13 August 2012 a scheme of arrangement ("Scheme") was implemented in terms of which Capevin Holdings acquired all the ordinary shares in Capevin Investments not already held by Capevin Holdings, being 20,580,000 shares. Following the implementation of the Scheme, Capevin Investments became a wholly owned subsidiary of Capevin Holdings. Capevin Investments shareholders received the Scheme consideration of 21 Capevin Holdings shares for each Scheme share disposed of. Capevin Investments was delisted following the listing of Capevin Holdings on the JSE on 3 August 2012. All the assets of Capevin Investments were subsequently distributed to Capevin Holdings in terms of section 47 of the Income Tax Act.

FINANCIAL RESULTS

Distell reported a 12.9% increase in headline earnings to R877.4 million, with headline earnings per share increasing by 12.6%. Capevin Holdings' headline earnings for the six months ended 31 December 2012 consequently increased by 16.1% to 29.6 cents per share.

The company's intrinsic value increased by 17.6% to R7.06 per share – based on Distell's last traded share price of R105.94 at 31 December 2012 (excluding capital gains tax).

Following the restructuring detailed above, Capevin Holdings' discount to intrinsic value has narrowed from 23% at June 2012 to 10% at 31 December 2012. Administration costs for the period also decreased by 11.5% due to simplification of the group structure.

PROSPECTS

The prevailing macro-economic volatility makes it difficult to predict consumer spending trends in the markets where Distell trades. The board of Distell is not expecting significant changes in the current conditions, as disposable income remains under severe pressure, both domestically and internationally.

Distell remains confident in the versatility and quality of their portfolio and the pricing of their products. Their underlying financial position remains strong and they continue to invest in brands, plant and other infrastructure to compete effectively and to maximise trading opportunities.

Refer to *www.distell.co.za* for Distell's comprehensive interim results.

DIVIDEND

In terms of the dividend policy of Capevin Holdings, dividends received from its indirect interest in Distell, after providing for administrative expenses, will be distributed to shareholders. The directors have consequently resolved to declare an interim gross ordinary dividend (dividend number 17) of 10.0 cents (2011: 9.4 cents) per share for the six months ended 31 December 2012. The dividend has been declared from income reserves.

There are no STC credits available for utilisation. The dividend is subject to a local dividend tax rate of 15% or 1.5 cents per share, resulting in a net dividend of 8.5 cents per share, unless the shareholder is exempt from paying dividend tax or is entitled to a reduced rate in terms of the applicable double-tax agreement. The number of issued ordinary shares is 880,103,265 at the date of this declaration. The company's income tax reference number is 9599656718.

The salient dates of this dividend distribution are:

Last day to trade cum dividend	Wednesday, 27 March 2013
Trading ex dividend commences	Thursday, 28 March 2013
Record date	Friday, 5 April 2013
Date of payment	Monday, 8 April 2013

Share certificates may not be dematerialised or rematerialised between Thursday, 28 March 2013, and Friday, 5 April 2013, both days inclusive.

ANNEXURE 3 – UNAUDITED *PRO FORMA* FINANCIAL INFORMATION OF ZEDER

The purpose of this **Annexure 3** is to illustrate the unaudited *pro forma* financial effects of the CVH Disposal. The unaudited *pro forma* financial effects of the CVH Disposal, as set out below, are the responsibility of the Directors. The unaudited *pro forma* financial effects are presented in a manner consistent with the basis on which the historical financial information of Zeder has been prepared and in terms of Zeder's accounting policies. The unaudited *pro forma* financial effects have been presented for illustrative purposes only and, because of their nature, may not give a fair reflection of Zeder's financial position, changes in equity or of the effect on future earnings post the implementation of the CVH Disposal.

These unaudited *pro forma* financial effects as set out below should be read in conjunction with the unaudited *pro forma* statement of financial position and statement of comprehensive income, together with the assumptions upon which the financial effects are based, as indicated in the notes thereto.

The Independent Reporting Accountants' report on the unaudited *pro forma* financial information appears at **Annexure 4** to this Circular.

ABRIDGED UNAUDITED *PRO FORMA* GROUP STATEMENT OF FINANCIAL POSITION
at 28 February 2013

	Audited 28 Feb 2013 R'm	Adjustment for the CVH Disposal R'm	*Pro forma* after the CVH Disposal R'm
Assets			
Non-current assets	**2,838.5**	**–**	**2,838.5**
Property, plant and equipment	381.8		381.8
Intangible assets	158.9		158.9
Investment in associated companies	2,126.5		2,126.5
Loans to and preference share investments in associated companies	54.5		54.5
Equity securities	100.5		100.5
Loans and advances	16.3		16.3
Current assets	**1,059.2**	**296.4**	**1,355.6**
Biological assets	31.3		31.3
Inventories	174.6		174.6
Trade and other receivables	100.7		100.7
Cash and cash equivalents(1)	752.6	296.4	1,049.0
Non-current assets held for sale(2)	287.7	(287.7)	–
Total assets	**4,185.4**	**8.7**	**4,194.1**
Equity and liabilities			
Equity attributable to owners of the parent(3)	3,283.5	7.1	3,290.6
Non-controlling interest	109.1		109.1
Total equity	**3,392.6**	**7.1**	**3,399.7**
Non-current liabilities	**544.8**	**(23.9)**	**520.9**
Deferred income tax(4)	53.9	(23.9)	30.0
Borrowings	445.2		445.2
Derivative financial instrument	45.7		45.7
Current liabilities	**248.0**	**25.5**	**273.5**
Borrowings	60.0		60.0
Trade and other payables	187.5		187.5
Current income tax payable(5)	0.5	25.5	26.0
Total liabilities	**792.8**	**1.6**	**794.4**
Total equity and liabilities	**4,185.4**	**8.7**	**4,194.1**
Net asset value per share (cents)(6)	335.7	0.7	336.4
Tangible net asset value per share (cents)(6)	319.5	0.7	320.2
Number of shares in issue (million)	978.1	–	978.1

Notes and assumptions

The audited statement of financial position at 28 February 2013 is extracted from the published abridged results announcement of the Zeder Group.

The unaudited *pro forma* statement of financial position is prepared on the assumption that the CVH Disposal was effected on 28 February 2013.

1. Net proceeds of R296.4m from the Disposal are assumed to be invested in Zeder's Money Market account. The net proceeds are calculated by assuming that the CVH Sale Shares are sold for R6.42 per share, which is the VWAP of the 30 Trading Days preceding the last practicable date and less transaction costs of R1.9m.
2. The non-current assets held for sale, which relate to the CVH Sale Shares, are de-recognised with the Disposal.
3. As a result of the CVH Disposal, equity attributable to owners of the parent is adjusted with a R8.7m gain on disposal and a net taxation expense of R1.6m.
4. A deferred tax liability of R23.9m relating to the Sale Shares is realised with the CVH Disposal.
5. The CVH Disposal creates a capital gains tax payable of R25.5m, which is calculated at an effective rate of 18.67%.
6. The net asset value per share and tangible net asset value per share calculations are based on 978,088,517 shares in issue as at 28 February 2013.

ABRIDGED UNAUDITED *PRO FORMA* GROUP INCOME STATEMENT

for the year ended 28 February 2013

	Audited 28 Feb 2013 R'm	Adjustment for the CVH Disposal R'm	*Pro forma* after the CVH Disposal R'm
Sale of goods	328.1		328.1
Cost of sales	(234.4)		(234.4)
Gross profit	**93.7**	**–**	**93.7**
Income			
Change in fair value of biological assets	28.7		28.7
Investment income(2)	13.1	14.0	27.1
Net fair value gains	32.5		32.5
Other operating income	5.5		5.5
Total income	**79.8**	**14.0**	**93.8**
Expenses			
Management fee	(58.6)		(58.6)
Marketing, administration and other expenses	(120.1)		(120.1)
Total expenses	**(178.7)**	**–**	**(178.7)**
Share of profits of associated companies(3)	300.2	(15.2)	285.0
Net loss on dilution of interest in associated companies	(155.3)		(155.3)
Net gain on disposal of investment in associated companies(4)	502.9	8.7	511.6
Results from operating activities	**642.6**	**7.5**	**650.1**
Finance costs	(37.2)		(37.2)
Profit before taxation	**605.4**	**7.5**	**612.9**
Taxation(5)	(95.9)	(5.5)	(101.4)
Profit for the year	**509.5**	**2.0**	**511.5**
Owners of the parent	511.7	2.0	513.7
Non-controlling interest	(2.2)		(2.2)
	509.5	**2.0**	**511.5**
Attributable to owners of the parent	511.7	2.0	513.7
Non-headline items(6)(9)	(315.4)	(7.0)	(322.4)
Headline earnings	**196.3**	**(5.0)**	**191.3**
Headline earnings	196.3	(5.0)	191.3
Non-recurring earnings(7)	54.8	(3.7)	51.1
Recurring headline earnings	**251.1**	**(8.7)**	**242.4**
Earnings per share (cents)(8)			
Attributable (basic and diluted)	52.3	0.2	52.5
Headline (basic and diluted)	20.1	(0.5)	19.6
Recurring headline (basic and diluted)	25.7	(0.9)	24.8
Number of shares (million)			
In issue and weighted average	978.1	978.1	978.1

ABRIDGED UNAUDITED *PRO FORMA* GROUP STATEMENT OF COMPREHENSIVE INCOME

for the year ended 28 February 2013

	Audited 28 Feb 2013 R'm	Adjustment for the CVH Disposal R'm	*Pro forma* after the CVH Disposal R'm
Profit for the year	**509.5**	**2.0**	**511.5**
Other comprehensive income for the year	**44.7**	**–**	**44.7**
Currency translation adjustments	13.4		13.4
Fair value gains on available-for-sale investments	0.4		0.4
Share of other comprehensive income of associated companies	32.3		32.3
Other equity movements of associated companies	(0.2)		(0.2)
Reversal of other comprehensive income of associated company	(1.2)		(1.2)
Total comprehensive income for the year	**554.2**	**2.0**	**556.2**
Attributable to:			
Owners of the parent	552.6	2.0	554.6
Non-controlling interest	1.6		1.6
	554.2	**2.0**	**556.2**

Notes and assumptions

The audited income statement and statement of comprehensive income for the year ended 28 February 2013 are extracted from the published abridged results announcement of the Zeder Group.

The unaudited *pro forma* income statement and *pro forma* statement of comprehensive income are prepared on the assumption that the CVH Disposal was effected on 1 March 2012.

None of the adjustments for the CVH Disposal are expected to have a continuing effect, except for the interest income effect (refer note 2) and the decrease in the share of profits of associated companies (refer note 3) and their related tax effects.

1. The attributable earnings per share, headline earnings per share and recurring headline earnings per share figures after the CVH Disposal are calculated on the basis that the CVH Disposal was effected on 1 March 2012.
2. The increase in investment income of R14.0m consists of the following:
   - 2.1 Assuming the net proceeds from the CVH Disposal are invested in Zeder's Money Market account, additional interest income of R14.3m would have been received during the year. The net proceeds are calculated by assuming that the CVH Sale Shares are sold for R6.42 per share, which is the VWAP of the 30 Trading Days preceding the last practicable date and less transaction costs of R1.9m.
   - 2.2 The CVH Disposal would have resulted in less Capevin Holdings dividends being received and consequently less interest income on cash balances. The effect of the aforementioned is a decrease in interest income of R0.3m for the year.
   - 2.3 Interest income from investing in Zeder's Money Market account is calculated by applying a net annualised interest rate of 4.8% to the relevant periods.
3. The share of profits of associated companies relating to the CVH Sale Shares was R15.2m for the year, and is therefore excluded from the *pro forma* income statement.
4. The non-headline profit from the CVH disposal amounts to R8.7m, which is calculated as the difference between the net proceeds (refer note 2.1) and the carrying value of the CVH Sale Shares at 28 February 2013.
5. The increase in taxation of R5.5m consists of the following:
   - 5.1 Taxation payable of R3.9m on the net increase in interest income (refer note 2), at the applicable rate of 28%.
   - 5.2 A capital gains tax expense on the CVH Disposal of R25.5m and the realisation of a deferred tax liability relating to the CVH Sale Shares of R23.9m, which are both calculated at an effective rate of 18.67%.
6. The adjustment to non-headline earnings consists of a R0.1m non-headline profit from associated companies, the above mentioned R8.7m profit from the CVH Disposal and the R1.6m net effect of the capital gains tax expense and the deferred tax realised (refer note 5.2).
7. The adjustment of R3.7m to the non-recurring headline earnings is the result of Zeder sharing in less of Distell's excise duties provision and Capevin's restructuring costs.
8. The attributable earnings per share, headline earnings per share and recurring headline earnings per share figures are calculated using a weighted average number of shares in issue of 978,088,517 for the period ended 28 February 2013.
9. The audited financial information for the year ended 28 February 2013 incorporates the effects of the Initial CVH Disposal. The effects mainly consist of a non-headline gain on disposal of R508m, a capital gains tax expense of R67m and a fair value loss of R7m resulting from the subsequent measurement of the Sale Shares.
10. Recurring headline earnings includes equity securities' see-through recurring headline earnings and excludes the related net fair value gains/losses and investment income (as recognised in the income statement). Associated companies' and subsidiaries' one-off gains/losses are excluded from recurring headline earnings.

ANNEXURE 4 – INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE UNAUDITED *PRO FORMA* FINANCIAL INFORMATION OF ZEDER

The Board of Directors
Zeder Investments Limited
1st Floor, Ou Kollege
35 Kerk Street
Stellenbosch
7600

14 May 2013

Dear Sirs

Independent reporting accountants' assurance report on the compilation of *pro forma* financial information of Zeder Investments Limited ("Zeder" or "the Company")

Introduction

Zeder is issuing a circular to its shareholders ("the Circular") regarding the Capevin Holdings Limited Disposal ("the Proposed Transaction")

At your request and for the purposes of the Circular to be dated on or about 20 May 2013, we present our assurance report on the compilation of the *pro forma* financial information of Zeder by the directors. The *pro forma* financial information, presented in paragraph 4.2 and Annexure 3 to the Circular, consists of the pro forma statement of financial position as at 28 February 2013, the pro forma statement of comprehensive income for the 12 months ended 28 February 2013, the *pro forma* financial effects and related notes ("the *pro forma* financial information"). The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the Proposed Transaction on the Company's reported financial position as at 28 February 2013, and the Company's financial performance for the period then ended, as if the Proposed Transaction had taken place at 28 February 2013, and for the period then ended. As part of this process, information about the Company's financial position and financial performance has been extracted by the directors from the Company's financial statements for the period ended 28 February 2013, on which an auditor's report was issued on 8 April 2013.

Directors' Responsibility

The directors of Zeder are responsible for the compilation, contents and presentation of the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in paragraph 4.2 and Annexure 3. The directors of Zeder are also responsible for the financial information from which it has been prepared.

Reporting Accountant's Responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

As the purpose of *pro forma* financial information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *pro forma* financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and

- The *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in paragraph 4.2 and Annexure 3 of the Circular.

Yours faithfully

PricewaterhouseCoopers Inc
Director: NH Doman
Registered Auditor
Stellenbosch

ANNEXURE 5 – THE SERVICES

The numbering and wording used below matches that of the applicable provisions in the Management Agreement. The extracts appearing below use the definitions as set out in the Management Agreement.

For a full appreciation of the provisions of the Management Agreement, Zeder Shareholders are referred to the text of the Management Agreement, which is available for inspection as provided for in paragraph 13 of the Circular.

6 MANAGER'S DUTIES

Zeder Investments Corporate Services shall at all times remain responsible for the management of its business. Zeder Investments Corporate Services, by virtue of the Assignment, has delegated certain of its functions to the Manager on the basis set out herein. The Manager shall, generally, ensure that it fulfils its duties in a proper and efficient manner and shall ensure that Zeder Investments Corporate Services has access to all such administrative support and expertise as may be reasonably required by Zeder Investments Corporate Services to attain its objective. If and to the extent required by the Zeder ICS board, the Zeder board and/or any other board of directors of a Zeder Group Company the Manager shall consult with the board on behalf of Zeder Investments Corporate Services. The Manager shall, on behalf of Zeder Investments Corporate Services, as and when in its judgment it is appropriate to do so –

General Services

6.1 attend all meetings of the boards of the Zeder Group Companies in an administrative capacity;

6.2 attend all general meetings in an administrative capacity;

6.3 implement and maintain proper financial and accounting systems and procedures in respect of the business of the Zeder Group;

6.4 keep proper books of account and records in respect of the business, financial affairs and investments of the Zeder Group and all transactions entered into by the Zeder Group;

6.5 operate the Company account and, in particular but without limitation, perform reconciliations of the Company account;

6.6 procure the preparation by the auditors of audited annual financial statements and an annual report in respect of the financial affairs of the Zeder Group;

6.7 give reasonable assistance to the auditors for the purposes envisaged in 6.6 above;

6.8 give general business management advice to the boards of the Zeder Group Companies, and it is agreed, for the purposes of clarity, that the board shall in good faith consider all advice given to it by the Manager in respect of the particular Zeder Group Company, but that the boards of the Zeder Group Companies shall not be bound or obliged to follow such advice unless the boards of the Zeder Group Companies in its own discretion so resolves;

6.9 comply, on behalf of Zeder Investments Corporate Services, with the Zeder Investments Corporate Services' obligation in terms of 7 below to keep records of all valuations performed in respect of the investments;

6.10 appoint, on behalf of Zeder Investments Corporate Services, and professional consultants required in order to render the professional services envisaged in 4.2.7 above;

6.11 from time to time, and as may be reasonably required by the Zeder ICS board, report to the Zeder ICS board in relation to the business of the Zeder Group and the status and performance of the investments;

Investment Services

6.12 identify suitable investments consistent with the investment mandate and the Company objective and, where the amount required to be committed by any Zeder Group Company to any such investment –

6.12.1 is R100 million or less, to consider and make such investment on behalf of the Zeder Group Company; and

6.12.2 is more than R100 million, to consider and recommend such investment to the board as a potential investment, provided that each recommendation to the board shall contain a summary of the potential investment and the results of the evaluation and investigations envisaged in 6.14 below and provided further that the amounts referred to in this clause 6.12 shall, on each anniversary of the commencement date, be increased with the average CPI for the twelve month period immediately preceding that anniversary date, or as otherwise approved by the board;

6.13 make recommendations to the Zeder Group in relation to –

6.13.1 the disposal of any investments; and

6.13.2 the encumbering of any of the investments and/or other assets of any Zeder Group Company;

6.14 evaluate investment opportunities, co-ordinate due diligence investigations in respect of such opportunities, and where appropriate, appoint suitably qualified industry consultants and professional advisers;

6.15 negotiate the terms of each investment and each disposal, subject to the investment mandate;

6.16 collect, and enforce the collection of, income and pay such income into the Company account forthwith on receipt thereof;

6.17 where practicable influence each investee entity *inter alia* by assisting each investee entity in setting appropriate strategies;

Financial Services

6.18 monitor the investments on an ongoing basis to determine the performance of the Zeder Group and perform a semi-annual valuation of the investments in accordance with the valuation policy referred to in clause 7.1;

6.19 calculate and submit recommendations to the board in respect of the subscription price payable by any person wishing to subscribe for shares in the Zeder Group;

6.20 as appropriate, develop and recommend the borrowing policy of the Zeder Group for approval by the board;

6.21 administer the borrowing policy of the Zeder Group;

6.22 evaluate the ongoing liquidity of the Zeder Group and in particular, advise the board on the appropriate steps to address the Zeder Group's liquidity requirements in any relevant circumstance;

6.23 consult with and assist the auditors in accounting matters affecting the Zeder Group and monitor their performance;

6.24 where necessary, prepare and deliver invoices to entities indebted to the Zeder Group from time to time;

6.25 generally endeavour to perform its obligations in terms of this agreement in a businesslike, reasonable, commercially justifiable and cost effective manner.

ANNEXURE 6 – EXISTING MANAGEMENT FEE STRUCTURE

Set out below, as an extract, are the existing provisions of Appendix 1 to the Management Agreement, detailing the Existing Management Fee Structure.

The numbering and wording used below matches that of Appendix 1 to the Management Agreement. The extract appearing below uses the definitions as set out in the Management Agreement.

For a full appreciation of the provisions of the Management Agreement, Zeder Shareholders are referred to the text of the Management Agreement, which is available for inspection as provided for in paragraph 13 of the Circular.

FEE SCHEDULE

1. The base fee and performance fee that the Manager is entitled to levy in consideration for the services rendered to Zeder Investments Corporate Services in terms of the agreement shall be calculated and paid in accordance with this schedule, read with clause 8 of the agreement.

2. For purposes of this schedule –

2.1 "**benchmark index**" means an index calculated by equally weighting the FTSE-JSE Beverages Total Return Index (TRI041) and the FTSE-JSE Food Producers Total Return Index (TRI043), or their successors in title;

2.2 "**benchmark return**" for any specific year means the difference between the benchmark index level at the commencement of the year under consideration and the benchmark index level at the end of the year under consideration divided by the benchmark index level at the commencement of the year under consideration;

2.3 "**excess return**" means the amount, in respect of any year for the duration of the agreement, by which the total return exceeds the total expected return;

2.4 "**net asset value**" means the audited net asset value of the Zeder group of companies if available, or failing that, the net asset value of the Zeder group of companies as per the financial statements of the Zeder group of companies, but always being the average net asset value calculated on a monthly basis for any given half-year, to be applied consistently from year to year;

2.5 "**net asset value per share**" means net asset value divided by the number of Company shares in issue at the date of the calculation of the net asset value per share;

2.6 "**the total return**" means an amount, in respect of any year for the duration of the agreement, equal to the sum of:

– the difference between the Company's net asset value per share at the beginning of the year under consideration and the Company's net asset value per share at the end of the year under consideration, such ending net asset value per share to be calculated before the effect of the performance fee for the year under consideration on net asset value is taken into account, and

– the aggregate of the distributions per share, of any nature whatsoever, paid during the year under consideration;

2.7 "**total expected return**" means an amount, in respect of any year for the duration of the agreement, equal to the benchmark return multiplied by the net asset value per share at the beginning of the year under consideration, and;

2.8 "**weighted average number of outstanding shares**" means the weighted average number of outstanding shares for the year under consideration calculated on the same basis as is used to determine the audited earnings per share of the Company.

3. **Calculation and payment of base fee**

3.1 The Manager shall calculate its base fee for each half-year in accordance with the formula set out in 3.3 and shall deliver a copy of such calculation to Zeder Investments Corporate Services within 20 business days of the end of the relevant half-year.

3.2 Zeder Investments Corporate Services shall, subject to 12.5.2 of the agreement, pay the base fee for any half-year to the Manager within five business days of receipt of the applicable calculation from the Manager, into an account nominated for that purpose by the Manager. Any disputes between Zeder Investments Corporate Services and the Manager in relation to the base fee shall be dealt with in accordance with the provisions of clause 13 of the agreement.

3.3 The base fee shall, in respect of each half-year, be calculated in accordance with the following formula –

F = [(A x B) x (N ÷ 365)] + [(C x D) x [N ÷ 365)]

in which formula –

F = the base fee for the applicable half-year;

A = the daily average available cash during the applicable half-year;

B = 0.15 % per annum;

N = the number of days in the applicable half-year (inclusive of both the first and last days of such half-year);

C = the net asset value less A, but never less than zero; and

D = 2 % per annum.

3.4 The base fee calculated in terms of 3.2 above is exclusive of VAT.

4. **Calculation of performance fee**

4.1 The Manager shall calculate its performance fee for each year in accordance with the formula set out in 4.3 and deliver a copy of such calculation to Zeder Investments Corporate Services within 30 business days of the end of the relevant year.

4.2 Zeder Investments Corporate Services shall, subject to 8.2 and 12.7.2 of the agreement, pay the performance fee for any year to the Manager within five business days of receipt of the applicable calculation from the Manager, into an account nominated for that purpose by the Manager. Any disputes between Zeder Investments Corporate Services and the Manager in relation to the performance fee shall be dealt with in accordance with the provisions of clause 13 of the agreement.

4.3 The performance fee shall be calculated in accordance with the following formula –

F = (A x B) x C

In which formula –

F = the performance fee for the applicable year;

A = the excess return for the applicable year;

B = 10% per annum, and

C = weighted average number of outstanding shares.

4.4 The performance fee calculated in terms of 4.2 above is exclusive of VAT.

4.5 If, in respect of any year for which a performance fee is calculated, the excess return is negative, then that negative return shall be deducted from the total return used for the calculation of the performance fee for the succeeding year(s).

ANNEXURE 7 – NEW MANAGEMENT FEE STRUCTURE

Set out below, is the wording that the Company proposes to insert at Appendix 1 to the Management Agreement, to replace the current wording of Appendix 1, subject to approval of the Management Agreement Amendment by Zeder Shareholders at the General Meeting.

"APPENDIX 1

FEE SCHEDULE

1. The base fee and performance fee that the Manager is entitled to levy in consideration for the services rendered to Zeder Investments Corporate Services in terms of the agreement, shall be calculated and paid in accordance with this Appendix 1, read with clause 8 and clause 12 of the agreement.

2. For purposes of this Appendix 1 –

*2.1 "**Average Market Capitalisation**" means the volume weighted average market capitalisation of the Company for a half-year, calculated as follows –*

A = B / C

in which formula –

A = Average Market Capitalisation;

B = the sum total of the Daily Value for each Trading Day in the applicable half-year;

C = the total number of Zeder Shares traded (JSE on-market trades only) in the applicable half-year;

*2.2 "**Benchmark Hurdle**" means GOVI plus 4% (four percent), which Benchmark Hurdle shall be adjusted pro rata in respect of any financial year or applicable period that is not equivalent in length to 12 calendar months;*

*2.3 "**Daily Value**" means, in respect of each Trading Day of the applicable half-year, the total Rand value of all on-market trades of Zeder Shares on that day multiplied by the number of Zeder Shares in issue on that day;*

*2.4 "**End Hurdle**" means –*

2.4.1 in the event of paragraph 4.3 below applying, an amount equivalent to the Hurdle Increase Test; or

2.4.2 in event of paragraph 4.4.1 below applying, the End Hurdle calculated in accordance with paragraph 4.4.1.2 below;

2.4.3 in event of paragraph 4.4.2 below applying, an amount equivalent to the End Share Price;

*2.5 "**End Share Price**" means the volume weighted average price of 1 (one) Zeder Share, calculated over the 30 (thirty) Trading Days up to and including the last Trading Day of the applicable financial year;*

*2.6 "**GOVI**" means –*

2.6.1 the yield on the GOVI calculated and quoted by the JSE, averaged on a daily (Trading Days only) basis for the applicable financial year (such GOVI rate being based on the issued South African government bonds that fall in the top 10 (ten) positions); or

2.6.2 should the GOVI rate referred to in paragraph 2.6.1 above no longer be calculated and quoted by the JSE, such similar rate (being a similar indexed rate or similar rate based on a blend of South African government bonds) as may be agreed upon by the Company and the Manager and subsequently announced to shareholders of the Company on the Stock Exchange News Service of the JSE;

*2.7 "**Hurdle Increase Test**" means, in respect of the applicable financial year, the Start Hurdle of that financial year increased by the Benchmark Hurdle, less dividends accrued in respect of a Zeder Share during that financial year, save that, should a rights issue occur during the applicable year, the Hurdle Increase Test shall be the TERPH increased by the Benchmark Hurdle, less dividends accrued in respect of a Zeder Share from and including the Effective Date (as defined in paragraph 2.11 below) of the rights issue up to and including the last day of the applicable financial year.*

*2.8 "**JSE**" means the exchange, licensed under the Securities Services Act No. 36 of 2004, as amended, operated by JSE Limited (registration number 2005/022939/06);*

*2.9 "**Potential Performance Fee**" means the amount, calculated using the following formula –*

A = (B – C) x 20% x D

in which formula –

A = Potential Performance Fee for the applicable financial year;

B = End Share Price for that financial year;

C = Hurdle Increase Test for that financial year;

D = weighted number of Zeder Shares in issue during that financial year;

*2.10 "**Start Hurdle**" means the hurdle at the start of the applicable financial year, being equivalent to the End Hurdle of the previous financial year, save that the Start Hurdle for the financial year commencing on 1 March 2013 shall be R3.33 (three rand and thirty three cents), being the volume weighted average price of 1 (one) Zeder Share, calculated over the 30 (thirty) Trading Days up to and including 28 February 2013;*

*2.11 "**TERPH**" means the theoretical ex price hurdle per Zeder Share, calculated using the following formula –*

	Prior to rights issue	Rights issue	Post rights issue
Shares	A	D	G = A + D
Price	B	E	**I = H / G**
Market Value	C = A x B	F = D x E	H = C + F

Where –

I = TERPH

and

A = the number of Zeder Shares in issue immediately prior to the issuing of the new rights issue shares;

*B = the Start Hurdle of that financial year increase by the Benchmark Hurdle, less dividends accrued for the period up to and including the Trading Day immediately prior to the date on which the new rights shares are issued ("**Effective Date**");*

D = the number of Zeder Shares issued in terms of the rights issue;

E = the rights issue price;

*2.12 "**Trading Day**" means each trading day of Zeder Shares on the exchange on which such shares are listed, excluding any Saturday, Sunday or official public holiday in the Republic of South Africa;*

*2.13 "**Zeder Shares**" means ordinary shares in the issued share capital of the Company.*

3. Calculation and payment of base fee

3.1 The Manager shall calculate its base fee for each half-year in accordance with paragraph 3.3 below and shall deliver a copy of such calculation to Zeder Investments Corporate Services within 20 (twenty) business days of the end of the relevant half-year.

3.2 Zeder Investments Corporate Services shall, subject to 12.5.2 of the agreement, pay the base fee for any half-year to the Manager within 5 (five) business days of receipt of the applicable calculation from the Manager, into an account nominated for that purpose by the Manager. Any disputes between Zeder Investments Corporate Services and the Manager in relation to the base fee shall be dealt with in accordance with the provisions of clause 13 of the agreement.

3.3 The base fee in respect of each half-year shall be calculated as an annual percentage of 1.5% of the Average Market Capitalisation of the Company for that half-year (adjusted pro rata, based on the number of Trading Days in the applicable half-year).

3.4 For the avoidance of doubt, should a rights issue, a consolidation or a subdivision occur during any half-year, this shall not impact on the calculation of the base fee for that half-year other then as set out in 2 above.

*4. **Calculation of performance fee***

4.1 The Manager shall calculate its performance fee for each financial year in accordance with paragraphs 4.3 or 4.4 below and shall deliver a copy of such calculation to Zeder Investments Corporate Services within 30 (thirty) business days of the end of the relevant financial year.

4.2 Zeder Investments Corporate Services shall, subject to clause 8.2 and clause 12.7.2 of the agreement, pay the performance fee for any financial year to the Manager within 5 (five) business days of receipt of the applicable calculation from the Manager, into an account nominated for that purpose by the Manager. Any disputes between Zeder Investments Corporate Services and the Manager in relation to the performance fee shall be dealt with in accordance with the provisions of clause 13 of the agreement.

4.3 If the End Share Price of the applicable financial year is lower than the Hurdle Increase Test for that financial year, then –

4.3.1 no performance fee is paid to the Manager in respect of that financial year; and

4.3.2 the End Hurdle is an amount equivalent to the Hurdle Increase Test.

4.4 If the End Share Price of the applicable financial year is higher than the Hurdle Increase Test for that financial year, and–

4.4.1 if the Potential Performance Fee is more than the total base fee for the applicable full financial year, then –

4.4.1.1 the performance fee is equal to such total base fee; and

4.4.1.2 the End Hurdle is calculated as follows –

$A = B – [(C – D) / E / 20\%]$

in which formula –

A = End Hurdle for the applicable financial year;

B = End Share Price for that financial year;

C = Potential Performance Fee for that financial year;

D = performance fee for that financial year (equivalent to the aforementioned total base fee)

E = Weighted number of Zeder Shares in issue during that financial year; or

4.4.2 if the Potential Performance Fee is less than the total base fee for the applicable full financial year, then

4.4.2.1 the performance fee will be equal to the Potential Performance Fee; and

4.4.2.2 the End Hurdle for that financial year is equal to the End Share Price.

4.5 <u>Other corporate actions affecting share price</u>

*If, during any financial year, any corporate action occurs in relation to the share capital of the Company (including, but not limited to, an unbundling) (“**Applicable Corporate Action**”), which impacts on the calculation of the performance fee for that financial year, the Company and the Manager shall negotiate in good faith with a view to agreeing on a performance fee for that financial year that is fair to both the Company and the Manager and that is in keeping with the spirit and aims of the Agreement.*

*5. **VAT***

All base fees and performance fees calculated in terms of this Appendix 1 are exclusive of VAT.”

In addition to the inclusion in the Management Agreement of the new wording for Appendix 1, as set out above, the Company also proposes to make the following amendments to the Management Agreement, subject to approval of the Management Agreement Amendment by Zeder Shareholders at the General Meeting.

(i) The definition of "*half-year*" in clause 2.1.19 of the Management Agreement is to be deleted in its entirety and replaced by the following –

*"2.1.19 "**half-year**" means in respect of any financial year –*

2.1.19.1 a period of 6 (six) consecutive calendar months commencing on the first day of that financial year; or

2.1.19.2 a period commencing on the first day following the end of the half-year referred to in clause 2.1.19.1 above and terminating on the last day of the applicable financial year;"

(ii) The following definition for "*financial year*" is to be included as clause 2.1.17.A of the Management Agreement–

*"**financial year**" means the financial year of the Company from time to time, being, initially, a period of 12 (twelve) consecutive calendar months commencing on 1 March of each calendar year and terminating on the last day of February of the following calendar year";*

(iii) The words "*in relation to the net asset value of the Company in terms of the formula as set out in Annexure 1 hereto*" contained in clause 8.3 of the Management Agreement, are to be replaced with the words "*in relation to the net asset value of the Zeder Group reflected in the most recent published consolidated financial statements of the Zeder Group*".

(iv) The words "*The amount determined in accordance with 12.4 –*" in clause 12.5 of the Management Agreement are to be replaced with the words "*The amounts referred to in 12.3.3.3, 12.3.3.4 and 12.4 –*".

(v) The words "*such determination to be made as soon as may be reasonably possible after the termination date*" are to be inserted at the end of clause 12.6 of the Management Agreement, following the words "*set out in the schedule annexed hereto as Appendix 1*".

(vi) The words "*Any performance fee envisaged in 12.6 above –*" in clause 12.7 of the Management Agreement are to be replaced with the words "*Any performance fee referred to in 12.3.3.4 and 12.6 –*".

(vii) Clause 12.12 of the Management Agreement is to be deleted in its entirety and replaced with the following wording –

"12.12 If the Manager's appointment is terminated in terms of 12.2 or 12.3 or 12.8 above, Zeder Investments Corporate Services shall, subject to 12.3.3.3 above, pay to the Manager –

12.12.1 any base fee for any completed half-years prior to the termination date, to the extent to which such base fee has not been paid;

12.12.2 if the termination date occurs on any day other than the last day of any half-year, a pro rata base fee for the period from and including the first day of the current half-year up to the termination date, calculated in accordance with the provisions set out in Appendix 1;

12.12.3 any performance fee for any completed financial years prior to the year in which the termination date occurs, to the extent to which such performance fee has not been paid; and

12.12.4 if the termination date occurs on any day other than the last day of any financial year, a pro rata performance fee for the period from and including the first day of the current financial year up to the termination date, calculated in accordance with the provisions set out in Appendix 1."

(viii) The clause following clause 12.12.4 of the Management Agreement, which is currently incorrectly numbered as clause 12.3, is to be renumbered as clause 12.13.

ANNEXURE 8 – COMPARISON OF FEES – ILLUSTRATIVE SCENARIOS

PLEASE NOTE THAT THE EXAMPLES SET OUT BELOW AND ANY ASSUMPTIONS THEREIN HAVE BEEN INCLUDED FOR ILLUSTRATIVE PURPOSES ONLY AND SHOULD NOT BE CONSTRUED TO AMOUNT TO A FORECAST OR FORWARD LOOKING PROJECTION OF ZEDER'S FUTURE PERFORMANCE.

In addition to the definitions and interpretations commencing on page 6 of the Circular, please refer to the definitions contained in Annexure 7 to the Circular, in respect of the defined terms appearing in this Annexure 8.

NEW MANAGEMENT FEE STRUCTURE

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
End Share Price (R per Share)	4.33	4.76	4.29	4.93	5.82	7.27	8.00
Annual Zeder share price return	30.0%	9.9%	–9.9%	14.9%	18.1%	24.9%	10.0%
Zeder Shares in issue (million)	978.10	978.10	978.10	978.10	978.10	978.10	978.10
Market capitalisation – end of Financial year (R'm)	4 235.17	4 655.76	4 196.05	4 822.03	5 692.54	7 110.79	7 824.80
Average Market Capitalisation (R'm)	3 746.12	4 445.46	4 425.90	4 509.04	5 257.29	6 401.66	7 467.79
Base fee (R'm)	56.19	66.68	66.39	67.64	78.86	96.02	112.02
GOVI	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Start Hurdle (R per Share)	3.33	3.98	4.76	5.28	5.86	6.51	7.27
Hurdle Increase Test (R per Share)	3.70	4.42	5.28	5.86	6.51	7.23	8.07
End Share Price exceeds Hurdle Increase Test?	Yes	Yes	No	No	No	Yes	No
Potential Performance Fee (R'm)	123.96	66.17	–	–	–	8.60	–
Performance fee cap (maximum of base fee) (R'm)	56.19	66.68	66.39	67.64	78.86	96.02	112.02
Performance fee (R'm)	56.19	66.17	–	–	–	8.60	–
Residual performance fee (Potential Performance Fee – performance fee) (R'm)	67.77	–	–	–	–	–	–
End Hurdle (R per Share)	3.98	4.76	5.28	5.86	6.51	7.27	8.07
Total Fees earned by Manager (R'm)	**112.38**	**132.85**	**66.39**	**67.64**	**78.86**	**104.63**	**112.02**

Assumptions:

1. Number of Zeder Shares in issue (million) 978.1
2. Start Hurdle (R per Share) 3.33
3. End Share Price has been assumed to be equivalent to the yearly volume weighted Zeder share price
4. No dividends were assumed for the seven-year period

EXISTING MANAGEMENT FEE STRUCTURE

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Net asset value per share at end of period (R per share)	4.33	4.76	4.29	4.93	5.82	7.27	8.00
Average net asset value (R'm)	3 746.12	4 445.46	4 425.90	4 509.04	5 257.29	6 401.66	7 467.79
Annual net asset value return	30.0%	9.9%	(9.9%)	14.9%	18.1%	24.9%	10.0%
Zeder Shares in issue (million)	978.10	978.10	978.10	978.10	978.10	978.10	978.10
Benchmark return	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
Total return (R per share)	1.00	0.43	(0.52)	(0.40)	0.02	0.93	0.73
Total expected return (R per share)	0.37	0.48	0.52	0.47	0.54	0.64	0.80
Base fee (R'm)	74.92	88.91	88.52	90.18	105.15	128.03	149.36
Net asset value per Zeder Share after base fee (R per share)	3.75	4.45	4.43	4.52	5.27	6.41	7.48
Performance fee (R'm)	61.98	–	–	–	–	27.94	–
Total Fees earned by Manager (R'm)	**136.90**	**88.91**	**88.52**	**90.18**	**105.15**	**155.98**	**149.36**

Assumptions:

1. Net asset value per Zeder Share – 1 March 2013 (R per share) 3.33
2. It has been assumed that the net asset value per Zeder Share is equal to the assumed End Share Price as applied in the proposed new management fee structure example in this circular
3. No dividends were assumed for the seven-year period

4 It has been assumed that the net asset value figures as shown below are net of any Base fee for the applicable period

ANNEXURE 9 – REMUNERATION OF DIRECTORS

The JSE Listings Requirements require that the Company also disclose remuneration and benefits received or receivable by directors of Zeder from, *inter alia*, any entity that provides management or advisory services to Zeder. As indicated in the Circular, PSG Corporate Services, as the duly appointed nominee of PSG Group, is the Manager under the Management Agreement. In this regard, the Company confirms that Messrs JF Mouton, PJ Mouton, CA Otto and WL Greeff are remunerated by a subsidiary of PSG Group for their services to PSG Group, which services included acting as directors on the Board of Zeder. Such remuneration is accordingly not payable by Zeder.

In this regard –

– WL Greeff was remunerated by a subsidiary of the PSG Group, in the form of a basic salary of R2,280,000, company contributions of R40,000 and performance related fees of R2,320,000, for his services to PSG Group for the year ended 28 February 2013, which services included acting as Director on the Board of Zeder.

– JF Mouton was remunerated by a subsidiary of the PSG Group, in the form of a basic salary of R2,314,000, fees of R216,000, allowances of R120,000, company contributions of R50,000 and performance related fees of R2,000,000, for his services to PSG Group for the year ended 28 February 2013, which services included acting as Director on the Board of Zeder.

– PJ Mouton was remunerated by a subsidiary of the PSG Group, in the form of a basic salary of R2,304,000, company contributions of 16,000 and performance related fees of R2,320,000, for his services to PSG Group for the year ended 28 February 2013, which services included acting as Director on the Board of Zeder.

– CA Otto was remunerated by a subsidiary of the PSG Group, in the form of fees of R1,350,000, for his services to PSG Group for the year ended 28 February 2013, which services included acting as Director on the Board of Zeder.

Company contributions referred to above, relate to contributions to medical aid and similar insurances. No pension contributions are made.

EQUITY-BASED REMUNERATION

PSG Group Ltd shares

Equity-based remuneration (PSG Group Ltd shares in terms of PSG Group Share Incentive Trust)

	Number of shares as at 29 Feb 2012	Number of scheme shares during year Granted	Vested	Vesting price per share R	Date granted	**Number of shares as at 28 Feb 2013**
JF Mouton (non-executive)	12,000		(12,000)	20.16	26/10/2006	**–**
	450,000		(200,000)	17.81	21/04/2008	**250,000**
	462,000	–	(212,000)			**250,000**
CA Otto (independent non-executive)	12,000		(12,000)	20.16	26/10/2006	**–**
	225,000		(100,000)	17.59	23/04/2008	**125,000**
	237,000	–	(112,000)			**125,000**
Total	**699,000**	**–**	**(324,000)**			**375,000**

PSG Group Ltd share options

Equity-based remuneration (PSG Group Ltd share options in terms of PSG Group Supplementary Share Incentive Trust)

	Number of share options as at 29 Feb 2012	Number of scheme share options during year Granted	Vested	Vesting price per share R	Date granted	**Number of share options as at 28 Feb 2013**
WL Greeff (executive)	129,148		(43,049)	15.52	20/04/2009	**86,099**
	147,614		(49,205)	18.77	28/08/2009	**98,409**
	20,014		(6,672)	22.09	28/02/2010	**13,342**
	245,184		(61,296)	39.61	28/02/2011	**183,888**
	90,718			47.39	28/02/2012	**90,718**
		104,179		61.50	28/02/2013	**104,179**
	632,678	104,179	(160,222)			**576,635**
PJ Mouton (executive)	105,701		(35,234)	15.52	20/04/2009	**70,467**
	122,482		(40,827)	18.77	28/08/2009	**81,655**
	113,314		(37,772)	22.09	28/02/2010	**75,542**
	301,859		(75,465)	39.61	28/02/2011	**226,394**
	112,842			47.39	28/02/2012	**112,842**
		129,052		61.50	28/02/2013	**129,052**
	756,198	129,052	(189,298)			**695,952**
JF Mouton (non-executive)	511,521		(127,880)	26.16	22/04/2010	**383,641**
	201,952		(50,488)	39.61	28/02/2011	**151,464**
	204,056			47.39	28/02/2012	**204,056**
		171,164		61.50	28/02/2013	**171,164**
	917,529	171,164	(178,368)			**910,325**
Total	**2,306,405**	**404,395**	**(527,888)**			**2,182,912**

All share options vest in tranches of 25% per year, with the first vesting occurring after two years since the grant date.

ZEDER INVESTMENTS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2006/019240/06)
Share code: ZED, ISIN Number: ZAE000088431
(“**Zeder**” or “**the Company**”)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of Zeder Shareholders will be held at 10:00 on Thursday, 20 June 2013 at 1st Floor, Ou Kollege, 35 Kerk Street, Stellenbosch, Western Cape.

Purpose

The purpose of the General Meeting is to consider and, if deemed fit, to approve, with or without modification, the resolutions set out in this Notice of General Meeting.

Notes:

- *The definitions and interpretations commencing on page 6 of the circular to which this Notice of General Meeting is attached (“**the Circular**”), apply* mutatis mutandis *to this notice and to the resolutions set out below.*
- *For an ordinary resolution to be approved by Shareholders, it must be supported by more than 50% of the voting rights exercised on the resolution.*
- *The date on which Shareholders must have been recorded as such in the Register for purposes of being entitled to receive this notice is Friday, 10 May 2013.*

1. ORDINARY RESOLUTION NUMBER 1 – AUTHORITY TO IMPLEMENT THE CVH DISPOSAL

“**RESOLVED AS AN ORDINARY RESOLUTION**, in terms of the JSE Listings Requirements, that the Company be and is hereby authorised to implement the CVH Disposal, whether in the open market or by means of any other sale methodology (including a private placement), and whether in one or in several tranches, subject thereto that CVH Sale Shares shall be disposed of at an average price per share that is, at the time of the disposal of such CVH Sale Shares, not less than 90% (ninety percent) of the VWAP of CVH Shares over the 30 (thirty) Trading Days immediately preceding the disposal of such CVH Sale Shares, and that this authority shall be valid until 14 February 2014.”

2. ORDINARY RESOLUTION NUMBER 2 – APPROVAL OF THE MANAGEMENT AGREEMENT AMENDMENT

“**RESOLVED AS AN ORDINARY RESOLUTION** that the Company be and is hereby authorised to amend the Management Agreement by the deletion of the Existing Management Fee Structure and the insertion of the New Management Fee Structure, and to make all consequential amendments to the Management Agreement in order to implement the aforementioned changes.”

VOTING AND PROXIES

The date on which Shareholders must be recorded in the Register for purposes of being entitled to receive this Notice of General Meeting is Friday, 10 May 2013.

The date on which Shareholders must be recorded in the Register for purposes of being entitled to attend and vote at the General Meeting, is Friday, 14 June 2013. The last day to trade in order to be entitled to attend and vote at the General Meeting, is Friday, 7 June 2013.

Section 63(1) of the Companies Act requires that meeting participants provide satisfactory identification. Accordingly, meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairman of the General Meeting and must accordingly bring a copy of their identity document, passport or drivers’ license to the General Meeting. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the Transfer Secretaries for guidance.

A Shareholder entitled to attend, speak and vote at the General Meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a Shareholder of the Company. For the convenience of Certificated Shareholders and Dematerialised Shareholders with “own-name” registration, a form of proxy *(blue)* is attached hereto. Completion of a form of proxy will not preclude such Shareholder from attending and voting (in preference to that Shareholder’s proxy) at the General Meeting.

Duly completed forms of proxy and the authority (if any) under which it is signed must reach the Transfer Secretaries of the Company at the address given below by not later than 10:00 on Tuesday, 18 June 2013.

Dematerialised Shareholders without “own-name” registration who wish to attend the General Meeting in person should request their CSDP or Broker to provide them with the necessary letter of representation in terms of their Custody Agreement with their CSDP or Broker. Dematerialised Shareholders without “own-name” registration who do not wish to attend but wish to be represented at the General Meeting must advise their CSDP or Broker of their voting instructions. Dematerialised Shareholders without “own-name” registration should contact their CSDP or Broker with regard to the cut-off time for their voting instructions.

SIGNED AT STELLENBOSCH ON 13 MAY 2013 ON BEHALF OF THE BOARD OF DIRECTORS OF THE COMPANY

By order of the Board

N CELLIERS
Chief executive officer

Registered Office
1st Floor, Ou Kollege
35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

Transfer secretaries
Computershare Investor Services (Pty) Ltd
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

ZEDER INVESTMENTS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2006/019240/06)
Share code: ZED, ISIN Number: ZAE000088431
("**Zeder**" or "**the Company**")

FORM OF PROXY

ONLY FOR USE BY CERTIFICATED SHAREHOLDERS AND DEMATERIALISED SHAREHOLDERS WITH "OWN-NAME" REGISTRATION

For use by Shareholders at the General Meeting of Zeder Shareholders to be held at 10:00 on Thursday, 20 June 2013 at 1st Floor, Ou Kollege, 35 Kerk Street, Stellenbosch, Western Cape, or any adjourned or postponed meeting.

*The definitions and interpretations commencing on page 6 of the circular to which this form of proxy is attached ("**the Circular**") apply* mutatis mutandis *to this form of proxy.*

If you are a Dematerialised Shareholder without "own-name" registration you must not complete this form of proxy but must instruct your CSDP or Broker as to how you wish to vote. This must be done in terms of the Custody Agreement between you and your CSDP or Broker.

I/We (Please PRINT names in full) ____

of (address) ____

____

being the holder(s) of ____________________ Certificated Shares or Dematerialised Shares with "own-name" registration

do hereby appoint (see notes 1 and 2):

1. ____ or failing him/her,

2. ____ or failing him/her,

3. the Chairman of the General Meeting

as my/our proxy to attend, speak and vote for me/us at the General Meeting (or any adjournment thereof) for purposes of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment thereof and to vote for and/or against the resolutions and/or abstain from voting in respect of the Shares registered in my/our name(s), in accordance with the following instruction (see notes):

	For*	Against*	Abstain*
Ordinary Resolution Number 1 Authority to implement the CVH Disposal			
Ordinary Resolution Number 2 Approval of the Management Agreement Amendment			

** One vote per Share held by Shareholders. Shareholders must insert the relevant number of votes they wish to vote in the appropriate box provided.*

Signed at: ______________________________ on ____________________ 2013

Signature ____

Capacity of signatory (where applicable) ____

Note: Authority of signatory to be attached – see notes 8 and 9.

Telephone number ____

Cellphone number ____

Assisted by me (where applicable) ____

Full name ____

Capacity ____

Signature ____

SUMMARY OF RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

In terms of section 58 of the Companies Act:

- *A Shareholder may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a Shareholder) as a proxy to participate in, and speak and vote at, a Shareholders' meeting on behalf of such Shareholder.*
- *A Shareholder may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the Shareholder.*
- *A proxy may delegate his authority to act on behalf of a Shareholder to another person, subject to any restriction set out in the instrument appointing such proxy.*
- *Irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant Shareholder chooses to act directly and in person in the exercise of any of such Shareholder's rights as a Shareholder.*
- *Any appointment by a Shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise.*
- *If an appointment of a proxy is revocable, a Shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the relevant company.*
- *A proxy appointed by a Shareholder is entitled to exercise, or abstain from exercising, any voting right of such Shareholder without direction, except to the extent that the relevant company's memorandum of incorporation, or the instrument appointing the proxy, provides otherwise.*
- *If the instrument appointing a proxy or proxies has been delivered by a Shareholder to a company, then, for so long as that appointment remains in effect, any notice that is required in terms of the Companies Act or such company's memorandum of incorporation to be delivered to a Shareholder must be delivered by such company to:*
  - *the relevant Shareholder; or*
  - *the proxy or proxies, if the relevant Shareholder has: (i) directed such company to do so, in writing and (ii) paid any reasonable fee charged by such company for doing so.*

Notes:

1. Each Shareholder is entitled to appoint 1 (one) (or more) proxies (none of whom need be a Shareholder of the Company) to attend, speak and vote in place of that Shareholder at the General Meeting.
2. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space/s provided with or without deleting "the Chairman of the General Meeting" but the Shareholder must initial any such deletion. The person whose name stands first on the form of proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
3. A Shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the Shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise and direct the chairman of the General Meeting, if the chairman is the authorised proxy, to vote in favour of the resolutions, or any other proxy to vote or abstain from voting at the General Meeting as he/she deems fit, in respect of all the Shareholder's votes exercisable at the meeting.
4. Completed forms of proxy and the authority (if any) under which they are signed must be lodged with or posted to the Transfer Secretaries, Computershare Investor Services (Proprietary) Limited at Ground Floor, 70 Marshall Street, Johannesburg, 2001 or PO Box 61051, Marshalltown, 2107, to be received by them by no later than 48 hours before the commencement of the General Meeting (or any adjournment of the General Meeting), excluding Saturdays, Sundays and official public holidays.
5. The completion and lodging of this form of proxy will not preclude the relevant Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Shareholder wish to do so.
6. The chairman of the General Meeting may accept or reject any form of proxy not completed and/or received in accordance with these notes or with the memorandum of incorporation of the Company.
7. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy, unless previously recorded by the Company or the Transfer Secretaries.
9. Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form of proxy, unless it has been registered by the Company or the Transfer Secretaries or waived by the chairman of the General Meeting.
10. Where Shares are held jointly, all joint holders are required to sign this form of proxy.
11. A minor Shareholder must be assisted by his/her parent/guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Company or the Transfer Secretaries.
12. Dematerialised Shareholders who do not own Shares in "own-name" dematerialised form and who wish to attend the General Meeting, or to vote by way of proxy, must contact their CSDP or Broker who will furnish them with the necessary letter of representation to attend the General Meeting or to be represented thereat by proxy. This must be done in terms of the agreement between the Shareholder and his/her CSDP or Broker.
13. This form of proxy shall be valid at any resumption of an adjourned meeting to which it relates although this form of proxy shall not be used at the resumption of an adjourned meeting if it could not have been used at the General Meeting from which it was adjourned for any reason other than it was not lodged timeously for the meeting from which the adjournment took place. This form of proxy shall in addition to the authority conferred by the Companies Act except insofar as it provides otherwise, be deemed to confer the power generally to act at the General Meeting in question, subject to any specific direction contained in this form of proxy as to the manner of voting.
14. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or mental disorder of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Share in respect of which the proxy is given, provided that no notification in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Transfer Secretaries before the commencement of the meeting or adjourned meeting at which the proxy is used.
15. Any proxy appointed pursuant to this form of proxy may not delegate her or his authority to act on behalf of the relevant Shareholder.
16. In terms of section 58 of the Companies Act, unless revoked, an appointment of a proxy pursuant to this form of proxy remains valid only until the end of the General Meeting or any adjournment of the General Meeting.