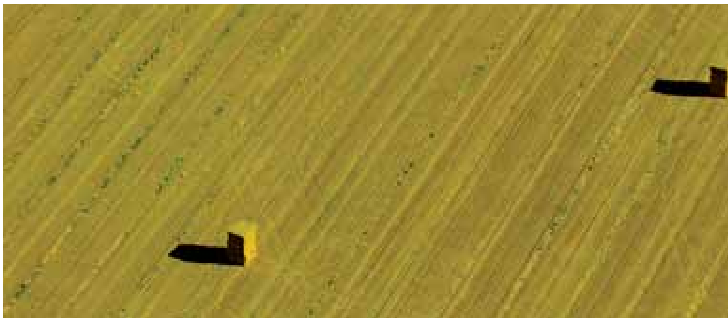
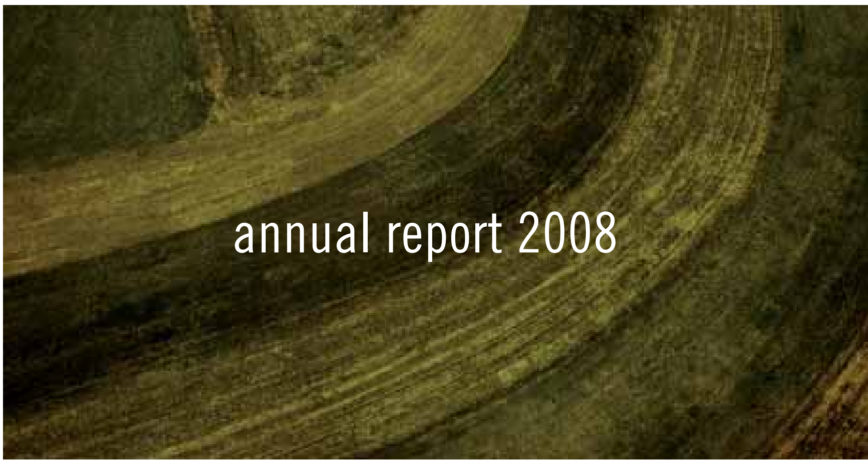
ZEDER
INVESTMENTS LIMITED





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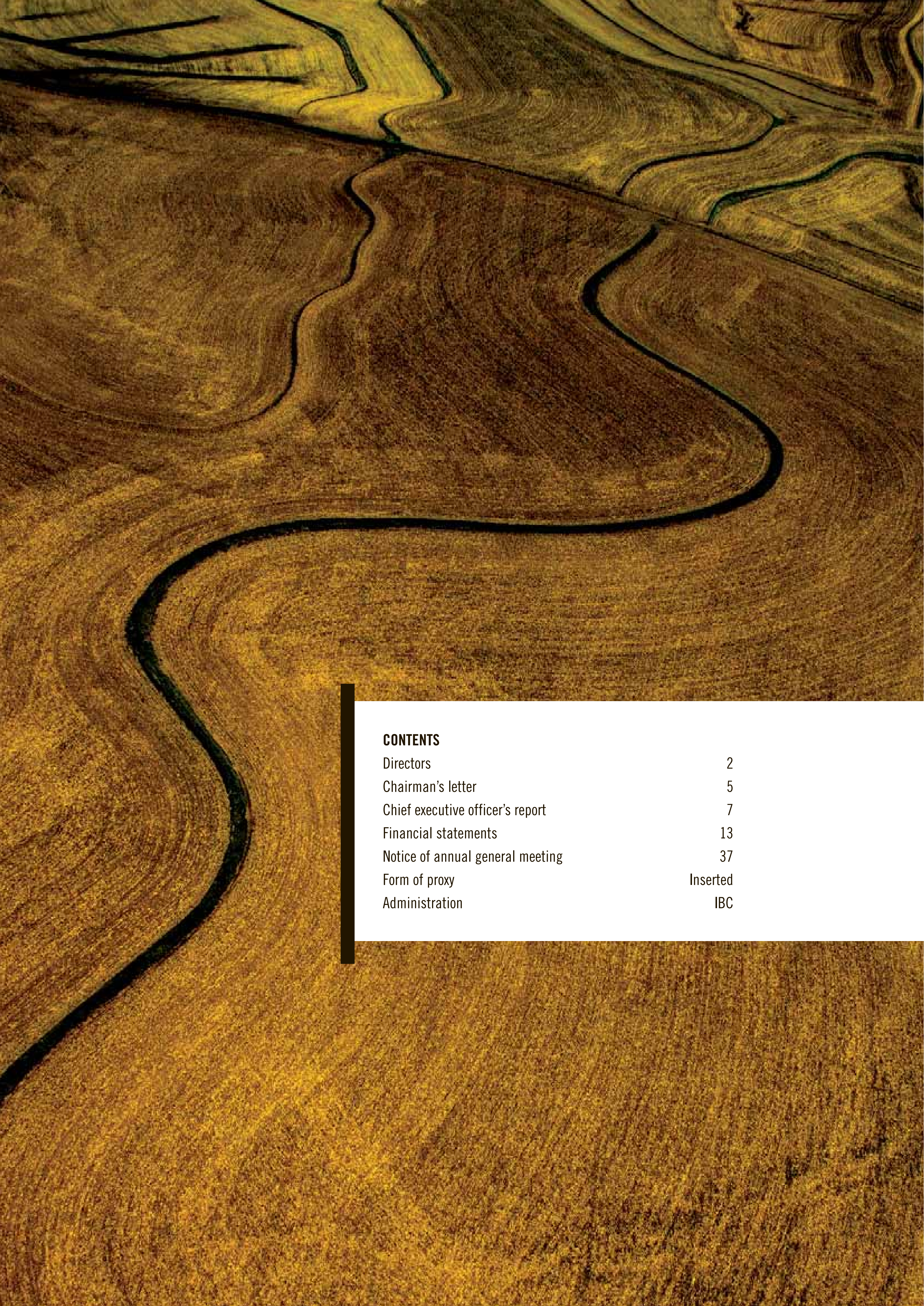

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ZEDER
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Zeder focuses on the agricultural, food, beverages, food processing and related sectors. Zeder is constantly investigating opportunities in these sectors where there is still scope for value investments.

An investment in Zeder gives investors in the agri industry a greater geographical spread in their investments and diversifies their underlying portfolios

Directors

Johannes Fredericus Mouton

(61), BCom (Hons), CA(SA), AEP

CHAIRMAN

Directorships: Executive chairman of PSG Group Limited, non-executive director of Steinhoff International Holdings Limited and non-executive director of KWV Limited.

Summary of curriculum vitae: Mr Mouton is the founder of PSG Group. He also serves as a trustee of trusts and investment funds of the Stellenbosch University. Prior to the establishment of PSG Group, he co-founded and served as managing director of the stockbroking firm SMK. He was directly involved in the establishment of both Capitec Bank and Zeder.

Chris Adriaan Otto

(58), BCom, LLB

NON-EXECUTIVE DIRECTOR

Directorships: Executive director of PSG Group Limited, non-executive director of Capitec Bank Holdings Limited and Channel Life Limited.

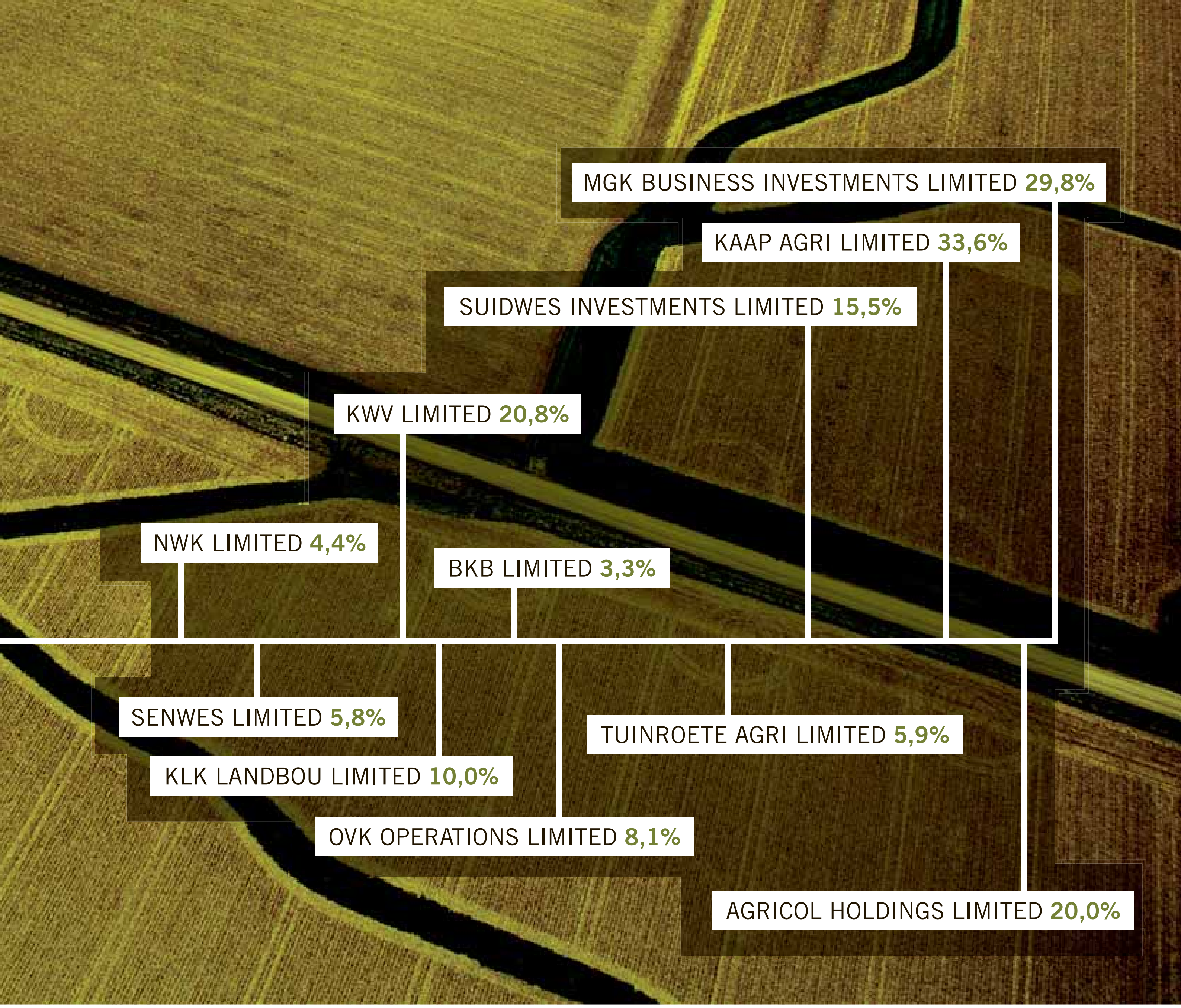
Summary of curriculum vitae: Mr Otto has been an executive director of PSG Group since 1996. He has been directly involved in the establishment of Capitec Bank and Zeder. He has played an integral role in the establishment and management of PSG Group and its various operating subsidiaries. Such operating subsidiaries have engaged in investment activities (for example, PSG pursuing its agricultural investment strategy that culminated in the establishment of Zeder) which Mr Otto has overseen and advised on.

Antonie Egbert Jacobs

(43), BAcc, BCompt (Hons), CA(SA), MCom (Tax), LLB

CHIEF EXECUTIVE OFFICER

Summary of curriculum vitae: Mr Jacobs is a qualified chartered accountant with many years experience in an investment management capacity in the agricultural sector. He was the managing director of KLK Landbou Limited for three years. He has sat on the boards of various investment holding companies with diversified interests, such as Winecorp (where he was the financial director) and Spier Holdings (which has investments in the hotel and leisure industries, farming and property development). Prior to that, he was the executive head of financial re-engineering at BoE Bank. He also previously lectured tax and accountancy at the University of Stellenbosch.



Michiel Scholtz du Pré le Roux
(58), BCom, LLB

NON-EXECUTIVE DIRECTOR

Directorships: Non-executive chairman of Capitec Bank Holdings Limited.

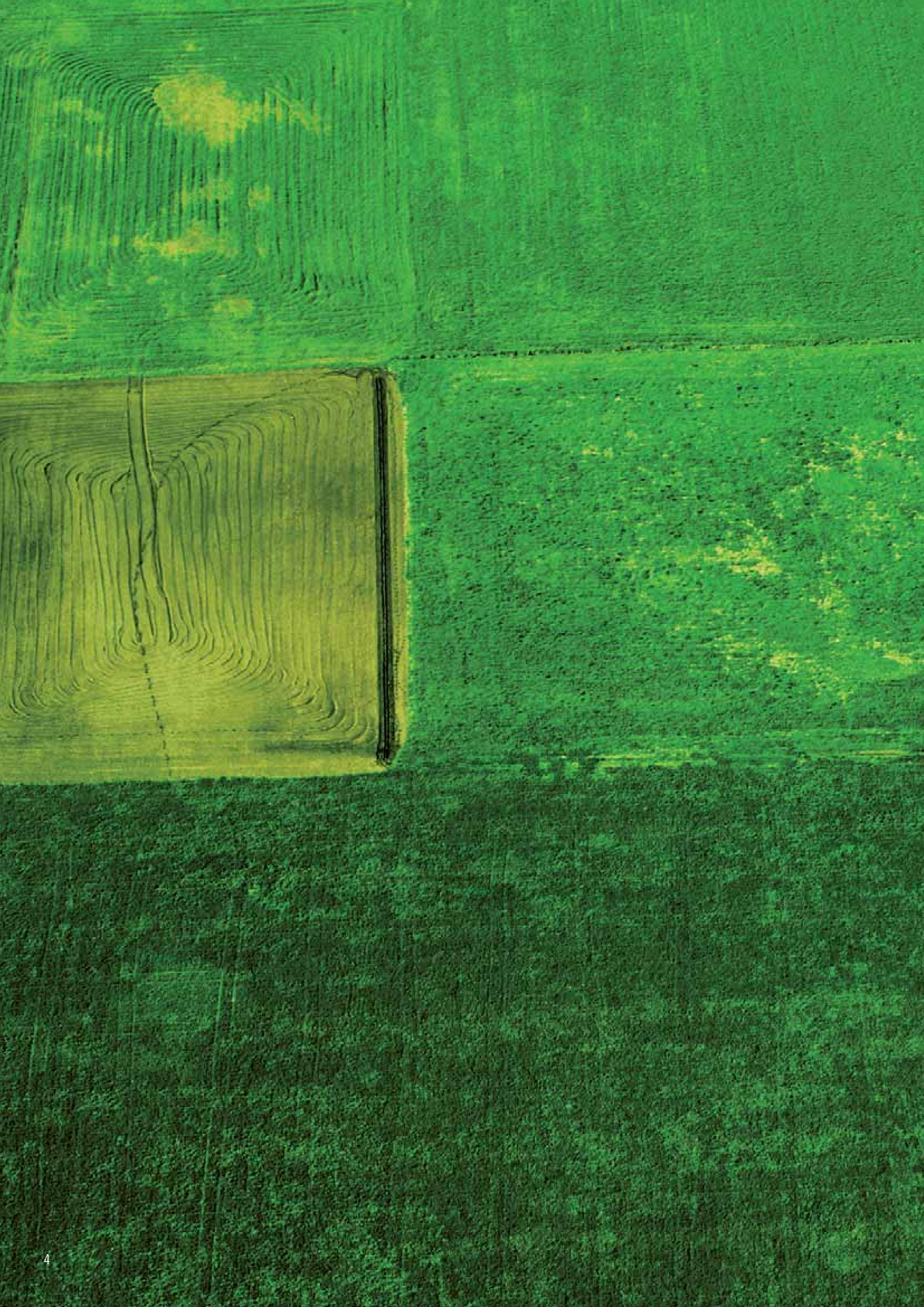
Summary of curriculum vitae: Mr le Roux was managing director of Distillers Corporation (SA) Limited from 1979 to 1993, and from 1995 to 1998 managing director of Boland Bank Limited, NBS Boland Limited and BoE Bank Limited. He is one of the founding members of Capitec Bank.

Lambert Phillips Retief
(55), BCom (Hons), CA(SA), OPM (HBS)

NON-EXECUTIVE DIRECTOR

Directorships: Non-executive chairman of Paarl Media Holdings (Proprietary) Limited, non-executive director of Media24 Limited.

Summary of curriculum vitae: Mr Retief is a qualified chartered accountant and has been involved in the printing and publishing business since 1978. He is a past chairman of the Provincial Press Association and current president of the Printing Industry Federation of South Africa. He is also a director of various investment companies.



ZEDER
INVESTMENTS LIMITED

Chairman's letter

Investment, like farming, requires work, time and patience.

I grew up in rural Carnarvon; the agricultural sector and value of the entities further drew my attention when my father was involved with a co-operative in the 1960s.

My grandfather was one of the founding members of Vleissentraal Co-op. In the 1980s Vleissentraal was one of the first co-operatives to convert to a company and I was involved with its listing on the JSE as Kolossus. The company did however not enjoy a successful time on the JSE.

When PSG was established in 1995, one of its first investments was in OTK (now Afgri). It was later sold for a handsome profit. At PSG Investment Bank we believed the trend of agricultural co-operatives converting to companies would continue and encouraged the Corporate Finance division to take a special interest in converting co-operatives to companies.

In 2003 PSG again started looking actively at agricultural and food companies with investments in, inter alia, Pioneer Foods and KWV following soon. These were the first steps towards the establishment of Zeder Investments.

Historically, co-operatives were not driven by a profit motive. Products and services were provided on a cost recovery basis. Only upon their conversion to companies has profit become an important objective. This has not necessarily meant that prices have increased; efficiency brought along by profit-driven economic principles are leading to healthy profits. The managements of these erstwhile co-operatives have however taken time to change this mindset.

The majority of agricultural companies are profitable and asset rich with a loyal client base. Their share prices usually trade well below *net asset values*, whilst *price-earnings ratios* range between three and five times. On face value, this makes for a compelling investment case. Yet the restrictions on transferability of the shares place a negative drag on the values of these shares. When Kaap Agri and BKB removed these restrictions significant value was unlocked with a notable increase in the share prices of these companies.

The increase in the prices of soft commodities, led by biofuels and the looming global food shortage, suddenly made farming and agri-related companies an appealing asset class attracting substantial interest. Zeder, through its investee companies, is benefiting from the rise in profits and share prices and certain investors may feel it is an opportune time to take some profit. We, however, cannot take credit for pre-empting the said trend.

We subscribe our success to the contrarian approach we follow. Taking into account decades of interest and involvement in agriculture, we believe that over time shareholders will benefit from the complete transformation of co-operatives to profitable public companies with good management, sweating the rich assets and shares that are freely tradable, reflecting a share price that is closer to fair value.

We are currently nowhere near the end of this trend and firmly believe over time our (and your) patience will be rewarded.

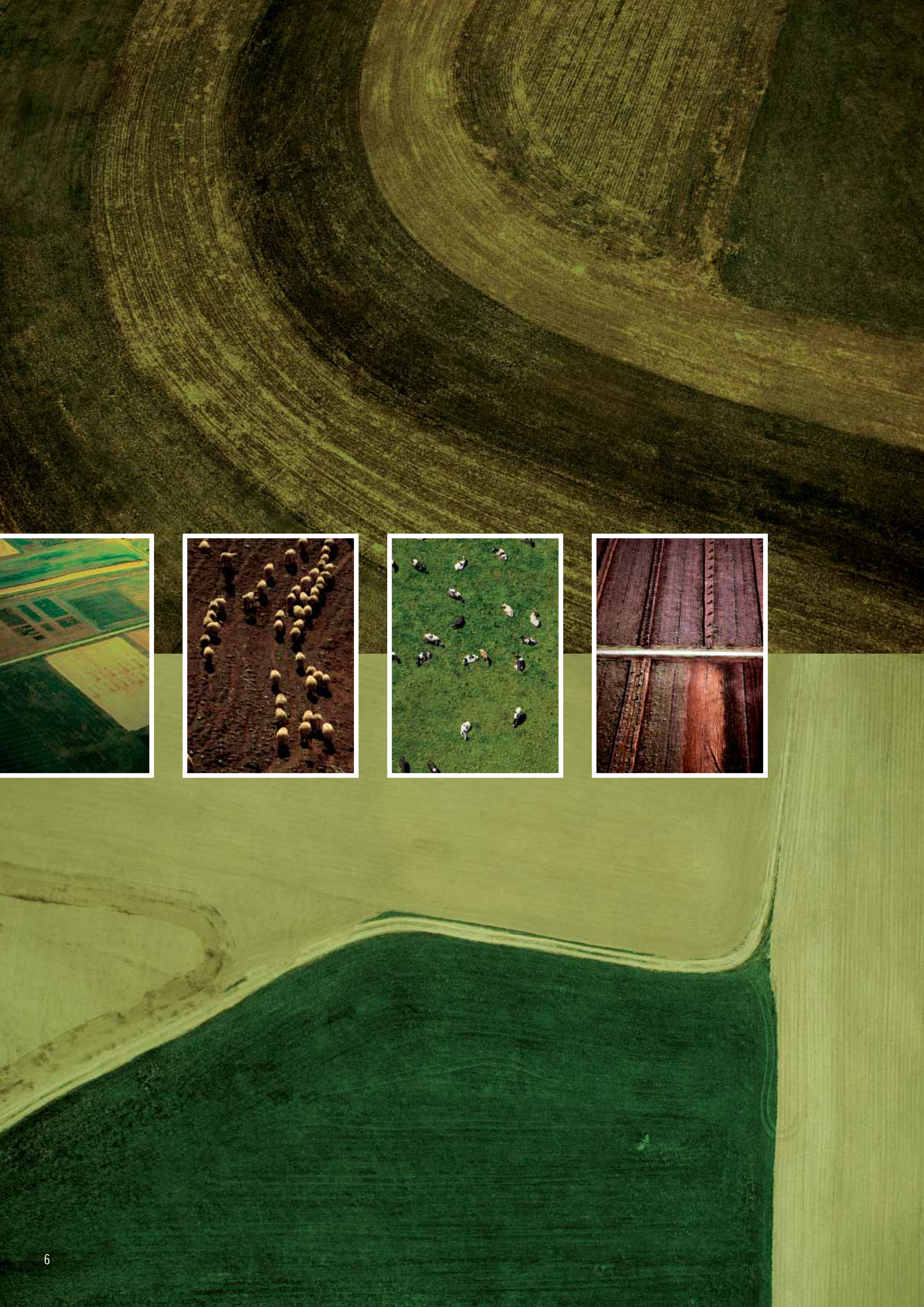
Zeder now has a significant interest in Pioneer Foods through its investment in Kaap Agri. Pioneer has recently completed the full circle of transformation since its establishment as two co-operatives, namely Bokomo in 1920 and Sasko in 1930. Both converted to companies in 1996 and merged to form Pioneer in 1997. Pioneer recently listed on the JSE. This process has led to an increase in the share price and has unlocked substantial value for Pioneer shareholders.

The environment for listing was not favourable and there remains uncertainty over the implications of the Competition Commission's investigation into alleged price fixing by the company. Together with management and Pioneer's legal advisors we remain confident that the company was not involved in any wrongdoing and will therefore not be fined. Once this uncertainty disappears, the general market condition for listed food companies improves and new capacity envisioned with the R500 million capital raising comes into operation, we believe Pioneer's value and share price will be affected positively.

Thanks

I would like to express my gratitude to all the role players at our investments, management at Zeder and PSG as well as my colleagues on the board of directors. Also a special word of thanks to my friend Johan Carinus, who resigned as director with effect from 9 April 2008. Johan has been with Zeder since establishment and provided invaluable input over the past year and a half.

JANNIE MOUTON
23 April 2008



Chief executive officer's report

Review of investments

EXECUTIVE SUMMARY

Overview
Zeder has developed considerable expertise in the agricultural sector of the South African economy, and has generated positive returns from agri-related investments. Through Zeder, investors can participate in these investment opportunities.

Zeder's profits for the year ended 29 February 2008 include R154,8 million (2007: R137,1 million) marked-to-market profits emanating from its underlying investments. Marked-to-market profits do not necessarily represent recurring income due to the fluctuations in the market prices. The effect of Zeder's objective to equity account all its investments should eliminate the volatility in its earnings.

Zeder has achieved its stated objective to equity account its investments in:

- Kaap Agri Limited ("Kaap Agri")
- Pioneer Food Group Limited via Kaap Agri
- KWV Limited ("KWV")
- MGK Business Investments Limited ("MGK")
- KLK Landbou Limited via Thembeka Agri Holdings (Pty) Limited
- Agricol Holdings Limited ("Agricol").

The aforementioned equity accounted earnings for the period under review amounted to R72,7 million. For the six-month period ended 28 February 2007 there were no equity accounted earnings from associated companies.

The company's shareholding in Kaap Agri was increased to 21,8% by exchanging its 5,8% interest in Pioneer Food Group Limited for shares in Kaap Agri on 1 August 2007. Subsequent to this exchange Zeder further increased its shareholding in Kaap Agri to 33,6% (2007: 5%) at year-end. In addition, the company increased its shareholding in KWV to 20,8% (2007: 14,9%) during the year.

Zeder further expanded its investment portfolio during the reporting period. In addition to the new investments in MGK and Agricol, Zeder increased its shareholding in its existing investment portfolio and obtained a shareholding in Tuinroete Agri Limited. More than 75% of Zeder's current investment portfolio, excluding cash and loans, is represented by its investment in Kaap Agri and KWV.

Investment themes
Zeder focuses on the agricultural, food, beverages, food processing and related sectors. At present, Zeder's investments are in unlisted companies. Zeder is constantly investigating opportunities in these sectors where there is still scope for value investments. Long-term investments are made due to the cyclical nature of these sectors.

INVESTMENT OPPORTUNITY

Investment focus
Zeder invests predominantly in equity instruments, usually in the form of ordinary shares, but alternative investment instruments are also considered where an attractive investment return is expected.

Where compelling investment opportunities are identified, a substantial interest (20% or more) will be taken in companies.

Although there is no restriction on the level of gearing Zeder may employ, it is not expected that Zeder will utilise debt to a significant extent. The level of gearing employed will be assessed continuously in the context of the level of liquidity within Zeder's portfolio.

INVESTMENT STRATEGY

Investment objective
To maximise shareholders' wealth over time.

Investment process
Investment opportunities are identified and evaluated by team members who present their ideas to the Zeder Executive Committee ("Zeder Exco") for approval.

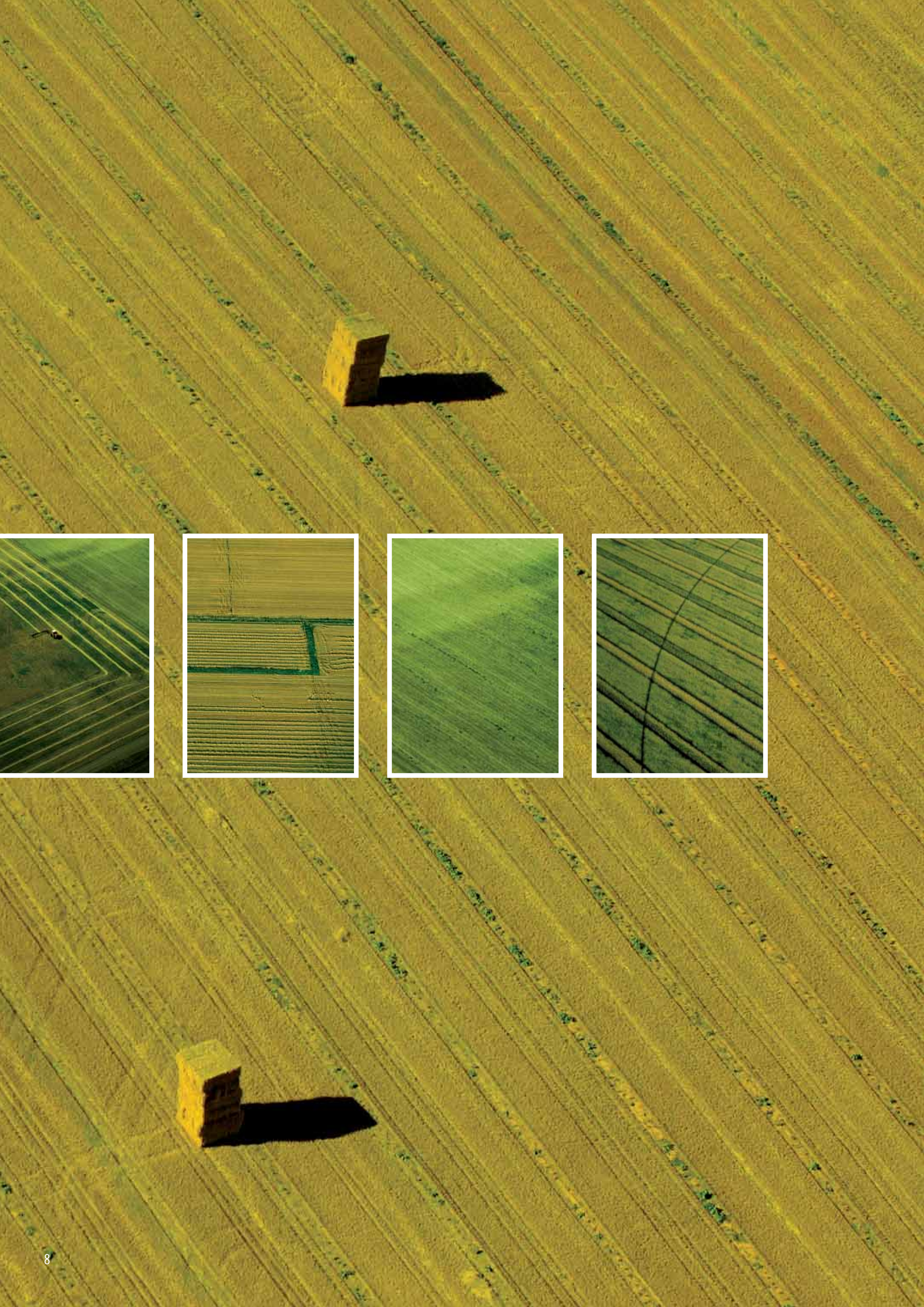
Investment management
The Zeder portfolio is monitored on an ongoing basis, with regular feedback to Zeder Exco.

Risk profile
The strategy is to make focused investments in opportunities presenting attractive return potential at acceptable levels of risk.

The attributes Zeder has identified that make the compelling investment opportunities are:

- long established track records;
- strong brands that deliver good underlying cash flows;
- strong management with extensive experience; and
- relative low price/earnings ratios.

Zeder Exco
The committee consists of Messrs CA Otto, JF Mouton, AE Jacobs and WJS Meyer (secretary).



GOVERNANCE OF THE COMPANY

The company is governed by:

- the board of directors;
- the audit committee; and
- Zeder Exco.

PSG provides all administrative and secretarial services required by Zeder. Apart from the management fee, no additional fees are charged for these services.

MANAGEMENT AGREEMENT

Zeder is managed by Zeder Exco, as nominated by PSG Group, in terms of the management agreement. Zeder Exco has the responsibility to:

- manage the general administrative activities of Zeder, such as the accounting functions, including the management of the company's bank account;
- manage the broader investment functions, such as identifying and making recommendations on investments, disposals of investments, encumbering of investments, and the co-ordination of due diligence investigations on potential investments;
- manage the financial affairs of the company, including managing and monitoring the company's gearing and liquidity position, administering the company's borrowing policy and making recommendations regarding the issue of shares;
- perform regular valuations of Zeder and its investments;
- manage communication to investors and other stakeholders;
- appoint and/or dismiss directors of investee entities, where entitled to do so, and attend and/or vote at the appropriate meetings of such entities in accordance with the board's instructions; and
- remunerate the directors of Zeder.

Expenses and fees

Zeder Exco, being PSG Group or its duly appointed nominee, will bear all reasonable expenses related to general and financial administration, including the promotion of the company.

Zeder Exco will only be reimbursed for certain costs in very limited circumstances incurred in the management of the company, for example, future capital raising and placement fees, taxes that may become payable by Zeder and legal claims/costs incurred on behalf of Zeder.

Zeder Exco charges the following fees:

	Percentage
Base fee per annum on net asset value of group (excluding cash)	2,00
Base fee per annum on cash held	0,15
Annual performance fee (share of return above benchmark return)	10,00

KAAP AGRI LIMITED (33,6%)

Chairman: George Eksteen **Managing director:** Corwyn Botha

Year ended 30 September	2007	2006	2005
Revenue (Rm)	**1 701,1**	1 415,3	1 221,6
Net profit after tax (Rm)	**203,2**	205,6	161,1
Headline earnings per share (cents)	**100,6**	93,1	84,7
Net asset value per share (cents)	**883,0**	586,0	475,0

Kaap Agri Limited ("Kaap Agri"), with its head office in Malmesbury, came into being as a result of the merger between WPK Beleggings Limited and Boland Agri Beherend Limited in 2005. Kaap Agri's success could partly be ascribed to the changed focus of its trading branches (the Agrimark stores) from purely farming orientated to include the public at large. The 51 Agrimark stores are the largest contributor to group revenue and profits (contributes 80% of operating profit). The company's footprint stretches through the Western and Northern Cape that includes the Swartland, Boland, Winelands, Namaqualand and Orange River areas, up into southern Namibia where it has recently acquired a number of trading branches.

Producers benefited from good yields and high commodity prices during the past harvest season. It is expected that the high prices that producers will receive for their products will continue in the near future although it will be offset to some extent by higher input costs.

Zeder swapped its 5,8% interest in Pioneer Food Group ("Pioneer") for an increased stake in Kaap Agri during the year. Zeder now holds 33,6% of Kaap Agri. Kaap Agri is the largest shareholder in Pioneer, with an economic interest of 32,7%.

The contribution of Kaap Agri's own operations to headline earnings has grown at a higher annual compounded growth rate than that of the contribution the Pioneer interest has made to their earnings. This is no small feat and management deserves praise for this.

Pioneer was listed on the JSE during April 2008 and a R500 million capital raising by means of a rights offer was announced. Proceeds from the rights offer will fund part of Pioneer Foods' planned capital expenditure programme during the next two years. The rights offer has been underwritten by Zeder to a maximum amount of R360 million.

Pioneer is divided into two primary divisions: staple foods and branded products. The staple foods division includes Sasko (wheaten flour, bread, White Star maize meal, rice), agri products (chicken, eggs and animal feeds) and non-branded SAD products (dried fruits, nuts, jams). The branded products division includes Bokomo Foods (Weet-Bix, Pronutro, Maizena), Ceres Beverage Company (Ceres, Liqui-Fruit, Fruitree, Pepsi), Heinz Foods (tomato sauce, condiments, seafood products, soups) and branded SAD products (Marmite, Bovril, Peck's, Redro).

Pioneer's performance in the short to medium term will be significantly influenced by world grain prices. Increasing food prices as a result of increasing raw material, labour, energy (Eskom) and transport (fuel) costs will fuel food inflation. Management's challenge remains to find the delicate balance between the profit margin and affordable prices for their products.

Pioneer received a complaint referral by the Competition Commission for alleged restrictive practices in contravention of the Competition Act. Pioneer's legal advisors have been in regular contact with the Commission to resolve the complaints referral and delivered its answers within the set time limits. To ensure proper corporate governance, Pioneer's board has appointed a committee of non-executive directors to investigate all related matters with the assistance of external consultants.

In spite of all the current challenges the company is facing, Zeder remains confident and excited about the future of Pioneer. We believe that management's focus on increasing the share of the branded products in the product mix will be profit enhancing.

KWV LIMITED (20,8%)

Chairman: Danie de Wet **Managing director:** Thys Loubser

Year ended 30 June	2007	2006	2005
Revenue (Rm)	**1 320,9**	1 185,6	1 090,4
Net profit after tax (Rm)	**216,6**	191,3	216,7
Headline earnings per share (cents)	**27,1**	27,8	16,7
Net asset value per share (cents)	**330,2**	312,4	268,4

With its head office in Paarl, KWV Limited ("KWV") is a leading exporter and distributor of quality wines and spirits in 35 global markets, the most important of these being the United Kingdom, the United States of America, Germany and, since 2004, South Africa. Prior to 2004, KWV was not allowed to sell its products in the South African market due to historical government regulations. KWV has a 57,1% interest in KWV Investments, a JSE-listed investment holding company that indirectly owns 30% of Distell Limited ("Distell").

It is encouraging to see that the first six months of KWV's 2008 financial year saw improvements in its performance. Group turnover increased by 6,3% whilst headline earnings improved by 30,9%. If one excludes the income from Distell and look at how the company's own operations performed, it is pleasing to find that operating profit increased by 47,9% in comparison to the previous financial year's first six months.

In his first year, CEO Thys Loubser has implemented a new company structure, a new management team, new vision and strategy and a new distribution agreement in the USA. In addition to this, KWV sold its entire shareholding in Eggers & Franke to Racke, whilst forming an alliance with the new entity as its channel to the German market for the KWV, Laborie and Golden Kaan wine brands.

Both the local and export market that KWV operates in will be under pressure in the foreseeable future. Cost increases will squeeze margins and inflationary pressure will have a negative effect on sales growth.

Distell has performed very well during the last few years and management remains confident about growth in the local market albeit at a slower rate than what we have become used to during the last few years. Distell increased revenue by 12,9% and headline earnings by 17,9% during their latest interim reporting period. A significant share of KWV's profit derives from its interest in Distell.

SENWES LIMITED (5,8%)

Chairman: Japie Grobler **Managing director:** Johan Dique

Year ended 30 April	2007	2006	2005
Revenue (Rm)	**5 578,0**	3 979,0	4 250,0
Net profit after tax (Rm)	**127,0**	107,0	195,0
Headline earnings per share (cents)	**75,8**	57,0	65,8
Net asset value per share (cents)	**426,5**	377,8	344,0

Senwes Limited ("Senwes") is based in Klerksdorp and is one of the largest grain-handling concerns in South Africa. The company owns more than 25% of the total silo capacity in South Africa. After experiencing severe financial difficulties due to ill conceived diversification and expansion in the late 1990s, the company has made a remarkable recovery under new management over the last few years.

The company focuses on the handling, storage and marketing of grain, the financing to clients, as well as the supply of inputs to farmers. The process of disposing of other non-core businesses and rationalising the company over the last few years, has allowed management to unlock substantial value for shareholders, amongst others by way of special dividends.

Subsequent to Zeder's financial year-end, we sold our entire interest in Senwes. It would have been difficult to achieve Zeder's objective to equity account the investment in Senwes.

OOS VRYSTAAT KAAP OPERATIONS LIMITED (8,1%)

Chairman: Manie Botha **Managing director:** Hardie van Niekerk

Year ended 28 February	2007	2006	2005
Revenue (Rm)	**1 159,9**	1 136,2	1 077,8
Net profit after tax (Rm)	**38,3**	26,7	32,1
Headline earnings per share (cents)	**56,2**	47,7	46,8
Net asset value per share (cents)	**468,2**	419,5	347,7

Oos Vrystaat Kaap Operations Limited ("OVK") is a diversified agricultural business with its head office in Ladybrand in the Free State. The company's primary activities involve general trade, fuel distribution, mechanisation (sales, servicing and repairs of agricultural machinery), motor dealerships, short-term insurance broking, grain handling, storage and marketing, livestock slaughtering and marketing of carcasses, and client financing.

The diversified nature of its business has enabled OVK to achieve a satisfactory profit history of solid growth and returns on equity. The company also has a consistent record of paying out satisfactory dividends to shareholders.

OVK increased its net profit by 78,8% in the last six-month reporting period. Revenue increased by 24%. With the strong recovery in grain prices and good rainfalls in the summer rainfall regions over the past summer, prospects for the company's various divisions are looking promising. The company has proved that it can grow internally and can turn loss-making acquisitions into profitable units.

SUIDWES INVESTMENTS LIMITED (15,5%)

Chairman: Fanie van Zyl **Managing director:** Schalk Pienaar

Year ended 30 April	2007	2006	2005
Revenue (Rm)	**1 542,9**	1 204,2	1 048,1
Net profit after tax (Rm)	**47,2**	34,0	(25,3)
Headline earnings per share (cents)	**36,8**	27,5	(19,6)
Net asset value per share (cents)	**210,1**	173,7	156,5

Suidwes Investments Limited ("Suidwes") operates in the maize-producing area of North West, with its head office in Leeudoringstad. The company is involved in all aspects of meeting the needs of grain and other farmers, from supplying inputs and requisites to grain handling, storage and marketing, to selling insurance and providing financing.

Since the company has disposed of its non-core divisions, the business as a whole has staged a satisfactory recovery. Suidwes is expected to improve on the previous year's results because of the positive trading environment in which it has operated lately. Profits for the latest six-month period have increased by 19% in comparison to the same period in the previous year.

Suidwes looks set to perform in line with most of the other agricultural companies serving the maize-growing areas of South Africa. Although cyclical, the company has shown that it is able to maintain satisfactory levels of profitability from its core operations going forward. Suidwes has managed to provide its shareholders with a return on equity of above 20% in the last twelve-month reporting period. Considering the nature of its operations, this performance reflects well on the management team.

KLK LANDBOU LIMITED (10,0%)

Chairman: Kobus Marais **Managing director:** Stephen van Huyssteen

Year ended 28 February	2007	2006	2005
Revenue (Rm)	**954,8**	769,0	602,2
Net profit after tax (Rm)	**9,2**	7,3	8,9
Headline earnings per share (cents)	**49,4**	41,0	52,6
Net asset value per share (cents)	**378,0**	335,0	304,0

KLK Landbou Limited ("KLK") is a small but well-diversified, agriculture-focused company headquartered in Upington. The company primarily serves the sheep farmers in the Kalahari and Northern Cape areas. It is involved in a diverse range of businesses comprising mainly procurement, supply and financing of agricultural requisites; procurement and marketing of livestock through the hosting of auctions and operating feedlots; slaughtering, processing and marketing of livestock; distribution and retail sales of BP fuels and related products and the operation of various motor dealerships.

Fuel distribution generates the bulk of the company's profits (more than 50% of net income). This segment is expected to continue performing steadily in future and, as a result, the company should have no problem at least maintaining historical levels of profitability. A key factor for KLK going forward in unlocking value is the success of its meat supply chain business.

Net profit for the last twelve-month financial period increased by 27,4%. The net asset value increased by 12,8% over the same period. Zeder has a 49,9% interest in Thembeka Agri Holdings, the holding company that holds the 20% interest in KLK. Thembeka Capital, a broad-based BEE company, holds the other 50,1%. This has allowed Zeder to equity account KLK's earnings.

BKB LIMITED (3,3%)

Chairman: Chris Louw **Managing director:** Wolf Edmayr

Year ended 30 June	2007	2006	2005
Revenue (Rm)	**1 153,0**	553,7	519,1
Net profit after tax (Rm)	**44,2**	19,2	20,1
Headline earnings per share (cents)	**62,1**	33,3	28,6
Net asset value per share (cents)	**414,9**	404,7	324,4

BKB Limited's ("BKB") business entails the handling and marketing of agricultural products, wool, mohair and livestock on behalf of its clients, the provision of farming requisites and the rendering of services related to activities. The company also trades in wool and mohair on the international market for its own account. The company consists of a national branch network with its head office in Port Elizabeth.

As a result of the continued decline in wool and mohair volumes handled by the company, excess warehouse space is leased to third parties or otherwise utilised for warehousing. The income generated from its non-wool businesses makes out a significant part of profits. BKB has an established business infrastructure with many years experience in the industry.

BKB's merger with Grainco proved to be earnings enhancing. Grainco specialises in the storage, handling and collateral management of grain and offers grain producers an integrated product solution in which alternative storage methods play a part. BKB's national infrastructure provides Grainco with a much needed foothold into the various grain-producing areas in the country.

Management have shown that through loosening control structures (BKB had a maximum shareholding restriction of 5%) and increasing the liquidity in the shares, significant value can be unlocked for shareholders. Where shares used to trade far below the net asset value, it now trades at a premium to its net asset value. BKB is also empowered, with a number of BEE shareholders holding 23,2% of the shares.

NWK LIMITED (4,4%)

Chairman: Heinrich Kruger **Managing director:** Danie Marais

Year ended 28 February	2007	2006	2005
Revenue (Rm)	**2 874,1**	2 384,8	2 050,2
Net profit after tax (Rm)	**72,2**	95,5	71,2
Headline earnings per share (cents)	**50,4**	66,7	49,3
Net asset value per share (cents)	**587,4**	572,9	568,5

NWK Limited ("NWK") fulfils an essential role in South Africa's agricultural industry as a leading provider of agricultural services and inputs, primarily in the North West province. A significant part of the national grain storage capacity is situated in NWK's area. The Lichtenburg-based company's clients are agricultural producers and buyers of a wide range of agricultural inputs. The company is involved in a wide spectrum of activities in the following fields: grain industry, agricultural management services, trade, financial services and industries.

NWK has proved itself to be a conservatively run company that has managed to show profits in all phases of the agricultural cycle. The company is conservatively financed with a liquid balance sheet and has historically paid out attractive dividends.

In spite of severe drought conditions experienced by its producer clients during the latest reported six-month period, NWK still managed to more than double its net profit. This was made possible through the excellent results of its Industry division that benefited from the lower grain prices.

We expect better results for the 12-month period which ended on 29 February 2008 because higher grain prices led to increased plantings and as a result a greater demand for the producers.

MGK BUSINESS INVESTMENTS LIMITED (29,8%)

Chairman: Eben Pienaar **Managing director:** Ben Lombard

Year ended 31 July	2007	2006	2005
Revenue (Rm)	**1 216,3**	955,3	645,9
Net profit after tax (Rm)	**12,6**	7,3	9,7
Headline earnings per share (cents)	**83,5**	35,8	58,0
Net asset value per share (cents)	**544,9**	338,6	347,6

MGK Business Investments Limited ("MGK") is situated in Brits and it provides products and services to clients mainly involved in irrigation agriculture.

MGK operates through three divisions namely, Obaro, Prodsure and All-Gro. Obaro offers agricultural, gardening and pet products and services to the public from 17 commercial retail outlets. Grain services company, Prodsure, provides storage, handling and marketing services for agricultural commodities on behalf of clients. All-Gro is in the production, marketing, selling and distribution of chemical and organic enriched fertilizers, bird seeds, scientifically formulated koi food and environmentally friendly insecticide. The product range is marketed under well-known brand names.

Temo Agri Investments is MGK's BEE investor and holds 23,4% of the shares of MGK Operating Company (Pty) Ltd in which MGK has a 76,6% interest. MGK's programme through which they assist black farmers, has received widespread praise and is seen as a pioneering venture.

MGK is constantly looking for opportunities to expand its footprint. The energetic management team has managed to add a lot of value and has proved that they can turn loss-making businesses around.

TUINROETE AGRI LIMITED (5,9%)

Chairman: Hendrik Pienaar **Managing director:** Jan Weys

Year ended 30 June	2007 16 months	2006	2005
Revenue (Rm)	**432,0**	270,8	228,7
Net profit after tax (Rm)	**83,3**	9,5	7,4
Headline earnings per share (cents)	**60,2**	25,9	17,9
Net asset value per share (cents)	**290,8**	314,2	202,7

Tuinroete Agri Limited ("Tuinroete") is based in Mossel Bay and supplies an array of requisites to the farming community and building industry in the Southern Cape. This is done through its 10 retail trading branches spread across the area. Other operations the company are involved in are the handling and storage of grain and the production of animal feeds. The retail branches comprise a very attractive property portfolio being situated in, amongst others, Plettenberg Bay, Knysna, George and Mossel Bay.

The company's success in the last few years can be ascribed to the boom experienced in the region's property market. Tuinroete is the main supplier of building materials in the area and an expected slowdown in this environment will impact performance in the next year. Agricultural conditions, however, are expected to remain favourable. Subsequent to its year-end, Tuinroete has merged with Langkloof Boerekoöperasie.

AGRICOL HOLDINGS LIMITED (20%)

Chairman: Dr Paul Cluver **Managing director:** Paul Marais

Agricol Holdings Limited ("Agricol") is the latest addition to our investment portfolio. We acquired 20% from the outset and this allows us to equity account the company's earnings.

Agricol is a seed company involved in various divisions in this field. With an extended network of branches and agents all over South Africa, its activities include crops like forage seed and agronomy crops like cereals, canola and hybrid sunflowers. One of Agricol's growing divisions is turf grass where it really is on the forefront of technology. All the main stadia in South Africa use Agricol's grass – Newlands, Loftus, Ellis Park, Kings Park, etc. They are also the suppliers of grass to most of the country's golf courses. The other divisions are birdseed and seed for the confectionery trade.

We are optimistic about the prospects of Agricol. It has a strong focus on research and development and constantly presents the market with new products.

PROSPECTS

It is Zeder's aim to equity account all its investments. This may result in lower but less volatile profits in future. Zeder is constantly investigating opportunities in the agricultural and related sectors where there are still opportunities for value investments.

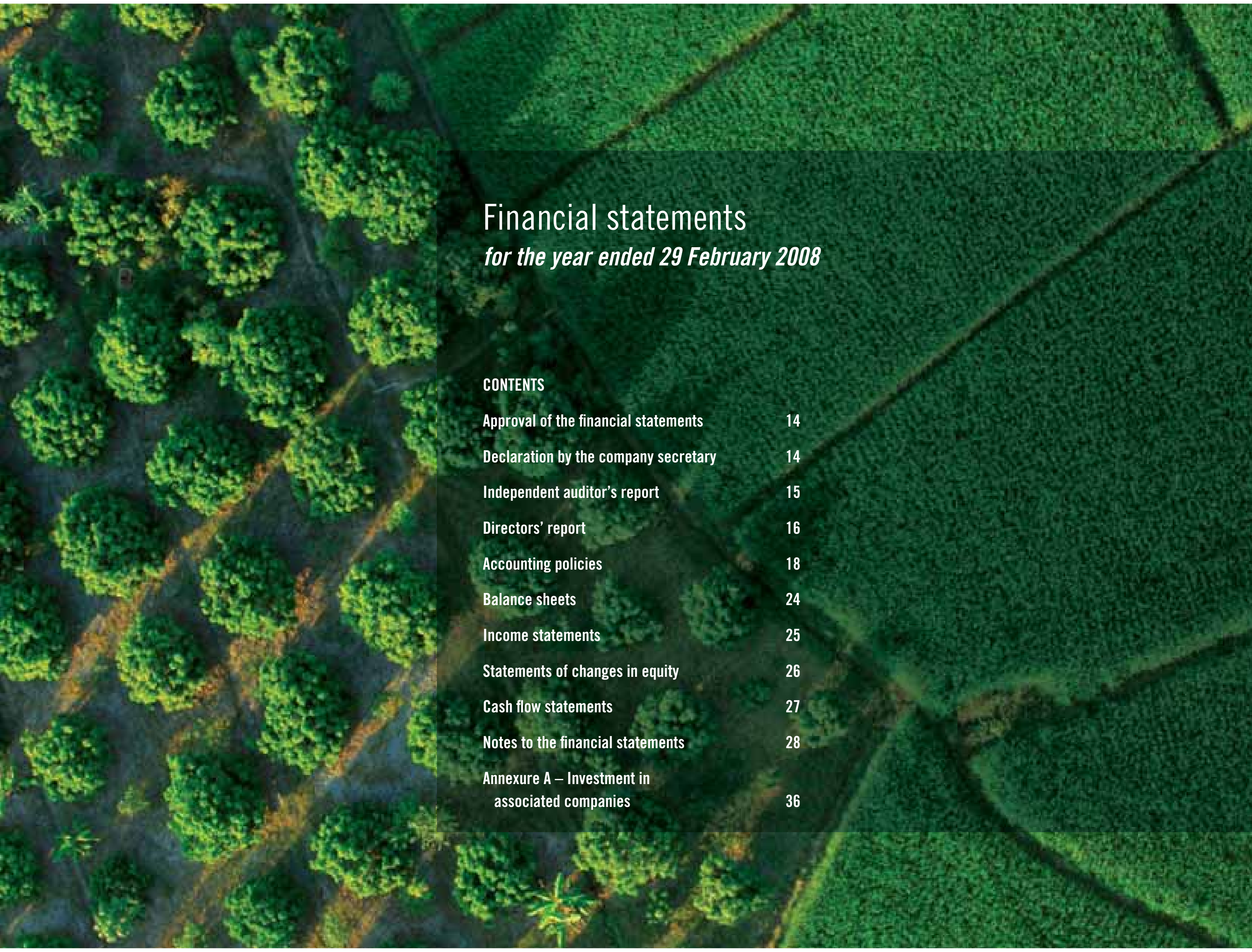
THANKS

First of all I would like to thank the various managements and boards of all our investments. These companies are run by a group of well-qualified, experienced and passionate people. Without them there would be no Zeder.

My gratitude also goes out to the management of Zeder, Zeder Exco members as well as my fellow colleagues on the board of directors.

ANTONIE JACOBS
23 April 2008

ZEDER
INVESTMENTS LIMITED



Financial statements

for the year ended 29 February 2008

CONTENTS

Approval of financial statements

The directors are responsible for the maintenance of adequate accounting records and to prepare financial statements that fairly represent the state of affairs and the results of the group. The external auditors are responsible for independently auditing and reporting on the fair presentation of these financial statements. The directors fulfil this responsibility primarily by establishing and maintaining accounting systems and practices adequately supported by internal accounting controls. Such controls provide assurance that the group's assets are safeguarded, that transactions are executed in accordance with management's authorisations and that the financial records are reliable. The financial statements are prepared in accordance with International Financial Reporting Standards and incorporate full and reasonable disclosure. Appropriate and recognised accounting policies are consistently applied.

The financial statements are prepared on the going concern basis, since the directors have every reason to believe that the group has adequate resources to continue for the foreseeable future.

The financial statements set out on pages 16 to 36 were approved by the board of directors of Zeder Investments Limited and are signed on its behalf by:

AE Jacobs
Director

CA Otto
Director

9 April 2008
Stellenbosch

Declaration by the company secretary

We declare that, to the best of our knowledge, the company has lodged with the Registrar all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.

PSG Corporate Services (Pty) Limited
Per WL Greeff
Company Secretary

9 April 2008
Stellenbosch

Independent auditor's report to the members of Zeder Investments Limited

We have audited the annual financial statements of Zeder Investments Limited, which comprise the balance sheet and the consolidated balance sheet as at 29 February 2008, the income statement and the consolidated income statement, the statement of changes in owners' equity and the consolidated changes in owners' equity, the cash flow statement and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 16 to 36.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act in South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of the group as of 29 February 2008, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc
Director: HD Nel
Registered Auditor

Cape Town
9 April 2008

The directors are pleased to submit their report for the year ended 29 February 2008.

NATURE OF BUSINESS
The group's main business is that of an investment company in the agricultural and related sectors.

REPORTING PERIOD
As Zeder's operating activities commenced on 1 September 2006, the 28 February 2007 results were reported for a six-month period.

OVERVIEW
Zeder has achieved its stated objective to equity account its investments in:

Kaap Agri Limited ("Kaap Agri")
Pioneer Food Group Limited via Kaap Agri
KWV Limited ("KWV")
MGK Business Investments Limited ("MGK")
KLK Landbou Limited
Agricol Holdings Limited ("Agricol")

The company's shareholding in Kaap Agri was increased to 21,8% by exchanging its 5,8% interest in Pioneer Food Group Limited for shares in Kaap Agri on 1 August 2007. Subsequent to this exchange Zeder further increased its shareholding in Kaap Agri to 33,6% at year-end. In addition, the company increased its shareholding in KWV to 20,8% during the year.

The aforementioned equity accounted earnings for the period under review amounted to R72,7 million (2007: Rnil).

RESULTS
Zeder's investment portfolio increased by 76% to R1 366,5 million from R776,3 million as at 28 February 2007. Zeder's net profit after tax for the reporting period is R207,5 million. The company made cash investments of R321,6 million since 28 February 2007.

Zeder further expanded its investment portfolio during the reporting period. In addition to the new investments in MGK and Agricol and increased shareholding in its existing investment portfolio, Zeder also obtained a shareholding in Tuinroete Agri Limited. More than 75% of Zeder's current investment portfolio is represented by its investments in Kaap Agri and KWV.

Zeder's net asset value per share increased by 15% from R2,25 on 28 February 2007 to R2,59 on 29 February 2008. The carrying value of the investments in the associated companies approximates fair value where market value, based on published over-the-counter prices, is less than carrying value.

The operating results and the state of affairs of the group are set out fully in the attached income statements, balance sheets and notes thereto.

SHARE CAPITAL
Details of the authorised and issued share capital appear in note 7 to the financial statements.

During the periods under review, the number of shares in issue changed as follows:

	Number of shares
At beginning of period	
Issued in terms of a share swap on 1 September 2006	174 870 962
Issued in terms of a private placement share swap	16 657 629
Issued for cash in terms of a private placement	350 125 000
Issued in terms of further share swaps to PSG	27 697 417
Issued in terms of further share swaps to private investors	1 961 800
Net shares in issue at 28 February 2007	571 312 808
Issued to a private investor on 1 March 2007	**1 449**
Issued in terms of a share swap on 18 October 2007	**28 920 348**
Issued in terms of a share swap on 21 December 2007	**4 822 602**
Net shares in issue at 29 February 2008	**605 057 207**

DIVIDENDS
A dividend of 5,0 cents per share for the year has been declared by the directors on 9 April 2008. The 2007 dividend of 2,0 cents per share was declared on 11 April 2007 and paid on 4 May 2007.

DIRECTORS

The directors of the company at the date of this report and any changes during the period under review are set out below:

JG Carinus (resigned 9 April 2008)
AE Jacobs
MS du Pré le Roux
JF Mouton
CA Otto
LP Retief

Directors' emoluments paid by PSG Group in terms of a management agreement

CASH-BASED REMUNERATION (R000)	Basic salaries	Company contributions	Performance related	Fees	Total
Executive					
AE Jacobs	723	64	130		**917**
Non-executive					
MS du Pré le Roux				73	**73**
JG Carinus				73	**73**
LP Retief				65	**65**
	723	64	130	211	**1 128**

SHAREHOLDING OF DIRECTORS

The shareholding of directors in the issued share capital of the company as at 29 February 2008 was as follows:

Name	Beneficial		Non-beneficial		**Total shareholding**	
	Direct	Indirect	Direct	Indirect	**Number**	**%**
AE Jacobs		50 000			**50 000**	**0,008**
JF Mouton				50 000	**50 000**	**0,008**
CA Otto				50 000	**50 000**	**0,008**
JG Carinus		250 000			**250 000**	**0,041**
MS du Pré le Roux				250 000	**250 000**	**0,041**
LP Retief				1 199 500	**1 199 500**	**0,198**
	–	300 000	–	1 549 500	**1 849 500**	**0,304**

INDIVIDUAL SHAREHOLDERS HOLDING 5% OR MORE AS AT 29 FEBRUARY 2008

	Shares held	
	Number	**%**
PSG Financial Services Limited	212 822 533	35,2
Fidelity Funds – Emerging Europe, Middle East and Africa	36 474 340	6,0
	249 296 873	41,2

SECRETARY

The secretary of the company is PSG Corporate Services (Pty) Limited. The business and postal addresses are as follows:

Ou Kollege Building
35 Kerk Street
Stellenbosch 7600

PO Box 7403
Stellenbosch 7599

Accounting policies

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

GROUP FINANCIAL STATEMENTS

The group annual financial statements comprise those of the company and associated companies.

BASIS OF PREPARATION

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). They have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

The preparation of consolidated 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed further below.

STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS THAT ARE NOT YET EFFECTIVE

Standards, amendments and interpretations that are effective for the first time in 2008

- IFRIC Interpretation 10 – Interim Financial Reporting and Impairment
  An entity shall not reverse an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost.
- Amendment to IAS 1 presentation of financial statements – Capital Disclosures
  The amendment to IAS 1 introduces disclosures about the level of an entity's capital and how it manages its capital.
- IFRS 7 – Financial Instruments: Disclosure, and consequential amendments to IFRS 4 implementation guidance
  IFRS 7 introduces new requirements to improve the information on financial instruments that is given in entities' financial statements. It requires disclosures about the significance of financial instruments for an entity's financial position and performance. These disclosures incorporate many of the requirements previously in IAS 32. The IFRS also requires information about the extent to which the entity is exposed to risks arising from financial instruments, and a description of management's objectives, policies and processes for managing those risks.

Standards, amendments and interpretations effective in 2008, but not relevant to the group's operations

- IFRIC 8 – Scope of IFRS 2 (effective 1 May 2006)
- IFRIC 9 – Re-assessment of Embedded Derivatives (effective 1 June 2006)
- IFRIC 10 – Interim Financial Reporting and Impairment (effective 1 November 2006)
- IFRIC 11 – IFRS 2 – Group and Treasury Share Transactions (effective 1 March 2007)
- AC 503 – Accounting for Black Economic Empowerment (BEE) transactions

Standards, amendments and interpretations to existing standards that are not yet effective and which the group has not yet early adopted

- IFRS 8 – Operating Segments (effective 1 January 2009)
- IAS 27 – Consolidated and Separate Financial Statements (effective 1 July 2009)
- IAS 1 – Presentation of Financial Statements – Revised (effective 1 January 2009)
- IFRS 3 – Business Combinations (effective 1 July 2009)

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

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the group's accounting periods beginning on or after 1 March 2008 or later periods, but not relevant to the group's operations:

- IAS 23 (Amendment) – Borrowing Costs (effective 1 January 2009)
- IFRIC 14 – IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective 1 January 2008)
- IFRIC 12 – Service Concession Arrangements (effective 1 January 2008)
- IFRIC 13 – Customer Loyalty Programmes (effective 1 July 2008)
- Amendment to IFRS 2 Share-based Payment: Vesting Conditions and Cancellations (effective 1 January 2009)

FINANCIAL INSTRUMENTS

Financial instruments recognised on the balance sheet include equity securities, receivables, loans and advances, trade payables, and cash and cash equivalents. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount reported in the balance sheet 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.

INVESTMENT IN ASSOCIATED COMPANIES

Associated companies 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 associated companies are accounted for by the equity method of accounting and are initially recognised at cost.

The results of associated companies are accounted for according to the equity method, based on their most recent audited financial statements or latest management information. Equity accounting involves recognising the group's share of its associated companies' post-acquisition profits or losses in the income statement, and its share of post-acquisition movements in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company.

For step acquisitions of investment in associated companies the carrying value of pre-associate investments are restated to cost through equity. The pre-associate interest in identifiable net assets is also stepped up to fair value through equity. Goodwill is calculated at each stage of step acquisition. The step acquisition investment in associated companies is initially carried at fair value of the group's share of net assets plus goodwill arising from each stage of step acquisition.

Certain associates have year-ends that differ from that of the group. In such circumstances the results of certain unlisted companies are accounted for from the latest published information and management accounts as at year-end, respectively.

The company accounts for investments in associated companies at cost less provision for impairment.

FINANCIAL ASSETS

The group classifies its financial assets into the following categories: financial assets at fair value through profit or loss, and loans and advances. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this at every reporting date.

Financial assets at fair value through profit or loss

This category has two subcategories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges.

Loans and advances

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the group intends to sell in the short term.

Loans and advances are carried at amortised cost using the effective-interest method. Specific provisions are made against identified doubtful advances.

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 are initially recognised at fair value plus, for all financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. 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.

Financial assets at fair value through profit or loss are subsequently carried at fair value. Realised and unrealised gains or losses arising from changes in the fair value of the 'Financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise.

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.

The group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

The group does not apply hedge accounting.

RECEIVABLES

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, other deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, money market funds and bank overdrafts.

SHARE CAPITAL

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

Non-redeemable preference shares, where the dividend declaration is subject to discretion of the board, is classified as equity.

FINANCIAL LIABILITIES

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective-interest method.

DEFERRED INCOME TAX

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 balance sheet 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.

PROVISIONS

Provisions are recognised when:

- the group has a present legal or constructive obligation as a result of past events;
- it is more likely than not that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pretax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

IMPAIRMENT OF INVESTMENT IN ASSOCIATED COMPANIES

An impairment loss is recognised for the amount by which the associate's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The carrying amount of investment in associated companies are reviewed annually and written down for impairment where necessary.

REVENUE RECOGNITION

Revenue is recognised as follows:

Interest income

Interest income is recognised on a time proportionate basis using the effective-interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding discount as interest income. Interest income from financial assets that are classified as at fair value through profit or loss is included in investment income.

Dividend income

Dividend income is recognised when the right to receive payment is established. Dividend from financial assets that are classified as at fair value through profit or loss is included in investment income.

MANAGEMENT FEES

Management fees payable consist of a base fee and a performance fee element. The base fee is calculated at 2% p.a. on the net asset value of the group excluding cash at the end of every month and 0,15% on the daily weighted average cash balances. The base fee is accrued at the end of every month and paid every six months. The performance fee is calculated on the last day of the financial year at 10% p.a. on the outperformance of the group's equity portfolio above the equally weighted FTSE-JSE Beverage Total Return Index (TRI041) and the FTSE-JSE Food Producers Total Return Index (TRI043) over any financial year. The performance fee is accrued at each year-end.

DIVIDEND DISTRIBUTIONS

Dividend distributions to the company's shareholders are recognised as a liability in the period in which the dividends are declared by the company's directors.

CONTINGENCIES

A contingent liability is either a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group or a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. These contingent liabilities are not recognised in the balance sheet but disclosed in the notes to the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. These contingent assets are not recognised in the balance sheet but are disclosed in the notes to the financial statements unless the inflow of financial benefits is probable.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial period. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances.

Fair value of unquoted equity securities

The fair value of unquoted equity securities that are not traded in an active market is determined by using valuation techniques with reference to market prices.

Directors' valuation of unlisted associated companies

Different valuation techniques are used for the directors' valuation of the unlisted investment in associated companies. Valuation techniques used include applying a market-related price/earnings ratio to operational earnings, assessing the fair value of underlying investments as well as the published net asset value.

Impairment of investments

An impairment of investments is considered when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgement. In making this judgement, the following factors may be considered: normal volatility in share price, the financial health of the investee, sector performance and changes in operational and financing cash flow.

Acquisition of associated companies

During the year under review the group acquired a number of associated companies. In accounting for these transactions management had to apply judgement in allocating the purchase price to the tangible and intangible assets of the associates acquired, as well as to goodwill.

FINANCIAL RISK MANAGEMENT

The group's activities expose it to a variety of financial risks: market risk (including price risk), credit risk, cash flow interest rate risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

Risk management is carried out under policies approved by the group's board of directors.

Market risk

Price risk

The group is exposed to equity securities price risk because of investments held by the group and classified on the balance sheet either as available-for-sale or at fair value through profit or loss. The group manages price risk by investing in a portfolio of investments and monitoring equity securities prices on a regular basis. The group is not directly exposed to commodity price risk.

At 29 February 2008, if the closing market prices of the equity investments that the group and company hold had been 10% higher/lower, with all other variables constant, the net profit after tax for the year would have been R18 439 000 (2007: R66 762 000) higher/lower.

Cash flow interest rate risk

The group's interest rate risk arises from interest-bearing investments. The group manages its cash flow interest rate risk by monitoring interest rates on a regular basis.

The group's financial assets that exposes it to interest rate risk is set out in note 1 (Preference shares of associated companies), note 3 (Loans and advances) and note 6 (Cash and cash equivalents).

At 29 February 2008, if interest rates at that date had been 200 basis points higher/lower, with all other variables constant for a 12-month period, the group and company's net post-tax profit for the year would have been R3 366 000 (2007: R7 631 000) higher/lower, arising as a result of changes in interest rate income on floating rate investments.

The group had no fixed interest rate investments at 29 February 2008 (2007: Rnil).

Foreign currency risk

The group's financial assets and liabilities are denominated in rand. The group does not have any financial assets denominated in foreign currency.

Credit risk

Financial assets which potentially subject the group to credit risk consist of preference shares of associated companies, loans and advances, and cash and cash equivalents. Cash is invested with high credit-quality financial institutions and money market funds.

The following table provides information regarding the aggregated risk exposure for financial assets:

GROUP AND COMPANY

29 February 2008	Credit rating			
	A	A-2	Not rated	Carrying value
	R000	R000	R000	R000
Preference shares of associated companies			13 211	13 211
Unquoted equity securities			58 345	58 345
Loans and advances	72 539			72 539
Cash and cash equivalents		20 341	144 165	164 506

28 February 2007	Credit rating		
	A-2	Not rated	Carrying value
	R000	R000	R000
Unquoted equity securities		93 745	93 745
Cash and cash equivalents	12 410	524 952	537 362

The group's maximum exposure to credit risk at 29 February 2008 and 28 February 2007 is represented by the carrying amounts of preference shares of associated companies, loans and advances, and cash and cash equivalents.

The unrated unquoted equity securities relate to advances which are linked to equity instruments. Refer note 2.

The unrated cash and cash equivalents relate to the group's investment in the PSG Money Market Fund of which the underlying instruments are rated in terms of the Collective Investment Schemes Control Act.

Impairment history
The group had no instances of impairment of financial assets due to credit risk during the reporting periods. At 29 February 2008 and 28 February 2007 the group had no financial assets that were past due.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. At the period end the group had limited liquidity risk as it had virtually no debt.

Trade and other payables will be settled out of existing cash resources.

Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders.

The group's policy is to declare and pay dividends equal to the cash dividends received from its underlying investments.

Although there is no restriction on the level of gearing the group may employ, it is not expected that the group will utilise debt to a significant extent, and the level of gearing employed will be assessed continuously in the context of the level of liquidity within the group's portfolio. The group will raise additional capital should the need arise to fund future long-term investments.

Balance sheets *at 29 February 2008*

	Notes	GROUP 2008 R000	GROUP 2007 R000	COMPANY 2008 R000	COMPANY 2007 R000
ASSETS					
Investment in associated companies	1	**1 152 093**		**1 096 922**	
Financial assets					
Equity securities	2	**214 408**	776 301	**214 408**	776 301
Loans and advances	3	**72 539**		**72 539**	
Income tax receivable		**961**		**961**	
Receivables	5	**18**	219	**18**	219
Cash and cash equivalents	6	**164 506**	537 362	**164 506**	537 362
Total assets		**1 604 525**	1 313 882	**1 549 354**	1 313 882
Capital and reserves attributable to the company's equity holders					
Share capital	7	**6 051**	5 713	**6 051**	5 713
Share premium		**1 227 714**	1 140 620	**1 227 714**	1 140 620
Retained earnings		**332 616**	136 525	**277 445**	136 525
Ordinary shareholders' funds		**1 566 381**	1 282 858	**1 511 210**	1 282 858
Total equity		**1 566 381**	1 282 858	**1 511 210**	1 282 858
LIABILITIES					
Deferred income tax	4	**2 890**	18 461	**2 890**	18 461
Trade and other payables	8	**35 254**	7 148	**35 254**	7 148
Current income tax liabilities			5 415		5 415
Total liabilities		**38 144**	31 024	**38 144**	31 024
Total liabilities and shareholders' funds		**1 604 525**	1 313 882	**1 549 354**	1 313 882

Income statements *for the year ended 29 February 2008*

	Notes	GROUP 2008 R000	GROUP Six months 2007 R000	COMPANY 2008 R000	COMPANY Six months 2007 R000
Income					
Investment income	9	**47 705**	30 648	**65 184**	30 648
Net fair value gains on financial instruments	10	**154 826**	137 064	**154 826**	137 064
Sundry income	11	**479**	215	**479**	215
Total income		**203 010**	167 927	**220 489**	167 927
Expenses					
Management fee		**(25 704)**	(7 514)	**(25 704)**	(7 514)
Performance fee		**(20 608)**		**(20 608)**	
Other		**(7)**		**(7)**	
Total expenses		**(46 319)**	(7 514)	**(46 319)**	(7 514)
Results of operating activities		**156 691**	160 413	**174 170**	160 413
Finance costs	12		(12)		(12)
Income from associates	1	**72 650**			
Profit before taxation		**229 341**	160 401	**174 170**	160 401
Taxation	13	**(21 824)**	(23 876)	**(21 824)**	(23 876)
Net profit for the year		**207 517**	136 525	**152 346**	136 525
Attributable to:					
– equity holders of the company		**207 517**	136 525	**152 346**	136 525
Earnings per share (cents)					
Basic	14	**35,6**	27,8		
Dividend per share (cents)					
Final	15	**5,0**	2,0		

Statements of changes in equity *for the year ended 29 February 2008*

GROUP	*Share capital R000*	*Share premium R000*	*Retained earnings R000*	*Total R000*
At beginning of period				–
Issue of share capital	5 713	1 142 845		1 148 558
Share issue costs		(2 225)		(2 225)
Net income for the period			136 525	136 525
Balance at 28 February 2007	5 713	1 140 620	136 525	1 282 858
Issue of share capital	**338**	**87 156**		**87 494**
Share issue costs		**(62)**		**(62)**
Net income for the year			**207 517**	**207 517**
Step acquisition from equity securities to investment in associated companies				
Reversal of previous fair value gains after taxation on equity securities			**(156 836)**	**(156 836)**
Revaluation of assets and liabilities of associated companies			**156 836**	**156 836**
Dividend paid			**(11 426)**	**(11 426)**
Balance at 29 February 2008	**6 051**	**1 227 714**	**332 616**	**1 566 381**

COMPANY	*Share capital R000*	*Share premium R000*	*Retained earnings R000*	*Total R000*
At beginning of period				–
Issue of share capital	5 713	1 142 845		1 148 558
Share issue costs		(2 225)		(2 225)
Net income for the period			136 525	136 525
Balance at 28 February 2007	5 713	1 140 620	136 525	1 282 858
Issue of share capital	**338**	**87 156**		**87 494**
Share issue costs		**(62)**		**(62)**
Net income for the year			**152 346**	**152 346**
Step acquisition from equity securities to investment in associated companies				
Reversal of previous fair value gains after taxation on equity securities			**(156 836)**	**(156 836)**
Revaluation of assets and liabilities of associated companies			**156 836**	**156 836**
Dividend paid			**(11 426)**	**(11 426)**
Balance at 29 February 2008	**6 051**	**1 227 714**	**277 445**	**1 511 210**

		GROUP		COMPANY	
			Six months		*Six months*
		2008	*2007*	***2008***	*2007*
	Notes	***R000***	*R000*	***R000***	*R000*
Cash retained from operating activities					
Cash generated by operating activities	19.1	**46 831**	30 266	**46 831**	30 266
Taxation paid	19.2	**(8 467)**		**(8 467)**	
Net cash flow from operating activities		**38 364**	30 266	**38 364**	30 266
Cash utilised in investment activities					
Cash utilised in investment activities		**(208 054)**	(190 929)	**(208 054)**	(190 929)
Acquisition of associates		**(113 572)**		**(113 572)**	
Loan advanced to associated company		**(8 103)**		**(8 103)**	
Proceeds from disposal of investments		**2 508**		**2 508**	
Net loans advanced		**(72 514)**		**(72 514)**	
Net cash flow from investment activities		**(399 735)**	(190 929)	**(399 735)**	(190 929)
Cash flows from financing activities					
Dividend paid		**(11 426)**		**(11 426)**	
Proceeds from issue of ordinary shares		**3**	700 250	**3**	700 250
Placement cost		**(62)**	(2 225)	**(62)**	(2 225)
Net cash flow from financing activities		**(11 485)**	698 025	**(11 485)**	698 025
Net (decrease)/increase in cash and cash equivalents		**(372 856)**	537 362	**(372 856)**	537 362
Cash and cash equivalents at beginning of year		**537 362**		**537 362**	
Cash and cash equivalents at end of year	19.3	**164 506**	537 362	**164 506**	537 362

	GROUP		COMPANY	
	2008	*2007*	**2008**	*2007*
	R000	*R000*	**R000**	*R000*
1. INVESTMENT IN ASSOCIATED COMPANIES				
Carrying value of shares				
Unlisted	**1 138 882**		**1 083 711**	
Preference shares	**13 211**		**13 211**	
	1 152 093	–	**1 096 922**	–
Reconciliation				
Carrying value at beginning of year				
Equity accounted earnings				
Share of profit after tax	**72 650**			
Movement in investment value:				
Dividends received	**(17 479)**			
Acquisitions				
– cash purchases	**113 572**		**113 572**	
– shares issued	**87 490**		**87 490**	
– shares swapped	**370 572**		**370 572**	
Transfer from equity securities at cost	**355 241**		**355 241**	
Revaluation of assets and liabilities of associated companies	**156 836**		**156 836**	
Carrying value at end of year	**1 138 882**	–	**1 083 711**	–
Market value of unlisted investments (based on published over-the-counter prices)	**890 802**	–	**890 802**	–
Directors' valuation of unlisted investments	**1 138 882**	–	**1 083 711**	–
Portion of the share in net profit retained by associates that has been accounted for from unaudited interim reports and management reports	**60 856**	–	**–**	–

The preference shares carry a dividend rate of prime plus 2% and the capital and accrued dividends are redeemable on 2 October 2010.

Refer Annexure A

	GROUP		COMPANY	
	2008	*2007*	***2008***	*2007*
	R000	*R000*	***R000***	*'000*
2. EQUITY SECURITIES				
Quoted				
Unlisted	**156 063**	682 556	**156 063**	682 556
Unquoted	**58 345**	93 745	**58 345**	93 745
	214 408	776 301	**214 408**	776 301

The unquoted equity securities relate to advances which are linked to equity instruments. In terms of these agreements, the company is entitled to a percentage increase in the market value of the underlying equity securities and the dividends received on these securities. The advances are impaired to the value of the underlying instruments should the market value of the instruments fall below the current carrying value of the advances.

A list of the equity securities is available for inspection at the company's registered office.

	At fair value through profit or loss			
	GROUP		COMPANY	
	2008	*2007*	***2008***	*2007*
	R000	*R000*	***R000***	*R000*
Reconciliation of movements				
Carrying amount at beginning of year	**776 301**		**776 301**	
Acquisitions				
– cash purchases	**208 054**	190 929	**208 054**	190 929
– shares issued		448 308		448 308
Transfer to investment in associated companies at cost	**(355 241)**		**(355 241)**	
Reversal of previous fair value gains on equity securities transferred to investments in associated companies to equity	**(192 176)**		**(192 176)**	
Disposals	**(337 838)**		**(337 838)**	
Unrealised net fair value gains	**115 308**	137 064	**115 308**	137 064
Carrying amount at end of year	**214 408**	776 301	**214 408**	776 301
Current				
Non-current	**214 408**	776 301	**214 408**	776 301
	214 408	776 301	**214 408**	776 301

The investment in equity securities forms part of a strategic investment portfolio and the company's stated long-term investment strategy.

	GROUP 2008 R000	GROUP 2007 R000	COMPANY 2008 R000	COMPANY 2007 R000
3. LOANS AND ADVANCES				
Unsecured loan	**72 539**		**72 539**	
	72 539	–	**72 539**	–
Current	**72 539**		**72 539**	
Non-current				
	72 539	–	**72 539**	–

The unsecured loan consists of cash advanced to PSG Corporate Services (Pty) Ltd. The unsecured loan carries interest at prime less 3% and is repayable on demand. PSG Group Ltd guaranteed the loan to PSG Corporate Services (Pty) Ltd.

	GROUP 2008 R000	GROUP 2007 R000	COMPANY 2008 R000	COMPANY 2007 R000
4. DEFERRED INCOME TAX				
Deferred income tax assets	**3 020**	1 415	**3 020**	1 415
To be recovered after more than 12 months				
To be recovered within 12 months	**3 020**	1 415	**3 020**	1 415
Deferred income tax liabilities	**(5 910)**	(19 876)	**(5 910)**	(19 876)
To be paid after more than 12 months	**(5 910)**	(19 876)	**(5 910)**	(19 876)
To be paid within 12 months				
Net deferred income tax (liability)	**(2 890)**	(18 461)	**(2 890)**	(18 461)

The movement in the deferred tax balance during the period is as follows:

GROUP AND COMPANY	**Unrealised profits** ***R000***	**STC credits** ***R000***	**Total** ***R000***
At beginning of period			
(Charge)/credit to income statement	(19 876)	1 415	(18 461)
At 28 February 2007	(19 876)	1 415	(18 461)
Reversal of deferred tax on previous fair value gains on equity securities transferred to investments in associated companies to equity	**35 340**		**35 340**
(Charge)/credit to income statement	**(21 374)**	**1 605**	**(19 769)**
At 29 February 2008	**(5 910)**	**3 020**	**(2 890)**

The secondary tax on companies liability, should all distributable reserves be paid out, amounts to R25 222 000 (2007: R15 169 000).

Deferred tax on temporary differences relating to financial assets that are measured at fair value through profit or loss which forms part of the company's long-term investment strategy is calculated using the capital gains tax rate.

	GROUP		COMPANY	
	2008	2007	**2008**	2007
	R000	R000	**R000**	R000
5. RECEIVABLES				
Prepayments and sundry debtors	**18**	219	**18**	219
	18	219	**18**	219
Current	**18**	219	**18**	219
Non-current				
	18	219	**18**	219
6. CASH AND CASH EQUIVALENTS				
Cash at bank and in hand	**20 341**	12 410	**20 341**	12 410
Money market fund	**144 165**	524 952	**144 165**	524 952
	164 506	537 362	**164 506**	537 362

The money market fund earned interest at money market rates during the period under review. Money market funds are immediately available.

	GROUP		COMPANY	
	2008	2007	**2008**	2007
	R000	R000	**R000**	R000
7. SHARE CAPITAL				
Authorised				
1 500 000 000 ordinary shares of 1 cent each	**15 000**	15 000	**15 000**	15 000
250 000 000 cumulative, non-redeemable, non-participating preference shares of 1 cent each	**2 500**	2 500	**2 500**	2 500
Issued				
605 057 207 (2007: 571 312 808) ordinary shares of 1 cent each	**6 051**	5 713	**6 051**	5 713
	6 051	5 713	**6 051**	5 713

Refer to the directors' report for details of shares issued during the year.

	GROUP		COMPANY	
	2008	2007	**2008**	2007
	R000	R000	**R000**	R000
8. TRADE AND OTHER PAYABLES				
Management and performance fees – PSG Group	**35 049**	5 534	**35 049**	5 534
Other	**205**	1 614	**205**	1 614
	35 254	7 148	**35 254**	7 148
Current	**35 254**	7 148	**35 254**	7 148
Non-current				
	35 254	7 148	**35 254**	7 148

	GROUP		COMPANY	
	2008	2007	**2008**	2007
	R000	R000	**R000**	R000
9. INVESTMENT INCOME				
Interest income				
Loans and advances	**5 452**	502	**5 452**	502
Cash and short-term funds	**28 676**	18 829	**28 676**	18 829
	34 128	19 331	**34 128**	19 331
Dividend income				
Equity securities – at fair value through profit or loss	**13 577**	11 317	**13 577**	11 317
Associated companies			**17 479**	
	13 577	11 317	**31 056**	11 317
	47 705	30 648	**65 184**	30 648
10. NET FAIR VALUE GAINS ON FINANCIAL INSTRUMENTS				
Net fair value gains on financial instruments at fair value through profit or loss:				
Realised fair value gains and losses	**39 518**		**39 518**	
Unrealised fair value gains and losses	**115 308**	137 064	**115 308**	137 064
	154 826	137 064	**154 826**	137 064
11. SUNDRY INCOME				
Rebate received on PSG Money Market funds invested	**479**	215	**479**	215
	479	215	**479**	215
12. FINANCE COSTS				
Unsecured loans		12		12
	–	12	**–**	12
13. TAXATION				
Current taxation				
Current period	**3 170**	5 415	**3 170**	5 415
Prior year	**(1 128)**		**(1 128)**	
	2 042	5 415	**2 042**	5 415
Deferred taxation				
Current period	**21 374**	19 876	**21 374**	19 876
	21 374	19 876	**21 374**	19 876
Secondary tax on companies				
Current taxation	**13**		**13**	
Deferred taxation	**(1 605)**	(1 415)	**(1 605)**	(1 415)
	(1 592)	(1 415)	**(1 592)**	(1 415)
	21 824	23 876	**21 824**	23 876

	GROUP 2008	GROUP 2007	COMPANY 2008	COMPANY 2007
13. TAXATION *(continued)*				
Reconciliation of income tax charge:				
Reconciliation of rate of taxation	%	%	%	%
South African normal rate of taxation	**29,0**	29,0	**29,0**	29,0
Adjusted for:				
Prior year overprovision	**(0,5)**		**(0,6)**	
Non-taxable income	**(1,7)**	(2,0)	**(5,3)**	(2,0)
Non-deductible expenses	**2,7**	1,2	**3,6**	1,2
Income from associated companies	**(9,2)**			
Capital gains tax charge and rate change	**(10,1)**	(12,4)	**(13,3)**	(12,4)
Secondary tax on companies	**(0,7)**	(0,9)	**(0,9)**	(0,9)
Effective rate of tax	**9,5**	14,9	**12,5**	14,9

	GROUP 2008	GROUP 2007
	R000	*R000*
14. EARNINGS PER SHARE		
The calculations of earnings per share are based on the following:		
Total earnings attributable to ordinary shareholders	**207 517**	136 525
Adjustments (net of tax):		
Non-headline items of associated companies	**(1 069)**	
Headline earnings	**206 448**	136 525
	Number of shares 000	Number of shares 000
The calculation of the weighted average number of shares is as follows:		
Number of shares at beginning of the year	**571 313**	
Weighted number of shares issued in the year	**11 512**	490 477
Weighted number of shares for the year	**582 825**	490 477
Earnings per share (cents)	**35,61**	27,84
Headline earnings per share (cents)	**35,42**	27,84

	GROUP		COMPANY	
	2008	*2007*	***2008***	*2007*
	R000	*R000*	***R000***	*R000*
15. DIVIDEND PER SHARE				
Normal dividend	**30 253**	11 426	**30 253**	11 426
Final				
5 cents per share (2007: 2 cents)				

Dividends payable are not accounted for until they have been declared.

16. CAPITAL COMMITMENTS AND CONTINGENCIES

The group did not have any capital commitments neither contingencies at 29 February 2008.

17. BORROWING POWERS

The borrowing powers of the company are unlimited.

18. RELATED-PARTY TRANSACTIONS

PSG Group Limited ("PSG") has been identified as a related party by virtue of the fact that Messrs JF Mouton and CA Otto are directors of both companies and the fact that the company is managed by PSG as detailed below.

The management fee to PSG for providing all investment, administrative, advisory, financial and corporate services in terms of a management agreement amounted to R25 704 000 for the year under review (2007: R7 514 000). The management agreement also provides for a performance fee to be paid to PSG should the group outperform the Food Producers and Beverages indices based on the growth in the group's net asset value for the year under review. A performance fee of R20 608 000 is payable to PSG for the year under review. No performance fee was paid to PSG in respect of the prior financial year. See note 8 for amounts due to PSG at year-end.

During the year the company invested in the PSG Money Market Fund and earned interest of R26 738 000 (2007: R17 952 000) for the year. The balance invested in the PSG Money Market Fund at 29 February 2008 was R144 165 000 (2007: R524 952 000). A rebate of R479 000 (2007: R215 000) was received from PSG Collective Investments Limited for investing in the PSG Money Market Fund.

During the year the company advanced money to a subsidiary of PSG and earned interest of R5 452 000 for the year. The amount due from the subsidiary at 29 February 2008 was R72 539 000 (2007: Rnil) (refer note 3).

Net interest of R188 000 (2007: R184 000) was earned on the company's account with PSG Online Services (Pty) Limited.

In the prior year the company issued 174 870 956 ordinary shares at a premium of R1,99 per share to PSG in exchange for equity securities with a value of R349 742 000 at the transaction date. The company issued a further 27 010 537 ordinary shares on 23 October 2006 at a premium of R2,19 per share to PSG in exchange for equity securities with a net value of R59 423 000 at transaction date. The company also incurred share placement commission of R2 224 000 payable to PSG during the prior year. The net amount due to PSG at 28 February 2007 amounted to R5 553 395.

Details of directors' emoluments and share dealings are included in the directors' report.

		GROUP		COMPANY	
		2008	2007	**2008**	2007
		R000	R000	**R000**	R000
19.	**NOTES TO THE CASH FLOW STATEMENT**				
19.1	**Cash generated by operating activities**				
	Net income before tax	**229 341**	160 401	**174 170**	160 401
	Adjusted for:				
	Changes in working capital				
	Change in accounts receivable	**201**	(219)	**201**	(219)
	Change in trade and other payables	**28 144**	7 148	**28 144**	7 148
	Changes in financial instruments				
	Fair value changes in equity securities	**(154 826)**	(137 064)	**(154 826)**	(137 064)
	Non-cash income from associates	**(56 029)**		**(858)**	
		46 831	30 266	**46 831**	30 266
19.2	**Taxation paid**				
	Credit/(charge) in income statement	**21 824**	(23 876)	**21 824**	(23 876)
	Deferred tax adjustment	**(19 769)**	18 461	**(19 769)**	18 461
	Movement in taxation liability	**6 376**	5 415	**6 376**	5 415
	Other	**36**		**36**	
		8 467	–	**8 467**	–
19.3	**Cash and equivalents at end of year**				
	Cash and short-term funds	**164 506**	537 362	**164 506**	537 362
		164 506	537 362	**164 506**	537 362
20.	**NET ASSET VALUE PER SHARE**				
	Net asset value per share (R)	**2,59**	2,25	**2,50**	2,25
	Net tangible asset value per share (R)	**2,59**	2,25	**2,50**	2,25

21. SEGMENTAL REPORTING

All investment activities are considered by the directors to be in the agricultural and related services sector of South Africa.

Annexure A – Investment in associated companies

Company	Nature of business	Proportion held directly or indirectly by holding companies 2008 %
Unlisted		
Kaap Agri Limited	Agricultural	33,60%
KWV Limited	Wine producing	20,68%
MGK Business Investments Limited	Agricultural	29,77%
Thembeka Agri Holdings (Pty) Limited	Holding company of 20% in KLK	49,99%
Agricol Holdings Limited	Agricultural	20,00%

Summarised financial information in respect of principal associated companies

	R000
Assets	5 971 991
Liabilities	2 111 638
Revenues	2 257 424
Profits	278 832

Notice is hereby given of the annual general meeting of shareholders of Zeder Investments Limited ("Zeder" or "the company") to be held at Lanzerac Hotel, Lanzerac Road, Jonkershoek, Stellenbosch, at 11:30 on Friday, 20 June 2008.

AGENDA

1. To receive and consider the annual financial statements of the company and the reports of the directors and the auditor for the year ended 29 February 2008.

2. Re-election of directors:

   2.1. To re-elect as director Mr MS du Pré le Roux who retires by rotation in terms of the articles of association of the company and, being eligible, offers himself for re-election.

   Summary curriculum vitae of Michiel Scholtz du Pré le Roux
   Mr le Roux, aged 58, obtained his BCom and LLB degrees from the University of Stellenbosch.

   He is non-executive chairman of Capitec Bank Holdings Limited and Capitec Bank Limited and non-executive director of Zeder Investments Limited.

   Mr le Roux has 30 years' working experience in commerce and banking. He was managing director of Distillers Corporation (SA) Limited from 1979 to 1993, and from 1995 to 1998 managing director of Boland Bank Limited, NBS Boland Limited and BoE Bank Limited.

   Mr le Roux was one of the founding members of the Capitec group and resigned from his position as chief executive officer effective 31 March 2004.

   2.2. To re-elect as director Mr LP Retief who retires by rotation in terms of the articles of association of the company and, being eligible, offers himself for re-election.

   Summary curriculum vitae of Lambert Philips Retief
   Mr Retief, aged 55, obtained the BCom Hons degree from the University of Stellenbosch. He also qualified as Chartered Accountant (SA).

   He is non-executive chairman of Paarl Media Holdings (Proprietary) Limited. He is non-executive director of Media24 Limited and Zeder Investments Limited.

   Mr Retief has been involved in the printing and publishing business since 1978. He is a past chairman of the Provincial Press Association and current president of the Printing Industry Federation of South Africa.

3. To confirm the reappointment of PricewaterhouseCoopers Inc as auditor for the ensuing year on the recommendation of Zeder Investments Limited's audit and risk committee.

4. To consider and, if deemed fit, pass, with or without modification, the following ordinary and special resolutions:

   4.1. Ordinary resolution number 1
   "Resolved that the unissued shares in the company, limited to 15% of the number of shares in issue at 29 February 2008, be and are hereby placed under the control of the directors until the next annual general meeting and that they be and are hereby authorised to issue any such shares as they may deem fit, subject to the Companies Act, 1973 (Act 61 of 1973), the articles of association of the company, and the provisions of the Listings Requirements of the JSE Limited."

   4.2. Ordinary resolution number 2
   "Resolved that the directors of the company be and are hereby authorised by way of a general authority, to allot and issue any of its unissued shares for cash placed under their control as they in their discretion may deem fit, without restriction, subject to the provisions of the Listings Requirements of the JSE Limited ("JSE"), and subject to the proviso that the aggregate number of ordinary shares able to be allotted and issued in terms of this resolution, shall be limited to 15% of the issued share capital at 29 February 2008, provided that:

   – the approval shall be valid until the date of the next annual general meeting of the company, provided it shall not extend beyond fifteen months from the date of this resolution;
   – a paid press announcement giving full details, including the impact on net asset value and earnings per share, will be published after any issue representing, on a cumulative basis within any one financial year, 5% or more of the number of shares in issue prior to such issue;

- the general issues of shares for cash in the aggregate in any one financial year may not exceed 15% of the applicant's issued share capital (number of securities) of that class. The securities of a particular class will be aggregated with the securities that are compulsorily convertible into securities of that class; and, in the case of the issue of compulsorily convertible securities, aggregated with the securities of that class into which they are compulsorily convertible. The number of securities of a class which may be issued shall be based on the number of securities of that class in issue at the date of such application less any securities of the class issued during the current financial year, provided that any securities of that class to be issued pursuant to a rights issue (announced and irrevocable and underwritten) or acquisition (concluded up to the date of application) may be included as though they were securities in issue at the date of application;
- in determining the price at which an issue of shares will be made in terms of this authority the maximum discount permitted will be 10% of the weighted average traded price of such shares, as determined over the 30 trading days prior to the date that the price of the issue is agreed between the issuer and the party subscribing for the securities. The JSE should be consulted for a ruling if the applicant's securities have not traded in such 30 business day period;
- any such issue will only be made to public shareholders as defined in paragraph 4.22 of the Listings Requirements of the JSE and not to related parties; and
- any such issue will only be securities of a class already in issue."

At least 75% of the shareholders present in person or by proxy and entitled to vote at the annual general meeting must cast their vote in favour of this resolution.

4.3. Special resolution number 1

"Resolved as a special resolution that the company be and is hereby authorised, as a general approval, to repurchase any of the shares issued by the company, upon such terms and conditions and in such amounts as the directors may from time to time determine, but subject to the provisions of section 85 to section 88 of the Companies Act, 1973 (Act 61 of 1973), the articles of association of the company, the Listings Requirements of the JSE Limited ("JSE") and the requirements of any other stock exchange on which the shares of the company may be quoted or listed, namely that:

- the general repurchase of the shares may only be implemented on the open market of the JSE and done without any prior understanding or arrangement between the company and the counterparty;
- this general authority shall only be valid until the next annual general meeting of the company, provided that it shall not extend beyond fifteen months from the date of this resolution;
- an announcement must be published as soon as the company has acquired shares constituting, on a cumulative basis, 3% of the number of shares in issue prior to the acquisition, pursuant to which the aforesaid 3% threshold is reached, containing full details thereof, as well as for each 3% in aggregate of the initial number of shares acquired thereafter;
- the general authority to repurchase is limited to a maximum of 20% in aggregate in any one financial year of the company's issued share capital at the time the authority is granted;
- the general repurchase is authorised by the company's articles of association;
- repurchases must not be made at a price more than 10% above the weighted average of the market value of the shares for five business days immediately preceding the date that the transaction is effected. The JSE should be consulted for a ruling if the applicant's securities have not traded in such five business day period;
- the company will only effect a general repurchase if, after the purchase is effected, it still complies with paragraphs 3.37 to 3.41 of the Listings Requirements of the JSE concerning shareholder spread requirements;
- the company may at any point in time only appoint one agent to effect any repurchase(s) on the company's behalf;
- the company may not effect a repurchase during any prohibited period as defined in terms of the Listings Requirements of the JSE unless there is a repurchase programme in place as contemplated in terms of 5.72(g) of the Listings Requirements of the JSE; and
- the company must ensure that its sponsor provides the JSE with the required working capital letters before it commences to repurchase of any shares."

4.4. Special resolution number 2

"Resolved as a special resolution that the company, insofar as it may be necessary to do so, hereby approves, as a general approval, and authorises the acquisition by any subsidiary of the company of shares issued by such subsidiary and/or by the company, upon such terms and conditions and in such amounts as the directors of such subsidiary/ies may from time to time determine, but subject to the provisions of section 85 to section 89 of the Companies Act, 1973 (Act 61 of 1973), the articles of association of the company, the Listings Requirements of the JSE Limited ("JSE") (if listed) and the requirements of any other stock exchange on which the shares of the acquiree company may be quoted or listed, namely that:

- the general repurchase of shares may only be implemented on the open market of the JSE and done without any prior understanding or arrangement between the company and the other counterparty;
- this general authority shall only be valid until the next annual general meeting of the company, provided that it shall not extend beyond fifteen months from the date of this resolution;
- an announcement must be published as soon as the subsidiary has acquired shares constituting, on a cumulative basis, 3% of the number of shares of the acquiree company in issue prior to the acquisition, pursuant to which the aforesaid 3% threshold is reached, containing full details thereof, as well as for each 3% in aggregate of the initial number of shares acquired thereafter;
- this general authority to repurchase is limited to a maximum of 20% in the aggregate in any one financial year of the acquiree company's issued share capital at the time the authority is granted, subject to a maximum of 10% in aggregate in the event that it is the company's share capital that is repurchased by a subsidiary;
- the general purchase is authorised by the company's articles of association;
- repurchases must not be made at a price more than 10% above the weighted average of the market value of the shares for the five business days immediately preceding the date that the transaction is effected. The JSE should be consulted for a ruling if the applicant's securities have not traded in such five business day period;
- the subsidiary company will only effect a general repurchase if, after the repurchase is effected, the company still complies with paragraphs 3.37 to 3.41 of the Listings Requirements of the JSE concerning shareholder spread requirements;
- the company and/or subsidiary may at any point in time only appoint one agent to effect any repurchase(s) on the subsidiary company's behalf;
- the subsidiary company may not effect a repurchase during any prohibited period as defined in terms of the Listings Requirements of the JSE unless there is a repurchase programme in place as contemplated in terms of 5.72(g) of the Listings Requirements of the JSE; and
- the company must ensure that its sponsor provides the JSE with the required working capital letters before it commences the repurchase of any shares."

Reasons for and effects of the special resolutions

1. The reason for and effect of special resolution number 1 is to grant the directors a general authority in terms of the Companies Act, 1973 (Act 61 of 1973), for the acquisition by the company of shares issued by it on the basis reflected in the special resolution.

   In terms of the Listings Requirements of the JSE, any general repurchase by the company must, inter alia, be limited to a maximum of 20% of the company's issued share capital in any one financial year of that class at the time the authority is granted.

2. The reason for and effect of special resolution number 2 is to grant the board of directors of any subsidiary of the company a general authority to acquire shares issued by such subsidiary and/or by the company on the basis reflected in the special resolution.

   In terms of the Listings Requirements of the JSE, any general purchase by a subsidiary of listed shares must, inter alia, be limited to a maximum of 20% of the issued share capital of the acquiree company in any one financial year of that class at the time the authority is granted, subject to a maximum of 10% in the event that it is the company's share capital that is repurchased by a subsidiary.

3. The directors of the company or its subsidiaries will only utilise the general authority to purchase shares of the company and/or the subsidiary as set out in special resolutions number 1 and 2 to the extent that the directors, after considering the maximum shares to be purchased, are of the opinion that the company and its subsidiaries' ("Zeder") position would not be compromised as to the following:
   - Zeder's ability in the ordinary course of business to pay its debts for a period of 12 months after the date of the notice of the annual general meeting;
   - the consolidated assets of Zeder will be in excess of the consolidated liabilities of Zeder. The assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited annual financial statements of Zeder;
   - the ordinary capital and reserves of Zeder after the purchase will remain adequate for the purpose of the business of Zeder for a period of 12 months after the date of the notice of the annual general meeting; and
   - the working capital available to Zeder after the purchase will be sufficient for Zeder's requirements for a period of 12 months after the date of the notice of the annual general meeting.

Information relating to the special resolutions

1. General information in respect of directors (pages 2 and 3), major shareholders (page 17), directors' interest in securities and material changes (page 17) and the share capital of the company (page 16) is contained in the annual report to which this notice is attached.

2. The company is not involved in any legal or arbitration proceedings, nor are any proceedings pending or threatened of which the company is aware that may have or have had in the previous 12 months, a material effect on the company's financial position.

3. The directors, whose names are on pages 2 and 3 of the annual report to which this notice is attached, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts that have been made and that the notice contains all information required by the JSE Listings Requirements.

4. Special resolutions 1 and 2 are renewals of resolutions taken at the previous annual general meeting on 22 June 2007.

VOTING

Shareholders entitled to attend and vote at the annual general meeting may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a member of the company. A form of proxy, in which are set out the relevant instructions for its completion, is enclosed for the use of a certificated shareholder or own-name registered dematerialised shareholder who wishes to be represented at the annual general meeting. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the annual general meeting.

The instrument appointing a 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 11:30 on Thursday, 19 June 2008.

Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the annual general meeting in person, will need to request their Central Securities Depository Participant ("CSDP") or broker to provide them with the necessary authority in terms of the custody agreement entered into between such shareholders and the CSDP or broker.

On a poll, ordinary shareholders will have one vote in respect of each share held. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who are unable to attend the annual general meeting and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or broker in the manner and time stipulated therein.

By order of the board

PSG Corporate Services (Proprietary) Limited
Company secretary

Stellenbosch
23 April 2008

Registered office
Zeder Investments Limited
1st Floor
Ou Kollege Building
35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

Transfer secretaries
Link Market Services South Africa (Pty) Limited
5th Floor
11 Diagonal Street
Johannesburg, 2001
(PO Box 4844, Johannesburg, 2000)

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

Form of proxy *For use by certificated and own-name dematerialised shareholders only*

For use at the annual general meeting of ordinary shareholders of the company to be held at Stellenbosch at 11:30 on Friday, 20 June 2008.

I/We (full name in print) ____

of (address) ____

being the registered holder(s) of ______________________________ ordinary shares hereby appoint:

1. ____ or failing him/her,

2. ____ or failing him/her,

3. the chairman of the meeting,

as my/our proxy to vote for me/us at the annual general meeting for purposes of considering and, if deemed fit, passing, with or without modification, the special resolutions and ordinary 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 instructions (see Notes):

	Number of shares		
	In favour of	Against	Abstain
1. To adopt annual financial statements and reports			
2.1 To re-elect MS du Pré le Roux as director			
2.2 To re-elect LP Retief as director			
3. To confirm the reappointment of the auditor, PricewaterhouseCoopers Inc			
4.1 Ordinary resolution number 1 – unissued shares			
4.2 Ordinary resolution number 2 – authority to issue shares for cash			
4.3 Special resolution number 1 – share buyback by Zeder Investments Limited			
4.4 Special resolution number 2 – share buyback by subsidiaries of Zeder Investments Limited			

Please indicate your voting instruction by way of inserting the number of shares or by a cross in the space provided.

Signed at ______________________ on this ________ day of ______________________ 2008

Signature(s) ____

Assisted by (where applicable) (state capacity and full name)

Notes

Each Zeder shareholder is entitled to appoint one or more proxy(ies) (who need not be a shareholder(s) of the company) to attend, speak and vote in his stead at the annual general meeting.

1. A Zeder 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 annual general meeting". The person whose name appears first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow.

2. A Zeder shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of shares to be voted on behalf of that shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the chairman of the annual general meeting, if he/she is the authorised proxy, to vote in favour of the resolutions at the meeting, or any other proxy to vote or to abstain from voting at the meeting as he/she deems fit, in respect of all the shares concerned. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or his/her proxy, but the total of the votes cast and in respect whereof abstentions are recorded may not exceed the total of the votes exercisable by the shareholder or his/her proxy.

3. When there are joint registered holders of any shares, any one of such persons may vote at the meeting in respect of such shares as if he/she was solely entitled thereto, but, if more than one of such joint holders be present or represented at any meeting, that one of the said persons whose name stands first in the register in respect of such shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member, in whose name any shares stand, shall be deemed joint holders thereof.

4. Forms of proxy must be completed and returned to be received by the transfer secretaries of the company, Link Market Services South Africa (Proprietary) Limited, 11 Diagonal Street, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000), by not later than 11:30 on Thursday, 19 June 2008.

5. Any alteration or correction made to this form of proxy must be initialled by the signatory(ies).

6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company's transfer secretaries or waived by the chairman of the annual general meeting.

7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual 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.

Administration

DETAILS OF ZEDER INVESTMENTS LIMITED
Registration number 2006/019240/06
Share code: ZED
ISIN code: ZAE000088431

SECRETARY AND REGISTERED OFFICE
PSG Corporate Services (Pty) Limited
Registration number 1996/004840/07
Ou Kollege Building
35 Kerk Street
Stellenbosch 7600
PO Box 7403
Stellenbosch 7599
Telephone +27 21 887 9602
Telefax +27 21 887 9619

TRANSFER SECRETARIES
Link Market Services South Africa (Pty) Limited
11 Diagonal Street
Johannesburg 2001
PO Box 4844
Johannesburg 2000
Telephone +27 11 834 2266
Telefax +27 11 834 4398

CORPORATE ADVISOR AND SPONSOR
PSG Capital (Pty) Limited

BROKER
PSG Online Securities Limited

AUDITOR
PricewaterhouseCoopers Inc

PRINCIPAL BANKER
First National Bank – a division of FirstRand Bank Limited

WEBSITE ADDRESS
www.zeder.co.za

Shareholders' diary

	2008
Financial year-end	29 February
Profit announcement	10 April
Annual general meeting	20 June
Interim report	7 October

GREYMATTER & FINCH # 4068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