THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 11 of this Circular apply to the entire Circular, including this cover.

Action required

1. This entire Circular is important and should be read with particular attention to the section entitled "Action required by AVL Shareholders in relation to the Scheme", which commences on page 5, and the section entitled "Action required by AVL Shareholders in relation to the General Offer", which commences on page 8.
2. If you are in any doubt as to what action to take, you should consult your Broker, CSDP, banker, accountant, attorney or other professional advisor immediately.
3. If you have disposed of all your AVL Shares, please forward this Circular and the attached form of proxy in respect of the General Meeting of AVL Shareholders (*yellow*) and form of surrender, transfer and acceptance (*blue*) to the purchaser to whom, or the Broker, CSDP, banker or other agent through whom, the disposal was effected.

AVL and Zeder do not accept responsibility, and will not be held liable, for any action of, or omission by, any CSDP or Broker including, without limitation, any failure on the part of the CSDP or Broker of any beneficial owner of AVL Shares to notify such beneficial owner of the Scheme set out in this Circular.

AGRI VOEDSEL

Agri Voedsel Limited
(Incorporated in the Republic of South Africa)
(Registration number 2007/015880/06)
("**AVL**" or "**the Company**")

Zeder Investments Limited
(Incorporated in the Republic of South Africa)
(Registration number 2006/019240/06)
Share code: ZED ISIN: ZAE000088431
("**Zeder**" or "**the Company**")

COMBINED CIRCULAR TO AVL SHAREHOLDERS

Relating to:

- the scheme of arrangement in terms of section 114(1) of the Companies Act, proposed by the AVL Board between AVL and AVL Shareholders, in terms of which, if implemented, Zeder will acquire all of the Scheme Shares from Scheme Participants for the Scheme Consideration of 16.2 (sixteen point two) Zeder Shares for each Scheme Share disposed of in terms of the Scheme; and
- a voluntary general offer if the Scheme does not become operative;

and incorporating:

- a report prepared by the Independent Expert in terms of sections 114(2) and 114(3) of the Companies Act;
- extracts of section 115 of the Companies Act dealing with the approval requirements for the Scheme and section 164 of the Companies Act dealing with Dissenting Shareholders' Appraisal Rights;
- the Notice of General Meeting of AVL Shareholders;
- a form of proxy in respect of the General Meeting of AVL Shareholders (*yellow*) for use by AVL Shareholders; and
- a form of surrender, transfer and acceptance in respect of the Scheme and General Offer (*blue*) for use by AVL Shareholders.

Transaction advisor and sponsor to Zeder

PSG CAPITAL

Independent reporting accountants to Zeder and AVL

pwc

Independent Expert to AVL

Deloitte.

Legal advisor to Zeder

DLA CLIFFE DEKKER HOFMEYR

Date of issue: 15 August 2014

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

IMPORTANT LEGAL NOTES

The definitions and interpretations commencing on page 11 of this Circular apply to this section on Important Legal Notes.

FORWARD-LOOKING STATEMENTS

This Circular contains statements about AVL and Zeder that are or may be forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “estimated”, “potential” or similar words and phrases.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. AVL and Zeder caution that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industries in which AVL and Zeder operate may differ materially from those made in, or suggested by, the forward-looking statements contained in this Circular.

All these forward-looking statements are based on estimates and assumptions, as regards AVL, made by AVL or, as regards Zeder, made by Zeder, as communicated in publicly available documents by the respective companies, all of which estimates and assumptions, although AVL and Zeder believe them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include other matters not yet known to AVL or Zeder or not currently considered material by AVL or Zeder.

AVL Shareholders should keep in mind that any forward-looking statement made in this Circular or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of either AVL or Zeder not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement is not known. AVL and Zeder have no duty to, and do not intend to, update or revise the forward-looking statements contained in this Circular after the date of this Circular, except as may be required by law.

FOREIGN AVL SHAREHOLDERS

This Circular has been prepared for the purposes of complying with the laws of South Africa and is subject to applicable laws and regulations, including but not limited to the Companies Act and the Companies Regulations and the information disclosed may not be the same as that which would have been disclosed if this Circular had been prepared in accordance with the laws and regulations of any jurisdiction outside of South Africa.

The release, publication or distribution of this Circular in jurisdictions other than South Africa may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than South Africa should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction.

This Circular is not intended to, and does not constitute, or form part of, an offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of any vote or approval in any jurisdiction other than South Africa. This Circular does not constitute a prospectus or a prospectus equivalent document. AVL Shareholders are advised to read this Circular, which contains the full terms and conditions of the Scheme and the General Offer, with care. Any decision to approve the Scheme or to accept the General Offer or any other response to the proposals should be made only on the basis of the information in this Circular.

Any AVL Shareholder who is in doubt as to his position, including, without limitation, his tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

CORPORATE INFORMATION AND ADVISORS

The definitions and interpretations commencing on page 11 of this Circular apply *mutatis mutandis* to this Corporate Information and Advisors section.

Directors of AVL

CA Otto (*Chairman*)*
N Celliers*
POS Meaker*#
WP Hanekom*#
JG Carinus*#

**Non-executive* *#Independent*

Directors of Zeder

JF Mouton *(Chairman)**
N Celliers *(Chief executive officer)*
WL Greeff *(Financial director)*
AE Jacobs*
PJ Mouton*
GD Eksteen*#
WA Hanekom*#
CA Otto*#

**Non-executive* *#Independent*

Independent Expert to AVL

Deloitte & Touche
Building 6, Deloitte Place
The Woodlands
Woodlands Drive
Woodmead, Sandton
(Private Bag X6, Gallo Manor, 2052)

AVL company secretary

Lucille van der Merwe
CA(SA)
1st Floor, Ou Kollege Building
35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

Registered office of AVL

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

Transaction advisor and sponsor to Zeder

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

and at

1st Floor, Building 8
Inanda Greens Business Park
54 Wierda Road West
Wierda Valley
Sandton, 2196
(PO Box 650957, Benmore, 2010)

Independent sponsor to Zeder

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

Date and place of incorporation of AVL

30 June 2007, South Africa

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61763, Marshalltown, 2107)

Independent reporting accountants and auditors of AVL and Zeder

PricewaterhouseCoopers Incorporated
(Registration number 1998/012055/21)
Capital Place
15 – 21 Neutron Avenue
Technopark, Stellenbosch, 7600
(PO Box 57, Stellenbosch, 7599)

and at

PwC Building
Zomerlust Estate
Berg River Boulevard
Paarl, 7646
(PO Box 215, Paarl, 7620)

Legal advisor to Zeder

Cliffe Dekker Hofmeyr Incorporated
(Registration number 2008/018923/21)
11 Buitengracht Street
Cape Town, 8001
(PO Box 695, Cape Town, 8000)

Zeder company secretary

PSG Corporate Services Proprietary Limited
(Registration number 1996/004840/07)
1st Floor, Ou Kollege Building
35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

Registered office of Zeder

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

Date and place of incorporation of Zeder

21 June 2006, South Africa

TABLE OF CONTENTS

ACTION REQUIRED BY AVL SHAREHOLDERS IN RELATION TO THE SCHEME

The definitions and interpretations commencing on page 11 of the Circular apply to this section on the action required by AVL Shareholders in relation to the Scheme.

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

A General Meeting of AVL Shareholders will be held at 10:30 on Monday, 15 September 2014 at NH The Lord Charles Hotel, Corner of Main Road (M9) and Broadway Boulevard (R44), Somerset West, Western Cape to consider and, if deemed fit, to pass the Scheme Resolution required to approve the Scheme, in terms of which Zeder will acquire all the issued AVL Shares (save for the AVL Shares held by the Zeder Group and by Dissenting Shareholders who do not withdraw their respective demands made in terms of sections 164(5) to 164(8) of the Companies Act or allow any offers by the Company to them in terms of section 164(11) of the Companies Act to lapse). A notice convening such General Meeting is attached to, and forms part of, this Circular.

ACTION REQUIRED BY AVL SHAREHOLDERS IN RELATION TO THE SCHEME

General note: ***AVL currently holds original AVL share certificates on behalf of some AVL Shareholders ("Relevant AVL Shareholders"). Accordingly, any statements below, requiring AVL Shareholders to return their Documents of Title to the Transfer Secretaries, shall not apply to Relevant AVL Shareholders and Relevant AVL Shareholders will, in those instances, only be required to complete the attached form of surrender, transfer and acceptance (blue) and to return it to the Transfer Secretaries in accordance with the instructions set out below.***

AVL Shareholders who are unsure whether their original AVL share certificates are held by AVL should contact the Transfer Secretaries to confirm same. The Transfer Secretaries can be telephoned on 086 1100 634 (or +27 11 370 5000 if telephoning from outside South Africa) on every Business Day between 08:30 and 16:00.

WHERE IT IS INDICATED BELOW THAT AVL SHAREHOLDERS SHOULD RETURN THE ATTACHED FORM OF PROXY IN RESPECT OF THE GENERAL MEETING OF AVL SHAREHOLDERS (YELLOW) OR THE ATTACHED FORM OF SURRENDER, TRANSFER AND ACCEPTANCE (BLUE) OR THEIR DOCUMENTS OF TITLE TO THE TRANSFER SECRETARIES, AVL SHAREHOLDERS MAY INSTEAD RETURN SUCH DOCUMENTS TO AVL'S COMPANY SECRETARY (MS LUCILLE VAN DER MERWE) AT 1ST FLOOR, OU KOLLEGE, 35 KERK STREET, STELLENBOSCH, 7600 (PO BOX 7403, STELLENBOSCH, 7599), SHOULD THIS BE MORE CONVENIENT FOR AVL SHAREHOLDERS.

1. **Voting, attendance and representation at the General Meeting**

   You may attend, speak and vote at the General Meeting in person (or, if you are a company or other body corporate, be represented by a duly authorised natural person). Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached form of proxy in respect of the General Meeting of AVL Shareholders (*yellow*) in accordance with its instructions and returning it to the Transfer Secretaries at Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107), to be received by them no later than 10:30 on Thursday, 11 September 2014, alternatively, such completed forms of proxy may be handed to the chairman of the General Meeting prior to the holding of the vote in respect of the Scheme Resolution.

2. **Surrender of Documents of Title**

   2.1 Should you wish to vote in favour of the Scheme at the General Meeting (whether in person or by proxy), or should you wish to surrender your Documents of Title in anticipation of the Scheme becoming operative, kindly also complete the attached form of surrender, transfer and acceptance (*blue*) in accordance with its instructions and return it, together with the Documents of Title representing all your AVL Shares, to the Transfer Secretaries at Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107), to be received by them by no later than 12:00 on the Scheme Consideration Record Date. (**Note:** As per the General Note above, Relevant AVL Shareholders do not need to return their Documents of Title as these are held by AVL. Relevant AVL Shareholders are only required to complete the attached form of surrender, transfer and acceptance (*blue*) in accordance with its instructions and to return it to the Transfer Secretaries at the address specified above).

2.2 Documents of Title surrendered prior to 12:00 on the Scheme Consideration Record Date in anticipation of the Scheme becoming operative will be held in trust by the Transfer Secretaries, at the risk of the AVL Shareholder, pending the Scheme becoming operative.

2.3 Should the Scheme Conditions be fulfilled and the Scheme become operative, Documents of Title held by AVL Shareholders in respect of their AVL Shares (and original AVL share certificates held by AVL on behalf of Relevant AVL Shareholders) will cease to be of any value, and shall not be good for delivery, from the Operative Date onwards, other than for surrender in terms of the Scheme and/or the Appraisal Rights.

2.4 Should the Scheme not become operative, any Documents of Title surrendered to and held by the Transfer Secretaries will, unless they have also been surrendered for purposes of the General Offer (see section entitled "*Action required by AVL Shareholders in relation to the General Offer*" commencing on page 8 below), be returned to you by the Transfer Secretaries, at your own risk, by registered post within five Business Days from the date of receipt of the Documents of Title or the date on which it becomes known that the Scheme will not become operative, whichever is the later. For the avoidance of doubt, original AVL share certificates currently held by AVL on behalf of Relevant AVL Shareholders will continue to be held by AVL, unless a Relevant AVL Shareholder requests in writing that same be returned to him by AVL's company secretary.

3. **Settlement of Scheme Consideration**

3.1 In order to comply with recent legislative changes, the Scheme Consideration Shares may only be issued in Dematerialised form. In this regard, should the Scheme become operative:

3.1.1 AVL Shareholders who wish to receive the Scheme Consideration in Dematerialised form and who already have an account with a Broker or CSDP, will have their accounts at their Brokers or CSDPs credited with the Scheme Consideration;

3.1.2 AVL Shareholders who wish to receive the Scheme Consideration in Dematerialised form, but who do not have an account with a Broker or CSDP, will be issued with statements of allocation and will be required to appoint a Broker or CSDP so that Dematerialised Scheme Consideration Shares can be made available to them following implementation of the Scheme;

3.1.3 AVL Shareholders who do not wish to hold their Scheme Consideration Shares in Dematerialised form and prefer to hold their Scheme Consideration Shares in certificated form, will be afforded the option to "withdraw" their Dematerialised Scheme Consideration Shares and replace these with a physical Document of Title (please see paragraph 3.5 below).

3.2 If the Scheme becomes operative and you have surrendered your Documents of Title (see the note in paragraph 2.1 above) to the Transfer Secretaries at Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107) on or before 12:00 on the Scheme Consideration Record Date, then:

3.2.1 should you be an AVL Shareholder referred to in paragraph 3.1.1 above, your accounts at your Broker or CSDP will be credited with the Scheme Consideration on the Operative Date;

3.2.2 should you be an AVL Shareholder referred to in paragraph 3.1.2 above, your statement of allocation in respect of the Scheme Consideration will be posted to you, at your risk, within five Business Days of the Operative Date;

3.2.3 should you be an AVL Shareholder referred to in paragraph 3.1.3 above, the share certificates in respect of your Scheme Consideration Shares will be posted to you, at your risk, within five Business Days of the Operative Date.

3.3 If the Scheme becomes operatives and you surrender your Documents of Title (see the note in paragraph 2.1 above) to the Transfer Secretaries at Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107) after 12:00 on the Scheme Consideration Record Date, then:

3.3.1 should you be an AVL Shareholder referred to in paragraph 3.1.1 above, your accounts at your Broker or CSDP will be credited with the Scheme Consideration within five Business Days of receipt of your Documents of Title and completed form of surrender, transfer and acceptance;

3.3.2 should you be an AVL Shareholder referred to in paragraph 3.1.2 above, your statement of allocation in respect of the Scheme Consideration will be posted to you, at your risk, within five Business Days of receipt of your Documents of Title and completed form of surrender, transfer and acceptance;

3.3.3 should you be an AVL Shareholder referred to in paragraph 3.1.3 above, the share certificates in respect of your Scheme Consideration Shares will be posted to you, at your risk, within five Business Days of receipt of your Documents of Title and completed form of surrender, transfer and acceptance,

provided that should you:

3.3.4 be a Dissenting Shareholder who subsequently becomes a Scheme Participant pursuant to paragraph 4.7.1 of this Circular, you will still need to surrender your Documents of Title (see the note in paragraph 2.1 above), together with a completed form of surrender, transfer and acceptance (*blue*), to the Transfer Secretaries at Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107) and:

3.3.4.1 your Broker or CSDP account will only be credited with your Scheme Consideration Shares; or

3.3.4.2 your statement of allocation in respect of your Scheme Consideration Shares will only be posted to you, at your risk; or

3.3.4.3 the share certificates in respect of your Scheme Consideration Shares will only be posted to you, at your risk,

(as the case may be) on the date set out in paragraph 4.7.1 of this Circular.

3.4 If the Scheme becomes operative and you fail to surrender your Documents of Title (see the note in paragraph 2.1 above) and completed form of surrender, transfer and acceptance (*blue*) to the Transfer Secretaries within three years after the Operative Date or, if you are a Dissenting Shareholder who subsequently becomes a Scheme Participant pursuant to paragraph 4.7.1 of this Circular, within three years after the date on which you subsequently became a Scheme Participant pursuant to paragraph 4.7.1 of this Circular, the Scheme Consideration due to you will be disposed of at the ruling market price and the disposal consideration, less the costs incurred in disposing of the Scheme Consideration, will be paid to the benefit of the Guardian's Fund of the Master of the High Court, from which it may be claimed by you, subject to the requirements imposed by the Master of the High Court. In this regard such Scheme Participants irrevocably authorise and appoint Zeder, *in rem suam*, with full power of substitution, to act as agent in the name, place and stead of such Scheme Participants to dispose of the Scheme Consideration and to pay the proceeds to the benefit of the Guardian's Fund in the aforesaid manner.

3.5 In the case of the AVL Shareholders who wish to "withdraw" their Dematerialised Scheme Consideration Shares as provided for above and whose registered addresses in the Register are outside of the Common Monetary Area, or where the relevant AVL Share certificates are restrictively endorsed in terms of the Exchange Control Regulations, the following will apply:

3.5.1 for non-residents who are emigrants, the replacement Documents of Title will be sent to the AVL Shareholders' authorised dealer in foreign exchange in South Africa controlling their blocked assets; and

3.5.2 for all other non-residents, the replacement Documents of Title will be restrictively endorsed "non-resident" in terms of the Exchange Control Regulations.

Should you have any questions regarding the above, please contact your Broker or CSDP or telephone the Transfer Secretaries on 086 1100 634 (or +27 11 370 5000 if telephoning from outside South Africa) on every Business Day between 08:30 and 16:00, and they will be able to assist and advise you on what you need to do.

ACTION REQUIRED BY AVL SHAREHOLDERS IN RELATION TO THE GENERAL OFFER

The definitions and interpretations commencing on page 11 and contained in **Annexure 16** of this Circular apply to this section on the action required by AVL Shareholders in relation to the General Offer.

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

ACTION REQUIRED BY AVL SHAREHOLDERS IN RELATION TO THE GENERAL OFFER

In the event that the Scheme does not become operative for any reason, the Scheme will fail and, in the event that the General Offer Trigger Event occurs, Zeder will automatically make the General Offer in accordance with the provisions of Annexure 16. In such event, Zeder will issue an announcement on SENS, confirming that the Scheme will not proceed and that the General Offer has become effective, and advising AVL Shareholders of the salient dates applicable to the General Offer.

General note: ***AVL currently holds original AVL share certificates on behalf of some AVL Shareholders ("Relevant AVL Shareholders"). Accordingly, any statements below, requiring AVL Shareholders to return their Documents of Title to the Transfer Secretaries, shall not apply to Relevant AVL Shareholders and Relevant AVL Shareholders will, in those instances, only be required to complete the attached form of surrender, transfer and acceptance (blue) and to return it to the Transfer Secretaries in accordance with the instructions set out below.***

AVL Shareholders who are unsure whether their original AVL share certificates are held by AVL should contact the Transfer Secretaries to confirm same. The Transfer Secretaries can be telephoned on 086 1100 634 (or +27 11 370 5000 if telephoning from outside South Africa) on every Business Day between 08:30 and 16:00.

WHERE IT IS INDICATED BELOW THAT AVL SHAREHOLDERS SHOULD RETURN THE ATTACHED FORM OF SURRENDER, TRANSFER AND ACCEPTANCE (BLUE) OR THEIR DOCUMENTS OF TITLE TO THE TRANSFER SECRETARIES, AVL SHAREHOLDERS MAY INSTEAD RETURN SUCH DOCUMENTS TO AVL'S COMPANY SECRETARY (MS LUCILLE VAN DER MERWE) AT 1ST FLOOR, OU KOLLEGE, 35 KERK STREET, STELLENBOSCH, 7600 (PO BOX 7403, STELLENBOSCH, 7599), SHOULD THIS BE MORE CONVENIENT FOR AVL SHAREHOLDERS.

1. **Acceptance of the General Offer and surrender of Documents of Title**

   1.1 Should you wish to accept the General Offer, or should you wish to surrender your Documents of Title in anticipation of the General Offer becoming operative, you must complete the form of acceptance, surrender and transfer (*blue*) attached to this Circular, in accordance with the instructions therein, and forward it, together with the relevant Documents of Title, by hand or by mail to the Transfer Secretaries at Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107), to be received by them by no later than 12:00 on the Closing Date. (Note: As per the General Note above, Relevant AVL Shareholders do not need to return their Documents of Title as these are held by AVL. Relevant AVL Shareholders are only required to complete the attached form of surrender, transfer and acceptance (*blue*) in accordance with its instructions and to return it to the Transfer Secretaries at the address specified above).

   1.2 Documents of Title surrendered prior to 12:00 on the Closing Date in anticipation of the General Offer becoming operative will be held in trust by the Transfer Secretaries, at the risk of the AVL Shareholder, pending the General Offer becoming operative.

2. **Settlement of General Offer Consideration**

   2.1 In order to comply with recent legislative changes, the General Offer Shares may only be issued in Dematerialised form. In this regard, should the General Offer become operative:

2.1.1 AVL Shareholders who wish to receive the General Offer Consideration in Dematerialised form and who already have an account with a Broker or CSDP, will have their accounts at their Brokers or CSDPs credited with the General Offer Consideration;

2.1.2 AVL Shareholders who wish to receive the General Offer Consideration in Dematerialised form, but who do not have an account with a Broker or CSDP, will be issued with statements of allocation and will be required to appoint a Broker or CSDP so that Dematerialised General Offer Consideration Shares can be made available to them following the General Offer Operative Date; and

2.1.3 AVL Shareholders who do not wish to hold their General Offer Consideration Shares in Dematerialised form and prefer to hold the General Offer Consideration Shares issued to them by Zeder in certificated form, will be afforded the option to "withdraw" their Dematerialised General Offer Consideration Shares and replace these with a physical Document of Title (please see paragraph 2.4 below).

2.2 If the General Offer becomes operative and you have surrendered your Documents of Title (see the note in paragraph 1.1 above) to the Transfer Secretaries at Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107) on or before 12:00 on the Closing Date, then:

2.2.1 should you be an AVL Shareholder referred to in paragraph 2.1.1 above, your accounts at your Broker or CSDP will be credited with the General Offer Consideration on the General Offer Operative Date;

2.2.2 should you be an AVL Shareholder referred to in paragraph 2.1.2 above, your statement of allocation in respect of the General Offer Consideration will be posted to you, at your risk, within five Business Days of the General Offer Operative Date; and

2.2.3 should you be an AVL Shareholder referred to in paragraph 2.1.3 above, the share certificates in respect of your General Offer Consideration Shares will be posted to you, at your risk, within five Business Days of the General Offer Operative Date.

2.3 If the General Offer becomes operative and you surrender your Documents of Title (see the note in paragraph 1.1 above) after 12:00 on the Closing Date, then:

2.3.1 should you be an AVL Shareholder referred to in paragraph 2.1.1 above, your accounts at your Broker or CSDP will be credited with the General Offer Consideration within five Business Days of receipt of your Documents of Title and completed form of surrender, transfer and acceptance;

2.3.2 should you be an AVL Shareholder referred to in paragraph 2.1.2 above, your statement of allocation in respect of the General Offer Consideration will be posted to you, at your risk, within five Business Days of receipt of your Documents of Title and completed form of surrender, transfer and acceptance;

2.3.3 should you be an AVL Shareholder referred to in paragraph 2.1.3 above, the share certificates in respect of your General Offer Consideration Shares will be posted to you, at your risk, within five Business Days of receipt of your Documents of Title and completed form of surrender, transfer and acceptance.

2.4 In the case of the AVL Shareholders who wish to "withdraw" their Dematerialised General Offer Consideration Shares as provided for above and whose registered addresses in the Register are outside of the Common Monetary Area, or where the relevant AVL Share certificates are restrictively endorsed in terms of the Exchange Control Regulations, the following will apply:

2.4.1 for non-residents who are emigrants, the replacement Documents of Title will be sent to the AVL Shareholders' authorised dealer in foreign exchange in South Africa controlling their blocked assets; and

2.4.2 for all other non-residents, the replacement Documents of Title will be restrictively endorsed "non-resident" in terms of the Exchange Control Regulations.

Should you have any questions regarding the above, please contact your Broker or CSDP or telephone the Transfer Secretaries on 086 1100 634 (or +27 11 370 5000 if telephoning from outside South Africa) on every Business Day between 08:30 and 16:00, and they will be able to assist and advise you on what you need to do.

IMPORTANT DATES AND TIMES RELATING TO THE SCHEME

The definitions and interpretations commencing on page 11 of this Circular shall apply to this section:

	2014
Record date for AVL Shareholders to be recorded in the Register in order to receive this Circular	Friday, 8 August
Circular posted to AVL Shareholders and notice convening the General Meeting released on SENS on	Friday, 15 August
Notice of General Meeting published in the South African press on	Monday, 18 August
Scheme Voting Record Date being 17:00 on	Friday, 5 September
Proxy forms to be lodged at the Transfer Secretaries or AVL's company secretary by 10:30 on	Thursday, 11 September
Last date and time for AVL Shareholders to give notice to AVL objecting, in terms of section 164(3) of the Companies Act, to the special resolution approving the Scheme for purposes of the Appraisal Rights by 10:30 on	Monday, 15 September
Proxy forms not lodged with the Transfer Secretaries or AVL's company secretary to be handed to the chairman of the General Meeting before 10:30	Monday, 15 September
General Meeting of AVL Shareholders to be held at 10:30 on	Monday, 15 September
Results of General Meeting released on SENS on	Monday, 15 September
Results of General Meeting published in the South African press on	Tuesday, 16 September
If the Scheme is approved by AVL Shareholders at the General Meeting:	
Last date for AVL Shareholders who voted against the Scheme to require AVL to seek court approval for the Scheme in terms of section 115(3)(a) of the Companies Act (where applicable) on	Monday, 22 September
Last date for AVL Shareholders who voted against the Scheme to apply to court for leave to apply for a review of the Scheme in terms of section 115(3)(b) of the Companies Act on	Tuesday, 30 September
Last date for AVL to send objecting AVL Shareholders notices of the adoption of the special resolution approving the Scheme, in accordance with section 164(4) of the Companies Act, on	Tuesday, 30 September
Action	
The following dates assume that neither court approvals nor the review of the Scheme is required and will be confirmed in the finalisation announcement if the Scheme becomes unconditional:	
Finalisation Date expected to be on	Wednesday, 1 October
Finalisation Date announcement expected to be released on SENS on	Wednesday, 1 October
Finalisation Date announcement expected to be published in the South African press on	Thursday, 2 October
Scheme LDT expected on	Friday, 10 October
Scheme Consideration Record Date to be recorded in the Register in order to receive the Scheme Consideration expected to be on or about	Friday, 17 October
Expected Operative Date of the Scheme on	Monday, 20 October
Issue of Scheme Consideration Shares expected to take place on and trading in the Scheme Consideration Shares expected to commence on	Monday, 20 October

Notes:

1. The above dates and times are subject to such changes as may be agreed to by AVL and Zeder and approved by the JSE and/or the Takeover Panel, if required. If the Scheme Conditions are not met by 30 September 2014, an updated timetable will be released on SENS and published in the South African press.
2. AVL Shareholders who wish to exercise their Appraisal Rights are referred to **Annexure 12** to this Circular for purposes of determining the relevant timing for the exercise of their Appraisal Rights.
3. If the General Meeting is adjourned or postponed, forms of proxy submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting.
4. Although the salient dates and times are stated to be subject to change, such statement may not be regarded as consent or dispensation for any change to time periods which may be required in terms of the Companies Regulations, where applicable, and any such consents or dispensations must be specifically applied for and granted.
5. All times referred to in this Circular are references to South African time.

DEFINITIONS AND INTERPRETATIONS

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

"Appraisal Rights"	the rights afforded to AVL Shareholders in terms of section 164 of the Companies Act as set out in **Annexure 12** to this Circular;
"AVL" or "the Company"	Agri Voedsel Limited (registration number 2007/015880/06), a public company incorporated under the laws of South Africa;
"AVL Board" or "AVL Directors"	the directors of AVL as at the Last Practicable Date, whose names are set out on page 15 of this Circular;
"AVL Shareholders"	means the holders of AVL Shares;
"AVL Shares"	ordinary shares in the share capital of AVL, having a par value of R0.0388 per share;
"Broker"	any person registered as a "*broking member (equities)*" in terms of the Rules of the JSE and in accordance with the provisions of the Financial Markets Act;
"Business Day"	a day which is not a Saturday, Sunday or official public holiday in South Africa;
"cents"	South African cents, in the official currency of South Africa;
"Certificated"	in relation to a share of a company, such share as evidenced by a document of title;
"Circular"	this circular to AVL Shareholders, dated 15 August 2014, together with the annexures hereto, and including the Notice of General Meeting, the form of proxy (*yellow*) in relation to the General Meeting and the form of surrender, transfer and acceptance (*blue*);
"Common Monetary Area"	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
"Companies Act"	the Companies Act, No. 71 of 2008, as amended from time to time;
"Companies Regulations"	the Companies Regulations, 2011, promulgated under the Companies Act, as amended from time to time;
"Competition Act"	the Competition Act, No. 89 of 1998, as amended from time to time;
"Consideration Shares"	the Zeder Shares to be issued to the Scheme Participants in terms of the Scheme or to be issued to the General Offer Participants in terms of the General Offer, as the case may be;
"CSDP"	Central Securities Depository Participant as defined in the Financial Markets Act;
"Dematerialise" or "Dematerialised" or "Dematerialisation"	the process by which Certificated shares are converted into an electronic format as dematerialised shares and recorded in a company's uncertificated securities register administered by a CSDP;
"Dissenting Shareholders"	AVL Shareholders who validly exercise their Appraisal Rights by demanding, in terms of sections 164(5) to 164(8) of the Companies Act, that the Company pay them the fair value of all of their AVL Shares;

"Document of Title"	share certificates, certified transfer deeds, balance receipts or any other physical documents of title pertaining to the AVL Shares in question acceptable to the AVL Board;
"Exchange Control Regulations"	the Exchange Control Regulations, 1961, as amended from time to time, issued in terms of section 9 of the Currency and Exchanges Act, No. 9 of 1933, as amended from time to time;
"Finalisation Date"	the date on which all the Scheme Conditions shall have been fulfilled or waived, as the case may be, as set out in paragraph 4.4 of this Circular;
"Financial Markets Act"	the Financial Markets Act, No. 19 of 2012, as amended from time to time;
"Firm Intention Offer Letter"	the letter from Zeder to the AVL Board, dated 20 June 2014, confirming Zeder's conditional firm intention to make an offer to acquire all AVL Shares not held by the Zeder Group by way of the Scheme, the terms of which letter was accepted by the AVL Board (upon the subsequent fulfilment of certain preconditions, the Firm Intention Offer Letter became unconditional);
"Foreign AVL Shareholder"	an AVL Shareholder who is a non-resident of South Africa, as contemplated in the Exchange Control Regulations;
"FSB"	Financial Services Board;
"General Meeting"	the general meeting of AVL Shareholders to be held at 10:30 on Monday, 15 September 2014 at NH The Lord Charles Hotel, Corner of Main Road (M9) and Broadway Boulevard (R44), Somerset West, Western Cape, to consider and, if deemed fit, approve Scheme Resolution;
"General Offer"	the automatic voluntary general offer by Zeder to AVL Shareholders, the full details of which set out in **Annexure 16**;
"General Offer Trigger Event"	General Offer Trigger Event, as defined in **Annexure 16**;
"Independent Board"	collectively, Messrs WP Hanekom, POS Meaker and JG Carinus, being the AVL Directors that the Company has indicated are independent directors in relation to the Scheme for purposes of the Companies Regulations;
"Independent Expert"	Deloitte and Touche, whose details appear in the "Corporate Information and Advisors" section of this Circular;
"Independent Reporting Accountants"	PricewaterhouseCoopers Incorporated (registration number 1998/012055/21), a personal liability company incorporated under the laws of South Africa;
"JSE"	the exchange, licensed under the Financial Markets Act, operated by JSE Limited (registration number 2005/022939/06), a public company incorporated under the laws of South Africa;
"JSE Listings Requirements"	the Listings Requirements of the JSE in force as at the Last Practicable Date;
"Last Practicable Date"	the last practicable date prior to the finalisation of this Circular, being Thursday, 31 July 2014;
"Notice of General Meeting"	the notice of the General Meeting of AVL Shareholders forming part of this Circular;
"Offer"	means the offer by Zeder to acquire all the AVL Shares in issue which it does not already own, by way of the Scheme, or failing the Scheme, by way of the General Offer;
"Operative Date"	the date on which the Scheme becomes operative, being the first Business Day immediately following the Scheme Consideration Record Date, which operative date is expected to be Monday, 20 October 2014;

"Pioneer Foods"	Pioneer Food Group Limited (registration number 1996/017676/06), a public company incorporated under the laws of South Africa, the shares of which are listed on the JSE;
"Proposed Transaction"	the transaction pursuant to which Zeder intends to acquire all of the issued AVL Shares, whether pursuant to the Scheme or, if applicable, the General Offer;
"Rand" or "R"	South African Rand, in the official currency of South Africa;
"Register"	AVL's securities register;
"Scheme"	the scheme of arrangement in terms of section 114(1) of the Companies Act, proposed by the AVL Board between AVL and the AVL Shareholders, as more fully described in paragraph 4 of this Circular, in terms of which Zeder will, if the Scheme becomes operative, acquire all Scheme Shares held by Scheme Participants for the Scheme Consideration, subject to any modification or amendment to the scheme of arrangement agreed to in writing by Zeder and AVL and, if necessary, the Takeover Panel, which modification or amendment may not be detrimental to Scheme Participants;
"Scheme Conditions"	the conditions precedent to which the Scheme is subject, as set out in paragraph 4.4 of this Circular;
"Scheme Consideration"	the scheme consideration of 16.2 (sixteen point two) Zeder Shares for each Scheme Share disposed of by Scheme Participants in terms of the Scheme, rounded to the nearest whole number and credited as fully paid (the Scheme Consideration will not have a cash alternative);
"Scheme Consideration Record Date"	the latest time and date for holders of AVL Shares to be registered as such in the Register in order to receive the Scheme Consideration, being 17:00 on Friday, 17 October 2014;
"Scheme Consideration Shares"	the Zeder Shares to be issued by Zeder as the Scheme Consideration, with a maximum of 463 655 648 Zeder Shares to be issued to Scheme Participants as consideration for their AVL Shares;
"Scheme LDT"	the last day to trade AVL Shares in order to be registered in the Register on the Scheme Consideration Record Date, which is expected to be at 17:00 on Friday, 10 October 2014;
"Scheme Participants"	AVL Shareholders who are entitled to receive the Scheme Consideration, being those AVL Shareholders who are registered as such in the Register on the Scheme Consideration Record Date, except for the Zeder Group and Dissenting Shareholders who have not withdrawn their demands made in terms of sections 164(5) to 164(8) of the Companies Act or allowed any offers made to them in terms of section 164(11) of the Companies Act to lapse;
"Scheme Resolution"	means the special resolution by AVL Shareholders, as contemplated in section 115(2) of the Companies Act, required for the approval of the Scheme, as detailed in the Notice of General Meeting;
"Scheme Shares"	all AVL Shares held by Scheme Participants on the Scheme Consideration Record Date;
"Scheme Voting Record Date"	the last time and date for AVL Shareholders to be recorded in the Register in order to be eligible to attend, speak and vote at the General Meeting (or any adjournment thereof), being 17:00 on Friday, 12 September 2014;
"SENS"	the Stock Exchange News Service of the JSE;
"South Africa"	the Republic of South Africa;

"Strate"	Strate Limited (registration number 1998/022242/06), a public company incorporated under the laws of South Africa, a central securities depository licensed in terms of the Financial Markets Act and responsible for the electronic clearing and settlement system provided to the JSE;
"Takeover Panel"	the Takeover Regulation Panel established in terms of section 196 of the Companies Act;
"Transfer Secretaries" or "Computershare"	Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company incorporated under the company laws of South Africa;
"Zeder"	Zeder Investments Limited (registration number 2006/019240/06), a public company incorporated under the laws of South Africa, the shares of which are listed on the JSE;
"Zeder Board" or "Zeder Directors"	the directors of Zeder as at the Last Practicable Date, whose names are set out on page 15 of this Circular;
"Zeder General Meeting"	the general meeting of Zeder shareholders to be held at 10:00 on Monday, 15 September 2014, at which meeting Zeder shareholders will be requested to, *inter alia,* approve the making of the Offer and the issue of the Scheme Consideration Shares or the General Offer Consideration Shares (as this term is defined in **Annexure 16**), as the case may be;
"Zeder Group"	Zeder and its subsidiaries;
"Zeder Prospectus"	the prospectus relating to Zeder, incorporating the revised listing particulars of Zeder, distributed to AVL Shareholders together with this Circular; and
"Zeder Shares"	ordinary no par value shares in the issued share capital of Zeder.

AGRI VOEDSEL

Agri Voedsel Limited

(Incorporated in the Republic of South Africa)
(Registration number 2007/015880/06)
("**AVL**" or "**the Company**")

ZEDER
INVESTMENTS LIMITED

Zeder Investments Limited

(Incorporated in the Republic of South Africa)
(Registration number 2006/019240/06)
Share code: ZED ISIN: ZAE000088431
("**Zeder**")

COMBINED CIRCULAR TO AVL SHAREHOLDERS

Directors of AVL

CA Otto (*Chairman*)*
N Celliers*
POS Meaker*#
WP Hanekom*#
JG Carinus*#

**Non-executive* #*Independent*

Directors of Zeder

JF Mouton *(Chairman)**
N Celliers *(Chief executive officer)*
WL Greeff *(Financial director)*
AE Jacobs *
PJ Mouton *
GD Eksteen*#
WA Hanekom*#
CA Otto*#

1. **INTRODUCTION**

1.1 AVL Shareholders are referred to the joint announcement by AVL and Zeder, published on SENS on 25 June 2014 and in the press on 26 June 2014, advising of the firm intention of Zeder to make an offer to acquire all the AVL Shares not already held by the Zeder Group:

1.1.1 by way of scheme of arrangement in terms of section 114 of the Companies Act, on the terms set out in paragraph 4 of this Circular; or

1.1.2 should the Scheme fail and the General Offer Trigger Event occur, by way of an automatic voluntary general offer extended to all AVL Shareholders, on the terms set out in **Annexure 16** of this Circular.

1.2 Should the Scheme be implemented:

1.2.1 Zeder will become the registered and beneficial owner of all the issued AVL Shares (other than AVL Shares held by Dissenting Shareholders that do not withdraw their respective demands made in terms of sections 164(5) to 164(8) of the Companies Act or allow any offers by the Company to them in terms of section 164(11) of the Companies Act to lapse, as more fully described in paragraph 4.7 below); and

1.2.2 Scheme Participants will receive 16.2 (sixteen point two) Zeder Shares for every 1 (one) AVL Share held by them on the Scheme Consideration Record Date (the Scheme Consideration will not have a cash alternative).

1.3 Should the Scheme not become operative for any reason, the Scheme will fail and, in the event that the General Offer Trigger Event occurs, Zeder will automatically make the General Offer in accordance with the provisions of **Annexure 16**.

2. **PURPOSE OF THIS CIRCULAR**

The purpose of this Circular is to:

2.1 provide AVL Shareholders with information regarding the Scheme and the General Offer;

2.2 provide AVL Shareholders with the Independent Expert's report in respect of the Scheme and the General Offer, prepared in terms of section 114(3) of the Companies Act;

2.3 advise AVL Shareholders of the Independent Board's opinion in respect of the Scheme and the General Offer (as supported by the Independent Expert's report); and

2.4 convene the General Meeting to consider and, if deemed fit, approve the Scheme Resolution as set out in the Notice of General Meeting.

3. **INFORMATION ON ZEDER**

3.1 Zeder is a long-term value investor with a primary focus on agribusinesses, specifically in the food and beverages sectors, and is listed on the JSE's Main Board.

3.2 Zeder's portfolio of investments has been refined in recent years by moving from several smaller investments to fewer, larger commitments. This is in line with Zeder's value creation strategy, which relies heavily on focusing efforts and resources on specific investments, and influencing strategy, operations, structures and financing.

3.3 Zeder's current core investments provide an ideal platform for Zeder to pursue its growth strategy and provide Zeder with a strong presence across the agribusiness industry. Zeder will continue to look actively at adding specific investments to our portfolio in strategic and sizable businesses, with proven track records and sound leadership.

3.4 Zeder's portfolio includes the following investments:

3.4.1 Zeder holds 48.5% of AVL, which has as its sole investment a shareholding in Pioneer Foods, representing a 30.3% economic interest and a 25.3% voting interest in Pioneer Foods. Zeder also has a further direct shareholding in Pioneer Foods, representing a 1.4% economic interest and a 1.1% voting interest in Pioneer Foods. Pioneer Foods is a leading food and beverage producer and distributor in Southern Africa, with annual revenue in excess of R20 billion. It boasts an impressive leadership team, intent on optimising current operations and growing into new and international markets by leveraging its broad consumer product basket and state-of-the-art infrastructure. Supplying over 80 countries, Pioneer Foods' product portfolio spans bread, pasta and biscuits to fruit juices, fresh produce and some of the best-known cereal brands;

3.4.2 Zeder has a 72.1% shareholding in Capespan Group Limited ("**Capespan**"). Capespan is involved in global fruit production, procurement, marketing and distribution. Over the past 70 years Capespan has developed its portfolio into two large complementary divisions, namely fruit and logistics, which are increasingly less interdependent and more individually profitable. Capespan has an annual turnover in excess of R7 billion and has operations in twelve countries, providing services and produce to more than 60 countries across four continents;

3.4.3 Zeder has a 39.9% shareholding in Kaap Agri Limited ("**Kaap Agri**"). Kaap Agri is predominantly a retail, trade and services group which supplies a wide variety of products and services to the agricultural sector and general public, with a market reach that spans over 140 operating points in Southern Africa. Retail trading represents approximately 80% of group operating profits, while group revenue is in excess of R5 billion;

3.4.4 Zeder holds 92% of Zaad Holdings Limited ("**Zaad**"), which acts as the holding company for Zeder's investments in two seed companies – Agricol Proprietary Limited and Klein Karoo Seed Marketing Proprietary Limited. With over half a century of expertise and trusted heritage to support them, the two companies are well-established producers, marketers and distributors of a wide variety of agricultural seeds across several countries in Africa. Zaad delivered over R700 million in turnover in its most recent financial year and is driving an aggressive growth strategy in Southern Africa; and

3.4.5 Zeder holds 76.7% of Chayton Africa ("**Chayton**"), a Mauritian-based investment company focusing on the grain value chain. It currently has two main investments: Chobe Agrivision Company Limited, a company focused on the acquisition, development and management of large-scale commercial grain operations, and Mpongwe Milling (2009) Limited, a staple foods manufacturer located in the Zambian copperbelt. Despite the high entry cost and challenges associated with farming development in the region, Chayton is in a prime industry position to maximise opportunities in the local and global primary food market. The total irrigated land capacity in the past 18 months of ownership has increased to over 4 100 hectares and continues to grow.

3.5 For further information regarding Zeder, AVL Shareholders are referred to the Zeder Prospectus distributed with this Circular.

4. THE SCHEME

4.1 Rationale for Zeder

Zeder wishes to acquire all AVL Shares not already held by the Zeder Group, in order to increase its exposure to AVL's underlying interest in Pioneer Foods. Should the Scheme be implemented, the issuing of the Scheme Consideration Shares should result in increased liquidity in Zeder Shares, to the benefit of both existing Zeder shareholders and Scheme Participants.

4.2 Rationale for AVL

4.2.1 The Scheme will provide AVL Shareholders with:

4.2.1.1 an opportunity to diversify their investment in AVL into a more diversified agri, food and beverage portfolio; and

4.2.1.2 a more liquid instrument in a listed entity, Zeder, given the share trading restriction.

4.2.2 Should the Scheme be implemented, AVL Shareholders will continue to enjoy exposure to Pioneer Foods, as Zeder will, directly and indirectly, hold a substantial stake in Pioneer Foods.

4.2.3 In addition, AVL Shareholders are also referred to the recent uncertainty regarding trading on over-the-counter platforms ("**OTC Platforms**"). In this regard:

4.2.3.1 AVL shares previously traded through AVL's OTC Platform (see paragraph 4.2.3.4. below).

4.2.3.2 Following various consultation papers, press releases, guidelines and directives by the FSB and, in particular, the FSB's final directive published on 11 July 2014 under Board Notice 68 of 2014 ("**FSB Final Directive**"), the AVL Board is of the opinion that AVL's OTC Platform and other OTC Platforms that do not involve direct bilateral negotiations between buyers and sellers, will not be permitted to continue operating in future in their current form.

4.2.3.3 As a result of the Scheme and the recent uncertainty regarding trading on OTC Platforms, trading on AVL's OTC Platform was suspended by AVL from close of business on Monday, 30 June 2014 until further notice. Trading on AVL's OTC Platform was also suspended, *inter alia*, to prevent potential market manipulation in relation to the Scheme. Following the publication of the FSB Final Directive, the AVL Board resolved to close AVL's OTC Platform with immediate effect and announced such closure to AVL Shareholders on 25 July 2014. AVL Shareholders can still transact on a bilateral basis.

4.2.3.4 Given the closure of AVL's OTC Platform, AVL endorsed the Scheme to ensure a more liquid instrument and believes that the Scheme should be considered in this context.

4.2.3.5 Should the Scheme be implemented, Scheme Participants will receive a more liquid and tradeable instrument, being new JSE-listed shares in Zeder.

4.2.4 Given the aforementioned factors, the Independent Board believes that it is in the interests of AVL and AVL Shareholders that they be given the opportunity to consider the Proposed Transaction.

4.3 Terms and conditions of the Scheme

4.3.1 In terms of section 114(1) of the Companies Act, the AVL Board proposes the Scheme as set out in this paragraph 4 between the Company and the AVL Shareholders (other than Zeder). The Scheme will constitute an "affected transaction" as defined in section 117(1)(c) of the Companies Act and will be regulated by the Companies Act, the Companies Regulations and the Takeover Panel.

4.3.2 In terms of the Scheme, Zeder will acquire the Scheme Shares from the Scheme Participants for the Scheme Consideration, whereupon AVL will become a wholly-owned subsidiary of the Zeder Group.

4.3.3 If the Scheme takes effect and becomes operative:

4.3.3.1 the Scheme Participants (whether they voted in favour of the Scheme or not, or failed to vote) shall be deemed to have disposed of their Scheme Shares, free of encumbrances, to Zeder on the Operative Date in exchange for the Scheme Consideration and Zeder shall be deemed to have acquired registered and beneficial ownership of all the Scheme Shares as of the Operative Date;

4.3.3.2 the disposal and transfer by each Scheme Participant of the Scheme Shares held by such Scheme Participant to Zeder and the acquisition of ownership of these Scheme Shares by Zeder pursuant to the provisions of the Scheme, shall be effected on the Operative Date;

4.3.3.3 each Scheme Participant shall be deemed to have transferred to Zeder, on the Operative Date, all of the Scheme Shares held by such Scheme Participant, without any further act or instrument being required; and

4.3.3.4 Scheme Participants shall be entitled to receive the Scheme Consideration, subject to the remaining provisions of this paragraph 4.

4.3.4 Each Scheme Participant irrevocably and *in rem suam* authorises AVL, as principal, with power of substitution, to cause the Scheme Shares disposed of by the Scheme Participants in terms of the Scheme to be transferred to, and registered in the name of, Zeder on or at any time after the Operative Date, and to do all such things and take all such steps (including the signing of any transfer form) as AVL in its discretion considers necessary in order to effect that transfer and registration.

4.3.5 The Scheme Consideration shall be settled, in full, in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which Zeder may otherwise be, or claim to be, entitled against any Scheme Participant.

4.3.6 AVL, as principal, shall procure that Zeder complies with its obligations under the Scheme, and AVL alone shall have the right to enforce those obligations (if necessary) against Zeder.

4.3.7 The rights of the Scheme Participants to receive the Scheme Consideration will be rights enforceable by Scheme Participants against AVL only. Scheme Participants will be entitled to require AVL to enforce its rights in terms of the Scheme against Zeder.

4.3.8 The effect of the Scheme, *inter alia*, will be that Zeder will, with effect from the Operative Date, become the registered and beneficial owner of all the Scheme Shares.

4.3.9 Zeder and AVL agreed that, upon the Scheme becoming operative, they will give effect to the terms and conditions of the Scheme and will take all actions and sign all necessary documents to give effect to the Scheme.

4.3.10 The Scheme shall be governed by the laws of South Africa only. Every Scheme Participant shall be deemed to have irrevocably submitted to the non-exclusive jurisdiction of the courts of South Africa in relation to all matters arising out of or in connection with the Scheme.

4.4 **Scheme Conditions**

4.4.1 The Scheme will be subject to (and will become operative on the Operative Date upon) the fulfillment of the following Scheme Conditions on or before 30 September 2014:

4.4.1.1 that, as the implementation of the Scheme would amount to a category 1 acquisition by Zeder in terms of the JSE Listings Requirements, the Scheme be approved by Zeder shareholders as required under the JSE Listings Requirements;

4.4.1.2 that, as the voting power of the Scheme Consideration Shares will exceed 30% of the voting power of all the shares held by Zeder shareholders immediately prior to the issue of same, the issue of the Scheme Consideration Shares by Zeder be approved by Zeder shareholders by way of a special resolution under section 41(3) of the Companies Act;

4.4.1.3 that the Scheme be approved by the requisite majority of AVL Shareholders, as contemplated in section 115(2)(a) of the Companies Act, and, to the extent required, by a High Court in terms of section 115(2)(c) of the Companies Act, and, if applicable, that AVL does not treat the Scheme Resolution as a nullity, as contemplated in section 115(5)(b) of the Companies Act;

4.4.1.4 that, in relation to any objections to the Scheme by AVL Shareholders:

4.4.1.4.1 no AVL Shareholders give notice objecting to the Scheme, as contemplated in section 164(3) of the Companies Act and vote against the Scheme Resolution proposed at the General Meeting to approve the Scheme; or

4.4.1.4.2 if AVL Shareholders give notice objecting to the Scheme, as contemplated in section 164(3) of the Companies Act, and vote against the Scheme Resolution proposed at the General Meeting, AVL Shareholders holding no more than 5% of all AVL Shares eligible to be voted at the General Meeting give such notice and vote against the resolutions proposed at the General Meeting; or

4.4.1.4.3 if AVL Shareholders holding more than 5% of all AVL Shares eligible to vote at the General Meeting give notice objecting to the Scheme, as contemplated in section 164(3) of the Companies Act, and vote against the resolution proposed at the General Meeting, the relevant AVL Shareholders do not exercise their appraisal rights, by giving valid demands in terms of sections 164(5) to 164(8) of the Companies Act within 30 Business Days following the General Meeting, in respect of more than 5% of the AVL Shares eligible to be voted at the General Meeting; and

4.4.1.5 that, in respect of the implementation of the Scheme and only to the extent that same may be applicable, the approval of the Takeover Panel and any other relevant regulatory authorities (either unconditionally or subject to conditions acceptable to Zeder) be obtained, it being recorded that on 26 February 2014 the Competition Tribunal of South Africa approved in advance the acquisition of control by Zeder over AVL (provided that this occurs by no later than 25 February 2015).

4.4.2 The Scheme Conditions in paragraphs 4.4.1.1, 4.4.1.2, 4.4.1.3 and 4.4.1.5 cannot be waived.

4.4.3 The Scheme Condition in paragraph 4.4.1.4 may be waived by Zeder upon written notice to AVL, prior to the date for fulfilment of the relevant Scheme Condition.

4.4.4 Zeder will be entitled to extend the date for the fulfilment of any of the Scheme Conditions, by up to 60 days, in its own discretion, upon written notice to AVL, but shall not be entitled to extend the date to a date later than the aforesaid 60-day period without the prior written consent of AVL.

4.5 **Scheme Consideration**

4.5.1 Subject to paragraph 4.6, if the Scheme becomes unconditional and is implemented, each Scheme Participant will receive the Scheme Consideration for each Scheme Share held by such Scheme Participant as at the Scheme Consideration Record Date.

4.5.2 The Scheme Consideration has been calculated on the basis set out below:

4.5.2.1 the Scheme Consideration has been calculated on a like-for-like basis, based on the see-through sum-of-the-parts value per share of Zeder of R6.11 per share, as at 4 June 2014, and the see-through value per share of AVL of R99.00 per share, as at 4 June 2014;

4.5.2.2 the see-through sum-of-the-parts value per share of Zeder is calculated using the quoted market prices for all JSE-listed and over-the-counter traded investments, apart from using the see-through market price of Pioneer Foods for Zeder's investment in AVL, and directors valuations for unlisted, unquoted investments; and

4.5.2.3 the see-through value per share of AVL is calculated using the see-through market price for AVL's investment in Pioneer Foods.

4.5.3 No fraction of a Scheme Consideration Share will be issued and any fraction of a Scheme Consideration Share to which any Scheme Participant is entitled in terms of the Scheme will, if it comprises 0.5 or more of a Scheme Consideration Share, be rounded up, otherwise it will be rounded down, to the nearest whole Scheme Consideration Share, as set out in the table of entitlements provided in **Annexure 13**.

4.6 **Settlement of the Scheme Consideration**

AVL Shareholders are referred to the section entitled "Action to be taken by AVL Shareholders in relation to the Scheme", commencing on page 5 of the Circular, for further information regarding the steps to be taken by AVL Shareholders (including AVL Shareholders whose original AVL share certificates are currently held by AVL on their behalf) in relation to the settlement of the Scheme Consideration.

4.6.1 AVL or its agents will administer and effect settlement of the Scheme Consideration to Scheme Participants.

4.6.2 In order to comply with recent legislative changes, the Scheme Consideration Shares may only be issued in Dematerialised form.

4.6.3 Should the Scheme become operative:

4.6.3.1 Scheme Participants who wish to receive the Scheme Consideration in Dematerialised form and who already have an account with a Broker or CSDP, will have their accounts at their Brokers or CSDPs credited with the Scheme Consideration;

4.6.3.2 Scheme Participants who wish to receive the Scheme Consideration in Dematerialised form, but who do not have an account with a Broker or CSDP, will be issued with statements of allocation and will be required to appoint a Broker or CSDP so that Dematerialised Scheme Consideration Shares can be made available to them following implementation of the Scheme;

4.6.3.3 Scheme Participants who do not wish to hold their Scheme Consideration Shares in Dematerialised form and prefer to hold their Scheme Consideration Shares in certificated form, will be afforded the option to "withdraw" their Dematerialised Scheme Consideration Shares and replace these with a physical Document of Title (please see paragraph 4.6.7 below).

4.6.4 Should the Scheme become operative and should Scheme Participants have surrendered their Documents of Title to the Transfer Secretaries (or AVL's company secretary) on or before 12:00 on the Scheme Consideration Record Date, then:

4.6.4.1 those Scheme Participants referred to in paragraph 4.6.3.1 above will have their accounts at their Brokers or CSDPs credited with the Scheme Consideration on the Operative Date;

4.6.4.2 those Scheme Participants referred to in paragraph 4.6.3.2 above will have their statements of allocation in respect of the Scheme Consideration posted to them, at their risk, within five Business Days of the Operative Date;

4.6.4.3 those Scheme Participants referred to in paragraph 4.6.3.3 above will have the share certificates in respect of their Scheme Consideration Shares posted to them, at their risk, within five Business Days of the Operative Date.

4.6.5 Should the Scheme become operative and should Scheme Participants surrender their Documents of Title to the Transfer Secretaries (or AVL's company secretary) after 12:00 on the Scheme Consideration Record Date, then:

4.6.5.1 those Scheme Participants referred to in paragraph 4.6.3.1 above will have their accounts at their Brokers or CSDPs credited with the Scheme Consideration within five Business Days of receipt of their Documents of Title and completed forms of surrender, transfer and acceptance;

4.6.5.2 those Scheme Participants referred to in paragraph 4.6.3.2 above will have their statements of allocation in respect of the Scheme Consideration posted to them, at their risk, within five Business Days of receipt of their Documents of Title and completed form of surrender, transfer and acceptance;

4.6.5.3 those Scheme Participants referred to in paragraph 4.6.3.3 above will have the share certificates in respect of their Scheme Consideration Shares posted to them, at their risk, within five Business Days of receipt of their Documents of Title and completed form of surrender, transfer and acceptance,

provided that Dissenting Shareholders who subsequently become Scheme Participants pursuant to paragraph 4.7.1, will still need to surrender their Documents of Title, together with a completed form of surrender, transfer and acceptance to the Transfer Secretaries (or AVL's company secretary) and:

(i) their Broker or CSDP accounts will only be credited with their Scheme Consideration Shares; or

(ii) their statements of allocation in respect of their Scheme Consideration Shares will only be posted to them, at their risk; or

(iii) the share certificates in respect of their Scheme Consideration Shares will only be posted to them, at their risk,

(as the case may be) on the date set out in paragraph 4.7.1 of this Circular.

4.6.6 Should the Scheme become operative and any Scheme Participant fail to surrender their Documents of Title and completed forms of surrender, transfer and acceptance to the Transfer Secretaries (or AVL's company secretary) within three years after the Operative Date or, if they are Dissenting Shareholders who subsequently becomes Scheme Participants pursuant to paragraph 4.7.1, within three years after the date on which they subsequently became Scheme Participants pursuant to paragraph 4.7.1, the Scheme Consideration due to those Scheme Participants will be disposed of at the ruling market price and the disposal consideration, less the costs incurred in disposing of the Scheme Consideration, will be paid to the benefit of the Guardian's Fund of the Master of the High Court, from which it may be claimed by such Scheme Participant, subject to the requirements imposed by the Master of the High Court. In this regard such Scheme Participants irrevocably authorise and appoint Zeder, *in rem suam*, with full power of substitution, to act as agent in the name, place and stead of such Scheme Participants to dispose of the Scheme Consideration and to pay the proceeds to the benefit of the Guardian's Fund in the aforesaid manner.

4.6.7 In the case of the Scheme Participants who wish to "withdraw" their Dematerialised Scheme Consideration Shares as provided for above and whose registered addresses in the Register are outside of the Common Monetary Area, or where the relevant AVL Shares certificates are restrictively endorsed in terms of the Exchange Control Regulations, the following will apply:

4.6.7.1 for non-residents who are emigrants, the replacement Documents of Title will be sent to the Scheme Participant's authorised dealer in foreign exchange in South Africa controlling their blocked assets; and

4.6.7.2 for all other non-residents, the replacement Documents of Title will be restrictively endorsed "non-resident" in terms of the Exchange Control Regulations.

4.7 **Dissenting Shareholders**

4.7.1 Any Dissenting Shareholder that withdraws its demand made in terms of sections 164(5) to 164(8) of the Companies Act, either voluntarily or pursuant to an order of Court, or that allows an offer by the Company in terms of section 164(11) of the Companies Act to lapse without exercising its rights in terms of section 164(14) of the Companies Act, shall, if that Dissenting Shareholder withdrew its demand or allowed the offer to lapse:

4.7.1.1 on or prior to the Scheme LDT, be deemed to be a Scheme Participant and be subject to the provisions of the Scheme; and

4.7.1.2 after the Scheme LDT, be deemed to have been a Scheme Participant as at the Operative Date of the Scheme, provided that settlement of the Scheme Consideration due to such Dissenting Shareholder shall take place on the later of: (i) the Operative Date, (ii) the date which is five Business Days after that Dissenting Shareholder so withdrew its demand or allowed the Company's offer to lapse, as the case may be, and (iii) the date which is five Business Days after that Dissenting Shareholder shall have surrendered its Documents of Title and completed form of surrender, transfer and acceptance (*blue*) to the Transfer Secretaries (or AVL's company secretary).

4.7.2 The wording of section 164 of the Companies Act (which sets out the Appraisal Rights) is included in **Annexure 12** to this Circular.

4.8 **Foreign AVL Shareholders and Exchange Control Regulations**

Annexure 11 to this Circular contains a summary of the Exchange Control Regulations as they apply to Scheme Participants. Scheme Participants who are not resident in, or who have a registered address outside of South Africa, must satisfy themselves as to the full observance of the laws of any relevant territory concerning the receipt of the Scheme Consideration, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territory.

4.9 **Sufficient securities**

4.9.1 Should the Scheme be implemented and assuming there are no Dissenting Shareholders, a maximum of 463 655 648 Zeder Shares will be issued to Scheme Participants in consideration for all the AVL Shares held by them (being a total of 28 620 719 AVL Shares).

4.9.2 Zeder has sufficient authorised but unissued share capital available from which to issue the abovementioned maximum of 463 655 648 Zeder Shares.

4.10 **Restricted jurisdictions**

4.10.1 To the extent that the distribution of this Circular in certain jurisdictions outside of South Africa may be restricted or prohibited by the laws of such foreign jurisdiction then this Circular is deemed to have been provided for information purposes only and neither the AVL Board nor the Zeder Board accepts any responsibility for any failure by AVL Shareholders to inform themselves about, and to observe, any applicable legal requirements in any relevant foreign jurisdiction.

4.10.2 AVL Shareholders who are in doubt as to their position should consult their professional advisors.

5. INTERESTS OF ZEDER AND ZEDER DIRECTORS IN AVL SECURITIES

5.1 As at the Last Practicable Date, Zeder held 27 006 988 AVL Shares, equal to 48.5% of the issued AVL Shares.

5.2 Details regarding Zeder's dealings in AVL Shares during the six month period prior to 25 June 2014 and during the period from 25 June 2014 up to the Last Practicable Date, appear in **Annexure 15** hereto.

5.3 As at the Last Practicable Date, no Zeder Director had any beneficial interest in AVL Shares, other than as set out below:

Zeder Director	Direct	Indirect	% of AVL issued share capital
GD Eksteen	–	412 568	0.74
Total	**–**	**412 568**	**0.74**

Notes:

1. Mr CA Otto has an indirect non-beneficial interest in 2 415 AVL Shares.
2. Mr LP Retief, who resigned from the Board on 25 July 2014, has indicated that he has an indirect non-beneficial interest in 120 351 AVL Shares. Mr Retief was a Zeder Director at the time that the Zeder Board resolved to make the Offer to AVL Shareholders to acquire their AVL Shares in terms of the Proposed Transaction and at the time that the Zeder Board approved the terms of the Offer, including the value of the Scheme Consideration.

5.4 The Zeder Directors had no dealings in AVL Shares during the six-month period prior to 25 June 2014 and the period from 25 June 2014 up to the Last Practicable Date.

6. INTERESTS OF ZEDER DIRECTORS IN ZEDER SECURITIES

6.1 As at the Last Practicable Date, the following Zeder Directors held an interest in Zeder Shares:

	Beneficial		Non-beneficial		Total	
Zeder Director	**Direct**	**Indirect**	**Direct**	**Indirect**	**Number**	**%**
N Celliers	–	–	–	3 073 676	3 073 676	0.31
GD Eksteen	–	–	–	250 000	250 000	0.03
WL Greeff	80 000	–	–	–	80 000	0.01
AE Jacobs	–	70 000	–	–	70 000	0.01
JF Mouton	–	–	–	80 000	80 000	0.01
MS du Pré le Roux(1)	–	–	–	250 000	250 000	0.03
CA Otto	–	–	–	80 000	80 000	0.01
Total	**80 000**	**70 000**	**–**	**3 733 676**	**3 883 676**	**0.41**

Note:

1. Resigned as a director of Zeder on 20 June 2014.

6.2 The Zeder Directors had no dealings in Zeder Shares during the six-month period prior to 25 June 2014 and the period from 25 June 2014 up to the Last Practicable Date, save that on or about 25 April 2014 an associate of N Celliers acquired 437 743 Zeder Shares through the exercise of share options at an option strike price of R2.57 per share (total value of options R1 124 999.51).

7. INTERESTS OF AVL AND AVL DIRECTORS IN ZEDER SECURITIES

7.1 As at the Last Practicable Date, AVL held no direct or indirect interest in Zeder. AVL had no dealings in Zeder Shares during the six-month period prior to 25 June 2014 and during the period from 25 June 2014 and ending on the Last Practicable Date.

7.2 As at the Last Practicable Date, the following AVL Directors held a beneficial interest in issued Zeder Shares:

AVL Director	**Direct**	**Indirect**	**% of AVL issued share capital**
POS Meaker	–	60 000	0.01
Total	**–**	**60 000**	**0.01**

Notes:

1. Mr N Celliers has an indirect non-beneficial interest in 3 073 676 Zeder Shares.
2. Mr CA Otto has an indirect non-beneficial interest in 80 000 Zeder Shares.
3. Mr POS Meaker has an indirect non-beneficial interest in 2 112 122 Zeder Shares, which is not material to Mr Meaker.

7.3 Save as set out in paragraph 6.2 above, the AVL Directors had no dealings in Zeder Shares during the six-month period prior to 25 June 2014 and the period from 25 June 2014 up to the Last Practicable Date.

8. INTERESTS OF AVL DIRECTORS IN AVL SECURITIES

8.1 As at the Last Practicable Date, the following AVL Directors held a beneficial interest in issued AVL Shares:

AVL Director	Direct	Indirect	% of AVL issued share capital
J Carinus	–	19 203	0.03
Total	**–**	**19 203**	**0.03**

Note:

1. Mr CA Otto has an indirect non-beneficial interest in 2 415 AVL Shares.

8.2 The AVL Directors had no dealings in AVL Shares during the six-month period prior to 25 June 2014 and the period from 25 June 2014 up to the Last Practicable Date.

9. IRREVOCABLE UNDERTAKINGS

9.1 As at the Last Practicable Date, the following Zeder shareholders have provided irrevocable undertakings or firm commitments to vote in favour of all Zeder shareholder resolutions necessary to approve and implement the Scheme and (to the extent applicable) the General Offer:

Zeder shareholder	Number of Zeder Shares held	Zeder Shares held as % of Zeder's issued share capital
PSG Financial Services Limited	422 490 671	43.1
Coronation Fund Managers(1)	132 165 847	13.5
Allan Gray Proprietary Limited(1)	133 755 910	13.6
Sanlam Investment Management Proprietary Limited(1)	32 527 801	3.3
Investec Asset Management(1)	30 834 477	3.1
Total	**751 774 706**	**76.6**

Note:

1. Includes shares held by these Zeder shareholders on behalf of their clients.

9.2 As at the Last Practicable Date, the AVL Shareholders listed in **Annexure 14A** have provided irrevocable undertakings to vote in favour of all AVL shareholder resolutions necessary to approve and implement the Scheme:

10. DEALINGS BY PROVIDERS OF IRREVOCABLE UNDERTAKINGS

10.1 Details regarding dealings by the Zeder shareholders referred to in paragraph 9 above, during the six-month period prior to 25 June 2014 and during the period from 25 June 2014 up to the Last Practicable Date, are set out in **Annexure 14B**.

10.2 Details regarding dealings by the AVL Shareholders referred to in paragraph 9 above, during the six-month period prior to 25 June 2014 and during the period from 25 June 2014 up to the Last Practicable Date, are set out in **Annexure 14C**.

11. REMUNERATION OF AVL DIRECTORS

The remuneration of the AVL Directors will not be affected by the Scheme or the General Offer.

12. AGREEMENTS IN RELATION TO THE SCHEME

12.1 Save for the Firm Intention Offer Letter and the irrevocable undertakings referred to in this Circular, no agreements have been entered into between Zeder, Zeder Directors (or persons who were directors of Zeder in the past 12 months) and/or Zeder Shareholders (or persons who were Zeder Shareholders in the past 12 months) and any of AVL, the AVL Directors (or persons who were directors of AVL in the past 12 months) or AVL Shareholders (or persons who were AVL Shareholders in the past 12 months) in relation to the Scheme.

12.2 Zeder confirms that it is the ultimate prospective purchaser of the Scheme Shares and is acting alone and not in concert with any party. However, in terms of Regulation 84 of the Companies Regulations a presumption automatically exists that Zeder Directors are acting in concert with Zeder in respect of the Scheme. Accordingly, any Zeder Directors and any persons who were Zeder Directors at the time the Zeder Board resolved to make the Offer to AVL Shareholders and who hold AVL Shares on the Scheme Voting Record Date, will not be able to vote on the Scheme Resolution at the General Meeting.

13. FINANCIAL INFORMATION OF AVL AND ZEDER

13.1 Financial information of Zeder

13.1.1 The audited historical financial information of Zeder for the last three financial years ended 29 February 2012, 28 February 2013 and 28 February 2014 is annexed hereto as **Annexure 6**.

13.1.2 The *pro forma* financial effects of the Proposed Transaction on Zeder are annexed hereto at **Annexure 7**, while the Independent Reporting Accountants' report thereon is annexed hereto as **Annexure 8**.

13.2 Financial information of AVL

13.2.1 The audited historical financial information of AVL for the last three financial years ended 30 September 2011, 2012 and 2013 is annexed hereto as **Annexure 2**. The Independent Reporting Accountants' report thereon is annexed hereto as **Annexure 3**.

13.2.2 The interim reviewed standalone financial information of AVL for the six months ended 31 March 2014 is annexed hereto as **Annexure 4A**. The Independent Reporting Accountants' report thereon is annexed hereto as **Annexure 4B**.

13.2.3 The *pro forma* interim financial information of AVL for the six months ended 31 March 2014 is annexed hereto as **Annexure 5A**. The Independent Reporting Accountants' report thereon is annexed hereto as **Annexure 5B**.

13.2.4 The *pro forma* financial effects of the Proposed Transaction on AVL are annexed hereto at **Annexure 9**, while the Independent Reporting Accountants' report thereon is annexed hereto as **Annexure 10**.

14. INTENTIONS REGARDING THE CONTINUATION OF AVL'S BUSINESS AND THE AVL BOARD

Should the Scheme be implemented, AVL will become a wholly-owned subsidiary of the Zeder Group, following which the future size and composition of the AVL Board will be considered.

15. THE VIEWS OF THE INDEPENDENT BOARD ON THE SCHEME

15.1 In accordance with the Companies Regulations, the AVL Board has appointed the Independent Board comprising Messrs Willem Pieter Hanekom, Paul Oliver Sauer Meaker and Johan Georg Carinus. The Independent Board has appointed the Independent Expert to compile a report on the Scheme. The Zeder Board has provided all relevant information on Zeder requested by the Independent Expert in order to compile the report.

15.2 The Independent Board, after due consideration of the report of the Independent Expert, has determined that it will place reliance on the valuation performed by the Independent Expert for the purposes of reaching its own opinion regarding the Scheme and the Scheme Consideration as contemplated in Companies Regulation 110(3)(b). The Independent Board has formed a view of the range of the swap ratio of Zeder Shares for AVL Shares, which accords with the range contained in the Independent Expert's report, in considering its opinion and recommendation. The Independent Board is not aware of any factors which are difficult to quantify or are unquantifiable (as contemplated in Companies Regulation 110(6)) and has not taken any such factors into account, in forming its opinion.

15.3 The Independent Board, taking into account the report of the Independent Expert, has considered the terms and conditions of the Scheme and the members of the Independent Board are unanimously of the opinion that the terms and conditions thereof are fair and reasonable to AVL Shareholders and, accordingly, recommend that AVL Shareholders vote in favour of the Scheme at the General Meeting.

15.4 The Independent Board has made the report of the Independent Expert available to the Zeder Directors. In accordance with Companies Regulation 106(6)(b), the Zeder Directors have placed reliance on the valuation performed by the Independent Expert and are also unanimously of the opinion that the terms and conditions of the Scheme are fair and reasonable to AVL Shareholders.

15.5 The AVL Board has not received any offers, other than the Offer by Zeder.

16. AVL DIRECTORS' SERVICE CONTRACTS

No director of AVL has a service contract with AVL.

17. OTHER SERVICE CONTRACTS

No service contracts have been entered into or amended within the six-month period prior to the Last Practicable Date.

18. REPORT OF THE INDEPENDENT EXPERT

18.1 The report of the Independent Expert prepared in accordance with section 114(3) of the Companies Act and regulation 90 of the Companies Regulations is provided in **Annexure 1** to this Circular.

18.2 Having considered the terms and conditions of the Scheme and based on the conditions set out in its report, the Independent Expert has concluded that the terms and conditions of the Scheme are both fair and reasonable to AVL Shareholders, as each of these terms is defined in the Companies Regulations.

19. INTENDED ACTION OF AVL DIRECTORS

All the AVL Directors who own AVL Shares in their own beneficial capacity intend to vote in favour of the Scheme at the General Meeting.

20. FOREIGN AVL SHAREHOLDERS AND EXCHANGE CONTROL REGULATIONS

Information regarding Foreign AVL Shareholders and Exchange Control Regulations is set out in **Annexure 11** to this Circular.

21. TAX IMPLICATIONS FOR AVL SHAREHOLDERS

Scheme Participants will not incur an immediate tax obligation upon the Scheme being implemented, as a result of the section 42 roll-over relief provisions in the Income Tax Act, 1962. However, the deferred tax obligation may arise in future, should Scheme Participants dispose of the Scheme Consideration Shares issued to them under the Scheme. The tax position of an AVL Shareholder under the Scheme is dependent on such shareholder's individual circumstances, including but not limited to whether they hold the shares as capital assets or as trading stock, whether the shares are held by a Collective Investment Scheme or Pension Fund and on the tax jurisdiction in which the shareholder is resident. It is recommended that the Scheme Participants seek appropriate advice in this regard.

22. INDEPENDENT BOARD RESPONSIBILITY STATEMENT

The Independent Board accepts responsibility for the information contained in this Circular which relates to AVL and confirms that, to the best of its knowledge and belief, such information which relates to AVL is true and the Circular does not omit anything likely to affect the importance of such information.

23. **ZEDER RESPONSIBILITY STATEMENT**

The Zeder Board accepts responsibility for the information contained in this Circular which relates to Zeder and confirms that, to the best of its knowledge and belief, such information which relates to Zeder is true and the Circular does not omit anything likely to affect the importance of such information.

24. **ADVISORS' CONSENTS**

The parties referred to in the "Corporate Information and Advisors" section of this Circular, have consented in writing to act in the capacities stated and to the inclusion of their names and, where applicable, reports, in this Circular in the form and context in which they appear and have not withdrawn their consent prior to the publication of this Circular.

25. **DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents, or copies thereof, will be available for inspection by the AVL Shareholders at AVL's registered office and at Zeder's registered office from the date of posting of this Circular until the end of the Operative Date:

25.1 the audited annual financial statements of AVL for the three financial years ended 30 September 2011, 2012 and 2013;

25.2 the reviewed financial statements of AVL for the interim financial period ended 31 March 2014;

25.3 the audited annual financial statements of Zeder for the three financial years ended 29 February 2012, 28 February 2013 and 28 February 2014;

25.4 the reports of the Independent Reporting Accountants, as reproduced at **Annexures 3, 4B, 5B, 8 and 10** to this Circular;

25.5 the consent letter of the Independent Reporting Account and all other consent letters referred to in paragraph 24 of this Circular;

25.6 irrevocable commitments received by Zeder from AVL Shareholders and Zeder shareholders;

25.7 a signed copy of this Circular;

25.8 the signed report of the Independent Expert;

25.9 the approval letter of the Takeover Panel;

25.10 the memorandum of incorporation of AVL; and

25.11 the memorandum of incorporation of Zeder.

SIGNED AT STELLENBOSCH ON 13 AUGUST 2014 ON BEHALF OF THE AVL BOARD

WP Hanekom
Director

SIGNED AT STELLENBOSCH ON 13 AUGUST 2014 ON BEHALF OF THE ZEDER BOARD

JF Mouton
Chairman

REPORT OF THE INDEPENDENT EXPERT REGARDING THE SCHEME AND THE GENERAL OFFER

The Directors
Agri Voedsel Limited
1st Floor, Ou Kollege Building
35 Kerk Street
Stellenbosch
7600

7 August 2014

Dear Sirs

Independent expert's report on the proposed Agri Voedsel Limited ("AVL") scheme of arrangement and voluntary general offer

Introduction

On 25 June 2014, AVL and Zeder Investments Limited ("**Zeder**") announced on SENS the firm intention of Zeder to make an offer to acquire all the shares of AVL not already held by Zeder by way of a scheme of arrangement in terms of section 114 of the Companies Act, No 71 of 2008, as amended ("**the Companies Act**") ("**the Scheme**") or, should the Scheme fail, by way of an automatic voluntary general offer extended to all AVL Shareholders ("**the General Offer**") (the Scheme and the General Offer being hereafter collectively referred to as "**the Proposed Transaction**").

In the event that the Scheme becomes unconditional, the AVL board proposes the Scheme to its shareholders and the Scheme is implemented, Zeder will issue to AVL Shareholders a scheme consideration of 16.2 (sixteen point two) listed Zeder Shares for every 1 (one) unlisted AVL Share disposed of in terms of the Scheme, rounded to the nearest whole number ("**the Scheme Consideration**"). The Scheme Consideration will not have a cash alternative.

Upon implementation of the Scheme Zeder will become the registered and beneficial owner of all the issued AVL Shares (other than AVL Shares held by Dissenting Shareholders that do not withdraw their respective demands made in terms of sections 164(5) to 164(8) of the Companies Act or allow any offers by the Company to them in terms of section 164(11) of the Companies Act to lapse).

Should the Scheme fail and the General Offer Trigger Event occur, Zeder will automatically make the General Offer to AVL Shareholders, with the consideration offered in terms of the General Offer ("**the General Offer Consideration**") being identical to the Scheme Consideration.

The Scheme constitutes an "affected transaction" as defined in section 117(c) of the Companies Act and will be regulated by the Companies Act, the Companies Regulations, 2011 ("**the Companies Regulations**") and the Takeover Regulation Panel ("**TRP**").

Section 114(2) of the Companies Act requires that AVL must retain an independent expert to compile a report to its board of directors concerning the Proposed Transaction. The Companies Regulations further require that an independent expert express an opinion on the fairness and reasonableness of the Scheme Consideration and the General Offer Consideration and compile a report in accordance with section 114(3), read with Regulation 90 of the Companies Regulations.

We have been appointed by the independent board of directors of AVL to act as the independent expert in accordance with the requirements of section 114 of the Companies Act. It is required that the independent expert's report be addressed to the AVL Board and distributed to all holders of the company's securities.

Full details of the Proposed Transaction are contained in the circular to AVL Shareholders (the "**Circular**") to be dated on or around 15 August 2014.

Unless stated otherwise, all terms contained herein have the same meaning ascribed to them in the definitions and interpretations section of the Circular.

Qualification and independence

For purposes of our appointment as the independent expert, we confirm that we meet the competence, experience, and impartiality requirements of Section 114(2)(a) of the Companies Act and we confirm that we meet the independence requirements set out in Section 114(2)(b) of the Companies Act and Regulation 90(3)(a) of the Companies Regulations.

Our fee payable for this engagement is R550 000 excluding value added tax and is not contingent upon or related to the outcome of the Proposed Transaction.

Scope of our work and report

Our report is provided to the AVL Board for the sole purpose of assisting the AVL Board in forming and expressing an opinion on the terms and conditions of the Proposed Transaction for the benefit of holders of ordinary shares in AVL, being the only type and class of security issued by AVL and affected by the Proposed Transaction.

Our work and the contents of our independent expert report are regulated by section 114(3) of the Act and Regulation 90 of the Companies Regulations. In short, we are required to consider the material effects that the Proposed Transaction will have on the ordinary shareholders of AVL, any reasonably probable beneficial and significant effect of the Proposed Transaction on the business and prospects of AVL, material interests of any director of AVL and the effect of the Proposed Transaction on those interests and persons.

We are required to express an opinion on the fairness and reasonableness of the Proposed Transaction. Our assessment of fairness is primarily based on quantitative issues, whereas reasonableness includes a consideration of qualitative aspects.

The terms and conditions of the Proposed Transaction would be considered fair to AVL Shareholders if the measurable financial benefits to AVL Shareholders equal or exceed the cost thereof. Thus, the Proposed Transaction would be considered fair if the fair market values of AVL Shares were less than or equal to the fair market values of 16.2 Zeder Shares, i.e. the number of Zeder Shares to be exchanged for each AVL Share in terms of the Scheme Consideration or the General Offer Consideration. To form this opinion we have undertaken a valuation of the AVL Shares and the Zeder Shares.

Our valuation work considered Pioneer Food Group Limited ("Pioneer Foods"), in which AVL has an equity interest. Furthermore, our valuation work considered the following operational subsidiaries, associates and investee companies of Zeder:

- Zeder Financial Services Proprietary Limited ("ZFS");
- Zeder Investments Corporate Services Proprietary Limited ("ZICS");
- Kaap Agri Limited ("Kaap Agri");
- Senwes Limited ("Senwes"), held via Senwesbel Limited ("Senwesbel");
- NWK Holdings Limited ("NWK Holdings");
- NWK Limited ("NWK");
- Zaad Holdings Limited ("Zaad");
- Pioneer Foods;
- Capespan Group Limited ("Capespan"); and
- Chayton Africa ("Chayton"), held via Zeder Africa Proprietary Limited ("Zeder Africa").

Pioneer Foods, Kaap Agri, Senwes, NWK, Zaad, Capespan and Chayton are hereafter referred to as the "Operating Entities". Zeder and Pioneer Foods are hereafter referred to as the "JSE Limited Listed Entities" and AVL, Kaap Agri, Senwes, Senwesbel, NWK, NWK Holdings and Capespan are hereafter referred to as the "OTC Listed Entities".

Those factors which are difficult to quantify, or are unquantifiable but nonetheless may affect a shareholder's assessment of the Proposed Transaction, are also taken into account in forming an opinion on the reasonableness thereof.

Sources of information

In arriving at our opinion we have considered information, *inter alia*, from the following sources:

- information on AVL and Zeder and their subsidiaries, associate companies and investee companies, as applicable, including the history, nature of business, products, key customers and competitor activity;
- audited financial information for AVL and Pioneer Foods for the financial years ended 30 September 2012 and 2013;
- unaudited, abridged financial information for AVL and Pioneer Foods for the period ended 31 March 2014;
- audited financial information for Zeder for the financial years ended 28 February 2011 to 2014;
- unaudited abridged financial information for Capevin for the period ended 31 December 2013;
- audited financial information for ZFS and ZICS for the financial year ended 28 February 2014;
- audited financial information for Kaap Agri for the financial years ended 30 September 2009 to 30 September 2013;
- unaudited financial information for Kaap Agri for the financial period ended March 2014;
- audited financial information for Zaad for the financial years ended 28 February 2013 and 2014;
- unaudited financial information for Zaad for the financial period ended 31 May 2014;
- unaudited financial information for Agricol Proprietary Limited, a subsidiary of Zaad, for the financial period ended 31 May 2014;
- unaudited financial information for Klein Karoo Seed Marketing Proprietary Limited, a subsidiary of Zaad, for the financial period ended 30 April 2014;
- audited financial information for Capespan for the financial years ended 28 February 2013 and 2014;
- unaudited financial information for Capespan for the financial period ended 31 May 2014;
- audited financial information for Chayton for the financial period ended 31 December 2012;
- unaudited financial information for Chayton for the financial period ended 31 December 2013;
- audited financial information for Mpongwe Milling (2009) Limited ("Mpongwe Milling"), a subsidiary of Chayton, for the financial year ended 31 December 2012;
- unaudited financial information for Mpongwe Milling for the financial year ended 31 December 2013;
- projected financial information for Zaad for the financial years ending 28 February 2015 to 28 February 2019, prepared by management;
- projected financial information for Capespan for the financial years ending 28 February 2015 to 28 February 2018, prepared by management;
- projected financial information for Chayton for the financial years ending 31 December 2014 to 31 December 2025, prepared by management;
- projected financial information for Kaap Agri for the financial years ending 30 September 2014 to 2018, prepared by management;
- a circular to shareholders of Zeder dated 20 May 2013 containing details of and amendments to the management agreement between Zeder, ZICS, and PSG Corporate Services Proprietary Limited, as nominee for PSG Group Limited ("the PSG Management Agreement");
- recent share prices and other publicly available financial information on the JSE Limited Listed Entities and the OTC Listed Entities and on listed companies with operations similar to those of the Operating Entities (the "peer companies");
- recent analysts' reports on the JSE Limited Listed Entities and the peer companies;
- Grayston Elliot opinion on the tax consequences for AVL Shareholders of the Proposed Transaction;
- Zeder see-through sum-of-the-parts valuations prepared by Zeder management and dated 4 June 2014 and 9 July 2014;
- price to earnings analysis of Zeder investments prepared by Zeder management and dated 4 June 2014;

- “AVL share swap for Zeder shares” document prepared by Zeder management;
- the Firm Intention Offer Letter dated 20 June 2014;
- publicly available information regarding the pricing of recent transactions in significant equity interests in unlisted companies with operations similar to those of the Operating Entities;
- other publicly available information relevant to the industry in which the Operating Entities operate;
- information disclosed in the Circular of which this report forms a part; and
- information and explanations obtained in discussions with management of Zeder and its subsidiaries and discussions with the independent board of directors of AVL.

Where practical, we have corroborated the reasonability of the information provided to us for the purpose of our opinion, including publicly available information, whether in writing or obtained in discussions with management of the relevant entities.

Procedures performed in arriving at our opinion

In order to assess the fairness and reasonableness of the terms and conditions of the Proposed Transaction, we have performed, amongst other, the following procedures:

- considered the background information on AVL and Zeder and their subsidiaries, associates and investee companies;
- reviewed the historical and forecast financial information available for AVL, Zeder and the Operating Entities;
- considered the terms and conditions of the PSG Management Agreement;
- considered information made available by and from discussions with management of Zeder and certain of its subsidiaries;
- considered information made available by and from discussions with the independent board of AVL;
- prepared indicative valuations of the ordinary shares of AVL and Zeder using a sum-of-the-parts approach;
- conducted appropriate sensitivity analyses on the valuation outcomes based on a reasonable range of key assumptions;
- considered the rationale for the Proposed Transaction; and
- considered qualitative aspects of the Proposed Transaction.

Valuation

In considering the terms and conditions of the Proposed Transaction, we performed independent indicative valuations of AVL and Zeder at the most recent practical date which was 11 July 2014. We considered significant events which occurred in AVL, Zeder and subsidiaries, associates and investees subsequent to 11 July 2014, as discussed with management, and we have considered market and economic conditions up to the date of issue of this report.

The valuation of AVL was performed by applying the income approach and market approach to value the equity interest of AVL in Pioneer Foods on a consolidated basis. We reviewed a number of recent analysts’ reports on Pioneer Foods and considered their views on Pioneer Foods’ financial performance and prospects. In assessing the fair value of Pioneer Foods shares for purposes of our fair value of AVL Shares we applied a discount that we considered appropriate to take account of the AVL Shareholder’s interest in Pioneer Foods being indirect and also allow for the lack of marketability of the shares of AVL.

The valuation of Zeder was performed on a sum-of-the-parts basis, including Zeder’s equity interest in AVL and with separate income approach and market approach valuations performed for Zeder’s equity interests in Kaap Agri, Zaad and Capespan. Zeder’s interest in Chayton was included at the cost of Zeder’s recent investment in this entity. We capitalised projections we made for fees payable by Zeder to PSG Group Limited under the PSG Management Agreement in order estimate the present value of these future costs and we deducted the present value thereof in our sum of the parts valuation. We also considered the net debt balances in other non-operating subsidiary companies of Zeder.

Additionally, we performed sensitivity analyses by considering reasonable ranges for key assumptions in arriving at our valuation range. We found that the key internal value drivers of the valuation of the AVL Shares are estimates of revenue growth, particularly product volumes and the selling prices of certain products, movements in net working capital, and capital expenditure requirements of Pioneer Foods. Free cash flow is sensitive to these assumptions. The key external value drivers relate to the rates of economic growth and inflation in South Africa and the rest of Africa, prevailing interest rates in South Africa and market and industry conditions specific to the food processing sector in which Pioneer Foods operates, including the market's expectations around changes to relevant regulations. The expected commodity prices of wheat, maize and rice internationally are key external value drivers for Pioneer Foods specifically as they impact expected volumes sold, input prices, selling prices and the net investment required in working capital. The Rand to US dollar exchange rate impacts export revenue from the Bokomo and Ceres divisions in particular.

We found that the key internal value drivers of the valuation of Zeder, in addition to the AVL value drivers described above, are estimates of revenue growth, particularly the assumptions relating to volume and price increases in fruit sales in Capespan and seed sales in Zaad, which are affected by factors including planned expansion on the African continent beyond South Africa, and the levels of planned reinvestment in capital expenditure and working capital. Cash flows, and therefore enterprise values of the operating entities held by Zeder, are sensitive to these assumptions. The terms of the PSG Management Agreement are also a key internal value driver in Zeder. The key additional external value driver relates to the rand to US dollar exchange rate, which impacts forecast revenue, particularly in Capespan.

Based on the above work, we established a range of fair values for the ordinary shares of AVL and Zeder as presented in the table below, which informed our range of fair exchange ratios for the Proposed Transaction.

	Zeder (fair value per ordinary share)	**AVL (fair value per ordinary share)**	**Exchange ratio**
High	R4.61	R79.20	17.2
Low	R4.53	R69.75	15.4

Our valuation analysis of AVL and Zeder resulted in an indicative exchange ratio range of between 15.4 and 17.2 Zeder Shares for each AVL Share. For purposes of presenting our core value in terms of Regulation 90(6)(f) of the Companies Regulations, we adopted the mean of our range, which is 16.3 Zeder Shares, based on mean values of R4.57 per share for Zeder and R74.48 for AVL.

The Proposed Transaction would be considered fair to AVL Shareholders provided that the proposed share exchange ratio were higher than or equal to the low end of the range described above for the number of Zeder Shares to be exchanged for each AVL Share.

Assessment of qualitative and other factors

Our assessment of reasonableness included considering the proposed Scheme Consideration and General Offer Consideration in relation to the prevailing trading price of Zeder and last OTC trading price of AVL prior to the announcement of the Proposed Transaction.

We note that according to a proposed directive received from the Registrar of Securities Services ("RSS") during May 2014, the OTC trading of shares does not comply with the provisions of the Financial Markets Act, 2012. Following the final directive in this regard, as issued by the FSB on 11 July 2014 (Board Notice 68 of 2014), the AVL Board has formally resolved to close the AVL OTC platform with immediate effect (the platform was previously suspended). This closure of the platform was announced to AVL Shareholders on 25 July 2014.

During the course of our work we considered whether there were other practical courses of action open to AVL Shareholders other than the Proposed Transaction and we discussed possible alternatives with the independent board of directors of AVL. We did this so that we could consider other possible financial outcomes for AVL Shareholders against which to evaluate the Scheme Consideration. The only other course of action identified would be for AVL Shareholders to hold out for an OTC share trading solution that would meet the requirements of the Financial Markets Act, enabling OTC trading in AVL Shares to resume. However, from our enquiries we noted that there is currently no such solution and it is uncertain if and when there would be a solution in the future. Given this uncertainty we considered that any financial outcome from such a course of action cannot be estimated.

We note that, in terms of the Circular, the AVL Board believes that the Proposed Transaction will provide AVL Shareholders with an opportunity to liquidate their investment in AVL and receive a more liquid instrument in the listed Zeder Shares. AVL Shareholders will continue to enjoy exposure to Pioneer Foods, however they will have an opportunity to diversify their investment in AVL into a more diversified portfolio of agri, food and beverage investments.

Opinion and limiting conditions

Based upon and subject to the foregoing, we are of the opinion that the terms and conditions of the Proposed Transaction are fair and reasonable to the ordinary shareholders of AVL.

Our opinion is addressed to the general body of shareholders. Because each shareholder's decision may be influenced by their particular circumstances, we recommend that a shareholder should consult an independent advisor if they are in any doubt as to the merits of the Proposed Transaction considering their personal circumstances.

Our opinion is based upon the market, regulatory and trading conditions as they currently exist and can only be evaluated as at the date of this letter. It should be understood that subsequent developments may affect our opinion, which we are under no obligation to update, revise or re-affirm.

Forecasts relate to uncertain future events and are based on assumptions, which may not remain valid for the whole of the forecast period. Consequently, forecast information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely actual results will correspond to projections made by the management of the Operating Entities and made available to us during the course of our review.

Our procedures and inquiries did not constitute an audit in terms of International Standards on Auditing. Accordingly, we do not express an audit opinion on the financial data or other information used in arriving at our opinion.

Other matters

In accordance with sections 114(3) (e) and (f) of the Companies Act, we confirm that directors' interests in AVL Shares are disclosed in the Circular and, from our enquiries, we understand that the Proposed Transaction has the same effect on such directors that it has on other shareholders of AVL.

Disclosure of statutory provisions for approval and relief

We confirm that, in accordance with the requirement of section 114(3) (g) of the Companies Act, the wording of sections 115 and 164 of the Companies Act is included in **Annexure 12** to the Circular.

Consent

We hereby consent to the inclusion of this report and references thereto, in the form and context in which they appear, in the circular to AVL Shareholders dated on or around 15 August 2014 and any other required regulatory announcements.

Yours faithfully

D McDuff
Partner

THREE-YEAR AUDITED HISTORICAL FINANCIAL INFORMATION OF AVL

BASIS OF PREPARATION

The consolidated statements of financial position, statements of comprehensive income, statements of changes in equity, cash flow statements and notes of AVL for the financial years ended 30 September 2011, 2012 and 2013, have been extracted and compiled from the audited consolidated annual financial statements of AVL. Aforementioned consolidated annual financial statements were compiled by GC Victor CA(SA) and were approved by the AVL directors on 6 December 2011, 6 December 2012 and 4 December 2013, respectively. The preparation of this **Annexure 2** is the responsibility of the AVL Directors.

The historical financial information of AVL was audited by PwC and was reported on without qualification for all of the aforementioned financial periods.

NATURE OF BUSINESS

Agri Voedsel is an investment company which is the largest shareholder in Pioneer Food Group Limited, a company that is involved in the manufacturing of food, beverages and related products for humans as well as fodder for animals.

OPERATING RESULTS

As Agri Voedsel Limited does not have any interest in subsidiaries since 2013, but only an interest in an associated company, the company prepares "economic interest" financial statements in which its interest is accounted for using the equity method.

Due to the unbundling of the Kaap Agri Group on 15 December 2011, some income and expenses in the 2012 comparative figures are reflected under "Discontinued operations". The key statistics figures have been restated reflecting the actual continued operations of the company as if the unbundling had already been implemented on 1 October 2010.

The results of Pioneer Foods are equity accounted in the financial statements, which means that a proportional share of Pioneer Foods' profit is reflected as a share in profit of associated company. The values in the statement of financial position are the historical carrying value, plus the share in profit for each year and minus any dividends received.

The operating results and state of affairs of the group are set out in the attached income statement and statements of financial position, comprehensive income, changes in equity and cash flows. For the year under review, the group's adjusted headline earnings amounted to R238 million (2012: R213 million; 2011: R220 million), headline earnings amounted to R203 million (2012: R182 million; 2011: R284 million) and earnings attributable to owners of the parent amounted to R139 million (2012: R135 million loss; 2011: R287 million).

COMMENTARY

Detailed commentary on the historical financial information of Agri Voedsel is provided in the selected financial information of Agri Voedsel, included in this Circular.

HISTORICAL FINANCIAL INFORMATION

No material change in the nature of the business of Agri Voedsel occurred, and no material fact or circumstance has occurred between the end of the latest financial year of Agri Voedsel and the date of this Circular, in so far as not already dealt with in historical financial information outlined in this Annexure 2. The historical financial information was audited by PricewaterhouseCoopers and should be read in conjunction with their Independent Reporting Accountants' Report set out in Annexure 3.

STATEMENT OF FINANCIAL POSITION
at 30 September

		GROUP		
	Notes	**2013 R'000**	2012 R'000	2011 R'000
ASSETS				
Non-current assets				
Property, plant and equipment	3			325 200
Intangible assets	4			677
Investment in associated company	5	**2 067 645**	1 963 249	1 790 111
Loans	6			35 783
Deferred taxation	7			4 204
		2 067 645	1 963 249	2 155 975
Current assets				
Inventory	8			406 187
Trade and other receivables	9			887 885
Financial instruments for hedging	10			476
Short-term portion of loans	6			1 094
Cash and cash equivalents	11	**6 203**	4 758	14 850
		6 203	4 758	1 310 492
Total assets		**2 073 848**	1 968 007	3 466 467
EQUITY AND LIABILITIES				
Capital and reserves				
Ordinary share capital	12	**2 162**	2 162	2 551
Share premium		**395 075**	395 075	659 371
Other reserves	13	**1 035 365**	930 969	758 356
Retained profit		**637 069**	634 990	1 042 599
Treasury shares	12			(9 119)
Capital and reserves – shareholders of the holding company		**2 069 671**	1 963 196	2 453 758
Non-controling interest				115 844
Total equity		**2 069 671**	1 963 196	2 569 602
Non-current liabilities				
Deferred taxation	7			3 922
Provisions for other liabilities and charges	14			16 171
		–	–	20 093
Current liabilities				
Trade and other payables	15	**4 177**	4 811	428 979
Financial instruments for hedging	10			476
Short-term portion of provisions for other liabilities and charges	14			3 445
Short-term borrowings	16			443 775
Income tax				97
		4 177	4 811	876 772
Total liabilities		**4 177**	4 811	896 865
Total equity and liabilities		**2 073 848**	1 968 007	3 466 467
Net asset value per share (Rand)		**37.21**	35.29	31.88
Tangible net asset value per share (Rand)		**37.21**	35.29	31.87

INCOME STATEMENT
for the year ended 30 September

	Notes	**2013** GROUP **R'000**	2012 R'000	2011 R'000
Continuing operations				
Interest received		**280**		
Unbundling costs			(13 565)	
Administrative costs	21	**(1 228)**	(483)	(66)
Operating loss		**(948)**	(14 048)	(66)
Share in profit of associated companies	5	**201 816**	176 877	220 720
Profit from continuing operations		**200 868**	162 829	220 654
Discontinuing operations				
(Loss)/profit for the period from discontinued operations	22		(293 938)	79 587
Share in profit of associated companies		**(61 488)**		
Profit/(loss) for the year		**139 380**	(131 109)	300 241
Attributable to:				
Equity holders of the holding company		**139 380**	(134 861)	286 974
Continuing operations		**200 868**	162 829	220 654
Discontinuing operations		**(61 488)**	(297 690)	66 320
Non-controlling interest – discontinued operations			3 752	13 267
		139 380	(131 109)	300 241
Earnings per share – basic and diluted (Cents)	25			
Continuing operations		**361.09**	292.71	396.66
Discontinuing operations		**(110.53)**	(535.14)	119.22
Dividend per share (Cents)	26	**131.00**	111.00	73.00

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 September

	2013 GROUP **R'000**	2012 R'000	2011 R'000
Profit/(loss) for the year	**139 380**	(131 109)	300 241
Other comprehensive income:			
Dividends forfeitured	**1 358**		
Share of other comprehensive income of associated companies	**28 596**	43 011	21 190
Cash flow hedges			695
Total comprehensive income/(loss)	**169 334**	(88 098)	322 126
Attributable to:			
Equity holders of the holding company	**169 334**	(91 850)	308 752
Non-controlling interest		3 752	13 374
	169 334	(88 098)	322 126

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 September

	Share capital R'000	Share premium R'000	Revaluation reserve R'000	Fair value reserve R'000	GROUP Business combination reserve R'000	Equity reserve R'000	Retained profit R'000	Treasury shares R'000	Non--controling interest R'000
Balance 1 October 2010	2 551	659 371	17 758	(147)	216 582	538 149	838 262	(9 119)	
Non-controlling interest sold in Kaap Agri Bedryf Limited							(34 646)		103 667
Total comprehensive income				695		21 190	286 867		13 374
Dividends paid							(83 755)		(1 197)
Transfer between reserves			(17 758)		(216 582)	198 469	35 871		
Balance 30 September 2011	2 551	659 371	–	548	–	757 808	1 042 599	(9 119)	115 844
Shares bought back	(389)	(264 296)					(107 591)	9 119	
Movement in other reserves with unbundling				(548)					
Non-controlling interest sold in Kaap Agri Bedryf Limited									(118 277)
Total comprehensive income/(loss)						43 011	(134 861)		3 752
Dividends paid							(35 007)		(1 319)
Transfer between reserves						130 150	(130 150)		
Balance 30 September 2012	2 162	395 075	–	–	–	930 969	634 990	–	–
Total comprehensive income						28 596	140 738		
Dividends paid							(62 859)		
Transfer between reserves						75 800	(75 800)		
Balance 30 September 2013	**2 162**	**395 075**	**–**	**–**	**–**	**1 035 365**	**637 069**	**–**	**–**

STATEMENT OF CASH FLOWS
for the year ended 30 September

		GROUP		
		2013	2012	2011
	Notes	**R'000**	R'000	R'000
Cash flow from operating activities		**(224)**	(122 339)	(15 280)
Net cash loss from operating activities	27	**(948)**	(14 048)	(66)
Working capital changes	28	**724**	492	527
Income tax paid	29			
Discontinued operations	22		(108 783)	(15 741)
Cash flow from investment activities		**64 528**	38 313	(11 674)
Dividends received		**64 528**	46 727	22 251
Discontinued operations	22		(8 414)	(33 925)
Cash flow from financing activities		**(62 859)**	73 934	26 067
Dividend paid		**(62 859)**	(35 007)	(71 760)
Discontinued operations	22		108 941	97 827
Net increase/(decrease) in cash and cash equivalents		**1 445**	(10 092)	(887)
Cash and cash equivalents at the beginning of the year		**4 758**	14 850	15 737
Cash and cash equivalents at the end of the year		**6 203**	4 758	14 850
Consisting of:				
– Bank and cash on hand		**6 203**	4 758	14 850

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 30 September

1. **ACCOUNTING POLICIES**

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

2. **UNBUNDLING**

   The operational business of the Kaap Agri Group were separated from the investment in Pioneer Food Group Limited on 14 December 2011. Two separate companies, Kaap Agri Limited (previously Newco) and Agri Voedsel Limited (previously Kaap Agri Limited), were formed which will exist and trade independently. The investment in Pioneer Food Group Limited is housed in Agri Voedsel Limited (previously Kaap Agri Limited) and the operational business is housed in Kaap Agri Limited (previously Newco). The comparative figures in the income statement on 30 September 2011 were restated to show the discontinued operations separately.

	GROUP		
	2013	2012	2011
	R'000	R'000	R'000
3. **PROPERTY, PLANT AND EQUIPMENT**			
Cost/deemed cost			
Land and buildings	**–**	–	265 144
Other property			261 744
Investment property			3 400
Grain silos			38 794
Machinery and equipment			44 691
Vehicles			12 341
Office furniture and equipment			60 983
Improvements to leasehold property			4 234
Assets under construction			889
	–	–	427 076
Accumulated depreciation			
Land and buildings	**–**	–	(9 117)
Other property			(9 063)
Investment property			(54)
Grain silos			(25 356)
Machinery and equipment			(24 444)
Vehicles			(8 870)
Office furniture and equipment			(32 346)
Improvements to leasehold property			(1 743)
	–	–	(101 876)
Total carrying value	**–**	–	325 200

Reconcilliation of movements in carrying value

	Total R'000	Land and buildings R'000	Grain silos R'000	Machinery and equipment R'000	Vehicles R'000	Office furniture and equipment R'000	Improve-ments to leasehold property R'000	Assets under construc-tion R'000
30 September 2012								
Carrying value								
1 October 2011	325 200	256 027	13 438	20 247	3 471	28 637	2 491	889
Additions	8 441	597	218	288	142	524		6 672
Disposals	(4)					(4)		
Improvements to leased premises written off	(139)						(139)	
Depreciation	(2 252)	(238)	(104)	(629)	(150)	(1 131)		
Assets of discontinued operations with	(331 246)	(256 386)	(13 552)	(19 906)	(3 463)	(28 026)	(2 352)	(7 561)
Carrying value 30 September 2012	–	–	–	–	–	–	–	–
30 September 2011								
Carrying value								
1 October 2010	305 262	239 061	14 612	17 277	4 004	26 796	2 579	933
Additions	37 985	21 568		6 236	782	8 757	686	(44)
Disposals	(3 752)	(3 263)		(74)	(387)	(28)		
Improvements to leased premises written off	(774)						(774)	
Depreciation	(13 521)	(1 339)	(1 174)	(3 192)	(928)	(6 888)		
Carrying value 30 September 2011	325 200	256 027	13 438	20 247	3 471	28 637	2 491	889

		GROUP	
	2013 **R'000**	2012 R'000	2011 R'000
4. INTANGIBLE ASSETS			
Customer relations			
Cost			833
Accumulated amortisation			(156)
	–	–	677
Reconciliation of movements in carrying value:			
Carrying value beginning of year		677	
Carrying value on acquisition of operations			833
Amortisation		(35)	(156)
Assets of discontinued operations with unbundling		(642)	
	–	–	677
5. INVESTMENT IN ASSOCIATED COMPANIES			
Beginning of the year	**1 963 249**	1 790 111	1 570 452
Assets of discontinued operations with unbundling		(23)	
Share in total comprehensive income	**168 924**	219 888	241 910
Share in net profit	**143 006**	179 555	223 398
Amortisation of intangible assets and fixed assets revalued to fair value on acquisition of the additional interest	**(2 678)**	(2 678)	(2 678)
Share in other comprehensive income	**28 596**	43 011	21 190
Dividends received	**(64 528)**	(46 727)	(22 251)
End of the year	**2 067 645**	1 963 249	1 790 111
Pioneer Food Group Limited			
Number of issued shares: 238 374 207 (2012: 238 512 606) (2011: 210 531 459)			
Number of shares excluding issued shares which do not currently share in profit: 182 911 026 (2012: 181 094 848) (2011: 179 373 472)			
Voting interest: 25.24% (2012: 25.22%) (2011: 28.89%)			
Economic interest: 30.41% (2012: 30.72%) (2011: 31.01%)			
Shares at fair value at date of acquisition: 55 627 707 (2012: 55 627 707) (2011: 55 627 707)	**1 032 280**	1 032 280	1 032 280
Share in post-acquisition retained profit	**1 035 365**	930 969	757 808
RSA Agri Makelaars (Pty) Ltd			
Number of issued shares: 0 (2012: 500) (2011: 500)			
Shareholding: 0% (2012: 0%) (2011: 20%)			
Shares at fair value at date of acquisition: 0 (2012: 0) (2011: 100)			23
	2 067 645	1 963 249	1 790 111
Fair value at quoted market price	**4 867 424**	2 948 268	3 283 048

The share in the associate's profit for the period is calculated by using the economic interest. The economic interest is calculated by decreasing the associate's issued share capital with its issued shares which do not currently share in profit.

	GROUP		
	2013 **R'000**	2012 R'000	2011 R'000
The Company's proportionate interest in assets and liabilities of the associated companies are as follows:			
Non-current assets	**1 604 500**	1 697 599	1 562 390
Current assets	**2 005 640**	1 560 323	1 497 882
Total assets	**3 610 140**	3 257 922	3 060 272
Non-current liabilities	**712 928**	423 133	586 465
Current liabilities	**893 183**	932 428	768 377
Total liabilities	**1 606 111**	1 355 561	1 354 842
The Company's proportionate interest in the cash flows of the associated companies are as follows:			
Cash flow from operating activities	**380 251**	229 468	253 780
Cash flow from investment activities	**(409 000)**	(236 333)	(291 601)
Cash flow from financing activities	**(62 777)**	13 791	(75 436)
Net (decrease)/increase in cash and cash equivalents	**(91 526)**	6 926	(113 257)
The Company's proportionate interest in the revenue and expenses of the associated companies are as follows:			
Revenue	**5 213 694**	5 754 422	5 254 901
Profit before taxation	**288 961**	282 911	326 750
Income tax	**(75 072)**	(96 269)	(99 561)
Continuing operations	**213 889**	186 642	227 189
Discontinuing operations	**(61 488)**		
Profit attributable to ordinary shareholders	**152 401**	186 642	227 189

Pioneer Food Group Limited has a share incentive scheme, as well as class A shares issued in terms of an employee share scheme, which will have a potential dilutive effect on Agri Voedsel Limited's economic interest. The total potential dilution of 1.39 (2012: 1.72) (2011: not applicable) percentage points, which will occur as a result of the options being exercised, will be accounted for directly in the income statement.

6. LOANS

Plurispace (Pty) Ltd			36 877
Short-term portion carried over to current assets			(1 094)
	–	–	35 783

The carrying value of the loan approximates its fair value at the reporting date.

7. DEFERRED TAXATION

Movement of deferred taxation

Balance beginning of year		282	2 284
Balance on acquisition of operations			(233)
Liability of discontinued operation with unbundling		249	
Income statement debit		(531)	(1 588)
Debit against reserves			(181)
Balance end of year	**–**	–	282

	GROUP		
	2013 **R'000**	2012 R'000	2011 R'000
Due to the following timing differences:			
Property, plant and equipment			(18 834)
Intangible assets			(189)
Currency translation differences			(169)
Tax loss			3 863
Provisions and accrued expenses			15 611
	–	–	282
For the purposes of the statement of financial position deferred taxation is presented as follows:			
Non-current assets			4 204
Non-current liabilities			(3 922)
	–	–	282

8. **INVENTORY**

Merchandise			401 544
Raw materials			3 283
Consumable goods			1 360
	–	–	406 187
Inventory carried at net realisable value			21 553

9. **TRADE AND OTHER RECEIVABLES**

Trade debtors			884 252
Provision for impairment			(27 808)
	–	–	856 444
Sundry debtors			31 441
	–	–	887 885

The carrying value of trade and other receivables approximates its fair value at the reporting date.

10. **FINANCIAL INSTRUMENTS FOR HEDGING**

The fair values of financial instruments at fair value through profit or loss and derivative financial instruments on reporting date are:

Financial instruments at fair value through profit or loss

Firm commitment – Grain purchases			
Assets/(Liabilities)			
– Forward purchase contracts			482
– Options			(6)
	–	–	476

	GROUP		
	2013 R'000	2012 R'000	2011 R'000
Forward purchase contracts and options			
The forward purchase contracts and options represent contracts with producers for the acquisition of physical commodities in the future, which will be delivered within the next 12 months after year-end.			
Derivative financial instruments			
Hedging instruments			
Assets/(liabilities)			
– Forward sale contracts			(482)
– Options			6
	–	–	(476)

Forward sale contracts

The forward sale contracts represent contracts with millers and SAFEX for the future sale of physical commodities.

Options

Options represent derivative financial instruments originating from producers which will be recouped with the physical delivery of the commodities.

11. CASH AND CASH EQUIVALENTS

	2013 R'000	2012 R'000	2011 R'000
Cash on hand			555
Bank balances	**6 203**	4 758	14 295
	6 203	4 758	14 850

12. ORDINARY SHARE CAPITAL

	2013 R'000	2012 R'000	2011 R'000
Authorised			
102 917 964 (2012: 102 917 964) ordinary shares of R0.0388 each (2011: 400 000 000 ordinary shares of R0.01 each)	**4 000**	4 000	4 000
Issued			
55 627 707 (2012: 55 627 707) ordinary shares of R0.0388 each (2011: 255 147 696 ordinary shares of R0.01 each)	**2 162**	2 162	2 551
Treasury shares			
0 (2012: 0) (2011: 8 807 982) ordinary shares			(9 119)

All issued shares are fully paid.

The number of shares has been consolidated during the unbundling, resulting in the number of shares in issue being equal to the number of shares the Group holds in Pioneer Food Group Limited, after taking into account the treasury shares.

		GROUP	
	2013 **R'000**	2012 R'000	2011 R'000
13. OTHER RESERVES			
Fair value reserve			548
Derivative financial instruments that are designated and qualify as cash flow hedges are shown in the statement of financial position at fair value. The effective portion of changes in the fair value is recognised directly in other comprehensive income on the Fair value reserve.			
Equity reserve	**1 035 365**	930 969	757 808
The share in profit of associated companies, less any dividends received, is transferred to the equity reserve. The share in any other movements in other comprehensive income of associates, as well as the effect of dilutionary and anti-dilutionary equity transactions of associates, is recognised in the income statement and statement of comprehensive income and then transfered to the equity reserve.			
	1 035 365	930 969	758 356
14. PROVISIONS FOR OTHER LIABILITIES AND CHARGES			
Post-retirement medical benefits	**–**	–	15 926
Balance beginning of year		15 926	16 627
Liability of discontinued operation with unbundling		(15 962)	
Interest costs recognised in the income statement		256	1 399
Actuarial profit recognised in the income statement			(763)
Contributions		(220)	(1 337)
Long-term incentive scheme	**–**	–	3 690
Balance beginning of year		3 690	4 353
Liability of discontinued operation with unbundling		(2 841)	
Payment		(849)	(3 626)
Interest costs recognised in the income statement			97
Actuarial loss recognised in the income statement			1 109
Current service cost			1 757
	–	–	19 616
Short-term portion carried over to current liabilities	**–**	–	(3 445)
Post-retirement medical benefits			(1 327)
Long-term incentive scheme			(2 118)
	–	–	16 171
15. TRADE AND OTHER PAYABLES			
Trade creditors			382 234
Other creditors	**4 177**	4 811	46 745
	4 177	4 811	428 979

The carrying value of trade and other payables approximates its fair value at the reporting date.

	GROUP		
	2013 R'000	2012 R'000	2011 R'000
16. **SHORT-TERM BORROWINGS**			
Bank overdrafts			437 943
RSA Agri Makelaars (Pty) Ltd			5 832
	–	–	443 775

The carrying value of Short-term loans approximates its fair value at the reporting date.

17. **RELATED PARTY-TRANSACTIONS**

The companies in the Group previously sold products in the normal course of business to directors on terms and conditions applicable to all clients.

Transactions with related parties in the current financial years is up to the unbundling on 14 December 2011, after which no further transactions took place.

	2013 R'000	2012 R'000	2011 R'000
Transactions with directors and outstanding balances			
Sales		11 621	32 316
Purchases		4 963	8 420
Trade receivables			10 818
Transactions with associated companies and outstanding balances			
Also refer to note 5.			
Sales		24 666	68 764
Purchases		6 371	37 274
Interest paid		75	353
Trade receivables			1 001
Trade payables			2 558
Loan			5 832

Refer to note 16 for loans with related parties.

Refer to executive directors' remuneration as disclosed in note 23 for key management compensation.

18. **FINANCIAL RISK MANAGEMENT**

The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

Cash flow and fair value interest rate risk:

The company finances its operations through shareholders' funds. The company's interest rate exposure and the effective interest rates can be summarised as follows:

	At floating rates					
	Rate 2013 %	**Amount 2013 R'000**	Rate 2012 %	Amount 2012 R'000	Rate 2011 %	Amount 2011 R'000
Assets						
Trade receivables					9.00 – 14.00	856 444
Other receivables						14 667
Loans					8.50	36 877
Cash and cash equivalents	**4.00**	**6 203**	4.00	4 758	4.00	14 850

	At floating rates					
	Rate 2013 %	**Amount 2013 R'000**	Rate 2012 %	Amount 2012 R'000	Rate 2011 %	Amount 2011 R'000
Liabilities						
Bank overdraft					7.15	437 943
Loan RSA Agri Makelaars (Pty) Ltd					7.00	5 832
Trade and other payables		**4 177**		4 811		411 512

Credit risk:

Potential concentrations of credit risk consist mainly within cash equivalent investments.

The company limits its counterparty exposures arising from current accounts by only dealing with well-established financial institutions of high-quality credit standing.

Liquidity risk

The contractual periods of the company's financial liabilities on reporting date are as follows: Trade and other payables are payable within 30 days.

Fair value estimation

Investments and derivative financial instruments

The fair value of financial instruments which trade in active markets, is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the company is the current bid price.

Trade receivables and trade payables

The nominal value of trade receivables, less impairment provision, and trade payables are assumed to approximate their fair values.

Financial liabilities

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to companies with similar financial instruments.

Capital maintenance

The company considers total equity, which includes share capital, share premium and reserves, as capital. The ratio between capital and debt is the capital ratio. The company's objective with the management of the capital ratio is to ensure that the company continues to trade as a going concern and to create wealth for its shareholders and other stakeholders. The influence on the capital ratio is considered with decisions on the declaration of dividends, repurchase of shares, issue of shares, purchase and disposal of assets and investments and the acquiring or repayment of debt. The movement in capital is presented in the statement of changes in equity.

	GROUP		
	2013 R'000	2012 R'000	2011 R'000
19. **CONTINGENT LIABILITIES**			
Guarantees for personal loans			99
Operating lease payments:			
Payable within one year			19 445
Payable between one and five years			29 821
Payable after five years			2 066
	–	–	51 332

	GROUP		
	2013 R'000	2012 R'000	2011 R'000

20. CAPITAL COMMITMENTS

Contracted			18 402
Not yet contracted			23 000
	–	–	41 402

21. EXPENSES BY NATURE

Directors' remuneration	**106**	59	
Auditors' remuneration – For audit	**60**	57	
Administration fee	**442**	248	
Other expenses	**620**	119	66
	1 228	483	66

22. DISCONTINUED OPERATIONS

Income		525 310	2 623 695
Expenses		(494 830)	(2 512 604)
Profit before tax from discontinued operations	**–**	30 480	111 091
Income tax		(7 970)	(31 504)
Profit after tax from discontinued operations	**–**	22 510	79 587
Loss with unbundling		(316 448)	
(Loss)/profit for the period from discontinued operations	**–**	(293 938)	79 587
Assets and liabilities of discontinued operations with unbundling:			
Non-current assets		370 550	
Current assets		1 545 250	
Non-current liabilities		(19 009)	
Current liabilities		(1 098 360)	
Other reserves		(548)	
Non-controling interest		(118 277)	
Net assets of discontinued operations	**–**	679 606	–
Marked value of shares bought back		363 158	
Loss with unbundling	**–**	(316 448)	–
Cash flows of discontinued operations with unbundling:			
Cash flow from operating activities		(108 783)	(15 741)
Cash flow from investment activities		(8 414)	(33 925)
Cash flow from financing activities		108 941	97 827
Net (decrease)/increase in cash and cash equivalents	**–**	(8 256)	48 161

23. REMUNERATION PAID TO DIRECTORS

	Salaries, fees and contributions R'000	**Incentive schemes R'000**	**Remuneration with retirement R'000**	**Expense allowance R'000**	**Total R'000**
30 September 2013					
Non-executive directors					
GD Eksteen				**42**	**42**
CA Otto				**32**	**32**
JH van Niekerk				**32**	**32**
Total	**–**	**–**	**–**	**106**	**106**

	Salaries, fees and contributions R'000	Incentive schemes R'000	Remuneration with retirement R'000	Expense allowance R'000	Total R'000
30 September 2012					
Executive directors					
JJ Matthee	392				392
S Walsh	463			5	468
Non-executive directors					
FA du Plessis	33			1	34
BS du Toit	25			1	26
GD Eksteen	73			6	79
ASM Karaan	29			2	31
NC Loubser	21			3	24
HS Louw	21			2	23
CA Otto	47			1	48
HM Smit	21			2	23
S Totaram	25			1	26
JH van Niekerk	47			1	48
Total	1 197	–	–	25	1 222
30 September 2011					
Executive directors					
CA Botha	3 802	663	2 576	22	7 063
JJ Matthee	2 241	769		12	3 022
S Walsh	2 245	457		37	2 739
Non-executive directors					
FA du Plessis	211			3	214
BS du Toit	148			9	157
GD Eksteen	295			18	313
ASM Karaan	158			5	163
NC Loubser	116			12	128
HS Louw	116			7	123
CA Otto	158			3	161
HM Smit	116			7	123
S Totaram	63				63
JH van Niekerk	158			9	167
Total	9 827	1 889	2 576	144	14 436

The non-executive directors rotate on a three-year basis. No director or employee has a fixed term contract with the company. The remuneration of the non-executive directors consists of a fixed annual remuneration for services as a director, an additional fixed remuneration for duties on committees and reimbursement for travelling and other costs.

There are no further prescribed officers in the view of the Board.

	GROUP		
	2013	2012	2011
	R'000	R'000	R'000

24. INCOME TAX

Tax expenditure:			
Current taxation – current year		7 439	29 158
Deferred taxation – current year		531	1 588
Secondary tax on companies – current year			758
	–	7 970	31 504

	%	%	%
The tax on the company's profit before tax differs from the theoretical amount that would arise using the statutory rate, as follows:			
Statutory tax rate	**28.00**	28.00	28.00
Adjusted for:			
(Non-taxable income)/Non-deductable expenses	**(27.95)**	(3.24)	0.28
Temporary differences not provided for			(0.30)
Capital profit			0.10
Loss with unbundling		(27.51)	
Difference in tax rate of foreign subsidiary		(0.04)	(0.18)
Utilisation of assessed losses not previously recognised		0.20	(0.20)
Secondary tax on companies			0.68
Effective rate – Operations	**0.05**	(2.59)	28.38
Share in profit of associated companies	**(0.05)**	2.59	(18.88)
Effective rate – Consolidated	**–**	–	9.50

25. EARNINGS PER SHARE

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Group and held as treasury shares.

Reconciliation between earnings and headline earnings:

Continuing operations

Net profit attributable to ordinary shareholders	**200 868**	162 829	220 654
Headline earnings adjustment for associated companies	**276**	804	(799)
Headline earnings from continuing operations	**201 144**	163 633	219 855
Associated companies	**37 157**	49 691	–
BBBEE equity transaction	**44 766**	49 691	
Reorganisation cost	**15 127**		
Recognition of defered tax asset	**(22 736)**		
Adjusted headline earnings from continuing operations	**238 301**	213 324	219 855
	Cents	Cents	Cents
Earnings per share	**361.09**	292.71	396.66
Headline earnings per share	**361.59**	294.16	395.22
Adjusted headline earnings per share	**428.38**	383.48	395.22

	GROUP		
	2013 **R'000**	2012 R'000	2011 R'000
Discontinuing operations			
Net (loss)/profit attributable to ordinary shareholders	**(61 488)**	(297 690)	66 320
Net profit on disposal of assets	**–**	(14)	(953)
Gross		(23)	(1 370)
Tax effect		6	226
Non-controlling interest		3	191
Loss with unbundling		316 448	
Headline earnings adjustment for associated companies	**63 590**		
Headline earnings from discontinued operations	**2 102**	18 744	65 367
	Cents	Cents	Cents
Earnings per share (Cents)	**(110.53)**	(535.14)	119.22
Headline earnings per share (Cents)	**3.78**	33.70	117.51
	Number	Number	Number
Weighted average number of ordinary shares – after consolidation ('000)	**55 628**	55 628	55 628
Weighted average number of ordinary shares – before consolidation ('000)			246 340

Headline earnings are calculated based on Circular 2/2013 issued by the South African Institute of Chartered Accountants. Adjusted headline earnings are defined as headline earnings excluding the effect of the BBBEE equity transaction of the associated companies.

Diluted earnings per share is not disclosed, as there are no potential dilutive instruments at reporting date.

	GROUP		
	2013 **R'000**	2012 R'000	2011 R'000
26. **DIVIDEND PER SHARE**			
Interim			
45.0 Cents (2012: 43.0 Cents) (2011: 53.0 Cents) per share	**25 032**	23 920	29 560
Final			
86.0 Cents (2012: 68.0 Cents) (2011: 20.0 Cents) per share	**47 840**	37 827	11 087
	72 872	61 747	40 647

The number of shares have been consolidated during the unbundling, refer note 12. The dividend per share for 2011 was recalculated as a dividend per share after the consolidation of the shares.

Dividends payable are not accounted for until they have been declared by the Board of directors. The statement of changes in equity does not reflect the final dividend payable. The final dividend for the year ended 30 September 2013 will be accounted for as an appropriation of retained profit in the year ending 30 September 2014.

	GROUP		
	2013 **R'000**	2012 R'000	2011 R'000
27. NET CASH PROFIT FROM OPERATING ACTIVITIES			
Continuing operations			
Operating loss per income statement	**(948)**	(14 048)	(66)
Discontinued operations			
Operating profit before tax and finance charges		35 065	134 407
Adjusted for:			
– Depreciation		2 252	13 521
– Amortisation of intangible assets		35	156
– Profit on disposal of property, plant and equipment		(23)	(1 370)
– Increase/(decrease) in provisions		1 807	(1 676)
– Interest on loan		(527)	(3 061)
– Improvements on leased premises written off		139	774
	–	38 748	142 751
28. WORKING CAPITAL CHANGES			
Continuing operations			
Increase in trade and other creditors	**724**	492	527
Discontinued operations			
Increase in inventory		(155 246)	(43 925)
Increase in trade and other debtors		(90 836)	(127 006)
Increase in trade and other creditors		98 551	43 290
	–	(147 531)	(127 641)
29. INCOME TAX PAID			
Discontinued operations			
Balance owing at the beginning of the year		97	1 032
Income tax expense in income statement		7 439	29 916
Liability of discontinued operation with unbundling		(7 536)	
Balance owing at the end of the year			(97)
	–	–	30 851
30. ACQUISITION OF OPERATIONS			
Discontinued operations			
Non-current assets			705
Current assets			462
Purchase consideration settled in cash	**–**	–	1 167

31. **INFORMATION ABOUT OPERATING SEGMENTS**

The reportable segments represent the segments of the discontinued operations. The segment income and results represent the period from 1 October 2011 until the unbundling on 14 December 2011. After the unbundling the Company only holds an investment in Pioneer Food Group Limited and the Directors did not identify any other segments for the continuing operations to report.

	GROUP					
	Segment income			Segment results		
Segment income and results	**2013 R'000**	2012 R'000	2011 R'000	**2013 R'000**	2012 R'000	2011 R'000
Discontinued operations						
Trade and merchanisation		453 695	2 269 711		27 100	90 426
Products and seed processing		53 932	265 068		2 424	17 563
Irrigation: manufacturing and retail		17 242	80 374		2 506	6 932
Total for reportable segments	**–**	524 869	2 615 153	**–**	32 030	114 921
Corporate		441	8 542		(10 147)	(52 918)
Loss with unbundling					(316 448)	
Treasury					8 597	49 088
Total external income	**–**	525 310	2 623 695			
(Loss)/profit before tax				**–**	(285 968)	111 091
Income tax					(7 970)	(31 504)
(Loss)/profit from discontinued operations				**–**	(293 938)	79 587
Continuing operations						
Corporate				**(948)**	(483)	(66)
Unbundling costs					(13 565)	
Investment in associated companies				**140 328**	176 877	220 720
(Loss)/profit for the year				**139 380**	(131 109)	300 241

	GROUP					
	Segment assets			Segment liabilities		
Segment assets and liabilities	**2013 R'000**	2012 R'000	2011 R'000	**2013 R'000**	2012 R'000	2011 R'000
Discontinued operations						
Trade and merchanisation			606 945			368 835
Products and seed processing			44 195			6 466
Irrigation: manufacturing and retail			23 267			7 409
Total for reportable segments	**–**	–	674 407	**–**	–	382 710
Corporate			141 301			62 139
Trade debtors			856 444			
Short-term borrowings						443 775
Investment in associated companies			23			
Deferred taxation			4 204			3 922
	–	–	1 676 379	**–**	–	892 546
Continuing operations						
Corporate	**6 203**	4 758		**4 177**	4 811	4 319
Investment in associated companies	**2 067 645**	1 963 249	1 790 088			
	2 073 848	1 968 007	3 466 467	**4 177**	4 811	896 865

	GROUP					
	Capital expenses			Depreciation		
Other segment information	2013 R'000	2012 R'000	2011 R'000	2013 R'000	2012 R'000	2011 R'000
Discontinued operations						
Trade and merchanisation		7 685	29 977		899	5 139
Products and seed processing		320	1 975		319	2 081
Irrigation: manufacturing and retail		144	1 788		141	818
Total for reportable segments	–	8 149	33 740	–	1 359	8 038
Corporate		292	4 140		893	5 483
	–	8 441	37 880	–	2 252	13 521

Geographical revenue and non-current assets for the Group are as follows:

	2013 R'000	2012 R'000	2011 R'000
Discontinued operations			
Revenue			
South Africa		474 942	2 415 981
Namibia		50 368	207 714
Total	–	525 310	2 623 695
Non-current assets (excluding deferred taxation) are located in the following countries:			
South Africa			356 505
Namibia			5 178
Total	–	–	361 683
Continuing operations			
Non-current assets (excluding deferred taxation) are located in the following countries:			
South Africa	**2 067 645**	1 963 249	1 790 088

1.1 **Basis of preparation**

The annual financial statements have been compiled in accordance with International Financial Reporting Standards (IFRS) and on the historical cost basis.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. 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 in the notes to the annual financial statements.

As AVL does not have any interest in subsidiaries since the unbundling, but only an interest in an associated company, the company prepares "economic interest" financial statements in which its interest is accounted for using the equity method.

Certain of the accounting policy notes are only applicable to the discontinued operations and the comparative figures. These notes are set out from note 1.19 and applies to the Kaap Agri Limited group.

1.2 **Standards, interpretations and amendments to published standards that became effective for the first time during the current financial year**

IAS 1 (Amendment) – "Presentation of financial statements" (effective from 1 July 2012)

IAS 12 (Amendment) – "Deferred tax – Recovery of Underlying Assets" (effective from 1 January 2013)

None of the new standards, amendments and interpretations of existing standards mentioned above that have been published, have any material effect on the financial statements of the company.

1.3 **Standards, interpretations and amendments to published standards that are not yet effective**

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the company's accounting periods beginning on or after 1 October 2013 or later periods, but which the company has not early adopted voluntarily, and are as follows:

- IAS 19 (Amendment) – "Employee benefits" (effective from 1 January 2013)
- IAS 27 (Revised) – "Consolidated and separate financial statements – Separate financial statements" (effective from 1 January 2013)
- IAS 28 (Revised) – "Investments in associates – Associates and joint ventures" (effective from 1 January 2013)
- IAS 32 (Amendment) – "Financial instruments: Offsetting Financial Assets and Financial Liabilities" (effective from 1 January 2013)
- IAS 36 (Amendment) – "Recoverable amount disclosures for non-financial assets" (effective from 1 January 2014)
- IAS 39 (Amendment) – "Novation of derivatives and continuation of hedge accounting" (effective from 1 January 2014)
- IFRS 1 (Amendment) – "First-time adoption of International Financial Reporting Standards – Government loans" (effective from 1 January 2013)
- IFRS 7 (Amendment) – "Financial instruments: Disclosure – Offsetting Financial Assets and Financial Liabilities" (effective from 1 January 2013)
- IFRS 9 – "Financial instruments" (effective from 1 January 2015)
- IFRS 10 – "Consolidated financial statements" (effective from 1 January 2013)
- IFRS 11 – "Joint arrangements" (effective from 1 January 2013)
- IFRS 12 – "Disclosures of interests in other entities" (effective from 1 January 2013)
- IFRS 13 – "Fair value measurement" (effective from 1 January 2013)
- Improvements to various IFRS standards (issued 2011) (effective from 1 January 2013)
- IFRIC 20 – "Stripping Costs in a Production Phase Surface Mine" (effective from 1 January 2013)
- IFRIC 21 – "Levies" (effective from 1 January 2014)

Management is in the process of evaluating the impact of these amendments to standards and interpretations on the company's reported results or financial position. Management's initial evaluation is that the amendments will not have a material effect on the company's reported results or financial position.

1.4 Basis of consolidation

Associated companies

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

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

The effects of dilutionary and anti-dilutionary equity transactions by associates are recognised directly in profit or loss.

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

The acquisition of associates in stages is accounted for in accordance with IFRS 3: Business Combinations. Goodwill is calculated at each stage of the acquisition based on the consideration and share of fair value of net assets at each stage.

Investments in associated companies are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying 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.

1.5 Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying 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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

1.6 Financial assets

The company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale investments. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss

This category is divided into two sub-categories: financial assets held for trading and those designated as 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. Assets in this category are classified as current assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date. These are classified as non-current assets. Loans and receivables are classified as trade and other receivables as well as cash and cash equivalents in the statement of financial position.

Available-for-sale financial assets

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

Regular purchases and sales of investments are recognised on trade-date, the date on which the company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. The fair value adjustments to available-for-sale financial assets are recognised directly in other comprehensive income.

Loans and receivables are carried at amortised cost using the effective interest rate method.

Gains or losses arising from changes in the fair value of financial assets at fair value through profit or loss, including interest and dividend income, are presented in the income statement in the period in which they arise.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in the income statement as gains and losses from investment securities. Interest on available-for-sale securities calculated using the effective interest rate method is recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the company's right to receive payments is established.

The fair values of listed investments are based on current bid prices. If the market for a financial asset is not active, including unlisted securities, the company 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, discounted cash flow analyses, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

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

1.7 **Deferred taxation**

Deferred taxation are provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values. However, the deferred tax is not accounted for if it 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. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets relating to unused tax losses are recognised to the extent that it is probable that future taxable profits will be available against which the unused losses can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the company and it is probable that the temporary difference will not reverse in the foreseeable future.

1.8 Cash and cash equivalents

For the purposes of the statement of cash flows, cash includes cash on hand and bank balances.

1.9 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 rate method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

1.10 Trade payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at fair value and subsequently stated at amortised cost using the effective interest rate method.

Trade payables are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

1.11 Revenue recognition

Dividend income

Dividend income is recognised when the right to receive payment is established.

1.12 Foreign currency transactions

Functional and presentation currency

Items included in the financial statements of the company's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The economic interest financial statements are presented in South African rand, which is the company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges.

1.13 Share capital

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

1.14 Dividend distributions

Dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved.

1.15 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources which entail economic benefits will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

1.16 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred; and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted. Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.17 Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

1.18 Secondary tax on companies (STC)

STC was levied on dividend payments, net of dividends received and was recognised in the income statement as a taxation charge in the same period that the related dividend was accrued as a liability. STC was abolished, effective from 1 April 2012, and has been replaced by a dividend withholding tax which is levied on the shareholder and not on the company, with the exception of non-cash dividends.

1.19 Basis of consolidation

Subsidiaries

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

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions which result in changes in ownership levels, where the group has control of the subsidiary both before and after the transaction are regarded as equity transactions and are recognised directly in the statement of changes in equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

Where a subsidiary is disposed of and a non-controlling interest is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest.

In the standalone financial statements of the companies which form part of the group, the investments in subsidiary companies are stated at cost less accumulated impairments.

Foreign subsidiaries

The results and financial position of all the group entities (none of the entities which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- all statement of financial position items (assets and liabilities) are translated at the closing rate at the specific reporting date;
- all income statement items (income and expenses) are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of other comprehensive income.

Business combinations

The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities assumed at the date of exchange. Acquisition-related costs are expensed as incurred.

Contingent consideration is included in the cost of the combination at fair value as at the date of acquisition. Subsequent changes to the assets, liabilities or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3: Business combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal companies) that are classified as held-for-sale in accordance with IFRS 5: Non-current assets held-for-sale and discontinued operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the company assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for company purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interest arising from a business combination is measured either at their share of the fair value of the assets and liabilities of the acquiree or at fair value. The treatment is not an accounting policy choice but is selected for each individual business combination, and disclosed in the note for business combinations.

In cases where the company held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously in other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

Transactions under common control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

During a transaction under common control, the result of operations for the period is presented as though the acquisition of its controlling interest through a transaction under common control had occurred in the earliest period presented. The effects of the intercompany transactions are eliminated in determining the results of operations for the period prior to the acquisition of the controlling interest, meaning that those results are on substantially the same basis as the results of operations for the period after the acquisition of the controlling interest. Similarly, the consolidated statement of financial position with related notes have been presented as though the assets and liabilities of the combining entities had been transferred at the earliest reporting period.

During a transaction under common control the excess of the purchase price consideration over the net asset value of the acquiree is recognised in equity.

Goodwill

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investment in associated companies. Separately recognised goodwill is reviewed annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The group allocates goodwill based on the operating segments in which it operates.

Customer relations

Customer relations consist of non-contractual customer relationships. Customer relations acquired in a business combination are recognised at fair value at the acquisition date. The customer relations have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated on the straight-line method to allocate the cost of customer relations over the estimated useful life of four years.

1.20 Property, plant and equipment

Land and buildings mainly comprise retail outlets, offices and silos. Land and buildings were revalued during 2006 to fair value when the group made the choice to apply the fair value as deemed cost-exemption, in terms of IFRS 1: First-time adoption of International Financial Reporting Standards. Property, plant and equipment, including investment property, is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to write off the cost or revalued amounts to a value equal to the residual values over their estimated useful lives, as follows:

Buildings	50 years
Grain silos and buildings	10 – 50 years
Machinery and equipment	5 – 10 years
Vehicles	4 – 5 years
Office furniture and equipment	5 – 10 years
Leasehold improvements	Period of lease

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals of fixed assets are determined by comparing proceeds with the carrying amounts and are included in the income statement as other operating income or other operating expenses.

1.21 **Inventory**

Workshop stock, merchandise, farming requisites and raw materials are valued at the lower of cost, calculated on the average cost basis, or net realisable value, taking into account obsolescence and saleability. Implement stock is valued at the specific cost price or net realisable value, whichever is the lower. Finished goods are valued at the lower of cost, including cost of raw materials, direct costs and related production overheads, but excluding finance costs, determined on the average cost basis, or net realisable value. Net realisable value is the estimate of the selling price in the ordinary course of business, less the cost of completion and selling expenses.

1.22 **Trade accounts receivable**

Trade 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 of trade receivables 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.

Trade receivables against which a provision for impairment were made will be written off as soon as no further collections are possible. Trade receivables against which there were no previous provision for impairment, are written off directly to the income statement as soon as there are no further collections.

1.23 **Employee benefits**

Pension scheme arrangements

The group operates a pension fund consisting of a defined contribution plan registered in terms of the Pension Funds Act, 1956, and the assets are administered separately by trustees. Funding is in terms of conditions of employment by means of contributions by the participating subsidiaries in the group as well as employees. The group has no further obligations to the fund once the contributions have been paid. Contributions are recognised in the income statement when they are due.

Post-retirement medical benefits

Certain in-service members and retired staff are members of the post-retirement medical subsidy scheme of the group. The group pays the monthly contributions in respect of the retired members over to the medical fund. The valuation method used to value the liability is the projected unit method. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that for defined-benefit pension plans. Valuations of these obligations are carried out by independent qualified actuaries. Any actuarially determined profits or losses are recognised in the income statement.

In terms of the group's present policy the benefits are only available to certain in-service members and retired staff and not to future employees.

Profit-sharing and bonus plans

A liability for employee benefits in the form of profit-sharing and bonus plans is recognised under accounts payable when there is no realistic alternative but to settle the liability, and at least one of the following conditions is met:

– there is a formal plan; or

– past practice has created a valid expectation by employees that they will receive a bonus or profit share.

It is expected that the liability will be paid within 12 months.

The group also operates an incentive scheme based on phantom shares. The fair value of the liability incurred for employee services received is recognised as an expense. Until the liability is settled, the group remeasures the fair value of the liability at each reporting date and at the date of settlement, with any changes in value recognised in profit or loss for the period.

1.24 **Derivative financial instruments and hedging activities**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivatives are designated as hedging instruments, and if so, the nature of the item being hedged. The group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities (fair value hedge) or hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

The group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedge transactions. The group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest rate method is used, is amortised to profit or loss over the period to maturity.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example inventory) or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at the time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Derivatives at fair value through profit or loss and accounted for at fair value through profit or loss

Certain derivatives do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement.

1.25 **Leases**

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

1.26 **Revenue recognition – discontinued operations**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the group's activities. The group recognises revenue when the amount of revenue can be reliably measured and reasonable assurance exists that the economic benefits of the transaction will flow to the business. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. Revenue is shown, net of value added tax, estimated returns, rebates and discounts and after elimination of sales within the group. Revenue is recognised as follows:

Sales of goods and services

Sales of goods and services comprise the fair value of sales in respect of manufacturing, trading operations and other services, excluding value added taxation, and are recognised upon delivery of goods and on the stage of completion of services. Only the finance margin earned on direct sales is recognised as income. The finance margin is recognised on delivery of products by the supplier to the customer.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest rate 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 debtor. Interest on impaired debtors is recognised using the original effective interest rate.

1.27 **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chairman.

STATEMENT OF FINANCIAL POSITION
at 30 September

	Notes	COMPANY 2013 R'000	2012 R'000	2011 R'000
ASSETS				
Non-current assets				
Investment in subsidiary company	2			1 881 875
Investment in associated company	3	**4 867 424**	2 948 268	
		4 867 424	2 948 268	1 881 875
Current assets				
Loan subsidiary company	4			497 718
Cash and cash equivalents		**6 203**	4 758	
		6 203	4 758	497 718
Total assets		**4 873 627**	2 953 026	2 379 593
EQUITY AND LIABILITIES				
Capital and reserves				
Ordinary share capital	5	**2 162**	2 162	2 552
Share premium		**2 012 726**	2 012 726	2 358 553
Fair value reserve		**1 935 288**	16 132	
Retained profit		**919 274**	917 196	18 488
Total equity		**4 869 450**	2 948 216	2 379 593
Current liabilities				
Trade and other payables		**4 177**	4 810	
Total equity and liabilities		**4 873 627**	2 953 026	2 379 593

INCOME STATEMENT
for the year ended 30 September

	COMPANY 2013 R'000	2012 R'000	2011 R'000
Investment income	**64 528**	1 042 736	105 241
Kaap Agri Beleggings Limited		1 042 736	105 241
Pioneer Food Group Limited	**64 528**		
Other operating income	**279**		
Other operating expenses	**(1 228)**	(4)	(3)
Profit before taxation	**63 579**	1 042 732	105 238
Income tax			
Net profit for the year	**63 579**	1 042 732	105 238

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 September

	COMPANY		
	2013 R'000	2012 R'000	2011 R'000
Net profit for the year	**63 579**	1 042 732	105 238
Other comprehensive income:			
Dividends forfeited	**1 358**		
Remeasurement to fair value	**1 919 156**	16 132	
Total comprehensive income	**1 984 093**	1 058 864	105 238

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 September

	COMPANY			
	Share capital R'000	**Share premium R'000**	**Fair value reserve R'000**	**Retained profit R'000**
Balance at 1 October 2010	2 552	2 358 553		
Total comprehensive income				105 238
Dividends paid				(86 750)
Balance at 30 September 2011	2 552	2 358 553		18 488
Shares bought back	(390)	(345 827)		(107 591)
Total comprehensive income			16 132	1 042 732
Dividends paid				(36 433)
Balance at 30 September 2012	2 162	2 012 726	16 132	917 196
Total comprehensive income			**1 919 156**	**64 937**
Dividends paid				**(62 859)**
Balance at 30 September 2013	**2 162**	**2 012 726**	**1 935 288**	**919 274**

STATEMENT OF CASH FLOWS
for the year ended 30 September

	COMPANY		
	2013 **R'000**	2012 R'000	2011 R'000
Cash flow from operating activities			
Net cash loss from operating activities	**(949)**	(4)	(3)
Operating profit per income statement	**63 579**	1 042 732	105 238
Adjusted for:			
Investment income	**(64 528)**	(1 042 736)	(105 241)
Increase in trade and other creditors	**725**		
	(224)	(4)	(3)
Cash flow from investment activities			
Increase in subsidiary loan			(18 488)
Dividends received	**64 528**	36 437	105 241
Cash and cash equivalents acquired with unbundling		4 758	
	64 528	41 195	86 753
Cash flow from financing activities			
Dividends paid	**(62 859)**	(36 433)	(86 750)
Net increase in cash and cash equivalents	**1 445**	4 758	–
Cash and cash equivalents at the beginning of the year	**4 758**		
Cash and cash equivalents at the end of the year	**6 203**	4 758	–

1. **ACCOUNTING POLICIES**

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

	COMPANY		
	2013 R'000	2012 R'000	2011 R'000
2. **INVESTMENT IN SUBSIDIARY COMPANY**			
Unlisted – Kaap Agri Beleggings Limited			
Number of issued shares: nil (2012: nil; 2011: 19 705 494 000)			
Shareholding: 0% (2012: 0%; 2011: 100%)			
Shares at cost			1 881 875
3. **INVESTMENT IN ASSOCIATED COMPANY**			
Pioneer Food Group Limited – at fair value			
Beginning of the year	**2 948 268**		
Acquired with unbundling		2 932 136	
Remeasurement to fair value	**1 919 156**	16 132	
	4 867 424	2 948 268	–
Refer to note 5 of the economic interest financial statements for more information.			
4. **LOAN SUBSIDIARY COMPANY**			
Kaap Agri Beleggings Limited			
The carrying value of the loan approximates its fair value at the reporting date.			497 718
5. **ORDINARY SHARE CAPITAL**			
Authorised:	**4 000**	4 000	4 000
102 917 964 (2012: 102 917 964) ordinary shares of R0.0388 each (2011: 400 000 000 ordinary shares of R0.01 each)			
Issued:	**2 162**	2 162	2 552
55 627 707 (2012: 55 627 707) ordinary shares of R0.0388 each (2011: 255 147 696 ordinary shares of R0.01 each)			
All issued shares are fully paid.			

Refer to note 12 of the economic interest financial statements for more information.

6. **RELATED PARTY TRANSACTIONS**

Refer to notes 2, 3 and 4.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE THREE-YEAR AUDITED HISTORICAL FINANCIAL INFORMATION OF AVL

The Board of Directors
Agri Voedsel Limited
1st Floor, Ou Kollege Building
35 Kerk Street
Stellenbosch
7600

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' AUDIT REPORT ON THE COMBINED HISTORICAL FINANCIAL INFORMATION OF AGRI VOEDSEL LIMITED

Introduction

Zeder Investments Limited ("Zeder") and Agri Voedsel Limited ("AVL" or "the Company") are issuing a combined circular ("the Combined Circular") to AVL shareholders regarding Zeder's offer to acquire all the ordinary shares in AVL not already held by Zeder, by way of a scheme of arrangement, alternatively, by way of a voluntary general offer to the remaining AVL shareholders in the event that the scheme fails ("the Proposed Transaction").

At your request and for the purpose of the Combined Circular to be dated on or about 15 August 2014, we have audited the standalone and consolidated combined historical financial information of AVL, which comprises the standalone and consolidated combined statements of financial position as at 30 September 2013, 30 September 2012 and 30 September 2011, and the standalone and consolidated combined statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information ("the Combined Historical Financial Information"), as presented in Annexure 2 to the Combined Circular, in compliance with the requirements of the Companies Act 71 of 2008 ("the Companies Act").

Directors' responsibility

The directors of AVL are responsible for the preparation, contents and presentation of the Combined Circular insofar as it relates to AVL and are responsible for ensuring that AVL complies with the Companies Act. The directors of AVL are responsible for the preparation and fair presentation of the Combined Historical Financial Information in accordance with International Financial Reporting Standards, and for such internal controls as the directors of AVL determine is necessary to enable the preparation of Combined Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Combined Historical Financial Information 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 Combined Historical Financial Information of AVL is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Combined Historical Financial Information. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Combined Historical Financial Information, 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 Combined Historical Financial Information 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 management of AVL, as well as evaluating the overall presentation of the Combined Historical Financial Information.

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

Opinion

In our opinion, the Combined Historical Financial Information of AVL as set out in Annexure 2 to the Combined Circular, presents fairly, in all material respects, the financial position of AVL at 30 September 2013, 30 September 2012 and 30 September 2011, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Companies Act.

Intended users

The Combined Historical Financial Information is prepared for the board of directors of AVL to assist them in presenting the financial position and results of AVL in the Combined Circular, in connection with the Proposed Transaction. As a result, the Combined Financial Information may not be suitable for another purpose.

PricewaterhouseCoopers Inc.
Director: **DG Malan**
Registered Auditor

Paarl
7 August 2014

INTERIM REVIEWED STANDALONE FINANCIAL INFORMATION OF AVL FOR THE SIX MONTHS ENDED 31 MARCH 2014

The below information are extracts from the reviewed standalone interim results of AVL for the six month period ended 31 March 2014. The extracted information is the responsibility of the directors of AVL. There have been no material changes to the financial or trading position of AVL nor has there been any change in the nature of the business of AVL between the last reporting period and the Last Practicable Date.

OVERVIEW

The standalone interim financial statements, compiled by Ms L van der Merwe CA (SA) and approved by the AVL directors on 31 July 2014, provides an overview of the company's activities, results and financial position for the six months ended 31 March 2014.

RESULTS

The headline earnings of the company are 24% higher than the comparative period.

The operations of the company represent the fair value measurement of its interest in the associated company, Pioneer Foods, as well as the administrative costs of the company.

AVL's total equity interest in Pioneer Foods is 23.4% but due to limitations on voting rights and profit (dividend) sharing of other shares, the voting interest is 25.3% and the economic interest in profit 30.3%.

Pioneer Foods' turnover from continuing operations increased by 8.7% to R8 775.7 million. Adjusted headline earnings from continuing operations are 41% higher than the previous period at R594.7 million, or 324.9 cents per share.

The summarised results of the continuing operations of Pioneer Foods are as follows:

	Six months ended			Year ended
	31 March 2014 Unaudited	31 March 2013 Unaudited		30 September 2013 Audited
Income (R million)	**8 775.7**	8 071.9	+8.7%	16 306.1
Earnings (R million)	**644.2**	336.0	+91.7%	700.5
Adjusted headline earnings (R million)	**594.7**	414.0	+43.7%	821.0
Adjusted headline earnings per share (Cents)	**324.9**	229.7	+41.4%	452.9
Dividend per share (Cents)	**65.0**	46.0	+41.3%	132.0

Adjusted headline earnings represent the earnings from operations adjusted for material once-off occurrences, as well as the impact of the phase-one BEE transaction of Pioneer Foods due to the volatility of this share-based payment.

More details on Pioneer Foods' performance can be found in their own financial results at www.pioneerfoods.co.za.

STATEMENT OF FINANCIAL POSITION

The only significant asset of the company is the investment in Pioneer Foods (an associated company) that is carried at fair value in these standalone financial statements.

DIVIDEND

An interim dividend of 65 Cents per share (2013: 45 Cents) was paid on 14 July 2014. The last day to register was 27 June 2014.

STATEMENT OF FINANCIAL POSITION

	Note	**Reviewed** **31 March 2014 R'000**	31 March 2013 R'000	Audited 30 September 2013 R'000
ASSETS				
Non-current assets				
Investment in associated company	2	**4 644 914**	3 981 274	4 867 424
Current assets				
Cash and cash equivalents		**6 276**	5 727	6 203
Total assets		**4 651 190**	3 987 001	4 873 627
EQUITY AND LIABILITIES				
Capital and reserves		**4 646 906**	3 981 681	4 869 450
Current liabilities				
Trade and other payables		**4 284**	5 320	4 177
Total equity and liabilities		**4 651 190**	3 987 001	4 873 627
Net asset value and net tangible asset value per share		**R83.54**	R71.58	R87.54
Shares issued (number – '000)		**55 628**	55 628	55 628

INCOME STATEMENT

	Reviewed Six months ended **31 March 2014 R'000**	31 March 2013 R'000	Audited Year ended 30 September 2013 R'000
Dividend income	**47 840**	38 939	64 528
Other operating income	**170**		280
Other operating expenses	**(680)**	(653)	(1 228)
Profit before taxation	**47 330**	38 286	63 580
Income tax	**–**	–	–
Net profit for the period	**47 330**	38 286	63 580
Earnings per share – basic and diluted (Cents)	**85.08**	68.83	114.30
Headline earnings per share – basic and diluted (Cents)	**85.08**	68.83	114.30
Weighted average number of shares (number – '000)	**55 628**	55 628	55 628

STATEMENT OF COMPREHENSIVE INCOME

	Reviewed Six months ended **31 March 2014 R'000**	31 March 2013 R'000	Audited Year ended 30 September 2013 R'000
Profit for the period	**47 330**	38 286	63 580
Other comprehensive income			
Dividends forfeited	**476**		1 357
Remeasurement to fair value	**(222 510)**	1 033 006	1 919 156
Total comprehensive (loss)/income for the period	**(174 704)**	1 071 292	1 984 093

STATEMENT OF CHANGES IN EQUITY

	Reviewed Six months ended 31 March 2014 R'000	Reviewed Six months ended 31 March 2013 R'000	Audited Year ended 30 September 2013 R'000
Share capital and premium	**2 014 888**	2 014 888	2 014 888
Fair value reserves	**1 712 778**	1 049 138	1 935 288
Opening balance	**1 935 288**	16 132	16 132
Total comprehensive (loss)/income	**(222 510)**	1 033 006	1 919 156
Retained profit	**919 240**	917 655	919 274
Opening balance	**919 274**	917 196	917 196
Total comprehensive income	**47 806**	38 286	64 937
Dividends paid	**(47 840)**	(37 827)	(62 859)
Capital and reserves	**4 646 906**	3 981 681	4 869 450

STATEMENT OF CASH FLOWS

	Reviewed Six months ended 31 March 2014 R'000	Reviewed Six months ended 31 March 2013 R'000	Audited Year ended 30 September 2013 R'000
Cash flow from operating activities	**73**	(143)	(224)
Cash flow from investment activities – Dividends received	**47 840**	38 939	64 528
Cash flow from financing activities – Dividend paid	**(47 840)**	(37 827)	(62 859)
Net cash generated	**73**	969	1 445
Cash and cash equivalents at the beginning of the period	**6 203**	4 758	4 758
Cash and cash equivalents at the end of the period	**6 276**	5 727	6 203

Notes:

1. **Basis of preparation and accounting policies**

   The condensed standalone financial statements for the six months to 31 March 2014 were prepared in accordance with IAS 34 "*Interim Financial Reporting*". The condensed interim financial statements should be read in conjunction with the economic interest annual financial statements for the year ended 30 September 2013. The accounting policies used to prepare the interim results are consistent with those applied in the previous period, except for the adoption of IFRS 13 "*Fair value measurement*", which have been applied retrospectively in accordance with the transition provisions of the standard. The effect of the change in accounting policy on the company was not material.

   The condensed standalone financial statements have been reviewed by the external auditors, PricewaterhouseCoopers Inc., who have performed their review in accordance with the International Standards on Review Engagements 2410. A copy of their unqualified review report is available for inspection at the registered office of the company.

2. **Investment in associated company**

	Reviewed 31 March 2014 R'000	Reviewed 31 March 2013 R'000	Audited 30 September 2013 R'000
Pioneer Food Group Limited – at fair value			
Beginning of the period	**4 867 424**	2 948 268	2 948 268
Remeasurement to fair value	**(222 510)**	1 033 006	1 919 156
	4 644 914	3 981 274	4 867 424
Total interest – number of shares ('000)	**55 628**	55 628	55 628
Total interest (%)	**23.39**	23.31	23.34
Voting interest (%)	**25.31**	25.21	25.24
Economic interest (%)	**30.33**	30.52	30.41

3. **Segment reporting**

   The company is an investment holding company, with its sole investment being an effective interest in Pioneer Foods. Accordingly, the directors have not identified any other segment to report on.

4. **Headline earnings reconciliation**

   No headline earnings reconciliation is presented as there is no difference between basic earnings per share and headline earnings per share for the periods presented.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE INTERIM REVIEWED STANDALONE FINANCIAL INFORMATION OF AVL

The Board of Directors
Agri Voedsel Limited
1st Floor, Ou Kollege Building
35 Kerk Street
Stellenbosch
7600

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE REVIEW OF THE INTERIM STANDALONE HISTORICAL FINANCIAL INFORMATION

Introduction

Zeder Investments Limited ("Zeder") and Agri Voedsel Limited ("AVL" or "the Company") are issuing a combined circular ("the Combined Circular") to AVL shareholders regarding Zeder's offer to acquire all the ordinary shares in AVL not already held by Zeder, by way of a scheme of arrangement, alternatively by way of a voluntary general offer to the remaining AVL shareholders in the event that the scheme fails ("the Proposed Transaction").

At your request and for the purpose of the Combined Circular to be dated on or about 15 August 2014, we have reviewed the accompanying interim standalone statement of financial position of AVL as at 31 March 2014 and 31 March 2013, the related standalone income statement and the related standalone statements of comprehensive income and cash flows for the six month period then ended ("the Interim Standalone Historical Financial Information"), as presented in Annexure 4A to the Combined Circular, in compliance with the requirements of the Companies Act, 71 of 2008 ("the Companies Act").

Directors' responsibility

The directors of AVL are responsible for the preparation, contents and presentation of the Combined Circular insofar as it relates to AVL and are responsible for ensuring that AVL complies with the Companies Act. The directors of AVL are responsible for the preparation and presentation of the Interim Standalone Historical Financial Information in accordance with International Accounting Standard 34 "*Interim Financial Reporting*".

Reporting accountants' responsibility

Our responsibility is to express a conclusion on the Interim Standalone Historical Financial Information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*", which applies to a review of historical information. A review of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Interim Standalone Historical Financial Information of AVL as set out in Annexure 4A to the Combined Circular, is not prepared, in all material respects, in accordance with International Accounting Standard 34 "*Interim Financial Reporting*" and the Companies Act.

Intended users

The Interim Standalone Historical Financial Information is prepared for the board of directors of AVL to assist them in presenting the financial position and results of AVL in the Combined Circular, in connection with the Proposed Transaction, as described in the Combined Circular. As a result, the Interim Standalone Historical Financial Information may not be suitable for another purpose.

PricewaterhouseCoopers Inc.
Director: **DG Malan**
Registered Auditor

Paarl
7 August 2014

PRO FORMA INTERIM FINANCIAL INFORMATION OF AVL FOR THE SIX MONTHS ENDED 31 MARCH 2014 AND 31 MARCH 2013

The *pro forma* interim financial information of AVL at 31 March 2014 and 31 March 2013 is set out below. The audited financial information of AVL for the year ended 30 September 2013 is set out in **Annexure 2** above. The *pro forma* interim financial information has been prepared for illustrative purposes only to provide information on the manner in which the reviewed standalone interim financial statements of AVL reconciles to the unaudited interim economic interest financial statements in which AVL's interest in Pioneer Foods is equity accounted. Due to its nature, the *pro forma* financial information may not fairly present AVL's financial position, changes in equity, results of operations or cash flows. The *pro forma* interim financial information is presented in a manner that is consistent with the accounting policies of AVL.

The *pro forma* interim financial information as set out below should be read in conjunction with the reviewed report of the Independent Reporting Accountants, which is included as **Annexure 5B** to this Circular.

The directors of AVL are responsible for the preparation of the *pro forma* interim financial information. The *pro forma* interim statements of financial position and comprehensive income of AVL have been prepared on the assumption of equity accounting being applied to AVL's interest in Pioneer Foods for the entire period.

***PRO FORMA* STATEMENT OF FINANCIAL POSITION at 31 March 2014**	**Before[1] R'000**	**Derecognised fair value movement[2] R'000**	**Equity accounting results[3] R'000**	***Pro forma* after[4, 5] R'000**
ASSETS				
Non-current assets				
Investment in associated company	4 644 914	(3 612 634)	1 158 669	2 190 949
Current assets				
Cash and cash equivalents	6 276			6 276
Total assets	**4 651 190**	**(3 612 634)**	**1 158 669**	**2 197 225**
EQUITY AND LIABILITIES				
Capital and reserves	4 646 906	(3 612 634)	1 158 669	2 192 941
Current liabilities				
Trade and other payables	4 284			4 284
Total equity and liabilities	**4 651 190**	**(3 612 634)**	**1 158 669**	**2 197 225**
Net asset value and tangible net asset value per share (Rand)	**83.54**			39.42
Shares issued (Number – '000)	**55 628**			55 628

PRO FORMA INCOME STATEMENT for the six months ended 31 March 2014	Before[1] R'000	Derecognised fair value movement[2] R'000	Equity accounting results[3] R'000	*Pro forma* after[4, 5] R'000
Continuing operations				
Dividend income	47 840		(47 840)	–
Other operating income	170			170
Other operating expenses	(680)			(680)
Operating profit/(loss)	47 330	–	(47 840)	(510)
Share in profit of associated company			191 409	191 409
Profit for the period from continuing operations	47 330	–	143 569	190 899
Discontinued operations				
Share in profit of associated company			(1 276)	(1 276)
Profit for the period	**47 330**	**–**	**142 293**	**189 623**
Profit/(loss) for the period attributable to:				
Continuing operations	47 330		143 569	190 899
Discontinued operations			(1 276)	(1 276)
Equity holders of the holding company	**47 330**	**–**	**142 293**	**189 623**
Reconciliation to headline earnings				
Profit for the period from continuing operations	47 330		143 569	190 899
Non-headline earnings from associated company			(183)	(183)
Headline earnings	47 330	–	143 386	190 716
Non-recurring items			(14 613)	(14 613)
Adjusted headline earnings from continuing operations	**47 330**	**–**	**128 773**	**176 103**
Loss for the period from discontinued operations			(1 276)	(1 276)
Non-headline earnings from associated company			17 105	17 105
Headline earnings from discontinued operations	**–**	**–**	**15 829**	**15 829**
Earnings per share – basic and diluted (cents)				
Continuing operations	**85.08**			343.17
Discontinued operations				(2.29)
Headline earnings per share – basic and diluted (cents)				
Continuing operations	**85.08**			342.84
Discontinued operations				28.46
Adjusted headline earnings per share – basic and diluted (cents)				
Continuing operations	**85.08**			316.57
Discontinued operations				28.46

***PRO FORMA* STATEMENT OF FINANCIAL POSITION at 31 March 2013**	**Before[1] R'000**	**Derecognised fair value movement[2] R'000**	**Equity accounting results[3] R'000**	***Pro forma* after[4, 5] R'000**
ASSETS				
Non-current assets				
Investment in associated company	3 981 275	(2 948 995)	1 002 590	2 034 870
Current assets				
Cash and cash equivalents	5 727			5 727
Total assets	**3 987 002**	**(2 948 995)**	**1 002 590**	**2 040 597**
EQUITY AND LIABILITIES				
Capital and reserves	3 981 681	(2 948 995)	1 002 590	2 035 276
Current liabilities				
Trade and other payables	5 321			5 321
Total equity and liabilities	**3 987 002**	**(2 948 995)**	**1 002 590**	**2 040 597**
Net asset value and tangible net asset value per share (Rand)	**71.58**			36.59
Shares issued (Number – '000)	**55 628**			55 628

***PRO FORMA* INCOME STATEMENT for the six months ended 31 March 2013**	**Before[1] R'000**	**Derecognised fair value movement[2] R'000**	**Equity accounting results[3] R'000**	***Pro froma* after[4, 5] R'000**
Continuing operations				
Dividend income	38 939		(38 939)	–
Other operating expenses	(653)			(653)
Operating profit/(loss)	38 286	–	(38 939)	(653)
Share in profit of associated company			96 144	96 144
Profit for the period from continuing operations	38 286	–	57 205	95 491
Discontinued operations				
Share in profit of associated company			(2 902)	(2 902)
Profit for the period	**38 286**	**–**	**54 303**	**92 589**
Profit/(loss) for the period attributable to:				
Continuing operations	38 286		57 205	95 491
Discontinued operations			(2 902)	(2 902)
Equity holders of the holding company	**38 286**	**–**	**54 303**	**92 589**
Reconciliation to headline earnings				
Profit for the period from continuing operations	38 286		57 205	95 491
Non-headline earnings from associated company			1 018	1 018
Headline earnings	38 286	–	58 223	96 509
Non-recurring items	–		23 338	23 338
Adjusted headline earnings from continuing operations	**38 286**	**–**	**81 561**	**119 847**
Loss for the period from discontinued operations			(2 902)	(2 902)
Non-headline earnings from associated company			(401)	(401)
Headline earnings from discontinued operations	**–**	**–**	**(3 303)**	**(3 303)**
Earnings per share – basic and diluted (cents)				
Continuing operations	**68.83**			171.66
Discontinued operations				(5.22)
Headline earnings per share – basic and diluted (cents)				
Continuing operations	**68.83**			173.49
Discontinued operations				(5.94)
Adjusted headline earnings per share – basic and diluted (cents)				
Continuing operations	**68.83**			215.44
Discontinued operations				(5.94)

Notes and assumptions:

1. Results for the six months ended 31 March 2014 and 31 March 2013, extracted, without adjustment, from the reviewed standalone interim financial statements of AVL for the six months ended 31 March 2014 and 31 March 2013, as set out in **Annexure 4A** to this Circular.
2. Represents the derecognition of the fair value movement, recognised in accordance with IAS 39 and included in the reviewed standalone interim financial statements of AVL for the six months ended 31 March 2014 and 31 March 2013. The fair value movement is replaced by the equity accounted earnings, as set out under note 3 below.
3. Represents the equity accounting of the investment in Pioneer Foods, an associated company, utilising the 30.33% (2013: 30.52%) economic interest in Pioneer Foods, based on the Pioneer Foods unaudited condensed consolidated interim financial statements for the six months ended 31 March 2014 and 31 March 2013, published on the Stock Exchange News Services and Pioneer Foods website www.pioneerfoods.co.za.
4. Represents the *pro forma* financial results after incorporating the adjustments set out above.
5. All adjustments are expected to have a continuing effect on the income statement.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE *PRO FORMA* INTERIM FINANCIAL INFORMATION OF AVL

The Directors
Agri Voedsel Limited
1st Floor, Ou Kollege Building
35 Kerk Street
Stellenbosch
7600

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF *PRO FORMA* FINANCIAL INFORMATION OF AGRI VOEDSEL LIMITED

Introduction

Zeder Investments Limited ("Zeder") and Agri Voedsel Limited ("AVL" or "the Company") are issuing a combined circular ("the Combined Circular") to AVL shareholders regarding Zeder's offer to acquire all the ordinary shares in AVL not already held by Zeder, by way of a scheme of arrangement, alternatively, by way of a voluntary general offer to the remaining AVL shareholders in the event that the scheme fails ("the Proposed Transaction").

At your request and for the purposes of the Combined Circular to be dated on or about 15 August 2014, we present our assurance report on the compilation of the *pro forma* financial information of AVL by the directors. The *pro forma* financial information, presented in Annexure 5A to the Combined Circular, consists of the *pro forma* statement of financial position as at 31 March 2014 and 31 March 2013, the *pro forma* income statement for the six months ended 31 March 2014 and 31 March 2013 and the *pro forma* financial effects ("the *Pro Forma* Financial Information"). The *Pro Forma* Financial Information has been compiled in terms of Regulation 106 of the Companies Act 71 of 2008 ("the Companies Act").

The *Pro Forma* Financial Information has been compiled by the directors to illustrate the impact of the Proposed Transaction on the Company's reported financial position as at 31 March 2014, and the Company's financial performance for the period then ended, as if the Proposed Transaction had taken place at 1 April 2013 and 31 March 2014, respectively. As part of this process, information about the Company's financial position and financial performance has been extracted by the directors from the Company's standalone financial statements for the six months ended 31 March 2014, on which a review report was issued.

Directors' responsibility

The directors of AVL are responsible for the compilation, contents and presentation of the *Pro Forma* Financial Information in terms of Regulation 106 of the Companies Act and on the basis described in Annexure 5A of the Combined Circular. The directors of the Company are also responsible for the financial information from which it has been prepared.

Reporting accountant's responsibility

Our responsibility is to express an opinion about whether the *Pro Forma* Financial Information has been compiled, in all material respects, by the directors on the basis specified based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of *Pro Forma* Financial Information Included in a Prospectus. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis specified in the Companies Act. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *Pro Forma* Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *Pro Forma* Financial Information.

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

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

- the related *pro forma* adjustments give appropriate effect to those criteria; and
- the *Pro Forma* Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the *Pro Forma* Financial Information has been compiled, and other relevant engagement circumstances.
Our engagement also involves evaluating the overall presentation of the *Pro Forma* Financial Information.
We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis described in Annexure 5A of the Combined Circular.

PricewaterhouseCoopers Inc.
Director: **DG Malan**
Registered Auditor

Paarl
7 August 2014

EXTRACTS OF PUBLISHED THREE-YEAR AUDITED HISTORICAL FINANCIAL INFORMATION OF ZEDER

BASIS OF PREPARATION

The consolidated statements of financial position, statements of comprehensive income, statements of changes in equity, cash flow statements and notes of Zeder for the financial years ended 29 February 2012, 28 February 2013 and 28 February 2014, have been extracted and compiled from the audited consolidated annual financial statements of Zeder, which are available on Zeder's website. Aforementioned consolidated annual financial statements were compiled under the supervision of the group financial director, Mr WL Greeff, CA(SA), and were approved by the Zeder Directors on 10 April 2012, 8 April 2013 and 7 April 2014, respectively. The preparation of this **Annexure 6** is the responsibility of the Zeder Directors.

The historical financial information of Zeder has previously been audited by PwC and reported on without qualification for all of the aforementioned financial periods.

NATURE OF BUSINESS

Zeder is an investor in the broad agribusiness industry. The activities of the Zeder group of companies are set out in detail in the review of operations section of Zeder's annual reports, being available at www.zeder.co.za or may be requested and obtained in person, at no charge, at the registered office of Zeder during office hours.

OPERATING RESULTS

The operating results and state of affairs of the group are set out in the attached income statement and statements of financial position, comprehensive income, changes in equity and cash flows. For the year under review, the group's recurring headline earnings amounted to R292 million (2013: R251 million; 2012: R273 million), headline earnings amounted to R253 million (2013: R196 million; 2012: R300 million) and earnings attributable to owners of the parent amounted to R291 million (2013: R512 million; 2012: R335 million).

The results for the year ended 28 February 2014, for the first time include the consolidated eight-month results of Capespan, and the results for the year ended 28 February 2013 for the first time include the consolidated 11-month results of Zaad and Chayton.

COMMENTARY

Detailed commentary on the historical financial information of Zeder is provided in the selected consolidated financial information of Zeder, included in the Prospectus.

HISTORICAL FINANCIAL INFORMATION

No material change in the nature of the business of Zeder and its subsidiaries occurred, and no material fact or circumstance has occurred between the end of the latest financial year of Zeder and the date of this Prospectus, in so far as not already dealt with in historical financial information outlined in this Annexure.

STATEMENTS OF FINANCIAL POSITION
at 28 February 2014

		GROUP			COMPANY		
	Notes	**2014 R'000**	2013 R'000	2012 R'000	**2014 R'000**	2013 R'000	2012 R'000
ASSETS							
Non-current assets		**3 638 042**	2 838 505	2 850 743	**2 125 732**	2 117 521	2 117 521
Property, plant and equipment	1	**924 975**	381 818				
Intangible assets	2	**375 795**	158 906				
Biological assets	9	**117 979**					
Investment in subsidiary	3				**2 125 732**	2 117 521	2 117 521
Investment in ordinary shares of associates	4.1	**1 821 814**	2 126 535	2 567 104			
Loans and preference share investments in associates	4.2	**18 239**	54 470	66 101			
Investment in ordinary shares of joint ventures	5.1	**67**					
Loans granted to joint ventures	5.2	**1 553**					
Equity securities	6	**206 528**	100 515	217 538			
Loans and advances	7	**78 614**	16 261				
Deferred income tax assets	17	**59 388**					
Employee benefits	8	**33 090**					
Current assets		**2 989 184**	1 059 233	131 984	**–**	–	–
Biological assets	9	**83 447**	31 264				
Inventories	10	**739 763**	174 625				
Trade and other receivables	11	**1 127 223**	100 729	54 501			
Derivative financial assets	12	**1 299**					
Current income tax receivable		**22 684**		5			
Cash, money market investments and other cash equivalents	13	**1 014 768**	752 615	77 478			
Non-current assets held for sale	14	**177 570**	287 733				
Total assets		**6 804 796**	4 185 471	2 982 727	**2 125 732**	2 117 521	2 117 521
EQUITY AND LIABILITIES							
Equity attributable to owners of the parent							
Stated/share capital	15	**1 748 061**	9 781	9 781	**1 748 061**	9 781	9 781
Share premium			1 730 071	1 730 071		1 730 071	1 730 071
Other reserves	16	**76 121**	5 529	9 856			
Retained earnings		**1 782 747**	1 538 100	1 067 318	**309 620**	323 711	312 835
		3 606 929	3 283 481	2 817 026	**2 057 681**	2 063 563	2 052 687
Non-controlling interest		**535 958**	109 109				
Total equity		**4 142 887**	3 392 590	2 817 026	**2 057 681**	2 063 563	2 052 687

		GROUP			COMPANY		
	Notes	**2014 R'000**	2013 R'000	2012 R'000	**2014 R'000**	2013 R'000	2012 R'000
Non-current liabilities		**1 013 190**	544 912	132 636	**–**	–	–
Deferred income tax liabilities	17	**104 612**	53 895	2 636			
Borrowings	18	**738 533**	445 351	130 000			
Derivative financial liabilities	19	**45 666**	45 666				
Employee benefits	8	**124 379**					
Current liabilities		**1 648 719**	247 969	33 065	**68 051**	53 958	64 834
Borrowings	18	**459 699**	59 981	703	**68 051**	53 925	64 801
Trade and other payables	20	**1 081 299**	184 866	32 362		33	33
Derivative financial liabilities	19	**15 236**					
Current income tax payable		**19 299**	502				
Employee benefits	8	**73 186**	2 620				
Total equity and liabilities		**6 804 796**	4 185 471	2 982 727	**2 125 732**	2 117 521	2 117 521
Net asset value per share (cents)		**368.0**	335.7	288.0			
Tangible net asset value per share (cents)		**329.6**	319.5	288.0			

INCOME STATEMENTS
for the year ended 28 February 2014

	Notes	GROUP 2014 R'000	GROUP 2013 R'000	GROUP 2012 R'000	COMPANY 2014 R'000	COMPANY 2013 R'000	COMPANY 2012 R'000
Revenue	21	**6 010 700**	328 113				
Cost of sales	22	**(5 134 607)**	(234 437)				
Gross profit		**876 093**	93 676	–			
Income							
Change in fair value of biological assets	9	**90 510**	28 703				
Investment income	23	**64 354**	13 102	63 722	**25 000**	50 000	–
Net fair value gains	24	**143 953**	32 521	51 237			
Other operating income	25	**8 928**	5 480	577			
Total income		**307 745**	79 806	115 536	**25 000**	50 000	–
Expenses							
Management fees	26.1	**(118 044)**	(58 560)	(47 953)			
Marketing, administration and other expenses	26.2	**(741 254)**	(120 105)	(3 188)			
Total expenses		**(859 298)**	(178 665)	(51 141)	**–**	–	–
Equity accounted earnings	4, 5	**218 011**	300 249	285 756			
Loss on impairment of associates	4	**(21 421)**					
Loss on dilution of interest in associates	4		(155 276)	(7 856)			
(Loss)/gain on disposal of investment in associates		**(3 836)**	502 890	(125)			
Profit before finance costs and taxation		**517 294**	642 680	342 170	**25 000**	50 000	–
Finance costs	27	**(85 962)**	(37 199)	(7 185)			
Profit before taxation		**431 332**	605 481	334 985	**25 000**	50 000	–
Taxation	28	**(97 128)**	(95 918)	(373)			
Profit for the year		**334 204**	509 563	334 612	**25 000**	50 000	–
Profit attributable to:							
Owners of the parent		**291 318**	511 741	334 612	**25 000**	50 000	–
Non-controlling interest		**42 886**	(2 178)				
		334 204	509 563	334 612	**25 000**	50 000	–
Earnings per share (cents)	32						
Attributable – basic and diluted		**29.7**	52.3	34.2			

STATEMENTS OF OTHER COMPREHENSIVE INCOME

for the year ended 28 February 2014

	GROUP			COMPANY		
	2014	2013	2012	**2014**	2013	2012
	R'000	R'000	R'000	**R'000**	R'000	R'000
Profit for the year	**334 204**	509 563	334 612	**25 000**	50 000	–
Other comprehensive income/(loss) for the year, net of taxation	**118 138**	44 619	(244)	**–**	–	–
Items that will be reclassified to profit or loss						
Currency translation movements	**157 391**	13 351				
Reclassification of share of associates' other comprehensive income	**(55 887)**	(1 225)	(40 372)			
Share of other comprehensive income of associates	**31 200**	32 317	55 320			
Cash flow hedges	**(15 428)**					
Reclassification of gains on available-for-sale investments	**(678)**					
Fair value gains on available-for-sale investments	**391**	363				
Other equity movements of associates		(187)	(15 192)			
Item that will not be reclassified to profit or loss						
Actuarial gains on employee defined benefit plans	**1 149**					
Total comprehensive income for the year	**452 342**	554 182	334 368	**25 000**	50 000	–
Attributable to:						
Owners of the parent	**361 675**	552 594	334 368	**25 000**	50 000	–
Non-controlling interest	**90 667**	1 588				
	452 342	554 182	334 368	**25 000**	50 000	–

STATEMENTS OF CHANGES IN EQUITY
for the year ended 28 February 2014

GROUP	Stated/share capital R'000	Share premium R'000	Other reserves R'000	Retained earnings R'000	Non-controlling interest R'000	Total R'000
Balance at 1 March 2011	9 781	1 730 071	10 100	771 830	–	2 521 782
Total comprehensive income	–	–	(244)	334 612	–	334 368
Profit for the year				334 612		334 612
Other comprehensive income			(244)			(244)
Transactions with owners	–	–	–	(39 124)	–	(39 124)
Capital contributions						–
Transactions with non-controlling interest						–
Dividend paid				(39 124)		(39 124)
Balance at 29 February 2012	9 781	1 730 071	9 856	1 067 318	–	2 817 026
Total comprehensive income	–	–	40 853	511 741	1 588	554 182
Profit for the year				511 741	(2 178)	509 563
Other comprehensive income			40 853		3 766	44 619
Transactions with owners	–	–	(45 180)	(40 959)	107 521	21 382
Capital contributions				13 025	91 180	104 205
Transactions with non-controlling interest			(45 180)	(14 860)	16 341	(43 699)
Dividend paid				(39 124)		(39 124)
Balance at 28 February 2013	9 781	1 730 071	5 529	1 538 100	109 109	3 392 590
Shares issued	**21**	**8 188**				**8 209**
Conversion to no par value shares	**1 738 259**	**(1 738 259)**				**–**
Total comprehensive income	**–**	**–**	**69 529**	**292 146**	**90 667**	**452 342**
Profit for the year				**291 318**	**42 886**	**334 204**
Other comprehensive income			**69 529**	**828**	**47 781**	**118 138**
Transactions with owners	**–**	**–**	**1 063**	**(47 499)**	**336 182**	**289 746**
Subsidiaries acquired					**302 808**	**302 808**
Share-based payment costs – employees			**1 339**		**337**	**1 676**
Transactions with non-controlling interest			**(276)**	**(8 375)**	**(18 612)**	**(27 263)**
Capital contributions*					**64 819**	**64 819**
Dividends paid				**(39 124)**	**(13 170)**	**(52 294)**
Balance at 28 February 2014	**1 748 061**	**–**	**76 121**	**1 782 747**	**535 958**	**4 142 887**

**Consists of capital contributions from Chayton and Zaad's non-controlling interests.*

STATEMENTS OF CHANGES IN EQUITY (continued)
for the year ended 28 February 2014

COMPANY	Stated/share capital R'000	Share premium R'000	Retained earnings R'000	Total R'000
Balance at 1 March 2011	9 781	1 730 071	351 959	2 091 811
Profit for the year				–
Dividend paid			(39 124)	(39 124)
Balance at 29 February 2012	9 781	1 730 071	312 835	2 052 687
Profit for the year			50 000	50 000
Dividend paid			(39 124)	(39 124)
Balance at 28 February 2013	9 781	1 730 071	323 711	2 063 563
Shares issued	**21**	**8 188**		**8 209**
Conversion to no par value shares	**1 738 259**	**(1 738 259)**		**–**
Profit for the year			**25 000**	**25 000**
Dividend paid			**(39 124)**	**(39 124)**
Other			**33**	**33**
Balance at 28 February 2014	**1 748 061**	**–**	**309 620**	**2 057 681**

Final dividends per share

– 2011: 4 cents (declared on 11 April 2011 and paid on 9 May 2011)

– 2012: 4 cents (declared on 7 March 2012 and paid on 2 April 2012)

– 2013: 4 cents (declared on 8 April 2013 and paid on 6 May 2013)

– 2014: 4.5 cents (declared on 7 April 2014 and payable on 5 May 2014)

STATEMENTS OF CASH FLOWS
for the year ended 28 February 2014

	Notes	GROUP 2014 R'000	2013 R'000	2012 R'000
Cash flow from operating activities		**255 058**	44 770	21 348
Cash generated from operations	31.1	**300 642**	34 752	(103 917)
Interest received		**50 775**	7 258	4 198
Dividends received		**77 128**	123 281	128 586
Interest paid		**(89 001)**	(28 053)	(3 887)
Taxation paid	31.2	**(84 486)**	(92 468)	(3 632)
Cash flow from investment activities		**189 397**	386 334	(240 746)
Acquisition of associates	4	**(242 184)**	(124 319)	(264 476)
Acquisition of subsidiary companies	31.3	**(36 361)**	(397 615)	
Acquisition of equity securities	6	**(177 797)**	(24)	(73 536)
Additions to property, plant and equipment	1	**(160 646)**	(46 826)	
Additions to intangible assets	2	**(16 164)**		
Proceeds from disposal of associates		**91 707**	795 467	44 469
Proceeds from disposal of equity securities		**124 567**	138 627	52 797
Proceeds from disposal of non-current assets held for sale		**504 524**		
Proceeds from redemption of preference share investment			66 101	
Proceeds from disposal of property, plant and equipment		**53 863**	9 393	
Net redemption/(advance) to associates and joint ventures		**41 505**	(54 470)	
Proceeds from settlement of loans and advances		**6 383**		
Cash flow from financing activities		**(228 389)**	242 689	90 876
Capital contributions by non-controlling interest		**64 819**	91 180	
Transaction with non-controlling interest		**(23 241)**		
Dividends paid to group shareholders		**(39 124)**	(39 124)	(39 124)
Dividends paid to non-controlling interest		**(13 170)**		
Borrowings repaid		**(252 058)**		
Increase in borrowings		**34 385**	190 633	130 000
Net increase/(decrease) in cash and cash equivalents		**216 066**	673 793	(128 522)
Cash and cash equivalents at beginning of year		**752 615**	77 478	206 000
Exchange gains on cash and cash equivalents		**46 087**	1 344	
Cash and cash equivalents at end of year	13	**1 014 768**	752 615	77 478

ACCOUNTING POLICIES
for the year ended 28 February 2014

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

1. BASIS OF PREPARATION

The consolidated and standalone financial statements of Zeder Investments Ltd have been prepared in accordance with International Financial Reporting Standards ("IFRS"); the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee; the Financial Reporting Pronouncements, as issued by the Financial Reporting Standards Council; the manner required by the Companies Act of South Africa and the Listings Requirements of the JSE Ltd. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets classified as "available-for-sale", financial assets and liabilities (including derivative financial instruments) classified as "at fair value through profit or loss", employee defined benefit assets and liabilities, and biological assets, as well as investments in associates and joint ventures being accounted for according to the equity method of accounting.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in accounting policy note 27 below.

2. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS AND AMENDMENTS THAT ARE EFFECTIVE FOR THE FIRST TIME IN 2014

2.1 New standards, interpretations and amendments adopted by the group during the year

- Amendments to IAS 1 Presentation of Financial Statements: Items of Other Comprehensive Income (effective 1 July 2012)

  The amendments require the separation of items of other comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. The required disclosure is provided in the group's statement of other comprehensive income.

- Amendments to IAS 19 Employee Benefits (effective 1 January 2013)

  The amendments became relevant to the group following its acquisition of a controlling interest in Capespan Group Ltd (refer note 31.3), which operates defined benefit plans. Capespan Group Ltd previously elected to follow a policy of recognising remeasurements to employee defined benefit assets and liabilities directly in other comprehensive income, which has now become mandatory.

- Amendments to IAS 27 Consolidated and Separate Financial Statements and IAS 28 Investments in Associates (effective 1 January 2013)

  Consequential amendments resulting from the issue of IFRS 10, 11 and 12.

- IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities (effective 1 January 2013)

  The group has adopted aforementioned suite of new standards which deal with the accounting treatment for the group's interests in its investees. The group has reviewed its accounting policies and concluded that the adoption of same did not result in any material changes to the group's accounting for its investees.

- IFRS 13 Fair Value Measurement (effective 1 January 2013)

  The group has adopted the new standard on how to measure fair value and enhance fair value disclosures. The adoption did not result in any material impact on the financial statements.

2.2 **New standards, interpretations and amendments not currently relevant to the group's operations**

The following new standards, interpretations and amendments, which are not currently relevant to the group's operations, had no impact on the measurement of amounts or disclosures in the current or prior year:

- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards (effective 1 January 2013)
- Amendments to IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities (effective 1 January 2013)
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (effective 1 January 2013)
- Improvements to IFRSs 2011

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

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the group's accounting periods beginning on or after 1 March 2014 or later periods, but which the group has not early adopted are as follows:

- Amendment to IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (effective 1 January 2014) *
- Amendment to IAS 36 (effective 1 January 2014) +

  The amendment introduces additional disclosures regarding fair value measurements when there has been impairment or a reversal of impairment.
- IFRS 9 Financial Instruments (to be determined) ^

  New standard that is the first part of a three-part project to replace IAS 39 Financial Instruments: Recognition and Measurement. The standard replaces the multiple classification and measurement models in IAS 39 with a single model that has only two categories: amortised cost and fair value.
- Amendments to IFRS 10, IFRS 12 and IAS 27 – Investment Entities (effective 1 January 2014) *
- IFRIC 21 Levies (effective 1 January 2014) *

^ *Management is in the process of assessing the impact of these standards, interpretations and amendments on the reported results of the group and company.*

* *Management has assessed the impact of these standards, interpretations and amendments on the reported results of the group and company and do not foresee any impact.*

+ *Management has assessed the impact of these amendments on the reported results of the group and company and foresee only minor disclosure changes.*

4. CONSOLIDATION

4.1 Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

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

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

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

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

Investments in subsidiaries are accounted for at cost less impairment in the separate financial statements. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes directly attributable costs of investment.

4.2 **Changes in ownership interests in subsidiaries without change of control**

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

4.3 **Disposal of subsidiaries**

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

4.4 **Associates**

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss, where appropriate.

The group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income and other equity movements are recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount as an impairment in profit or loss.

Profits and losses resulting from upstream and downstream transactions between the group and its associates are recognised in the group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

Dilution gains and losses arising from investments in associates are recognised in profit or loss.

4.5 Joint arrangements

The group has applied IFRS 11 to all joint arrangements as of 1 March 2012. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method of accounting.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses, movements in other comprehensive income and other equity movements. When the group's share of losses in a joint venture equals or exceeds its interests in the joint ventures, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

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

5. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive committee that makes strategic decisions.

6. FOREIGN CURRENCY TRANSLATION

6.1 Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which those entities operate ("functional currency"). The consolidated and standalone financial statements are presented in South African rand, being the company's functional and presentation currency.

6.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Foreign exchange gains and losses are presented in the income statement within "fair value gains and losses on financial instruments".

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities, such as equity securities classified as at fair value through profit or loss, are recognised in the income statement as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equity securities classified as available-for-sale, are included in other comprehensive income.

6.3 **Group companies**

The results and financial position of all group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions);
- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position; and
- all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

Group entities with functional currencies other than the presentation currency, mainly have the following functional currencies:

	2014		2013		2012	
	Average rand per foreign currency unit	**Closing rand per foreign currency unit**	Average rand per foreign currency unit	Closing rand per foreign currency unit	Average rand per foreign currency unit	Closing rand per foreign currency unit
United States dollar	9.6431	10.4958	8.3681	8.4725		
Euro	12.7788	14.3150				
British pound	15.0547	17.1091				
Japanese yen	0.0991	0.0989				
Hong Kong dollar	1.2444	1.3397				
Chinese yuan renminbi	1.5644	1.7153				
Mozambique new metical	0.3236	0.3426				
Zambian kwacha	1.7877	1.8949				

7. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item of property, plant and equipment.

Subsequent costs are included in the asset's carrying value or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the period in which it is incurred.

Depreciation is calculated on the straight-line method at rates considered appropriate to reduce carrying values to estimated residual values over the useful lives of the assets, as follows:

Land and buildings	25 – 75 years
Motor vehicles	4 – 5 years
Plant	5 – 15 years
Office equipment (includes computer equipment)	3 – 10 years

Land is not depreciated, except for land held under leasehold rights, which is depreciated over the relevant leasehold term.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying value is written down immediately to its recoverable amount if the asset's carrying value exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Gains and losses on disposals of property, plant and equipment are determined by comparing the asset's proceeds with its carrying value and are included in profit or loss.

8. INTANGIBLE ASSETS

8.1 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary, joint venture or associate at the date of acquisition. Goodwill on the acquisition of a subsidiary is reported in the statement of financial position as an intangible asset. Goodwill on the acquisition of a joint venture or associate is included in the respective investment's carrying amount. Goodwill is tested annually for impairment and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The groups of cash-generating units are not larger than operating segments.

An excess of the acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities arises where the net assets of a subsidiary, joint venture or associate at the date of acquisition, fairly valued, exceed the cost of the acquisition. This excess arising on acquisition is recognised as a gain on bargain purchase in profit or loss.

8.2 Trademarks

Acquired patents, trademarks and licences are shown at cost less accumulated amortisation and impairment. The carrying amount of each cash-generating unit is reviewed for impairment when an impairment indicator is identified.

8.3 Customer lists

Acquired customer lists are shown at cost less accumulated amortisation and impairment. The carrying amount of each cash-generating unit is reviewed for impairment when an impairment indicator is identified.

8.4 Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when all of the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

8.5 Capitalised product development costs

Research costs undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as an expense as incurred. Development costs are expensed when incurred, unless they result in projects that are technically and commercially feasible and the group has sufficient resources to complete development, in which event these development costs are capitalised and amortised over the estimated useful life of the project. Capitalised development costs are stated at cost less accumulated amortisation and impairment losses.

8.6 Amortisation of intangible assets

Amortisation is calculated on the straight-line method at rates considered appropriate to reduce carrying values to estimated residual values over the useful lives of the assets, as follows:

Capitalised product development costs	3 – 10 years
Customer lists	4 – 5 years
Trademarks	25 – 75 years
Computer software	5 – 15 years

9. IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying 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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

10. FINANCIAL INSTRUMENTS

Financial instruments recognised on the statement of financial position include financial assets, consisting of equity securities, debt securities, loans and advances, trade and other receivables, cash, money market investments and other cash equivalents, as well as financial liabilities, consisting of borrowings, derivative financial liabilities and trade and other payables.

There are group companies that are parties to derivative financial instruments that reduce exposure to financial risks. These instruments mainly comprise forward currency exchange contracts and hedge accounting is applied in some instances. Gains and losses arising from cash flow hedges are recognised through other comprehensive income, while those arising from fair value hedges are recognised in profit or loss in the period in which they arise. Group companies that do not apply hedge accounting, recognise changes in the fair value of these and other derivative instruments in profit or loss in the period in which they arise.

11. OFFSETTING FINANCIAL INSTRUMENTS

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

12. FINANCIAL ASSETS

The group classifies its financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

12.1 Classification

(a) *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. Financial assets designated at fair value through profit or loss at inception are those that are managed and whose performance is evaluated on a fair value basis. Information about these financial assets is provided internally on a fair value basis to the group's key management personnel. Derivatives are categorised as held for trading.

(b) *Held-to-maturity financial assets*

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities – other than those that meet the definition of loans and receivables – that the group's management has the positive intention and ability to hold to maturity.

(c) *Loans and receivables*

Loans and receivables 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.

(d) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories.

12.2 Recognition and measurement of financial assets

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

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

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

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

Quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment, with income recognised on such basis.

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

Loans advanced to associated companies, joint ventures and subsidiaries, which are interest free with no repayment terms, are carried at amortised cost using the effective interest method.

12.3 **Impairment of financial assets**

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

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

Held-to-maturity investments are considered impaired when there is objective evidence that the group will not be able to collect all amounts due according to the original contract terms. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the investment is impaired. The amount of the impairment provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The movement in the amount of the provision is recognised in the income statement.

13. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are recognised initially at fair value on the date on which a derivative contract is entered into. Subsequent to initial recognition, derivative financial instruments are measured at fair value through profit or loss. Fair values of over-the-counter traded derivatives are obtained using valuation techniques, including discounted cash flow models and option pricing models.

The best evidence of fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only observable market data.

14. BIOLOGICAL ASSETS

Biological assets are measured on initial recognition and at the end of each reporting period at fair value less cost to sell. Changes in the measurement of fair value less cost to sell are included in profit or loss for the period in which they arise. Costs to sell include all costs that would be necessary to sell the assets, including transportation costs and incremental selling costs, including auctioneers' fees and commission paid to brokers and dealers. All costs incurred in maintaining the assets are included in profit or loss for the period in which they arise. Refer note 9 for further details regarding the valuation of biological assets.

15. **INVENTORY**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

16. **TRADE AND OTHER RECEIVABLES**

Trade and other receivables are initially measured at fair value and subsequently recognised at amortised cost using the effective interest 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 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 original effective interest rate. The movement in the amount of the provision is recognised in profit or loss.

17. **CASH, MONEY MARKET INVESTMENTS AND OTHER CASH EQUIVALENTS**

Cash and cash equivalents consist of cash held at call with banks and other short-term highly liquid investments with maturities of three months or less. Investments in money market funds are classified as cash equivalents, since these funds are held to meet short-term cash requirements, are highly liquid investments, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are included within borrowings in the statement of financial position.

18. **STATED AND 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.

Where any group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs, net of income taxes, is deducted from equity attributable to the company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold, reissued or otherwise disposed of, any consideration received is included in equity attributable to the company's equity holders, net of any directly attributable incremental transaction costs and the related income tax effects.

19. **FINANCIAL LIABILITIES**

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

Financial liabilities include borrowings, derivative financial liabilities, investment contracts, third party liabilities arising on consolidation of mutual funds, accrual for other liabilities and charges, and trade and other payables. The group issues investments contracts without fixed terms (unit-linked) and with fixed and guaranteed terms (fixed interest rate).

Financial liabilities are initially recognised at fair value less transaction costs that are directly attributable to the raising of the funds, for all financial liabilities carried at amortised cost. All financial liabilities measured at fair value through profit or loss are initially recognised at fair value. The best evidence of the fair value at initial recognition is the transaction price (i.e. the fair value of the consideration received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets.

19.1 **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.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the income statement as interest expense.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

19.2 **Trade and other payables**

Trade and other payables are recognised initially at fair value, net of transaction costs incurred. Trade and other payables are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period using the effective interest method.

20. **TAXATION**

20.1 **Current and deferred income tax**

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

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

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

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

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

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

20.2 **Secondary tax on companies and dividend withholding tax**

Secondary tax on companies was abolished with effect from 1 April 2012 and replaced by a dividends tax, which is not levied on the company but on the beneficial owner of the share and accordingly does not require recognition in profit or loss. Dividends tax withheld by the company on dividends paid to its shareholders (who do not qualify for an exemption from dividends tax) and payable at the reporting date to the South African Revenue Service (where applicable) is included in trade and other payables in the statement of financial position.

21. EMPLOYEE BENEFITS

The group operates various post-employment schemes, including both defined benefit and defined contribution pension plans and post-employment medical plans.

21.1 **Pension obligations**

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

21.2 **Other post-retirement benefits**

Some group companies provide post-employment healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

21.3 **Termination benefits**

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

21.4 **Annual leave**

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated annual leave as a result of services rendered by employees up to reporting date.

21.5 **Profit sharing and bonus plans**

The group recognises a liability and an expense for bonus plans and profit sharing, where contractually obliged, or where there is a past practice that has created a constructive obligation.

22. **PROVISIONS AND CONTINGENT LIABILITIES**

22.1 **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 pre-tax 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 an interest expense.

22.2 **Contingent liabilities**

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 company 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 statement of financial position 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 statement of financial position but are disclosed in the notes to the financial statements if the inflow of financial benefits is probable.

23. **LEASES**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

24. REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for goods sold or services rendered in the ordinary course of the group's activities. The group's activities comprise the sale of fruit, agricultural seed, produce, management fees, port charges, shipping and related services.

Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the group.

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the group's activities as described below. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

If circumstances arise that may change the original estimates of revenues, costs or the extent of progress toward completion of services, then estimates are revised. These revisions may result in increases or decreases in estimated revenues or costs and are reflected in income in the period in which the circumstances that gave rise to the revision became known by management.

24.1 Sale of goods

Sale of goods are recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

24.2 Services rendered

Revenue arising from services is recognised on an accrual basis in accordance with the substance of the relevant agreements. Revenue from the operation of vessels is recognised on a proportionate basis where voyages have not terminated at year-end.

24.3 Interest income

Interest income is recognised using the effective-interest rate method. When a loan and 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 is included as part of investment income in the income statement.

24.4 Dividend income

Dividend income is recognised when the right to receive payment is established. Dividend income is included as part of investment income in the income statement.

25. DIVIDEND DISTRIBUTIONS

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

26. NON-CURRENT ASSETS (OR DISPOSAL GROUPS) HELD FOR SALE

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

27. 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 concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities are addressed below.

27.1 **Estimated impairment of goodwill**

The group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy on goodwill. The recoverable amounts of cash-generating units have been determined based on value-in-use and fair value less cost to sell calculations. These calculations require the use of estimates (see note 2 for further detail and disclosure of estimates used).

27.2 **Fair value of derivatives and other unlisted financial instruments**

The fair value of financial instruments that are trading on recognised over-the-counter ("OTC") platforms is based on the closing price and classified as quoted instruments. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques as disclosed in the policy relating to financial assets. Also refer to the accounting policy regarding derivative financial instruments for further detail regarding valuation techniques.

27.3 **Impairment of investment in associates**

An impairment of investment in associates is considered when the fair value is below its carrying value. In determination of whether the decline is significant or prolonged, the following factors may be considered: normal volatility in share price, the financial health of the investee, sector performance, changes in operational and financing cash flow.

An impairment loss is recognised for the amount by which the investment in associated company'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.

27.4 **Acquisition of associates**

Details regarding significant new investments in associates are disclosed in note 4. Furthermore, the group's interest in certain already existing associates were also increased. In accounting for these transactions management had to apply judgement in allocating the purchase price to the identifiable assets and liabilities of the associates acquired, or the portion acquired when an additional interest was acquired.

27.5 **Recognition of intangible assets**

With a business combination all identifiable assets are recognised at their respective fair values in the consolidated financial statements. The fair values of intangible assets acquired through business combinations are determined by using a discounted cash flow valuation method. The discount rate is based on the long-term risk-free rate with risk premiums added for market and other company and asset specific risks. Intangible assets acquired through business combinations were valued using a discount rates ranging between 17% and 20%.

Trademarks and customers lists acquired through business combinations or acquisitions are valued on acquisition using discounted cash flow methodology based on assumptions and estimates regarding future revenue growth, weighted cost of capital, marketing costs and other economic factors affecting the value in use of these intangible assets. These assumptions reflect management's best estimates but are subject to inherent uncertainties, which may not be controlled by management.

The cost of the trademarks and customer lists are amortised over their estimated useful lives. The remaining useful lives of intangible assets are re-assessed annually. If the estimate of the remaining useful lives changes, the remaining carrying values are amortised prospectively over that revised remaining useful life.

The main assumptions used in the valuation of key customer lists are the useful lives of these assets and the future profitability and cancellation rate of the underlying revenue streams. The useful life of a key customer list is estimated based on the cancellation experience of the existing business and the useful life of customer lists of other players in the market. For the key customer lists recognised during the year, useful lives ranging between two and five years were assumed and average cancellation rates ranging between 15% and 85% were assumed.

If useful lives were increased/decreased by 10%, the intangible assets recognised would have been approximately R2 million (2013: approximately R1 million) (2012: approximately R0.8 million) higher/lower. Future profit margins used in determining customer contracts and relationships values were consistent with the margins applied in determining the fair value of the related investment.

Refer to the intangible asset accounting policy and note 2 for further detail.

27.6 **Recognition of property, plant and equipment**

The cost of property, plant and equipment is depreciated over their estimated useful lives to their estimated residual values. The remaining useful lives and residual values of property, plant and equipment are re-assessed annually. If the estimates of the remaining useful lives or residual values change, the remaining carrying values are depreciated prospectively, taking into account the revised estimates. Refer to the property, plant and equipment accounting policy and note 1 for further detail.

27.7 **Recognition of biological assets**

The fair value of these biological assets were determined using a discounted cash flow model, which incorporates significant variable inputs i.e. discount rate and useful life of the biological assets. Where an insignificant level of biological transformation had taken place since planting, the biological assets are valued at cost (refer note 9 for further details).

27.8 **Money market funds**

Cash and cash equivalents disclosed on the statement of financial position includes investments in money market funds, being short-term highly liquid investments with maturities of three months or less. Money market funds are classified as cash equivalents, since these funds are held to meet short-term cash requirements, are highly liquid investments, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The classification of money market funds as cash equivalents is only judgemental for purposes of disclosure and judgement applied could not have any impact of disclosed amounts of assets or liabilities.

27.9 **Recoverability of trade and other receivables**

Each entity in the group makes assumptions on the recoverability of its financial assets. These instruments mainly cover trade and other receivables and production loans. Where the recoverability of these instruments is considered to be doubtful management applies judgement in the calculation of the amount to be impaired. Capespan establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

27.10 **Deferred tax**

Each group entity determines the recoverability of deferred tax assets and the recognition of estimated tax losses. The recognition is based on the entities' ability to utilise these losses based on expected future taxable earnings. The recognised and unrecognised assessed tax losses are disclosed in note 28.

27.11 **Contingent consideration**

The deferred purchase consideration recognised (refer note 24) relates to an earn-out clause payable in 2014. Calculations are based on the estimated average net profit before tax for three years using average forecast exchange rates and discounted.

1. PROPERTY, PLANT AND EQUIPMENT

GROUP	Land R'000	Buildings R'000	Vehicles and plant R'000	Office equipment R'000	Total R'000
At 28 February 2014					
Cost	**297 238**	**321 544**	**361 735**	**25 056**	**1 005 573**
Accumulated depreciation	**(7 968)**	**(9 149)**	**(56 990)**	**(6 491)**	**(80 598)**
	289 270	**312 395**	**304 745**	**18 565**	**924 980**
Reconciliation					
Balance at beginning of year	**194 094**	**62 112**	**124 329**	**1 283**	**381 818**
Subsidiaries acquired	**48 414**	**239 523**	**126 723**	**18 112**	**432 772**
Exchange rate movements	**32 852**	**14 733**	**26 152**	**(988)**	**72 749**
Additions	**25 006**	**32 881**	**96 087**	**6 672**	**160 646**
Disposals	**(5 470)**	**(29 117)**	**(22 766)**	**(348)**	**(57 701)**
Depreciation	**(5 626)**	**(7 737)**	**(45 780)**	**(6 166)**	**(65 309)**
Balance at end of year	**289 270**	**312 395**	**304 745**	**18 565**	**924 975**
At 28 February 2013					
Cost	196 436	63 524	135 539	1 608	397 107
Accumulated depreciation	(2 342)	(1 412)	(11 210)	(325)	(15 289)
Balance at end of year	194 094	62 112	124 329	1 283	381 818
Reconciliation					
Balance at beginning of year					–
Subsidiaries acquired	193 888	47 292	103 261	628	345 069
Exchange rate movements	6 703	1 755	4 328	31	12 817
Additions	2 727	14 569	28 576	954	46 826
Disposals	(6 882)	(92)	(626)	(5)	(7 605)
Depreciation	(2 342)	(1 412)	(11 210)	(325)	(15 289)
Balance at end of year	194 094	62 112	124 329	1 283	381 818

Details of land and buildings are available at the registered offices of the relevant group companies. Refer note 18 for details regarding property, plant and equipment that serve as security for borrowings.

2. INTANGIBLE ASSETS

GROUP	Capitalised product development costs R'000	Customer lists R'000	Trademarks, computer software and other R'000	Goodwill R'000	Total R'000
At 28 February 2014					
Cost	**78 629**	**33 261**	**57 750**	**232 937**	**402 577**
Accumulated amortisation	**(4 158)**	**(10 932)**	**(11 692)**		**(26 782)**
Balance at end of year	**74 471**	**22 329**	**46 058**	**232 937**	**375 795**
Reconciliation					
Balance at beginning of year		**4 819**	**11 008**	**143 079**	**158 906**
Subsidiaries acquired	**61 259**	**24 361**	**43 316**	**69 065**	**198 001**
Exchange rate movement	**4 092**		**(652)**	**20 793**	**24 233**
Additions	**14 433**		**1 731**		**16 164**
Impairment	**(1 155)**				**(1 155)**
Amortisation	**(4 158)**	**(6 851)**	**(9 345)**		**(20 354)**
Balance at end of year	**74 471**	**22 329**	**46 058**	**232 937**	**375 795**
At 28 February 2013					
Cost		8 900	13 355	143 079	165 334
Accumulated amortisation		(4 081)	(2 347)		(6 428)
Balance at end of year	–	4 819	11 008	143 079	158 906
Reconciliation					
Balance at beginning of year					–
Subsidiaries acquired		8 900	13 355	138 991	161 246
Exchange rate movement				4 088	4 088
Amortisation		(4 081)	(2 347)		(6 428)
Balance at end of year	–	4 819	11 008	143 079	158 906

Intangible assets other than goodwill

Included in intangible assets other than goodwill are the following significant individual intangible assets and their remaining amortisation periods:

GROUP	Remaining amortisation period **2014**	2013	2012	Carrying value **2014 R'000**	2013 R'000	2012 R'000
Zaad						
– Capitalised product development costs	**< 9 years**			**74 471**		
Capespan						
– Metspan Hong Kong customer lists	**17 years**			**14 209**		
– Capespan software and development costs	**7 years**			**9 631**		
				98 311	–	–

Goodwill allocation

Goodwill is allocated to cash-generating units ("CGUs"), being each operating subsidiary. A summary of the goodwill allocation is as follows:

	GROUP		
	2014 R'000	2013 R'000	2012 R'000
Zaad (previously Agricol Holdings)	**51 722**	51 722	
Klein Karoo Seed Marketing	**69 065**		
Chayton			
– Chobe Agrivision	**38 253**	29 378	
– Somawhe	**73 897**	61 979	
	232 937	143 079	–

Goodwill is tested for impairment annually by comparing the carrying value to the recoverable amount of the CGUs, being the higher of value-in-use and fair value less to sell. Therefore, should fair value less cost to sell exceed the carrying value, goodwill is considered adequately supported.

Zaad

The fair value less cost to sell of Zaad is determined using unobservable inputs (level 3), by applying a price/earnings ratio of 12 (2013: 10). The price/earnings ratio applied was determined with reference to similar listed companies, adjusted for entity specific considerations. During the current and prior year, had the price/earnings ratio been decreased by 10%, the recoverable amount would still exceed the carrying value.

Klein Karoo Seed Marketing

The fair value less cost to sell of Klein Karoo Seed Marketing is determined using unobservable inputs (level 3), by applying a price/earnings ratio of 12. The price/earnings ratio applied was determined with reference to similar listed companies, adjusted for entity specific considerations. Had the price/earnings ratio been decreased by 10%, the recoverable amount would still exceed the carrying value.

Chayton

The fair value less cost to sell of Chayton, which consists of two CGUs, namely Chobe Agrivision and Somawhe, is determined on the net realisable value of the underlying assets, with reference to the fair value of land, buildings and other supporting tangible assets (level 3 unobservable inputs). This was based mainly on an average value of US$11 840 (R127 746 at the reporting date) (2013: US$10 000 – R84 700 at the prior reporting date) per irrigated hectare. Had the price per irrigated hectare been adjusted downward by 10%, the recoverable amount would still exceed the carrying value (2013: impairment of R13.7 million).

Furthermore, a discounted cash flow calculation was also performed, which supported the aforementioned conclusion. The following main assumptions were applied in the discounted cash flow calculation:

- Weighted average cost of capital 17.7%
- Annual input and commodity price increase 5.0%

At the reporting date, the directors were satisfied that the carrying value of goodwill is adequately supported.

	GROUP			COMPANY		
	2014 R'000	2013 R'000	2012 R'000	**2014 R'000**	2013 R'000	2012 R'000
3. **INVESTMENT IN SUBSIDIARY**						
Unlisted shares at cost less provision for impairment				**2 125 732**	2 117 521	2 117 521

The company holds 100% of the issued share capital of Zeder Financial Services Ltd.

		GROUP	
	2014	2013	2012
	R'000	R'000	R'000

4. INVESTMENT IN ASSOCIATES

	2014 R'000	2013 R'000	2012 R'000
4.1 Investment in ordinary shares of associates			
– Unlisted but quoted	**1 821 814**	2 126 535	2 567 104
4.2 Loans and preference share investments in associates[1]	**18 239**	54 470	66 101
– Thembeka OVB Holdings (Pty) Ltd			66 101
– Klein Karoo Seed Marketing[2]		50 470	
– Klein Karoo Akademie[3]	**3 472**		
– Klein Karoo Seed Zimbabwe[3]	**14 767**		
– Other[4]		4 000	

Notes:

1. Loans and preference share investments in associates approximate fair value.
2. The loan was unsecured, carried interest at a rate of prime less 1% and has been repaid.
3. These loans are unsecured, interest free with no repayment terms.
4. The loan was capitalised during the year.

Reconciliation of ordinary share investments:

		GROUP	
	2014 R'000	2013 R'000	2012 R'000
Balance at beginning of year	**2 126 535**	2 567 104	2 081 949
Subsidiaries acquired	**181 047**		
Acquisitions			
– Cash	**242 184**	124 319	264 476
– Share issue[1]	**8 209**		
– Other	**6 881**		
Equity accounting			
– Share of profits of associates[2]	**164 518**	299 024	245 384
– Loss on dilution of interest in associate		(155 276)	(7 856)
– Dividends received	**(63 549)**	(117 437)	(73 503)
– Other comprehensive income	**31 200**	32 130	40 128
Transfer from equity securities at fair value			61 120
Impairment of associates[3]	**(21 421)**		
Fair value gain on step-up acquisition	**17 205**	22 023	
Transfer to non-current asset held for sale	**(311 195)**	(159 580)	
Transfer to subsidiaries	**(503 999)**	(50 409)	
Disposals	**(95 543)**	(435 363)	(44 594)
Exchange rate movement	**39 742**		
Balance at end of year	**1 821 814**	2 126 535	2 567 104
Market value of unlisted investments (based on published over-the-counter prices)	**2 513 516**	2 475 500	2 863 199

Notes:

1. During the year, Zeder made a voluntary, partial offer to Kaap Agri and Agri Voedsel shareholders.
2. Equity accounted earnings as per the income statement of R218 million (2013: R300.2 million) (2012: R285.8 million), includes the reversal of other comprehensive income of associates of R55.9 million (2013: R1.2 million) (2012: R40.4 million) as per the statement of comprehensive income, as well as the equity accounted loss from investments in joint ventures of R2.4 million (refer note 5).
3. The impairment of associates consists of a R14 million impairment relating to Suidwes and a R7.4 million impairment relating to Bluegreen Oceans. The investment in Suidwes was written down to its recoverable amount (based on unobservable market data) prior to being reclassified as a non-current asset held for sale.

2014 acquisitions and disposals

Significant acquisitions during the year included investments in existing associates of R817 million, *inter alia,* Agri Voedsel, Kaap Agri, Capespan and Klein Karoo Seed Marketing. The additional shares acquired in Capespan and Klein Karoo Seed Marketing resulted in the group obtaining control of same (refer note 31.3). Furthermore, through Capespan, the group acquired a 36% interest in Gestão de Terminais SA, a company incorporated in Mozambique. The group disposed of its entire shareholding in NWK, Suidwes, and Thembeka OVB.

2013 acquisitions and disposals

Cash acquisitions during the prior year included increasing the group's already existing interest in associates; Kaap Agri, Capevin Holdings, Agri Voedsel and Capespan. During the prior year, the group acquired a 49% interest in Klein Karoo Seed Marketing. At the reporting date the group had a standing public offer for the purchase of Kaap Agri shares. The group disposed of 15% of its shareholding in Capevin Holdings, with the remaining 5% being reclassified as held for sale (refer note 14). Furthermore, the group obtained control over Zaad (refer note 31.3).

2012 acquisitions and disposals

Cash acquisitions during the year mainly relates to increasing the group's already existing interest (fair value of R61.1 million) in NWK Ltd by investing a further R117.6 million. This caused the group to obtain significant influence over NWK Ltd. Furthermore, the group also invested an additional R114.1 million in Capespan Group Ltd. The group disposed of its interest, with a carrying value of R44.6 million, in MGK Business Investments Ltd. This gave rise to a loss of R0.1 million.

Further information

Refer Annexure B for further details regarding investments in associates.

5. INVESTMENTS IN JOINT VENTURES

		GROUP	
	2014 **R'000**	2013 R'000	2012 R'000
5.1. **Ordinary share investments**	**67**		
5.2. **Loans granted to joint ventures**	**1 553**		
Reconciliation of ordinary share investment:			
Balance at beginning of year			
Additions	**2 461**		
Equity accounted earnings	**(2 394)**		
	67	–	–

6. EQUITY SECURITIES

Available-for-sale	**3 756**	3 031	–
– Listed		773	
– Unlisted but quoted	**1 007**	2 258	
– Unquoted	**2 749**		
At fair value through profit or loss	**202 772**	97 484	217 538
– Listed	**163 792**		43 378
– Unlisted but quoted		3	3
– Unquoted	**38 980**	97 481	174 157
	206 528	100 515	217 538

The unquoted equity securities include advances which are linked to equity instruments. In terms of these agreements, the group is entitled to the majority of the 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 (refer note 35 for fair value disclosure).

GROUP	**Available-for-sale R'000**	**Fair value through profit or loss R'000**	**Total R'000**
Reconciliation			
Balance at 1 March 2011		206 682	206 682
Transfer to investment in associated companies at fair value		(61 120)	(61 120)
Additions		73 536	73 536
Disposals		(42 993)	(42 993)
Net fair value gains		41 433	41 433
Balance at 29 February 2012		217 538	217 538
Subsidiaries acquired	2 393		2 393
Additions	24		24
Disposals		(142 314)	(142 314)
Net fair value gains	614	22 260	22 874
Balance at 28 February 2013	3 031	97 484	100 515
Subsidiaries acquired	**6 190**		**6 190**
Additions*		**177 797**	**177 797**
Disposals	**(5 929)**	**(60 157)**	**(66 086)**
Net fair value gain/(loss)	**464**	**(12 352)**	**(11 888)**
Balance at 28 February 2014	**3 756**	**202 772**	**206 528**

**Additions relate mainly to the acquisition of Pioneer Foods ordinary shares.*

7. LOANS AND ADVANCES

	GROUP		
	2014 R'000	2013 R'000	2012 R'000
Secured loans	**72 454**	16 261	
Unsecured loans	**6 160**		
	78 614	16 261	–

Secured loans include a production loan of R45 million from Capespan to Kaspernek Orchards (supplier of Capespan) and a loan to a non-controlling shareholder of Zaad amounting to R16 million. The loan to Kaspernek carries interest at prime +1%, has fixed repayment terms, and the Kaspernek farm and fruit serves as security. The loan to AE Jacobs, non-controlling shareholder of Zaad and non-executive director of Zeder, carries interest at prime less 2%, is repayable by July 2017 and his shareholding in Zaad serves as security. The loan was advanced to AE Jacobs on 1 July 2012 in order to fund the acquisition of his shareholding in Zaad.

8. EMPLOYEE BENEFITS

Assets and liabilities relating to the group's employee benefits can be summarised as follows:

	2014			2013			2012		
GROUP	**Assets R'000**	**Liabilities R'000**	**Net R'000**	Assets R'000	Liabilities* R'000	Net* R'000	Assets R'000	Liabilities R'000	Net R'000
Short-term employee benefits									
Performance-based remuneration		**(40 800)**	**(40 800)**		(1 110)	(1 110)			–
Leave pay		**(17 612)**	**(17 612)**		(994)	(994)			–
Other		**(500)**	**(500)**			–			–
Long-term incentive scheme		**(27 607)**	**(27 607)**			–			–
Post-employment defined benefit plans	**33 090**	**(111 046)**	**(77 956)**		(516)	(516)			–
	33 090	**(197 565)**	**(164 475)**	–	(2 620)	(2 620)	–	–	–
Non-current portion	**33 090**	**(124 379)**	**(91 289)**			–			–
Current portion		**(73 186)**	**(73 186)**		(2 620)	(2 620)			–

**The prior year employee benefits were included in trade and other payables at the previous reporting date.*

Long-term incentive scheme

The executive management of Capespan is part of a long-term incentive scheme based on the increase in Capespan's headline earnings per share, measured over a three-year rolling period. Amounts provided for in terms of this scheme is recognised through profit or loss.

Post-retirement medical aid benefits – Capespan Group Ltd

The group, through Capespan, provides for post-employment medical aid benefits in respect of certain retired employees. This liability is for a relatively small group of staff and their dependants who were already retired from International Harbour Services (Pty) Ltd, Outspan International Ltd and Unifruco Ltd prior to the merger between Unifruco and Outspan in 1999. To qualify for the scheme they had to be permanently employed, be a member of the company designated scheme at retirement and remain resident in South Africa until their retirement. The obligation was quantified by an independent actuary.

Retirement funds – Capespan Europe

The group, through Capespan, operates a number of externally funded defined benefit and defined contribution pension schemes across Europe and Japan. The schemes are set up under trusts and the assets of the schemes are therefore held separately from those of the group.

The accompanying disclosures relate to all of the group's significant defined benefit retirement schemes in the United Kingdom and Continental Europe: The South African Co-operative Citrus Exchange Ltd pension and life assurance schemes ("SACCE"), and the Capespan Continent NV and Fresh Fruit Services CV plan ("CCNV"). In addition, the group has a pension scheme in Germany called the Capespan Germany GmbH pension scheme.

Actuarial valuations were carried out for the schemes. All calculations were carried out by independent actuaries using the projected unit credit method.

GROUP

The respective employee defined benefit plan deficits can be analysed as follows:

	2014 Capespan Group Ltd		
	Assets R'000	**Liabilities R'000**	**Net R'000**
Present value of funded obligations		**(21 260)**	**(21 260)**
Subsidiaries acquired		**(22 243)**	**(22 243)**
Interest expense		**(1 481)**	**(1 481)**
Actuarial gains		**515**	**515**
Employer contributions		**1 949**	**1 949**
Balance at end of year	**–**	**(21 260)**	**(21 260)**

	2014 Capespan Europe Assets R'000	Liabilities R'000	Net R'000
Fair value of plan assets	33 090		33 090
Present value of funded obligations		(89 786)	(89 786)
	33 090	(89 786)	(56 696)
Subsidiaries acquired	25 184	(72 139)	(46 955)
Interest expense		(14 848)	(14 848)
Return on plan assets	12 003		12 003
Actuarial gains		634	634
Employee contributions	(4 097)	4 097	–
Employer contributions		3 021	3 021
Exchange differences		(10 854)	(10 854)
Settlements		303	303
Balance at end of year	33 090	(89 786)	(56 696)

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Capespan Group Ltd	Capespan Europe SACCE	CCNV	Germany
Discount rate	0.8%	4.4%	3.3%	3.4%
Future salary increases	1.0%		3.0%	3.5%
Inflation		2.8%	2.0%	2.2%

Sensitivity analyses for each significant actuarial assumption (i.e. what impact would a change in the actuarial assumption have on the net defined benefit obligation):

	Capespan Group Ltd			Capespan Europe		
GROUP	**Change in assumption**	**Increase**	**Decrease**	**Change in assumption**	**Increase**	**Decrease**
Discount rate	0.5%	765	(817)	0.1%	5 150	(5 275)
Inflation	1.0%	(1 779)	1 587	0.1%	(1 329)	3 502
Medical cost trends	1.0%	(1 325)	3 502			
Mortality	1 year	(1 105)	1 064	1 year	(14 645)	14 105

9. BIOLOGICAL ASSETS

	GROUP 2014 R'000	2013 R'000	2012 R'000
Balance at beginning of year	**31 264**	–	**–**
Subsidiaries acquired	**144 106**	69 074	
Exchange rate movement	**5 622**	2 528	
Additions	**128 860**	30 879	
Harvests	**(164 615)**	(99 920)	
Disposals	**(34 321)**		
Change in fair value due to biological transformation	**90 510**	28 703	
Balance at end of year[4]	**201 426**	31 264	–
Non-current	**117 979**	**–**	–
Orchards[1]	**49 422**		
Vineyards[1]	**68 557**		
Current	**83 447**	31 264	–
Maize[2]	**6 396**		
Soya[2]	**33 567**	31 264	
Orchards[3]	**12 885**		
Vineyards[3]	**14 262**		
Sugar cane[3]	**16 337**		

Notes:

1. The fair value of the non-current biological assets were determined using the discounted cash flow model. The following table shows the significant unobservable inputs applied in the model:

Non-current biological assets	Grapes	Citrus	Pome Apples	Pears
Useful life (years)	20	25 – 30	30	30
Discount rate (%)	16.7	14.3 – 15.5	15.0	15.0

   The model also takes into account a 2% inflationary increase for income and costs, income tax at 28%, and the model does not assume any replanting to take place, as only the existing assets are present valued and not any future replanting.

2. These current biological assets are valued at cost, since an insignificant level of biological transformation has taken place since planting.
3. These current biological assets, which comprise the grapes on the vineyards and orchards have been valued using the following assumptions:
   - expected sales realisation of all grapes and pome at free on board value for export fruit and net value for local sales;
   - budgeted costs to harvest and sell per the approved budget for the year 2014;
   - packing and cooling costs as per the approved budget; and
   - overheads directly attributable to the operation for the year.
4. The fair value of biological assets have been calculated using unobservable inputs (level 3).

10. INVENTORIES

	GROUP 2014 R'000	2013 R'000	2012 R'000
Raw materials	**52 270**	15 666	
Work in progress	**3 996**		
Finished goods	**683 497**	158 959	
	739 763	174 625	–

During the year, Zaad wrote off inventory to the value of R11 million, and there were no significant movements in the group's provision for impairment of inventory.

11. TRADE AND OTHER RECEIVABLES

	GROUP		
	2014	2013	2012
	R'000	R'000	R'000
Trade receivables (gross of impairment)	**898 574**	83 703	
Trade receivables (impairment)	**(18 724)**	(345)	
Value added tax	**41 672**	3 421	3 670
Prepayments and sundry receivables*	**205 701**	13 950	50 831
	1 127 223	100 729	54 501

**Includes non-financial assets of R5.4 million (2013: Rnil) (2012: Rnil).*

12. DERIVATIVE FINANCIAL ASSETS

	GROUP		
	2014	2013	2012
	R'000	R'000	R'000
Forward currency exchange contracts (refer note 35)	**1 299**		

13. CASH, MONEY MARKET INVESTMENTS AND OTHER CASH EQUIVALENTS

	GROUP		
	2014	2013	2012
	R'000	R'000	R'000
Bank balances	**632 261**	390 417	11 553
Money market fund	**382 507**	362 198	65 925
	1 014 768	752 615	77 478

The money market fund earned interest at money market rates during the period under review. Money market funds are invested in highly liquid instruments with a weighted average maturity of less than 90 days.

14. NON-CURRENT ASSETS HELD FOR SALE

	GROUP		
	2014	2013	2012
	R'000	R'000	R'000
– Carrying value at beginning of year	**287 733**		
– Subsidiaries acquired	**10 113**		
– Transfer from investment in associates	**311 195**	295 063	
– Net fair value gain	**59 049**	(7 330)	
– Disposals	**(490 520)**		
	177 570	287 733	–

At the reporting date, non-current assets held for sale consisted mainly of JSE-listed Capevin Holdings shares, which are expected to be realised through sale in the coming months.

15. STATED/SHARE CAPITAL

	GROUP			COMPANY		
	2014 R'000	2013 R'000	2012 R'000	**2014 R'000**	2013 R'000	2012 R'000
Ordinary shares						
Authorised						
2 000 000 000 ordinary shares with no par value (2013: 1 500 000 000 ordinary shares with a par value of 1 cent each) (2012: 1 500 000 000 ordinary shares with a par value of 1 cent each)		15 000	15 000		15 000	15 000
Issued						
980 188 331 ordinary shares with no par value (2013: 978 088 517 ordinary shares with a par value of 1 cent each) (2012: 978 088 517 ordinary shares with a par value of 1 cent each)	**1 748 061**	9 781	9 781	**1 748 061**	9 781	9 781
Cumulative, non-redeemable, non-participating preference shares						
Authorised						
250 000 000 shares with no par value (2013: 250 000 000 shares with a par value of 1 cent each) (2012: 250 000 000 shares with a par value of 1 cent each)		2 500	2 500		2 500	2 500

During the year, the company converted its ordinary and preference shares to shares with no par value.

Share incentive scheme of subsidiary

During the current and prior year, Chayton operated an equity-settled share incentive scheme. In terms of the scheme, share options were granted to executive directors and senior management. The total equity-settled share-based payment charge recognised in profit or loss amounted to R1.6 million (2013: Rnil). This charge was credited to other reserves and non-controlling interest.

	2014		2013		2012	
Analysis of outstanding scheme shares by financial year of maturity:	**Weighted average strike price (R)**	**Number**	Weighted average strike price (R)	Number	Weighted average strike price (R)	Number
2014/15	**728**	**9 243**	728	9 243		
2015/16	**789**	**9 243**	789	9 243		
2016/17	**854**	**9 243**	854	9 243		
2017/18	**925**	**9 243**	925	9 243		
2018/19	**1 002**	**9 243**	1 002	9 243		
		46 213		46 213		–

Granting of Chayton ordinary share options occurred as follows:	Number of shares	Price R	Volatility %	Dividend yield %	Risk-free rate %	Fair value R
11 April 2012	**10 606**	728.20	33	–	6.14	34.22
20 April 2012	**2 781**	788.65	33	–	6.69	34.64
19 June 2012	**5 035**	854.15	33	–	7.08	37.68
3 August 2012	**17 722**	924.99	33	–	7.49	41.46
14 September 2012	**10 069**	1 001.72	33	–	7.80	43.77
	46 213					

No share options vested or were granted during the year. The value of the options was calculated using the Black-Scholes-Merton model.

16. OTHER RESERVES

GROUP	Available-for-sale R'000	Foreign currency translation R'000	Share-based payment R'000	Other* R'000	Total R'000
Balance at 1 March 2011				10 100	10 100
Currency translation adjustments					–
Fair value gains on available-for-sale investments					–
Share of other comprehensive income of associates				55 320	55 320
Reclassification of share of associates' other comprehensive income on disposal				(55 564)	(55 564)
Transactions with non-controlling interest					–
Balance at 29 February 2012				9 856	9 856
Currency translation adjustments		9 585			9 585
Fair value gains on available-for-sale investments	363				363
Share of other comprehensive income of associates				32 317	32 317
Reclassification of share of associates' other comprehensive income on disposal				(1 412)	(1 412)
Transactions with non-controlling interest				(45 180)	(45 180)
Balance at 28 February 2013	363	9 585	–	(4 419)	5 529
Currency translation adjustments		**106 704**			**106 704**
Fair value gains on available-for-sale investments	**317**				**317**
Share of other comprehensive income of associates				**30 779**	**30 779**
Reclassification of share of associates' other comprehensive income on disposal				**(55 466)**	**(55 466)**
Reclassification of gains on available-for-sale investments	**(624)**				**(624)**
Share-based payment costs – employees			**1 339**		**1 339**
Cash flow hedges				**(12 181)**	**(12 181)**
Transactions with non-controlling interest		**(1 276)**		**1 000**	**(276)**
Balance at 28 February 2014	**56**	**115 013**	**1 339**	**(40 287)**	**76 121**

**Relates mainly to other comprehensive income attributable to associates, cash flow hedge reserve and a written put option held by a non-controlling shareholder of a subsidiary.*

	GROUP		
	2014 R'000	2013 R'000	2012 R'000

17. DEFERRED INCOME TAX

	2014 R'000	2013 R'000	2012 R'000
Deferred income tax assets	**59 388**		
Deferred income tax liabilities	**(104 612)**	(53 895)	(2 636)
Net deferred income tax liability	**(45 224)**	(53 895)	(2 636)
Deferred income tax assets			
To be recovered within 12 months			
To be recovered after 12 months	**59 388**		
	59 388	–	–
Deferred income tax liabilities			
To be recovered within 12 months	**(17 302)**		
To be recovered after 12 months	**(87 310)**	(53 895)	(2 636)
	(104 612)	(53 895)	(2 636)

GROUP	**Tax losses R'000**	**Provisions R'000**	**Unrealised profits R'000**	**Intangible assets and other differences R'000**	**Total R'000**
Balance at 1 March 2011			(5 899)		(5 899)
Reversal of deferred tax on disposal of equity securities			2 782		2 782
Credited to profit and loss			481		481
Balance at 29 February 2012			(2 636)		(2 636)
Subsidiaries acquired		1 134	(258)	(27 560)	(26 684)
Reversal of deferred tax on disposal of equity securities			3 830		3 830
(Charged)/credited to profit and loss		(328)	(29 022)	1 841	(27 509)
Charged to other comprehensive income			(251)		(251)
Exchange rate movement				(645)	(645)
Balance at 28 February 2013	–	806	(28 337)	(26 364)	(53 895)
Subsidiaries acquired	**67 823**	**4 147**	**(3 519)**	**(57 029)**	**11 422**
(Charged)/credited to profit and loss	**(17 373)**	**1 917**	**(4 444)**	**7 041**	**(12 859)**
(Charged)/credited to other comprehensive income			**(1 238)**	**193**	**(1 045)**
Exchange rate movement		**(1 526)**	**(51)**	**12 730**	**11 153**
Balance at 28 February 2014	**50 450**	**5 344**	**(37 589)**	**(63 429)**	**(45 224)**

Deferred income tax on temporary differences relating to equity securities that are classified as at fair value through profit or loss and available-for-sale, is calculated using the effective capital gains tax rate of 18.67%. Deferred income tax was calculated on other temporary differences using the applicable tax rate as per the tax jurisdiction it relates to.

	GROUP			COMPANY		
	2014	2013	2012	**2014**	2013	2012
	R'000	R'000	R'000	**R'000**	R'000	R'000
18. **BORROWINGS**						
Non-current						
Secured redeemable preference shares (2012: Bridge loan facility)	**300 000**	300 000	130 000			
Secured loans	**414 475**	145 351				
Unsecured loan	**24 058**					
	738 533	445 351	130 000	–	–	–
Current						
Secured loans	**76 021**					
Unsecured loan		50 835		**68 051**	53 925	64 801
Bank overdrafts	**377 571**					
Accrued preference dividends	**6 107**	9 146	1 895			
Unamortised structuring fee			(1 192)			
	459 699	59 981	703	**68 051**	53 925	64 801

Secured redeemable preference shares

Preference shares issued by Zeder Financial Services Ltd to RMB of R300 million, which are secured by investments in associates and subsidiaries with a market value of R3 billion (2013: R2,5 billion) and carry a fixed dividend rate of 8.11% nominal annual compounded monthly, and are repayable by September 2017. The carrying value of these preference shares approximates its fair value.

Secured loans

The following significant borrowings are included in secured loans:

Capespan has a R100 million term loan from ABSA, which carries interest at prime less 1.5%, has fixed repayment terms.

Zaad has a R50 million term loan from FNB, which carries interest at prime less 1.25%. The balance will be settled with five yearly repayments of approximately R10 million each, commencing July 2014, and is secured by a bond of R60 million over the property, plant and equipment (refer note 1).

Chayton has an United States dollar-denominated loan from the African Agriculture and Trade Investment Fund of R107 million, which carries a fixed interest rate of 5.75% an additional charge payable if Chayton's gross profit exceeds a specified threshold. The loan plus accrued interest will be settled with two repayments in October 2015 and 2016. This loan is secured by property, plant and equipment with a carrying value of R75 million (refer note 1).

Chayton also has an United States dollar-denominated loan from Stanbic of R87 million, which amortises over a period of five years with semi-annual repayments. Chayton's investment in Somawhe Estates serve as security for the loan.

Unsecured loan

The group's unsecured loan, held through Chayton, related to a 90-day loan from Stanbic Mauritius, which carried interest at Libor plus 3%. The company's unsecured loan is from Zeder Financial Services Ltd, a wholly-owned subsidiary. The loan is interest-free and repayable on demand.

Bank overdrafts

Zaad has a bank overdrafts of R97 million (euro-denominated) from ABN Amro Bank N.V. and a R132 million overdraft from FNB.

Effective interest rates

The effective interest rates applicable to borrowings range between 1.5% and 13% (2013: 5.75% and 8.22%) (2012: Jibar + 220bps).

The servicing of borrowings is funded by free cash flows generated by the operations.

All borrowings, except for the bank overdrafts arose from the purchase of assets.

19. DERIVATIVE FINANCIAL LIABILITIES

	GROUP 2014 R'000	GROUP 2013 R'000	GROUP 2012 R'000
Non-current			
Non-controlling interests put option liability*	**45 666**	45 666	
Current			
Forward currency exchange contracts (refer note 35)	**15 236**		

**During the prior year, the group entered into a transaction with a non-controlling shareholder, which grants the party the right to put its entire shareholding to the group at a market-related fixed price/earnings multiple. The option is exercisable in July 2017 and the carrying value at the reporting date represents the present value of the possible exercise price.*

	GROUP 2014 R'000	GROUP 2013 R'000	GROUP 2012 R'000	COMPANY 2014 R'000	COMPANY 2013 R'000	COMPANY 2012 R'000
20. TRADE AND OTHER PAYABLES						
Trade payables	**816 903**	148 333				
Management fee payable (refer note 26.1)	**102 402**	34 789	29 896			
Deferred purchase consideration*	**113 342**					
Unsettled share trades and other payables	**48 652**	1 744	2 466		33	33
	1 081 299	184 866	32 362	**–**	33	33

**Relates to an earn-out clause payable in 2014 (refer note 34).*

	GROUP 2014 R'000	GROUP 2013 R'000	GROUP 2012 R'000
21. REVENUE			
Agricultural produce	**5 409 870**	328 113	
Logistical services	**600 830**		
	6 010 700	328 113	–
22. COST OF SALES			
Changes in finished goods	**4 982 379**	171 440	
Raw material and consumables used	**129 543**	50 673	
Transportation expenses	**16 385**	7 896	
Commission	**6 300**	4 428	
	5 134 607	234 437	–

	GROUP			COMPANY		
	2014	2013	2012	**2014**	2013	2012
	R'000	R'000	R'000	**R'000**	R'000	R'000
23. **INVESTMENT INCOME**						
Interest income	**50 775**	7 258	4 198			
Loans and advances	**4 537**					
Trade and other receivables	**799**	2 121	421			
Cash and short-term funds	**45 439**	5 137	3 777			
Dividend income	**13 579**	5 844	59 524	**25 000**	50 000	–
Equity securities held at fair value through profit or loss	**3 496**	4 662	53 798			
Equity securities held as available-for-sale	**140**	52				
Non-current assets held for sale	**9 943**					
Preference share investment in associate		1 130	5 726			
Subsidiary company				**25 000**	50 000	
	64 354	13 102	63 722	**25 000**	50 000	–

	GROUP		
	2014	2013	2012
	R'000	R'000	R'000
24. **FAIR VALUE GAINS AND LOSSES**			
Unrealised net fair value gains and losses			
– Equity securities – at fair value through profit or loss	**(12 352)**	18 573	41 433
– Equity securities – available-for-sale	**464**		
– Fair value gain on step-up acquisition of an associate to a subsidiary	**17 205**	22 023	
– Net foreign exchange gains	**7 102**	161	
– Loss on derivative financial instruments		(906)	
– Non-current assets held for sale (refer note 14)	**59 049**	(7 330)	
Realised net fair value gains and losses			
– Equity securities – at fair value through profit or loss	**58 481**		9 804
– Non-current asset held for sale	**14 004**		
	143 953	32 521	51 237
25. **OTHER OPERATING INCOME**			
Management and other fee income	**1 818**	1 924	
Profit on sale of property, plant and equipment	**336**	1 839	
Bad debts recovered	**1 628**		
Sundry income	**5 146**	1 717	577
	8 928	5 480	577
26. **EXPENSES**			
26.1 **Management fees**			
Base fee expense	**59 022**	58 560	47 953
Performance fee expense	**59 022**		
	118 044	58 560	47 953

The base and performance fees are payable to PSG Corporate Services (Pty) Ltd ("PSGCS"), an indirect subsidiary of PSG Group, the company's ultimate holding company, in terms of a management agreement. In accordance with the management agreement, PSGCS provides management services, including corporate secretarial, advisory, investment and financial services and all related aspects thereto to the Zeder group of companies.

Effective from the beginning of the year, the shareholders of the company approved a new management fee structure with regards to the calculation of the base and performance fees. The base fee was previously calculated at 2% p.a. (exclusive of VAT) on the net asset value of the group (excluding cash) as at the end of every half-year and 0.15% p.a. (exclusive of VAT) on the daily average cash balance. The performance fee was calculated on the last day of the financial year at 10% p.a. on the outperformance of the group's 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.

Based on the new management fee structure, the base fee is calculated at the end of every half-year as 1.5% p.a. (exclusive of VAT) of the company's volume weighted average market capitalisation for that half-year. The performance fee is calculated at the end of the financial year as 20% p.a. on the company's share price outperformance of the GOVI (comprising the most liquid government bonds, being the government bonds within the top 10 of the All Bond Index) yield plus 4%, adjusted for dividends ("hurdle price"). The performance fee pertaining to a financial year may not exceed that year's base fee. If the performance fee exceeds the base fee, the excess performance fee is carried forward to the following financial year, by adjusting the hurdle price of the following year accordingly. The excess at year-end amounted to R21 million.

26.2 **Marketing, administration and other expenses**

	GROUP		
	2014	2013	2012
	R'000	R'000	R'000
Depreciation	**65 309**	15 289	–
– Land	**5 626**	2 342	
– Buildings	**7 737**	1 412	
– Vehicles and plant	**45 780**	11 210	
– Office equipment	**6 166**	325	
Amortisation of intangible assets	**20 354**	6 428	
Operating lease rentals	**44 628**	1 260	–
– Properties	**26 887**	1 044	
– Equipment	**17 741**	216	
Auditors' remuneration	**9 033**	961	–
– Audit services – current year	**7 764**	946	
– Audit services – prior year	**1 170**		
– Other services	**99**	15	
Employee benefit expenses	**397 333**	31 169	–
– Salaries, wages and allowances	**370 857**	28 037	
– Social security costs	**7 943**	1 474	
– Equity-settled share-based payment costs	**1 676**		
– Pension costs – defined contribution plans	**3 966**	1 658	
– Pension costs – defined benefit plans	**10 688**		
– Medical costs – defined contribution plans	**2 203**		
Impairments	**7 137**	–	–
– Intangible assets	**1 155**		
– Loans and advances	**3 515**		
– Trade and other receivables	**2 467**		
Loss on sale of property, plant and equipment	**4 174**	51	
Repairs, maintenance and vehicle costs	**54 158**	13 702	
Marketing and administration costs	**27 591**	18 898	–
– Administration fees	**413**	9 089	
– Marketing	**3 797**	2 846	
– Professional fees	**23 381**	6 963	
Insurance	**15 604**	1 594	
Communication costs	**10 713**		
Commission paid	**12 756**	15 727	
Other costs	**72 464**	15 026	3 188
	741 254	120 105	3 188

	GROUP		
	2014	2013	2012
	R'000	R'000	R'000
27. FINANCE COSTS			
Redeemable preference shares	**24 681**	30 992	4 332
Secured loans	**18 213**		
Unsecured loan	**17 042**		
Bank overdrafts	**25 585**		
PSG Corporate Services (Pty) Ltd bridging loan		3 797	330
Amortisation of structuring fee		1 192	1 403
Other	**441**	1 218	1 120
	85 962	37 199	7 185

PSG Corporate Services (Pty) Ltd is a fellow subsidiary of the group. Interest was calculated on outstanding balances at market related rates.

	GROUP		
	2014 R'000	2013 R'000	2012 R'000
28. **TAXATION**			
Current taxation			
– Current year	**48 824**	71 516	3 636
– Prior year	**51**		
Deferred taxation			
– Current year	**17 033**	23 455	(3 263)
Foreign current taxation			
– Current year	**35 394**	723	
Foreign deferred taxation			
– Current year	**(4 174)**	224	
	97 128	95 918	373
Reconciliation of effective tax rate:	**%**	%	%
South African standard tax rate	**28.0**	28.0	28.0
Adjusted for:			
– Non-taxable income	**(1.8)**	(0.3)	(5.0)
– Capital gains tax rate differential	**(4.0)**	(3.7)	(4.2)
– Non-deductible charges	**10.9**	4.3	4.7
– Income from associates and joint ventures	**(10.6)**	(13.8)	(23.2)
– Foreign tax rate differential	**0.9**		
– Special tax allowances	**(0.4)**	(0.1)	
– Other	**0.4**	0.1	
– Deferred tax assets written off/not recognised	**0.9**	1.2	
– Effect of tax losses utilised	**(2.4)**		
– Prior period adjustments	**0.5**		
Effective tax rate	**22.5**	15.7	0.3
Tax charges relating to components of other comprehensive income			
– Currency translation movements	**(1 488)**		
– Fair value gains on available-for-sale investments	**(73)**	(251)	
– Reclassification of gains on available-for-sale investments	**324**		
– Share of other comprehensive income of associates	**(1 183)**		
– Reclassification of share of associates' other comprehensive income	**1 183**		
– Actuarial gains on employee defined benefit plans	**193**		
	(1 044)	(251)	–

29. RELATED-PARTY TRANSACTIONS AND BALANCES

The following related parties were identified with which the company and/or group transacted during the year, and/or balances were outstanding at year-end:

Party	Relationship
PSG Group Ltd	Ultimate holding company
Zeder Financial Services Ltd	Wholly-owned subsidiary
Zeder Investments Corporate Services (Pty) Ltd	Wholly-owned subsidiary of Zeder Financial Services Ltd
Zeder Africa (Pty) Ltd	Wholly-owned subsidiary of Zeder Financial Services Ltd
Chayton Corporate Services (Pty) Ltd	Wholly-owned subsidiary of Zeder Investments Corporate Services (Pty) Ltd
PSG Corporate Services (Pty) Ltd	Subsidiary of ultimate holding company
PSG Online Securities (Pty) Ltd	Subsidiary of ultimate holding company
PSG Money Market Fund	Fund managed by a fellow subsidiary of ultimate holding company

Related-party transactions during the year included dividends received from associates (refer note 4), interest paid to PSG Corporate Services (refer note 27), the management fee expense (refer note 26.1), professional fees (refer note 26.2), interest income (refer note 23) and interest paid (refer note 27).

Included in the group's interest income (refer note 23) is R818 000 (2013: R407 000) (2012: R60 000) received from PSG Online Securities and R18 681 000 (2013: R955 000) (2012: R2 658 000) received from PSG Money Market Fund.

Included in the group's marketing, administration and other expenses is professional fees of R5,208,000 (2013: R5 276 000) (2012: R12 000) paid to PSG Corporate Services for corporate finance and tax services relating to acquisitions made during the year.

Brokerage and administration fees of R15 000 (2013: R1 082 000) (2012: R9 000) were incurred with PSG Online Securities during the year. These fees related to trades that took place via the group's share trading accounts.

During 2008, the corporate finance arm of PSG Corporate Services facilitated a process whereby the group obtained an interest in an investee company. In exchange for waiving the facilitation fee payable in respect thereof, PSG Corporate Services is entitled to receive a portion of the dividends received each year from the mentioned interest for a five-year period as well as a share of the increase in the market value of the investment after five years. During the prior year, the portion of dividends paid amounted to R216 000 (2012: R204 000) and the one-off share of the increase in market value paid was R1 712 000.

During the prior year, the group entered into a written put agreement with AE Jacobs, who is a non-executive director of the company, forms part of the group's key management personnel, and is also a non-controlling shareholder in a subsidiary of the group. The agreement grants him the right to sell his non-controlling interest to the group at a market related fixed multiple in 2017 (refer note 19 for the possible future redemption amount).

Included in revenue are goods sold by Zaad to Kaap Agri amounting to R11 907 000.

Included in cost of goods sold are consumables purchased by Chayton from Kaap Agri amounting to R3 193 000. Details of the audited directors' emoluments and share dealings are included in the directors' report.

Related-party balances outstanding at the reporting date included cash invested with PSG Money Market Fund (refer note 13) and the management fee payable (refer note 20).

Directors' emoluments

Directors' emoluments are paid by PSG Group in terms of the management agreement (refer note 26.1). Directors' emoluments include the following cash-based remuneration:

	Basic salary R'000	Company contributions R'000	Performance -related[1] R'000	Fees R'000	Total 2013 R'000
28 February 2014					
Executive					
N Celliers	**1 975**	**25**	**2 000**		**4 000**
WL Greeff [4]					**–**
Non-executive					
GD Eksteen				**108**	**108**
WA Hanekom				**20**	**20**
AE Jacobs[2,3]	**1 458**	**167**			**1 625**
JF Mouton[4]					**–**
PJ Mouton[4]					**–**
CA Otto[4]					**–**
MS du Pré le Roux				**108**	**108**
LP Retief				**114**	**114**
	3 433	**192**	**2 000**	**350**	**5 975**
28 February 2013					
Executive					
N Celliers	1 084	16	1 000		2 100
WL Greeff[4]					–
AE Jacobs [2]	249	3			252
Non-executive					
JF Mouton[4]					–
CA Otto[4]					–
PJ Mouton[4]					–
GD Eksteen				99	99
MS du Pré le Roux				99	99
LP Retief				104	104
	1 333	19	1 000	302	654
29 February 2012					
Executive					
AE Jacobs	1 382	18	350		1 750
WL Greeff[4]					–
Non-executive					
JF Mouton[4]					–
CA Otto[4]					–
GD Eksteen				95	95
MS du Pré le Roux				95	95
LP Retief				100	100
	1 382	18	350	290	2 040

Notes:

1. Performance-related emoluments were paid in respect of the 2014 and 2013 and 2012 year respectively.
2. During the prior year, AE Jacobs resigned as CEO of Zeder, and during the current year joined Zeder as a non-executive director.
3. The basic salary and company contributions received by AE Jacobs during the current year relate to his employment as CEO of Zaad, a subsidiary.
4. These directors receive directors' emoluments from PSG Group for services rendered to PSG Group and its investee companies.

The company's prescribed officers include members of PSG Group's executive committee, which manages the group (as further discussed in the corporate governance section of Zeder's annual report), and whose remuneration is disclosed in PSG Group's annual report.

In addition to the cash-based remuneration above, share options have been awarded to Mr N Celliers, the cost of which is carried by PSG Group in terms of the aforementioned management agreement. None of these share options have vested to date and the cost (determined using an option pricing model) carried by PSG Group amounts to R3.6 million.

Mr N Celliers' share options awarded to date will vest as follows:

	Number of shares	
28 February 2014	**PSG Group**	**Zeder**
FY15	14 011	775 581
FY16	15 768	882 593
FY17	15 768	882 593
FY18	15 768	882 593
FY19	1 756	107 013
Total	**63 071**	**3 530 373**

The weighted average strike price per share of Mr N Celliers' aforementioned PSG Group and Zeder share options is R56.84 (2013: R53.53) and R3.05 (2013: R2.90), respectively.

During Mr AE Jacobs' term as CEO, share options were awarded to him in addition to the cash-based remuneration disclosed above. The cost of which was also carried by PSG Group in terms of the aforementioned management agreement. At 29 February 2012, the last reporting date at which Mr AE Jacobs held the position of CEO, he held 245 683 PSG Group share options, issued in separate tranches at an average strike price of R19.58 per share. All unexercised share options lapsed upon his resignation as CEO.

Shareholding of directors

	Beneficial		**Non-beneficial**		**Total**	
28 February 2014	**Direct**	**Indirect**	**Direct**	**Indirect**	**Number**	**%**
N Celliers				**2 635 933**	**2 635 933**	**0.269**
GD Eksteen				**250 000**	**250 000**	**0.026**
WL Greeff	**80 000**				**80 000**	**0.008**
AE Jacobs		**70 000**			**70 000**	**0.007**
JF Mouton				**80 000**	**80 000**	**0.008**
MS du Pré le Roux				**250 000**	**250 000**	**0.026**
CA Otto				**80 000**	**80 000**	**0.008**
	80 000	**70 000**	**–**	**3 295 933**	**3 445 933**	**0.352**

The only change in the shareholding of directors since the prior year was the acquisition of 250 000 shares by GD Eksteen and 2 635 933 shares by N Celliers. Also refer to the shareholder analysis in note 36.

	Beneficial		Non-beneficial		Total	
28 February 2013	Direct	Indirect	Direct	Indirect	Number	%
AE Jacobs		70 000			70 000	0.007
WL Greeff	80 000				80 000	0.008
JF Mouton				80 000	80 000	0.008
MS du Pré le Roux				250 000	250 000	0.026
CA Otto				80 000	80 000	0.008
	80 000	70 000	–	410 000	560 000	0.057

The only movement in the shareholding of directors was a decrease in AE Jacobs' shareholding from 130 000 in the prior year to 70 000 at the date of this report. Also refer to the shareholder analysis in note 36.

29 February 2012	Beneficial Direct	Beneficial Indirect	Non-beneficial Direct	Non-beneficial Indirect	Total Number	%
AE Jacobs		130 000			130 000	0.013
WL Greeff	80 000				80 000	0.008
JF Mouton				80 000	80 000	0.008
MS du Pré le Roux				250 000	250 000	0.026
CA Otto				80 000	80 000	0.008
	80 000	130 000	–	410 000	620 000	0.063

The shareholding of directors remained unchanged for the year under review. Also refer to the shareholder analysis in note 36.

30. CAPITAL COMMITMENTS AND CONTINGENCIES

	GROUP **2014** **R'000**	GROUP 2013 R'000	GROUP 2012 R'000
Operating leases commitments			
Operating leases – premises			
– Due within 1 year	**69 396**	837	
– Due within 1 to 5 years	**313 519**	292	
– Due after more than 5 years	**466 259**		
	849 174	1 129	–
Operating leases – vehicles and plant			
– Due within 1 year	**6 586**		
– Due within 1 to 5 years	**8 755**		
	15 341	–	–
Operating leases – equipment			
– Due within one year	**17 378**	64	
– Due within 1 to 5 years	**22 761**	52	
	40 139	116	–
Capital expenditure commitments			
Property, plant and equipment authorised but not yet contracted	**53 369**		
Property, plant and equipment contracted	**33 098**		

	2014 R'000	GROUP 2013 R'000	2012 R'000

31. NOTES TO THE STATEMENTS OF CASH FLOWS

31.1 Cash generated from operations

	2014 R'000	2013 R'000	2012 R'000
Profit before taxation	**431 332**	605 481	334 985
Interest income	**(50 775)**	(7 258)	(4 198)
Dividend income	**(13 579)**	(5 844)	(59 524)
Finance costs	**85 962**	37 199	7 185
Depreciation	**65 309**	15 289	
Amortisation	**20 354**	6 428	
Structuring fee paid			(1 112)
Net profit on sale of property, plant and equipment	**3 838**	(1 788)	
Net fair value gains	**(143 953)**	(32 521)	(51 112)
Change in fair value of biological assets	**(90 510)**	(28 703)	
Impairments	**28 558**		
Net gain on disposal of investment in associates	**3 836**	(502 890)	
Share of profits of associates	**(218 011)**	(300 249)	(285 756)
Net loss on dilution of interest in associate		155 276	7 856
Equity-settled share-based payment costs	**1 676**		
Non-cash translation movements*	**(11 431)**	8 912	
Sub-total	**112 606**	(50 668)	(51 676)
Changes in working capital	**188 036**	85 420	(52 241)
Increase in trade and other payables	**165 920**	73 071	2 142
Decrease in trade and other receivables	**88 863**	24 089	(54 383)
Decrease in inventories	**24 786**	19 139	
Increase in biological assets	**(128 860)**	(30 879)	
Employee benefits	**37 327**		
	300 642	34 752	(103 917)

**Relates mainly to the foreign exchange rate movements on borrowings and working capital.*

31.2 Taxation paid

	2014 R'000	GROUP 2013 R'000	2012 R'000
Current taxation charged to profit or loss	**(84 269)**	(72 239)	(3 636)
Movement in net taxation liability	**(217)**	(20 229)	4
	(84 486)	(92 468)	(3 632)

31.3 Subsidiaries acquired

2014 acquisitions

Capespan

The group acquired a further 25.3% shareholding in Capespan and thereby increased its interest to 71.1%. At the reporting date, the group held 72.1% in Capespan, which is a global fruit procurement company and South Africa's largest fruit exporter. The remeasurement of the previously held interest in an associated company resulted in a non-headline gain of R16.1 million being recognised in net fair value gains in the income statement.

Klein Karoo Seed Marketing ("KKS")

The group, through Zaad, acquired the remaining 51% of KKS on 31 October 2013. The remeasurement of the previously held interest in the associate resulted in a non-headline gain of R1,1 million being recognised in net fair value gains in the income statement. KKS is a seed company that develops and distributes vegetable, pasture and agronomic seed in developing countries, mainly throughout Africa and the Middle East. KKS has offices and research stations in, *inter alia*, South Africa, Zambia, Zimbabwe, Jordan and the Netherlands.

Accounting for these business combinations has been finalised and the summarised assets and liabilities recognised at acquisition date were:

GROUP	Capespan R'000	KKS R'000	Total R'000
Property, plant and equipment	(308 295)	(124 477)	(432 772)
Biological assets	(144 106)		(144 106)
Intangible assets	(58 112)	(70 824)	(128 936)
Investment in associates	(181 047)		(181 047)
Loans to and preference share investments in associates		(9 274)	(9 274)
Equity securities	(6 190)		(6 190)
Loans and advances	(64 390)	(4 346)	(68 736)
Derivative financial assets		(57)	(57)
Deferred income tax assets	(59 295)	(1 114)	(60 409)
Income tax receivable	(19 583)		(19 583)
Inventories	(105 734)	(319 575)	(425 309)
Trade and other receivables	(973 284)	(147 421)	(1 120 705)
Cash and cash equivalents	(350 304)	(1 365)	(351 669)
Non-current assets held for sale	(10 113)		(10 113)
Borrowings	538 666	371 907	910 573
Deferred income tax liabilities	36 195	12 792	48 987
Net employee benefits	122 333	4 815	127 148
Income tax payables	14 889	1 024	15 913
Trade and other payables	638 823	91 690	730 513
Total identifiable net assets	(929 547)	(196 225)	(1 125 772)
Non-controlling interest	268 563	34 245	302 808
Previously held investment at fair value	403 004	100 995	503 999
Goodwill		(69 065)	(69 065)
Total consideration	(257 980)	(130 050)	(388 030)
Cash consideration paid	(257 980)	(130 050)	(388 030)
Cash and cash equivalents acquired	350 304	1 365	351 669
Net cash inflow/(outflow) from business combination	92 324	(128 685)	(36 361)

Acquisition costs of R4.2 million were incurred with the above business combinations, which are included in marketing, administration and other expenses in the income statement.

Had Capespan and KKS been consolidated with effect from 1 March 2013 instead of their acquisition dates, the group income statement would have reflected additional revenue of R1.9 billion and profit of R9 million.

2013 acquisitions

Agricol

On 28 March 2012, the group acquired the remaining 74.9% of the issued share capital in Agricol for a cash consideration of R150 million. Agricol is incorporated in the Republic of South Africa and its activities include plant breeding, production, international trade, processing and distribution of seed. The identifiable net assets acquired amounted to R149 million, with goodwill amounting to R52 million. Zeder's initial 25.1% interest in Agricol was remeasured to its fair value of R50 million, which resulted in a gain of R22 million (refer note 24). In July 2012 the group sold 8% of its stake in Agricol to a non-controlling shareholder, leaving the group with a 92% shareholding at the reporting date.

Chayton

On 10 April 2012, Zeder acquired 100% of the issued share capital in Chayton, a company incorporated in Mauritius, which operate as a holding company for farming operations in Zambia. A cash consideration of R24 million was paid for Chayton's identifiable net liabilities of R4 million, resulting in the recognition of R28 million in goodwill. Subsequently, Zeder invested an additional R253m cash in Chayton, and held a 73.4% interest in the company at the reporting date.

Somawhe

On 31 July 2012, Zeder, through its subsidiary Chayton, acquired 100% of the issued share capital in Somawhe, a farming operation incorporated in Zambia. Cash consideration of R275 million was paid for Somawhe's identifiable net assets of R215 million, resulting in the recognition of R59 million in goodwill.

The summarised assets and liabilities recognised at acquisition date were:

GROUP	Agricol R'000	Chayton R'000	Somawhe R'000	Total R'000
Property, plant and equipment	(38 892)	(129 006)	(177 171)	(345 069)
Biological assets		(14 033)	(55 041)	(69 074)
Intangible assets	(21 574)	(681)		(22 255)
Equity securities	(2 393)			(2 393)
Inventories	(79 181)	(3 850)	(10 813)	(93 844)
Trade and other receivables	(61 377)	(3 825)	(5 115)	(70 317)
Cash and cash equivalents	(31 287)	(9 948)	(9 818)	(51 053)
Deferred income tax liabilities	8 532	1 322	16 830	26 684
Borrowings	4	146 364	18 078	164 446
Current income tax liabilities	19 679		1 057	20 736
Trade and other payables	57 381	18 058	6 614	82 053
Total identifiable net (assets)/liabilities	(149 108)	4 401	(215 379)	(360 086)
Previously held investment in Agricol at fair value	50 409			50 409
Goodwill	(51 722)	(28 063)	(59 206)	(138 991)
Total consideration	(150 421)	(23 662)	(274 585)	(448 668)
Cash consideration paid	(150 421)	(23 662)	(274 585)	(448 668)
Cash and cash equivalents acquired	31 287	9 948	9 818	51 053
	(119 134)	(13 714)	(264 767)	(397 615)

Goodwill recognised from the business combinations can be attributed to the employee corps and geographical footprint of the respective businesses, as well as expected synergies and growth potential.

Acquisition costs of R4.8 million (2013: R6.1 million) were incurred with the above business combinations, which are included in marketing, administration and other expenses in the income statement (refer note 26.2).

32. EARNINGS PER SHARE

	GROUP		
	2014	2013	2012
	R'000	R'000	R'000
The calculation of earnings per share is based on the following:			
Earnings attributable to equity holders of the company	**291 318**	511 741	334 612
Net loss on dilution of interest in associates		155 276	7 856
Non-headline items of associates and joint ventures	**11 377**	(42 776)	(43 303)
– Gross	**11 561**	(42 776)	(43 303)
– Non-controlling interest	**(184)**		
Net loss/(profit) on disposal of investments in associates	**3 836**	(410 404)	711
– Gross	**3 836**	(502 890)	125
– Tax effect		92 486	586
Net gain on disposal of non-current assets held for sale	**(3 758)**	–	–
– Gross	**(14 004)**		
– Tax effect	**10 246**		
Fair value gain on step-up acquisition of an associate to a subsidiary	**(17 120)**	(22 023)	–
– Gross	**(17 205)**	(22 023)	
– Non-controlling interest	**85**		
Reclassification of reserves of associates with step-up to subsidiary or disposal	**(55 466)**	–	–
– Gross	**(57 070)**		
– Non-controlling interest	**421**		
– Tax effect	**1 183**		
Reclassification of gains on available-for-sale financial assets	**(812)**	–	–
– Gross	**(1 010)**		
– Non-controlling interest	**71**		
– Tax effect	**127**		
Impairment of investment in associate (refer note 4)	**21 421**		
Net profit on sale of property, plant and equipment	**(66)**	(1 433)	–
– Gross	**3 838**	(1 788)	
– Non-controlling interest	**(89)**	143	
– Tax effect	**(3 815)**	212	
Impairment of intangible assets and goodwill	**1 063**	–	–
– Gross	**1 155**		
– Non-controlling interest	**(92)**		
Fair value adjustment on non-current asset held for sale	**727**	5 961	–
– Gross	**1 210**	7 330	
– Non-controlling interest	**(290)**		
– Tax effect	**(193)**	(1 369)	
Headline earnings	**252 519**	196 342	299 876
The calculation of the weighted number of shares in issue is as follows:			
– Number of shares at beginning of year ('000)	**978 089**	978 089	978 089
– Weighted number of shares issued during the year ('000)	**1 674**		
– Weighted number of shares at end of year ('000)	**979 763**	978 089	978 089
Earnings per share (cents)			
– Attributable – basic and diluted	**29.7**	52.3	34.2
– Headline – basic and diluted	**25.8**	20.1	30.7

33. **SUBSEQUENT TO REPORTING DATE EVENTS**

The acquisition of Mpongwe Milling that was announced on SENS on 13 November 2013, became effective after the reporting date and is being implemented at present.

On 7 April 2014 the company declared a final dividend of 4.5 cents per share in respect of the year ended 28 February 2014, which is payable on 5 May 2014.

34. **CONTINGENT CONSIDERATION**

The deferred purchase consideration recognised (refer note 20) relates to an earn-out clause payable within the next 12 months. This is calculated by discounting the estimated average net profit before tax for three years using average forecast exchange rates.

35. **FINANCIAL RISK MANAGEMENT**

Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including price risk, cash flow and fair value interest rate risk and foreign exchange risk), credit 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 by each major entity within the group under policies approved by the respective boards of directors. Each entity identifies, evaluates and utilises derivative financial instruments to hedge financial risks as appropriate. Each major entity's board of directors provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

Financial instruments are grouped into the classes set out below in order to facilitate effective financial risk management and disclosure in terms of IFRS 7 *Financial Instruments – Disclosures.* The sensitivity analyses presented below are based on reasonable possible changes in market variables for equity prices, interest rates and foreign exchange rates for the group.

GROUP	At fair value through profit or loss R'000	Available-for-sale R'000	Loans and receivables R'000	Held for sale R'000	Total R'000
Financial assets at 28 February 2014					
– Loans and preference share investments in associates			**18 239**		**18 239**
– Loan granted to joint ventures			**1 553**		**1 553**
– Equity securities	**202 772**	**3 756**			**206 528**
– Non-current assets held for sale				**177 570**	**177 570**
– Loans and advances			**78 614**		**78 614**
– Trade and other receivables			**1 080 110**		**1 080 110**
– Derivative financial assets	**1 299**				**1 299**
– Cash and cash equivalents			**1 014 768**		**1 014 768**
	204 071	**3 756**	**2 193 284**	**177 570**	**2 578 681**

GROUP	At fair value through profit or loss R'000	Available-for-sale R'000	Loans and receivables R'000	Held for sale R'000	Total R'000
Financial assets at 28 February 2013					
– Loans and preference share investments in associates			54 470		54 470
– Equity securities	97 484	3 031			100 515
– Non-current assets held for sale				287 733	287 733
– Loans and receivables			16 261		16 261
– Trade and other receivables			97 308		97 308
– Cash and cash equivalents			752 615		752 615
	97 484	3 031	920 654	287 733	1 308 902
Financial assets at 29 February 2012					
– Equity securities	217 538				217 538
– Loans and preference share investments in associates			66 101		66 101
– Trade and other receivables			50 831		50 831
– Cash and cash equivalents			77 478		77 478
	217 538	–	194 410	–	411 948

COMPANY

The company had no financial assets at the current or prior reporting date.

	At amortised cost R'000	At fair value through profit or loss R'000	Total R'000
GROUP			
Financial liabilities at 28 February 2014			
– Borrowings	**1 198 232**		**1 198 232**
– Derivative financial liabilities		**45 666**	**45 666**
– Trade and other payables	**1 081 299**		**1 081 299**
	2 279 531	**45 666**	**2 325 197**
COMPANY			
Financial liabilities at 28 February 2014			
– Borrowings	**68 051**		**68 051**
	68 051	**–**	**68 051**
GROUP			
Financial liabilities at 28 February 2013			
– Borrowings	505 332		505 332
– Derivative financial liabilities		45 666	45 666
– Trade and other payables	187 486		187 486
	692 818	45 666	738 484

	At amortised cost R'000	At fair value through profit or loss R'000	Total R'000
COMPANY			
Financial liabilities at 28 February 2013			
– Borrowings	53 925		53 925
– Trade and other payables	33		33
	53 958	–	53 958
GROUP			
Financial liabilities at 29 February 2012			
– Borrowings	703		703
– Trade and other payables	32 362		32 362
	33 065	–	33 065
COMPANY			
Financial liabilities at 29 February 2012			
– Borrowings	64 801		64 801
– Trade and other payables	33		33
	64 834	–	64 834

Market risk

Market risk is the risk of adverse financial impact due to changes in fair values or future cash flows of financial instruments from fluctuations in interest rates, equity prices and foreign currency exchange rates.

Price risk

The group is exposed to equity securities price risk because of investments held and classified on the statement of financial position as at fair value through profit or loss, available-for-sale and held for sale. The group manages price risk by investing in a portfolio of investments and monitoring equity securities' prices on a regular basis.

The table below summarises the sensitivity of the group's post-tax net profit for the year as a result of market price fluctuations. The analysis is based on the assumption that marked-to-market prices increase/decrease by 20% (2013: 20%) (2012: 20%) at the reporting date, with all other variables (e.g. effective tax rate) held constant.

GROUP	**2014 20% increase R'000**	2013 20% increase R'000	2012 20% increase R'000	**2014 20% decrease R'000**	2013 20% decrease R'000	2012 20% decrease R'000
Impact on post-tax profit	**61 866**	62 659	37 417	**(61 866)**	(62 659)	(37 417)
Impact on post-tax other comprehensive income	**611**	493	–	**(611)**	(493)	–

Cash flow and fair value interest rate risk

The group's interest rate risk arises from interest-bearing investments, receivables and borrowings, which expose the group to cash flow interest rate risk if it is a variable rate instrument, or to fair value interest rate risk if it is a fixed rate instrument.

Cash flow and fair value interest rate risk (continued)	GROUP **2014** **R'000**	 2013 R'000	 2012 R'000
Loans and preference share investments in associates			
Floating rate		50 470	66 101
Fixed rate and interest-free	**18 239**	4 000	
Loans to and preference share investments in joint ventures			
Fixed rate and interest-free	**1 553**		
Loans and advances			
Floating rate	**72 750**		
Fixed rate and interest-free	**5 864**		
Trade and other receivables			
Floating rate	**847 983**	14 906	
Fixed rate and interest-free	**232 127**	82 402	
Cash, money market investments and other cash equivalents			
Floating rate	**1 014 768**	60 401	77 478
Borrowings			
Floating rate	**(797 645)**	(199 231)	130 703
Fixed rate and interest-free	**(400 587)**		
	995 052	12 948	274 282
Floating rate	**1 137 856**	(73 454)	274 282
Fixed rate and non-interest bearing	**(142 804)**	86 402	
	995 052	12 948	274 282

The table below summarises the sensitivity of the group's post-tax net profit for the year to interest rate fluctuations. The analysis is based on the assumption that interest rates were 1% (2013: 1%) (2012: 1%) higher/lower for the full year, with all other variables (e.g. effective tax rate, interest carrying balances) held constant.

GROUP	**2014** **1%** **increase** **R'000**	2013 1% increase R'000	2012 1% increase R'000	**2014** **1%** **decrease** **R'000**	2013 1% decrease R'000	2012 1% decrease R'000
Impact on post-tax profit	**8 193**	2 893	448	**(8 193)**	(2 893)	(448)

Foreign exchange risk

The group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Management monitors this exposure and cover is used where appropriate.

The group's financial assets and liabilities denominated in foreign currency are analysed in the following table:

GROUP	**African currencies R'000**	**British pound sterling R'000**	**United States dollar R'000**	**Euro R'000**	**Asian currencies R'000**	**Total R'000**
At 28 February 2014						
Financial assets						
– Trade and other receivables	**28 392**	**209 931**	**178 863**	**207 381**	**63 325**	**687 892**
– Cash and cash equivalents	**85 686**	**47 292**	**211 673**	**61 390**	**44 787**	**451 368**
Financial liabilities						
– Trade and other payables	**(74 235)**	**(70 566)**	**(119 252)**	**(65 028)**	**(10 167)**	**(339 248)**
– Borrowings	**(3 157)**		**(228 565)**	**(153 814)**		**(385 536)**
Total	**36 686**	**186 657**	**42 719**	**50 469**	**97 945**	**414 476**

	United States dollar R'000	Euro R'000	Asian currencies R'000	Total R'000
At 28 February 2013				
Financial assets				
Trade and other receivables	19 401	503		19 904
Cash and cash equivalents	40 316	133		40 449
Financial liabilities				
Trade and other payables	(88 117)	(3 173)	(5 943)	(97 233)
Borrowings	(145 686)			(145 686)
Total	(174 086)	(2 537)	(5 943)	(182 566)

At the reporting date, the group was entered into the following forward exchange contracts to acquire the following foreign currency nominal amounts:

GROUP – 2014	**Foreign amount '000**	**Rand exposure translated at closing rate R'000**
Exports		
United States dollar	**28 562**	**296 555**
Euro	**6 038**	**86 436**
British pound sterling	**5 155**	**88 190**
Asian currencies	**149 866**	**14 817**
African currencies	**154 074**	**284 245**
		770 243
Imports		
Euro	**690**	**9 971**

The table below shows the sensitivity of post-tax profits of the group to a 20% (2013: 20%) appreciation/depreciation in the South African rand exchange rate at year-end, with all other variables (e.g. effective tax rate) held constant.

	Other comprehensive income		**Post-tax profits**	
2014	**Increase R'000**	**Decrease R'000**	**Increase R'000**	**Decrease R'000**
United States dollar	**32 451**	**(32 451)**	**255 518**	**(255 518)**
British pound sterling	**28 041**	**(28 041)**	**168 074**	**(168 074)**
Euro	**25 478**	**(25 478)**	**296 719**	**(296 719)**
Asian currencies	**14 378**	**(14 378)**	**33 320**	**(33 320)**
African currencies	**11 644**	**(11 644)**	**15 686**	**(15 686)**
Other			**(1 294)**	**1 294**
2013				
United States dollar	3 687	(3 687)	64 503	(64 503)

Credit risk

Financial assets which potentially subject the group to credit risk, consist of loans to associates (refer note 4), loans and advances (refer note 7), trade and other receivables (refer note 11) and cash and cash equivalents (refer note 13). Derivative counterparties and cash transactions are limited to high-credit-quality financial institutions. In the case of loans and advances, management would take or insist on collateral or other form of securitisation as they deem fit.

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

GROUP – 28 February 2014	P1 Moody's R'000	Baa1 Moody's R'000	Not rated R'000	Carrying value R'000
Loans and preference share investments in associates			**18 239**	**18 239**
Unquoted equity securities			**41 729**	**41 729**
Loan granted to joint ventures			**1 553**	**1 553**
Loans and advances			**78 614**	**78 614**
Trade and other receivables			**1 080 110**	**1 080 110**
Derivative financial assets	**1 299**			**1 299**
Cash and cash equivalents – bank balances		**632 261**		**632 261**
Cash and cash equivalents – money market fund			**382 507**	**382 507**
	1 299	**632 261**	**1 602 752**	**2 236 312**
GROUP – 28 February 2013				
Loans and preference share investments in associates			54 470	54 470
Unquoted equity securities			97 481	97 481
Loans and receivables			16 261	16 261
Trade and other receivables			100 729	100 729
Cash and cash equivalents – bank balances		390 417		390 417
Cash and cash equivalents – money market fund			362 198	362 198
		390 417	631 139	1 021 556
GROUP – 29 February 2012				
Loans and preference share investments in associates			66 101	66 101
Unquoted equity securities			174 157	174 157
Trade and other receivables			50 831	50 831
Cash and cash equivalents – bank balances		11 553		11 553
Cash and cash equivalents – money market fund			65 925	65 925
		11 553	357 014	368 567

Loans and preference share investments in associates, loan granted to joint ventures and loans and advances consist of secured and unsecured assets. There are no significant concentrations of credit risk. The group assesses all counterparties for creditworthiness before transacting, and monitors creditworthiness on a regular basis.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of receivables and, where appropriate, credit guarantee insurance cover is purchased. Capespan, to whom the majority of trade and other receivables relate, established an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main component of this allowance is a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Capespan performs ongoing credit evaluations on the financial condition of trade receivables, and where appropriate, purchases credit guarantee insurance. Capespan's credit guarantee insurance is limited to an annual aggregate of R300 million.

The unquoted equity securities are impaired to the value of the underlying instruments should the market value of the instruments fall below the current carrying value.

The unrated cash and cash equivalents relate to the group's investment in money market funds of which the underlying instruments are rated in terms of the Collective Investment Schemes Control Act. The mandate of the fund is to invest in cash deposits and highly liquid, fixed-interest securities with a weighted average maturity of less than 90 days. A spread of investments in top-quality financial instruments and institutions moderates the risk through diversification.

Refer the foreign exchange risk note where the receivables denominated in foreign currencies are disclosed. These receivables are susceptible to credit risk and the currency denominations provide indication of their geographical area.

The table below gives an age analysis of receivables that are past due but not impaired. The other classes of financial assets do not contain assets that are past due but not impaired.

GROUP	0 – 2 months R'000	2 – 6 months R'000	6 – 12 months R'000	Total R'000
At 28 February 2014	**96 367**	**54 058**	**5 674**	**156 099**
At 28 February 2013	19 935	6 051	3 913	29 899
At 29 February 2012	–	–	–	–

Reconciliation of allowance for impairment of trade receivables:

	GROUP		
	2014 R'000	2013 R'000	2012 R'000
Balance at beginning of year	**345**		
Subsidiaries acquired	**28 473**	345	
Amounts written off	**(11 662)**		
Impairment provision	**1 568**		
Balance at end of year	**18 724**	345	–

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash resources are available to meet future cash flow requirements.

The tables below analyses the group companies' financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

GROUP	Less than one year R'000	One to five years R'000	Over five years R'000	Total R'000
28 February 2014				
– Borrowings	**546 469**	**810 007**	**50 764**	**1 407 240**
– Derivative financial liabilities		**45 666**		**45 666**
– Trade and other payables	**1 135 364**			**1 135 364**
	1 681 833	**855 673**	**50 764**	**2 588 270**
28 February 2013				
– Borrowings	24 676	498 683	94 790	618 150
– Derivative financial liabilities		45 666		45 666
– Trade and other payables	187 486			187 486
	212 162	544 349	94 790	851 302
29 February 2012				
– Borrowings	11 705	154 916		166 621
– Trade and other payables	32 362			32 362
	44 067	154 916	–	198 983

COMPANY	Less than one year R'000	No fixed repayment terms R'000	Total R'000
28 February 2014			
– Borrowings		**68 051**	**68 051**
28 February 2013			
– Borrowings		53 925	53 925
– Trade and other payables	33		33
	33	53 925	53 958
29 February 2012			
– Borrowings		64 801	64 801
– Trade and other payables	33		33
	33	64 801	64 834

Fair value estimation

Financial assets and liabilities carried at fair value are disclosed by level of the following fair value measurement hierarchy:

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

The following financial assets are measured at fair value:

GROUP – 2014	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Assets				
Financial assets at fair value through profit or loss				
– Derivative financial assets	**990**	**309**		**1 299**
– Equity securities	**163 792**	**1 007**	**41 729**	**206 528**
	164 782	**1 316**	**41 729**	**207 827**
Liabilities				
– Derivative financial liabilities	**15 236**		**45 666**	**60 902**
GROUP – 2013				
Assets				
– Equity securities	290 767	97 481		388 248
Liabilities				
– Derivative financial liabilities			45 666	45 666
GROUP – 2012				
Assets				
– Equity securities	43 381	174 157		217 538
Liabilities				
– Derivative financial liabilities				–

Capital risk management

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

The group's dividend policy is to declare and pay dividends according to its free cash flow model, i.e. dividends and interest received less management fees, interest and related taxation paid.

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

36. SHAREHOLDER ANALYSIS

	Shareholders		Shares held	
	Number	**%**	**Number**	**%**
2014				
Range of shareholding				
1 – 20 000	**4 445**	**76.3**	**27 745 258**	**2.8**
20 001 – 50 000	**709**	**12.2**	**24 062 119**	**2.5**
50 001 – 100 000	**292**	**5.0**	**21 691 540**	**2.2**
100 001 – 500 000	**241**	**4.1**	**53 277 570**	**5.4**
500 001 – 1 000 000	**46**	**0.8**	**31 879 676**	**3.3**
Over 1 000 000	**91**	**1.6**	**821 532 168**	**83.8**
	5 824	**100.0**	**980 188 331**	**100.0**
Public and non-public shareholding				
Non-public				
– Directors	**7**	**0.1**	**3 445 933**	**0.4**
– PSG Financial Services Ltd	**1**	**–**	**415 176 633**	**42.4**
Public	**5 816**	**99.9**	**561 565 765**	**57.3**
	5 824	**100.0**	**980 188 331**	**100.0**
Major shareholders holding 5% or more at 28 February 2014				
PSG Financial Services			**415 176 633**	**42.4**
Coronation and its client*			**140 514 697**	**14.3**
Allan Gray and its clients*			**135 102 961**	**13.8**
Sanlam Investment Management and its clients*			**50 134 858**	**5.1**
			740 929 149	**75.6**

**The shareholding includes shares held directly or indirectly by the entity and/or its clients.*

2013				
Range of shareholding				
1 – 20 000	3 502	73.9	22 777 633	2.3
20 001 – 50 000	628	13.2	21 644 437	2.2
50 001 – 100 000	273	5.8	20 506 324	2.1
100 001 – 500 000	191	4.0	41 481 124	4.2
500 001 – 1 000 000	56	1.2	39 723 039	4.1
Over 1 000 000	90	1.9	831 955 960	85.1
	4 740	100.0	978 088 517	100.0
Public and non-public shareholding				
Non-public				
– Directors	4	0.1	490 000	0.1
– PSG Financial Services Ltd	1	–	415 176 633	42.4
Public	4 735	99.9	562 421 884	57.5
	4 740	100.0	978 088 517	100.0

	Shareholders		Shares held	
	Number	%	Number	%
2012				
Range of shareholding				
1 – 20 000	2 455	68.1	17 334 782	1.8
20 001 – 50 000	538	14.9	18 885 719	1.9
50 001 – 100 000	262	7.3	19 853 770	2.0
100 001 – 500 000	204	5.7	45 575 289	4.7
500 001 – 1 000 000	48	1.3	33 735 781	3.4
Over 1 000 000	98	2.7	842 703 176	86.2
	3 605	100.0	978 088 517	100.0
Public and non-public shareholding				
Non-public				
– Directors	5	0.1	620 000	0.1
– PSG Financial Services Ltd	1	–	415 176 633	42.4
Public	3 599	99.9	562 291 884	57.5
	3 605	100.0	978 088 517	100.0

SIGNIFICANT SUBSIDIARIES
for the year ended 28 February 2014

			Effective interest held directly or indirectly[2]			Profit or loss attributable to non-controlling interest			Carrying value of non-controlling interest		
Subsidiary	**Country of incorporation[1]**	**Nature of business**	**2014 %**	2013 %	2012 %	**2014 R'000**	2013 R'000	2012 R'000	**2014 R'000**	2013 R'000	2012 R'000
Zeder Financial Services Ltd	South Africa	Investment holding	100.0	100.0	100.0						
Zaad Holdings Ltd (previously Agricol Holdings Ltd	South Africa[3]	Agricultural	92.0	92.0		**4 768**	1 559		**76 400**	24 045	
Capespan Group Ltd	South Africa[4]	Fruit procurement/ export	72.1			**42 830**			**318 964**		
Chayton Africa (previously Chayton Atlas investments)	Mauritius[5]	Agricultural	76.7	73.4		**(4 712)**	(3 737)		**140 594**	85 064	
Total						**42 886**	(2 178)		**535 958**	109 109	

[1]Principle place of business is the country of incorporation, unless otherwise stated.
[2]Ownership interest equal voting rights.
[3]Operating via subsidiaries in Southern Africa, Europe and the Middle East.
[4]Operating via an associate in China and various subsidiaries throughout the rest of the world. The group obtained control over Capespan Group Ltd during the year (refer note 31.3).
[5]Operating via subsidiaries in Zambia.

Subsidiary	**Profit/ (loss) from continuing operations 2014 R'000**	**Total comprehensive income for the year 2014 R'000**	**Revenue 2014 R'000**	Profit/ (loss) from continuing operations 2013 R'000	Total comprehensive income for the year 2013 R'000	Revenue 2013 R'000	Profit/ (loss) from continuing operations 2012 R'000	Total comprehensive income for the year 2012 R'000	Revenue 2012 R'000
Zaad Holdings Ltd (previously Agricol Holdings Ltd)[1,2]	**46 875**	**54 435**	**465 417**	28 437	28 764	294 063			
Capespan Group Ltd[3,4]	**117 585**	**261 790**	**7 182 213**						
Chayton Africa (previously Chayton Atlas Investments)[3]	**(15 235)**	**22 807**	**137 940**	(25 344)	(17 843)	63 439			

[1]Represents the year ended 28 February 2014 (2013: 28 February 2013).
[2]During the prior year, Zaad changed its financial year-end to 28 February, therefore the prior year represents the eight months ended 28 February 2013.
[3]Represents the year ended 31 December 2013 (2013: 31 December 2013).
[4]Included in Zeder's results is Capespan's results for the eight months ended 31 December 2013.

Subsidiary	Dividends paid								
	To non-controlling interest 2014 R'000	**To owners of the parent 2014 R'000**	**Total 2014 R'000**	To non-controlling interest 2013 R'000	To owners of the parent 2013 R'000	Total 2013 R'000	To non-controlling interest 2012 R'000	To owners of the parent 2012 R'000	Total 2012 R'000
Zaad Holdings Ltd (previously Agricol Holdings Ltd)			**–**			–			–
Capespan Group Ltd	**13 170**	**18 712**	**31 882**			–			–
Chayton Africa (previously Chayton Atlas Investments)			**–**			–			–

Subsidiary	Assets								
	Non-current 2014 R'000	**Current 2014 R'000**	**Total 2014 R'000**	Non-current 2013 R'000	Current 2013 R'000	Total 2013 R'000	Non-current 2012 R'000	Current 2012 R'000	Total 2012 R'000
Zaad Holdings Ltd (previously Agricol Holdings Ltd)	**336 844**	**744 401**	**1 081 245**	166 166	188 291	354 457			–
Capespan Group Ltd	**1 124 363**	**1 447 759**	**2 572 122**			–			–
Chayton Africa (previously Chayton Atlas Investments)	**472 992**	**251 899**	**724 891**	388 917	161 855	550 772			–

Subsidiary	Liabilities								
	Non-current 2014 R'000	**Current 2014 R'000**	**Total 2014 R'000**	Non-current 2013 R'000	Current 2013 R'000	Total 2013 R'000	Non-current 2012 R'000	Current 2012 R'000	Total 2012 R'000
Zaad Holdings Ltd (previously Agricol Holdings Ltd)	**137 555**	**500 045**	**637 600**	53 023	76 468	129 491			–
Capespan Group Ltd	**291 351**	**887 916**	**1 179 267**			–			–
Chayton Africa (previously Chayton Atlas Investments)	**193 093**	**152 629**	**345 722**	112 467	134 224	246 691			–

Subsidiary	UNAUDITED Zeder's portion of the net profit of major subsidiaries*		
	2014 R'000	2013 R'000	2012 R'000
Zaad Holdings Ltd (previously Agricol Holdings Ltd)	**39 690**	25 740	
Capespan Group Ltd	**79 196**		

** Zeder's portion of major subsidiaries' net profit is calculated based on those subsidiaries' most recently published net profit multiplied by Zeder's average shareholding in those subsidiaries. Figures are only presented in respect of years where Zeder held a controlling interest at the reporting date.*

SIGNIFICANT ASSOCIATES
for the year ended 28 February 2014

Associate	Country of incorporation*	Nature of business	Effective interest held directly or indirectly ** 2014 %	2013 %	2012 %	Dividends received during the year 2014 R'000	2013 R'000	2012 R'000	Carrying value at year-end 2014 R'000	2013 R'000	2012 R'000
Agri Voedsel Ltd	South Africa	Investment company with a voting and economic interest in Pioneer Foods Group Ltd of 25%, 30% and 31%, respectively	**48.0**	45.0	44.7	**34 320**	27 590	18 089	**1 158 375**	1 063 537	913 156
Kaap Agri Ltd	South Africa [1]	Agricultural	**39.9**	34.9	33.4	**13 984**	8 766		**412 961**	271 555	310 292
Golden Wing Mau	China	Fruit procurement/ distribution	**25.0**			**8 339**			**231 759**		
Capespan Group Ltd [2]	South Africa [3]	Fruit procurement/export		37.1	40.9		10 749	6 046		298 255	261 179
Klein Karoo Seed Marketing (Pty) Ltd [2/4]	South Africa [4]	Agricultural		49.0						90 851	
Zaad Holdings Ltd (previously Agricol Holdings Ltd)	South Africa [3]	Agricultural			25.1			7 530			27 503
Thembeka OVB (Pty) Ltd [5]	South Africa	Investment company with an effective interest of 20% in Overberg Agri Ltd		49.0	49.0	**975**	16 381			79 389	63 382
NWK Ltd [5]	South Africa	Agricultural		19.9	19.9	**5 931**	15 503	5 201		220 027	190 682
Suidwes Investments Ltd [5]	South Africa	Agricultural		24.1	23.7		4 250	3 539		101 405	86 734
Capevin Holdings Ltd [6]	South Africa	Beverages			39.8		34 198	30 552			714 176
Bluegreen Oceans (Pty) Ltd	South Africa	Aqua culture								1 516	
Other immaterial associated companies (aggregated)								2 546	**18 719**		
Total						**63 549**	117 437	73 503	**1 821 814**	2 126 535	2 567 104

*Principle place of business is the country of incorporation, unless otherwise stated.

**Ownership interest equal voting rights.

[1] Operating via various subsidiaries throughout Southern Africa.

[2] The group obtained control over the company during the year (refer Annexure A).

[3] Operating via an associate in China and various subsidiaries throughout the rest of the world. The group obtained control over Capespan Group Ltd during the year (refer note 31.3).

[4] Operating via subsidiaries in Southern Africa, Europe and the Middle East.

[5] The group disposed of its interest in the associate during the year.

[6] The group disposed of the majority of its interest in the associate during the prior year.

Assets

Associate[1]	**Non-current 2014 R'000**	**Current 2014 R'000**	**Total 2014 R'000**	Non-current 2013 R'000	Current 2013 R'000	Total 2013 R'000	Non-current 2012 R'000	Current 2012 R'000	Total 2012 R'000
Agri Voedsel Ltd	**2 067 645**	**6 203**	**2 073 848**	1 963 249	4 758	1 968 007	2 155 975	1 310 492	3 466 467
Kaap Agri Ltd	**454 567**	**1 664 015**	**2 118 582**	408 381	1 464 031	1 872 412	365 887	1 310 492	1 676 379
Thembeka OVB Ltd			**–**	79 066		79 066			–
NWK Ltd	**935 900**	**1 477 300**	**2 413 200**	763 900	1 532 700	2 296 600	607 400	1 868 600	2 476 000
Suidwes Investments Ltd	**853 633**	**1 386 291**	**2 239 924**	610 624	961 286	1 571 910	484 653	834 905	1 319 558
Capevin Holdings Ltd	**2 095 530**	**2 641**	**2 098 171**	1 794 697	3 445	1 798 142	1 652 027	3 685	1 655 712
Klein Karoo Seed Marketing[3]									
Capespan Group Ltd[3]				1 012 639	1 383 957	2 396 596	867 938	996 740	1 864 678

[1] These figures are the latest published full year results available for these companies.
[2] Kwacha figures converted to rand at the reporting date.
[3] The group obtained control over the company during the year (refer Annexure A).

Liabilities

	Non-current 2014 R'000	**Current 2014 R'000**	**Total 2014 R'000**	Non-current 2013 R'000	Current 2013 R'000	Total 2013 R'000	Non-current 2012 R'000	Current 2012 R'000	Total 2012 R'000
Agri Voedsel Ltd		**4 177**	**4 177**		4 811	4 811	20 093	876 772	896 865
Kaap Agri Ltd	**24 907**	**1 097 787**	**1 122 694**	21 723	955 746	977 469	20 093	880 365	900 458
Thembeka OVB Ltd			**–**			–			–
NWK Ltd	**251 600**	**780 300**	**1 031 900**	72 100	833 900	906 000	108 300	1 116 100	1 224 400
Suidwes Investments Ltd	**1 079 863**	**546 529**	**1 626 392**	797 444	239 175	1 036 619	33 188	815 747	848 935
Capevin Holdings Ltd	**47**	**5 148**	**5 195**	47	7 069	7 116	35	3 962	3 997
Klein Karoo Seed Marketing									
Capespan Group Ltd				424 088	802 791	1 226 879	236 257	637 833	874 090

Total share capital and share premium per associate:	**UNAUDITED**
Agri Voedsel Ltd (Rm)	397 237
Kaap Agri Ltd (Rm)	456 643

	UNAUDITED Zeder's portion of the net profit/(loss) of major associates *		
Associates	**2014 R'000**	2013 R'000	2012 R'000
Agri Voedsel Ltd	**110 694**	89 996	(59 764)
Kaap Agri Ltd	**57 569**	42 065	30 397
Capespan Group Ltd		53 129	12 899

** Zeder's portion of major associates' net profit/(loss) is calculated based on those associates' most recently published net profit/(loss) multiplied by Zeder's average shareholding in those associates. Figures are only presented in respect of years where Zeder held significant influence at the reporting date.*

SEGMENT REPORT
for the year ended 28 February 2014

At 28 February 2013, the group was organised into four reportable segments, namely:(i) Zaad Holdings, (ii) Chayton, (iii) food and agri, and (iv) beverages. Zaad Holdings and Chayton are subsidiaries, while food and agri and beverages comprises investments in associates and equity securities.

Following Zeder obtaining a controlling interest in Capespan (refer note 31.3), the chief operating decision-maker (being PSG Group's executive committee, which manages the group) ("CODM") has revised their segmentation of how they review segments' performance and allocate capital. This revision resulted in the reportable segments being restated to consist of the following: (i) food, beverages and related services, (ii) agri-related retail, trade and services, (iii) agri-inputs and (iv) agri-production.

Recurring headline earnings is calculated on a see-through basis. Zeder's recurring headline earnings is the sum of its effective interest in that of each of its underlying investments. The result is that investments which Zeder do not equity account or consolidate in terms of accounting standards, are included in the calculation of recurring headline earnings.

The segments represent different sectors in the broad agribusiness industry. The segment report set out below was compiled based on the revised segmentation and comparatives have been restated accordingly. These restatements had no impact on reported amounts of profit or loss, assets, liabilities, equity or cash flows.

Segments operate mainly in the Republic of South Africa, while some subsidiaries operate to a lesser extent elsewhere (refer Annexures A and B for further details). Additional geographical information has not been presented since same is not reviewed by the CODM, nor is the information available and the cost to develop it would be excessive.

Non-recurring headline earnings include equity securities' see-through recurring headline earnings and the related net fair value gains/losses and investment income (as recognised in the income statement). Associates' and subsidiaries' one-off gains/losses are excluded from recurring headline earnings and included in non-recurring headline earnings.

Segmental income comprises revenue from sale of goods and investment income, as per the income statement.

Sum-of-the-parts ("SOTP") is a key valuation tool used to measure Zeder's performance. In determining SOTP, listed assets and liabilities are valued using quoted market prices, whereas unlisted assets and liabilities are valued using appropriate valuation methods. These values will not necessarily correspond with the values per the statement of financial position since the latter are measured using the relevant accounting standards which include historical cost and the equity accounting method.

	GROUP	
	2014	2013
	R'000	R'000
Recurring headline earnings		
Food, beverages and related services	**239 284**	205 652
Agri-related retail, trade and services	**74 062**	120 419
Agri-inputs	**49 554**	28 662
Agri-production	**(4 796)**	(21 759)
Net interest, taxation and other income and expenses	**(7 081)**	(23 323)
Management (base) fee	**(59 022)**	(58 560)
Recurring headline earnings	**292 001**	251 091
Management (performance) fee	**(59 022)**	
Other non-recurring headline earnings	**19 539**	(54 748)
Headline earnings	**252 518**	196 343
Non-headline items	**38 796**	315 399
Attributable earnings	**291 314**	511 742
SOTP segmental analysis		
Segments		
Food, beverages and related services	**3 078 268**	2 047 010
Agri-related retail, trade and services	**593 302**	819 298
Agri-inputs	**678 805**	368 900
Agri-production	**560 394**	276 925
Cash and cash equivalents	**376 102**	692 214
Other net liabilities	**(365 383)**	(301 097)
SOTP value	**4 921 488**	3 903 249

	UNAUDITED	
	2014	2013
Segment profit before tax	**R'000**	R'000
Food, beverages and related services	**362 513**	520 634
Agri-related retail, trade and services	**158 287**	143 591
Agri-inputs	**46 271**	47 115
Agri-production	**(17 110)**	(24 546)
Management fees and other income and expenses	**(118 629)**	(81 313)
Profit before tax	**431 332**	605 481
Food, beverages and related services	**5 442 658**	–
Revenue from sale of goods	**5 407 343**	
Investment income	**35 315**	
Agri-related retail, trade and services		
Investment income	**3 496**	5 792
Agri-inputs	**467 780**	266 602
Revenue from sale of goods	**465 417**	264 746
Investment income	**2 363**	1 856
Agri-production	**137 947**	63 684
Revenue from sale of goods	**137 940**	63 367
Investment income	**7**	317
Unallocated investment income (mainly head office interest income)	**23 173**	5 137
IFRS Revenue	**6 075 054**	341 215

SEGMENTAL REPORTING – 2012

The group is organised into two reportable segments, namely food and agri, and beverages. These segments represent the major associate and equity investments of the group. Both segments operate mainly in the Republic of South Africa.

Recurring headline earnings is calculated on a see-through basis. Zeder's consolidated recurring headline earnings is the sum of its effective interest in that of each of its underlying investments, regardless of its percentage shareholding. The result is that equity investments which Zeder does not equity account in terms of accounting standards, are included in the calculation of recurring headline earnings.

Non-recurring headline earnings include equity securities' see-through recurring headline earnings and the related net fair value gains/losses and investment income (as recognised in the income statement). Associated companies' one-off gains/losses (e.g. Competition Commission penalties and restructuring costs) are excluded from recurring headline earnings and included in non-recurring headline earnings.

Segmental income comprises dividends received and fair value gains and losses relating to equity securities, as well as income from associated companies and gains/losses on disposal of interests in associated companies, as per the income statement.

For the year ended 29 February 2012	Recurring headline earnings R'000	Non-recurring headline earnings R'000	Headline earnings R'000	Net asset value R'000
Food and agri	265 066	29 846	294 912	2 134 101
Beverages	58 302		58 302	714 176
	323 368	29 846	353 214	2 848 277
Net interest and other income and expenses	(2 422)	(3 176)	(5 598)	1 276
Management fees and taxation	(47 983)	243	(47 740)	(32 527)
Total	**272 963**	**26 913**	**299 876**	**2 817 026**
Non-headline items			34 736	
Attributable earnings			**334 612**	
Recurring headline earnings per share (cents)	**27.9**			

Segmental income analysis for the year ended 29 February 2012	Food and agri R'000	Beverages R'000	Unallocated income R'000	Total R'000
Investments income				
– Interest income	421		3 777	4 198
– Dividend income	59 524			59 524
Share of profits of associated companies	227 189	58 567		285 756
Loss on disposal of investment in associated company	(125)			(125)
Net fair value gains	51 237			51 237
Segmental income	**338 246**	**58 567**	**3 777**	**400 590**

Segment profit before tax for the year ended 29 February 2012	Unaudited 2012 R'000
Food and agri	329 756
Beverages	58 567
Management fees and other income and expenses	(53 338)
Profit before tax	**334 985**

PRO FORMA FINANCIAL INFORMATION OF ZEDER

The *pro forma* financial information of Zeder at 28 February 2014 is set out below. The *pro forma* information has been prepared for illustrative purposes only to provide information on how the Proposed Transaction might have impacted on the financial position, changes in equity and results of operations of Zeder. Due to its nature, the *pro forma* financial information may not fairly present Zeder's financial position, changes in equity, results of operations or cash flows after the implementation of the Proposed Transaction. The *pro forma* financial information is presented in a manner that is consistent with the accounting policies of Zeder.

The *pro forma* financial information set out below, should be read in conjunction with the report of the Independent Reporting Accountants, which is included as **Annexure 8** to this Circular.

The directors of Zeder are responsible for the preparation of the *pro forma* financial information. The *pro forma* statement of financial position of Zeder has been prepared on the assumption that the Proposed Transaction was effected on 28 February 2014, while the *pro forma* income statement and the *pro forma* statement of comprehensive income have been prepared on the assumption that the Proposed Transaction was effected on 1 March 2013.

	Audited results for the year ended February 2014[1] (cents)	***Pro forma* after[2] (cents)**	**Change (%)**
Net asset value per share	368.0	482.7	31.2%
Tangible net asset value per share	329.6	456.6	38.5%
Recurring headline earnings per share	29.8	30.1	1.0%
Headline earnings per share	25.8	31.3	21.3%
Attributable earnings per share	29.7	30.9	4.0%
See-through sum-of-the-parts value per share as at 4 June 2014 (Rand)	6.11	6.11	–

Notes and assumptions:

1. Extracted, without adjustment, from the audited results of Zeder for the year ended 28 February 2014, except for the see-through sum-of-the-parts value per share. The see-through-sum-of-the-parts value per share of Zeder is calculated using the quoted market prices for all JSE-listed and over-the-counter traded investments, apart from using the see-through market price of Pioneer Foods for Zeder's investment in AVL, and directors' valuations for unlisted, unquoted investments.
2. The *pro forma* after column incorporates the adjustments explained in detail under the consolidated statements of financial position and comprehensive income below.

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 28 FEBRUARY 2014

	Before[1] R'000	Acquisition of AVL shares[2] R'000	*Pro forma* adjustments R'000	*Pro forma* after[8] R'000
ASSETS				
Non-current assets	**3 638 042**	**2 190 949**	**1 178 172**	**7 007 163**
Property, plant and equipment	924 975			924 975
Intangible assets	375 795			375 795
Biological assets	117 979			117 979
Investment in ordinary shares of associates[3]	1 821 814	2 190 949	1 341 964	5 354 727
Loans and preference share investments in associates	18 239			18 239
Investment in ordinary shares of joint ventures	67			67
Loans granted to joint ventures	1 553			1 553
Equity securities[4]	206 528		(163 792)	42 736
Loans and advances	78 614			78 614
Deferred income tax assets	59 388			59 388
Employee benefits	33 090			33 090
Current assets	**2 989 184**	**6 276**	**(9 049)**	**2 986 411**
Biological assets	83 447			83 447
Inventories	739 763			739 763
Trade and other receivables	1 127 223			1 127 223
Derivative financial assets	1 299			1 299
Current income tax receivable	22 684			22 684
Cash, money market investments and other cash equivalents[5]	1 014 768	6 276	(9 049)	1 011 995
Non-current assets held for sale	**177 570**			**177 570**
Total assets	**6 804 796**	**2 197 225**	**1 169 123**	**10 171 144**
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Stated/share capital[6]	1 748 061	2 162	3 359 902	5 110 125
Share premium[7]		395 075	(395 075)	–
Other reserves[7]	76 121	1 158 669	(1 158 669)	76 121
Retained earnings[7]	1 782 747	637 035	(637 035)	1 782 747
	3 606 929	**2 192 941**	**1 169 123**	**6 968 993**
Non-controlling interest	**535 958**			**535 958**
Total equity	**4 142 887**	**2 192 941**	**1 169 123**	**7 504 951**
Non-current liabilities	**1 013 190**	**–**	**–**	**1 013 190**
Deferred income tax liabilities	104 612			104 612
Borrowings	738 533			738 533
Derivative financial liabilities	45 666			45 666
Employee benefits	124 379			124 379
Current liabilities	**1 648 719**	**4 284**	**–**	**1 653 003**
Borrowings	459 699			459 699
Trade and other payables	1 081 299	4 284		1 085 583
Derivative financial liabilities	15 236			15 236
Current income tax payable	19 299			19 299
Employee benefits	73 186			73 186
Total equity and liabilities	**6 804 796**	**2 197 225**	**1 169 123**	**10 171 144**
Net asset value per share (cents)	368.0			482.7
Tangible net asset value per share (cents)	329.6			456.6
Number of shares in issue (thousand)	980 188		463 656	1 443 844

Notes and assumptions:

1. Extracted, without adjustment, from the audited results of Zeder for the year ended 28 February 2014.
2. Extracted, without adjustment, from the *pro forma* financial results of AVL for the six months ended 31 March 2014, as set out in **Annexure 5A** to this Circular.
3. The increase of R1 342 million in the investment in ordinary shares of associates consists of the following:
   - The acquisition of 28 620 719 AVL shares not already held by Zeder (by way of the Scheme), which directly represents 28 620 719 Pioneer Foods shares, for a consideration of 463 655 648 Zeder Shares. The Proposed Transaction is accounted for in terms of IAS 28 as an asset addition, being an increased investment in an associate. The transaction is accounted for at a value of R3 360 million, which is calculated by multiplying the 28 620 719 Pioneer Foods shares with their market value of R117.40 per share, being the JSE-listed share price at the Last Practicable Date. The transaction value of R3 360 million is debited to investments in associates and credited to stated capital; plus
   - Pioneer Foods shares of R163.8 million were previously held directly by Zeder and are now reclassified from equity securities to an investment in associates, upon Zeder gaining significant influence directly over Pioneer Foods; plus
   - Transaction costs estimated to be approximately R9 million are capitalised in accordance with IAS 28 and settled in cash; less
   - The elimination of AVL's existing investment in Pioneer Foods (an associate) of R2 191 million in terms of standard consolidation procedures.
4. Pioneer Foods shares of R163.8 million were previously held directly by Zeder and are now reclassified from equity securities to an investment in associates, upon Zeder gaining significant influence directly over Pioneer Foods.
5. The decrease in cash, money market investments and other cash equivalents relate to transaction costs of approximately R9 million, which have been capitalised, being paid in cash.
6. The increase of R3 360 million in stated capital relate to:
   - The acquisition of 28 620 719 AVL shares not already held by Zeder (by way of the Scheme), which directly represents 28 620 719 Pioneer Foods shares, for a consideration of 463 655 648 Zeder Shares. The transaction is accounted for in terms of IAS 28 as an asset addition, being an increased investment in an associate. The transaction is accounted for at a value of R3 360 million, which is calculated by multiplying the 28 620 719 Pioneer Foods shares with their market value of R117.40 per share, being the JSE-listed share price at the Last Practicable Date. The transaction value of R3 360 million is debited to investments in associates and credited to stated capital; plus
   - AVL's cash, money market investments and other cash equivalents of R6.3 million being acquired; less
   - AVL's trade and other payables of R4.3 million being assumed; less
   - AVL's share capital of R2.2 million being eliminated in terms of standard consolidation procedures.
7. The elimination of AVL's equity and reserves at acquisition in terms of standard consolidation procedures.
8. Represents the *pro forma* financial results after incorporating the adjustments set out above.
9. The *pro forma* financial effects do not include any adjustment to the performance fee that was paid to a nominee of PSG Group Limited in terms of the management agreement for the year ended 28 February 2014, due to the uncertain nature thereof. The performance fee is calculated annually, with reference to the Zeder share price, at the rate of 20% above the benchmark, being the GOVI-index plus 4%. The maximum performance fee for any financial year shall not exceed the annual management base fee and any excess is carried forward as a reduction in the benchmark for the next year.

PRO FORMA CONSOLIDATED INCOME STATEMENT

	Before[1] R'000	Acquisition of AVL shares[2] R'000	Pro forma adjustments R'000	Pro forma after[9] R'000
Continuing operations				
Revenue	6 010 700			6 010 700
Cost of sales	(5 134 607)			(5 134 607)
Gross profit	**876 093**	**–**	**–**	**876 093**
Income				
Change in fair value of biological assets	90 510			90 510
Investment income[3]	64 354	450	(323)	64 481
Net fair value gains[4]	143 953		5 588	149 541
Other operating income	8 928			8 928
Total income	**307 745**	**450**	**5 265**	**313 460**
Expenses				
Management fees[5]	(118 044)		(27 931)	(145 975)
Marketing, administration and other expenses	(741 254)	(1 255)		(742 509)
Total expenses	**(859 298)**	**(1 255)**	**(27 931)**	**(888 484)**
Equity accounted earnings[6]	218 011	297 081	(72 488)	442 604
Loss on impairment of associates	(21 421)			(21 421)
Loss on disposal of investment in associates	(3 836)			(3 836)
Profit before finance costs and taxation	**517 294**	**296 276**	**(95 154)**	**718 416**
Finance costs	(85 962)			(85 962)
Profit before taxation	**431 332**	**296 276**	**(95 154)**	**632 454**
Taxation[7]	(97 128)		12 920	(84 208)
Discontinued operations				
Equity accounted loss (Quantum Foods in Pioneer)		(59 862)		(59 862)
Profit for the year	**334 204**	**236 414**	**(82 234)**	**488 384**
Profit attributable to:				
Owners of the parent	291 318	236 414	(82 234)	445 498
Continuing operations	291 318	296 276	(82 234)	505 360
Discontinued operations		(59 862)		(59 862)
Non-controlling interest	42 886			42 886
	334 204	**236 414**	**(82 234)**	**488 384**
Attributable to owners of the parent	291 318	236 414	(82 234)	445 498
Non-headline items	(38 799)	80 171	(35 012)	6 360
Headline earnings	**252 519**	**316 585**	**(117 246)**	**451 858**
Headline earnings	252 519	316 585	(117 246)	451 858
Non-recurring earnings	39 482	(22 028)	(34 824)	(17 370)
Recurring headline earnings	**292 001**	**294 557**	**(152 070)**	**434 488**
Earnings per share (cents)				
Attributable – basic and diluted	29.7			30.9
Headline (basic and diluted)	25.8			31.3
Recurring headline (basic and diluted)[11]	29.8			30.1
Weighted average number of shares (thousand)	979 763		463 656	1 443 418

PRO FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Before[1] R'000	Acquisition of AVL shares[2] R'000	*Pro forma* adjustments R'000	*Pro forma* after[9] R'000
Profit for the year	**334 204**	**236 414**	**(82 234)**	**488 384**
Other comprehensive income for the year, net of taxation[8]	**118 138**	**(5 877)**	**(21 835)**	**90 426**
Items that will be reclassified to profit or loss				
Currency translation movements	157 391			157 391
Reclassification of share of associates' other comprehensive income	(55 887)			(55 887)
Share of other comprehensive income of associates	31 200	(7 711)	(21 835)	1 654
Cash flow hedges	(15 428)			(15 428)
Reclassification of gains on available-for-sale investments	(678)			(678)
Fair value gains on available-for-sale investments	391			391
Dividends forfeited		1 834		1 834
Item that will not be reclassified to profit or loss				
Actuarial gains on employee defined benefit plans	1 149			1 149
Total comprehensive income for the year	**452 342**	**230 537**	**(104 069)**	**578 810**
Attributable to:				
Owners of the parent	361 675	230 537	(104 069)	488 143
Non-controlling interest	90 667			90 667
	452 342	**230 537**	**(104 069)**	**578 810**

Notes and assumptions:

1. Extracted, without adjustment, from the audited results of Zeder for the year ended 28 February 2014.
2. The results for the 12-month period ended 31 March 2014 were derived from the *pro forma* financial results of AVL for the six months ended 31 March 2014 (as reflected in **Annexure 5A** to this Circular) including the audited results for the year ended 30 September 2013 (as reflected in **Annexure 2**) and deducting the unaudited results of AVL for the six months ended 31 March 2013.
3. The investment income decrease of R0.3 million relates to less interest income as a result of the transaction costs of R9 million, which have been capitalised, being paid in cash.
4. The increase in net fair value gains of R5.6 million relates to the derecognition of previously recognised fair value losses in respect of the Pioneer Foods shares held as equity securities and measured in terms of IAS 39.
5. The increase in management fees of R27.9 million was calculated in accordance with the existing management base fee arrangement, whereby Zeder pays an annual management base fee, calculated as 1.5% of Zeder's average market capitalisation, for management services received from PSG Group Limited or its nominee.
6. The decrease in equity accounted earnings of R72.5 million relates to the elimination of equity accounted earnings pertaining to Zeder's already existing investment in AVL. Equity accounted earnings are accounted for in accordance with IAS 28.
7. The decrease in taxation of R12.9 million relates to deferred tax recognised on fair value losses in respect of the Pioneer Foods shares held as equity securities.
8. The decrease in other comprehensive income of R21.8 million relates to the elimination of other comprehensive income pertaining to Zeder's already existing investment in AVL.
9. Represents the *pro forma* financial results after incorporating the adjustments set out above.
10. The *pro forma* financial effects do not include any adjustment to the performance fee that was paid to a nominee of PSG Group Limited in terms of the management agreement for the year ended 28 February 2014, due to the uncertain nature thereof. The performance fee is calculated annually, with reference to the Zeder share price, at the rate of 20% above the benchmark, being the GOVI-index plus 4%. The maximum performance fee for any financial year shall not exceed the annual management base fee and any excess is carried forward as a reduction in the benchmark for the next year.
11. Recurring headline earnings is calculated on a see-through basis. Zeder's recurring headline earnings is the sum of its effective interest in that of each of its underlying investments. The result is that investments which Zeder do not equity account or consolidate in terms of accounting standards, are included in the calculation of recurring headline earnings. Non-recurring headline earnings include equity securities' see-through recurring headline earnings and the related net fair value gains/losses and investment income (as recognised in the income statement). Associates' and subsidiaries' one-off gains/losses are excluded from recurring headline earnings and included in non-recurring headline earnings.
12. With the exception of the transaction cost adjustment, all adjustments are expected to have a continuing effect on the income statement.
13. The *pro forma* financial effects are calculated based on Zeder acquiring 100% of the issued share capital of AVL, whether by way of the Scheme or through the General Offer.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION OF ZEDER

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

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF *PRO FORMA* FINANCIAL INFORMATION OF ZEDER INVESTMENTS LIMITED

Introduction

Zeder Investments Limited ("Zeder" or "the Company") and Agri Voedsel Limited ("AVL") are issuing a combined circular ("the Combined Circular") to AVL shareholders regarding Zeder's offer to acquire all the ordinary shares in AVL not already held by Zeder, by way of a scheme of arrangement, alternatively, by way of a voluntary general offer to the remaining AVL shareholders in the event that the scheme fails ("the Proposed Transaction").

At your request and for the purposes of the Combined Circular to be dated on or about 15 August 2014, we present our assurance report on the compilation of the *pro forma* financial information of Zeder by the directors. The *pro forma* financial information, presented in **Annexure 7** to the Combined Circular, consists of the *pro forma* consolidated statement of financial position as at 28 February 2014, the *pro forma* consolidated income statement, the *pro forma* consolidated statement of comprehensive income for the 12 months ended 28 February 2014 and the *pro forma* financial effects ("the *Pro Forma* Financial Information"). The *Pro Forma* Financial Information has been compiled in terms of Regulation 106 of the Companies Act 71 of 2008 ("the Companies Act").

The *Pro Forma* Financial Information has been compiled by the directors to illustrate the impact of the Proposed Transaction on the Company's reported financial position as at 28 February 2014, and the Company's financial performance for the period then ended, as if the Proposed Transaction had taken place at 1 March 2013 and 28 February 2014, respectively. As part of this process, information about the Company's financial position and financial performance has been extracted by the directors from the Company's financial statements for the year ended 28 February 2014, on which an audit report has been published.

Directors' responsibility

The directors of Zeder are responsible for the compilation, contents and presentation of the *Pro Forma* Financial Information in terms of Regulation 106 of the Companies Act and on the basis described in Annexure 7 of the Combined Circular. The directors of Zeder are also responsible for the financial information from which it has been prepared.

Reporting accountants' responsibility

Our responsibility is to express an opinion about whether the *Pro Forma* Financial Information has been compiled, in all material respects, by the directors on the basis specified based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of *Pro Forma* Financial Information Included in a Prospectus. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis specified in the Companies Act. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *Pro Forma* Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *Pro Forma* Financial Information.

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

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

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The *Pro Forma* Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the *Pro Forma* Financial Information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *Pro Forma* Financial Information.

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

Opinion

In our opinion, the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis described in Annexure 7 of the Combined Circular.

PricewaterhouseCoopers Inc.
Director: NH Döman
Registered Auditor

Stellenbosch
Date: 7 August 2014

PRO FORMA FINANCIAL INFORMATION OF AVL

The *pro forma* financial information of AVL at 31 March 2014 is set out below. The *pro forma* information has been prepared for illustrative purposes only. Due to its nature, the *pro forma* financial information may not fairly present AVL's financial position after the implementation of the Proposed Transaction. The *pro forma* financial information is presented in a manner that is consistent with the accounting policies of AVL.

The *pro forma* financial information set out below, should be read in conjunction with the report of the Independent Reporting Accountants, which is included as **Annexure 10** to this Circular.

The directors of AVL are responsible for the preparation of the *pro forma* financial information.

The *pro forma* net asset value per share and tangible net asset value per share figures appearing in the table below, have been calculated on the assumption that the Proposed Transaction was effected on 31 March 2014, while the *pro forma* adjusted/recurring headline earnings per share, headline earnings per share and attributable earnings per share figures appearing in the table below, have been calculated on the assumption that the Proposed Transaction was effected on 1 April 2013.

	Results for the six-month period ended 31 March 2014[1] (cents)	Audited results for the year ended 30 September 2013[2] (cents)	Results for the six-month period ended 31 March 2013[1] (cents)	Results for the 12-month period ended 31 March 2014[3, 4, 5] (cents)	*Pro forma* after[2] (cents)	Change (%)
Net asset value per share				3 942.2	7 819.3	98.3
Tangible net asset value per share				3 942.2	7 397.6	87.7
Adjusted/recurring headline earnings per share	316.6	428.4	(215.4)	529.6	487.6	(7.9)
Headline earnings per share	371.3	365.4	(167.6)	569.1	507.1	(10.9)
Attributable earnings per share	340.9	250.6	(166.4)	425.1	500.6	17.8
See-through value per share as at 4 June 2014 (Rand)				99.00	99.00	–

Notes and assumptions:

1. Extracted, without adjustment, from the *pro forma* interim financial information of AVL for the six months ended 31 March 2014 and 31 March 2013, as set out in **Annexure 5A**.
2. Extracted, without adjustment, from the audited results of AVL for the year ended 30 September 2013.
3. Net asset value per share and tangible net asset value per share were extracted, without adjustment, from the *pro forma* interim financial information of AVL for the six months ended 31 March 2014, as set out in **Annexure 5A**.
4. Adjusted/recurring headline earnings per share, headline earnings per share and attributable earnings per share constitute the total of the first three columns, thus representing AVL's results for the 12-month period ended 31 March 2014.
5. The see-through sum-of-the-parts value per share of AVL is calculated using the JSE-listed market price of Pioneer Foods.
6. The "*Pro forma* after" column sets out the position of an AVL shareholder following the Proposed Transaction, now owning Zeder shares. The financial information is based on Zeder's financial effects pursuant to the Proposed Transaction (for the year ended 28 February 2014), multiplied by the swap ratio of 16.2 to provide the *pro forma* financial effects for AVL Shareholders.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION OF AVL

The Board of Directors
Agri Voedsel Limited
1st Floor, Ou Kollege Building
35 Kerk Street
Stellenbosch
7600

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF *PRO FORMA* FINANCIAL INFORMATION OF AGRI VOEDSEL LIMITED)

Introduction

Zeder Investments Limited ("Zeder") and Agri Voedsel Limited ("AVL" or "the Company") are issuing a combined circular ("the Combined Circular") to AVL shareholders regarding Zeder's offer to acquire all the ordinary shares in AVL, not already held by Zeder, by way of a scheme of arrangement, alternatively, by way of a voluntary general offer to the remaining AVL shareholders in the event that the scheme fails ("the Proposed Transaction").

At your request and for the purposes of the Combined Circular to be dated on or about 15 August 2014, we present our assurance report on the compilation of the *pro forma* financial information of the Company by the directors. The *pro forma* financial information, presented in Annexure 9 to the Combined Circular, consists of the *pro forma* financial effects ("the *Pro Forma* Financial Information"). The *Pro Forma* Financial Information has been compiled in terms of Regulation 106 of the Companies Act 71 of 2008 ("the Companies Act").

The *Pro Forma* Financial Information has been compiled by the directors to illustrate the impact of the Proposed Transaction on the company's net asset value per share and tangible net asset value per share figures, and the *pro forma* adjusted/recurring headline earnings per share, headline earnings per share and attributable earnings per share figures, as if the Proposed Transaction had taken place at 1 April 2013 and 31 March 2014, respectively. As part of this process, information about the company's financial position and financial performance has been extracted by the directors from the Company's financial statements for the year ended 31 March 2014, on which a review report was issued.

Directors' responsibility

The directors of the Company are responsible for the compilation, contents and presentation of the *Pro Forma* Financial Information in terms of Regulation 106 of the Companies Act and on the basis described in **Annexure 9** of the Combined Circular. The directors of the Company are also responsible for the financial information from which it has been prepared.

Reporting accountants' responsibility

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

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

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

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

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

The *Pro Forma* Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

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

Our engagement also involves evaluating the overall presentation of the *Pro Forma* Financial Information.

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

Opinion

In our opinion, the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria described in **Annexure 9** of the Combined Circular.

PricewaterhouseCoopers Inc.
Director: DG Malan
Registered Auditor

Paarl
7 August 2014

FOREIGN AVL SHAREHOLDERS AND EXCHANGE CONTROL REGULATIONS

3. **FOREIGN AVL SHAREHOLDERS**

3.1 The Scheme and/or the General Offer may be affected by the laws of the relevant jurisdiction of a Foreign AVL Shareholder. A Foreign AVL Shareholder should acquaint itself about and observe any applicable legal requirements of such jurisdiction in relation to all aspects of this Circular that may affect it. It is the responsibility of each Foreign AVL Shareholder to satisfy itself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Scheme and/or the General Offer, including the obtaining of any governmental, exchange control or other consents, the making of any filings which may be required, the compliance with other necessary formalities and the payment of any taxes or other requisite payments due in such jurisdiction.

3.2 The Scheme and, if applicable, the General Offer are governed by the laws of South Africa and are subject to any applicable laws and regulations, including the Exchange Control Regulations.

3.3 Any AVL Shareholder who is in doubt as to its position, including, without limitation, its tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

4. **EXCHANGE CONTROL REGULATIONS**

The following is a summary of the Exchange Control Regulations. It is intended as a guide only and is not a comprehensive statement of the Exchange Control Regulations which apply to Scheme Participants or General Offer Participants (collectively referred to as "**Offer Participants**"). Offer Participants who have any queries regarding the Exchange Control Regulations should contact their own professional advisors without delay.

4.1 **Residents of the Common Monetary Area**

In the case of Offer Participants whose registered addresses in the Register are within the Common Monetary Area and whose Documents of Title are not restrictively endorsed in terms of the Exchange Control Regulations, the Scheme Consideration or, if applicable, the General Offer Consideration will be settled in the manner detailed in, respectively, paragraph 4.6 of the Circular and paragraph 10 of Annexure 16 to the Circular.

4.2 **Emigrants from the Common Monetary Area**

4.2.1 The Scheme Consideration or, if applicable, the General Offer Consideration, is not freely transferable from South Africa and must be dealt with in terms of the Exchange Control Regulations.

4.2.2 The Scheme Consideration or, if applicable, the General Offer Consideration, due to an Offer Participant who is an emigrant from South Africa, whose registered address is outside the Common Monetary Area and whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations, will be deposited in a blocked account with the authorised dealer in foreign exchange in South Africa controlling the Offer Participant's blocked assets in accordance with his instructions, against delivery of the relevant documents of title.

4.2.3 In terms of a recent relaxation to the exchange control rulings, emigrants may externalise the Scheme Consideration or, if applicable, the General Offer Consideration, by making application to the Financial Surveillance Department of the South African Reserve Bank via the requisite authorised dealer channel. Previously, a 10% levy would have been payable on externalisation. This is however no longer the position and the Scheme Consideration or, if applicable, the General Offer Consideration, may, on application, be externalised free of the levy.

4.2.4 The authorised dealer releasing the relevant documents of title in terms of the Scheme or the General Offer, as the case may be, must countersign the form of surrender, transfer and acceptance (*blue*) thereby indicating that the Scheme Consideration or, if applicable, the General Offer Consideration, will be placed directly in its control.

4.2.5 The attached form of surrender, transfer and acceptance (*blue*) makes provision for the details of the authorised dealer concerned to be provided.

4.3 **All other non-residents of the Common Monetary Area**

4.3.1 The Scheme Consideration or, if applicable, the General Offer Consideration, due to an own-name Offer Participant who is a non-resident of South Africa and who has never resided in the Common Monetary Area, whose registered address is outside the Common Monetary Area and whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations, will be deposited with the authorised dealer in foreign exchange in South Africa nominated by such Offer Participant. It will be incumbent on the Offer Participant concerned to instruct the nominated authorised dealer as to the disposal of the Scheme Consideration or, if applicable, the General Offer Consideration, against delivery of the relevant documents of title.

4.3.2 The form of surrender, transfer and acceptance (*blue*) attached to this Circular makes provision for the nomination required in terms of paragraph 2.3.1 above. If the information regarding the authorised dealer is not given in terms of paragraph 2.3.1 above, the Scheme Consideration or, if applicable, the General Offer Consideration, will be held in trust by Zeder for the Scheme Participants concerned pending receipt of the necessary information or instruction.

WORDING OF SECTION 115 AND SECTION 164 OF THE COMPANIES ACT

"Section 115: Required approval for transactions contemplated in Part A

(1) Despite section 65, and any provision of a company's Memorandum of Incorporation, or any resolution adopted by its board or holders of its securities, to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless:

(a) the disposal, amalgamation or merger, or scheme of arrangement:

(i) has been approved in terms of this section; or

(ii) is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and

(b) to the extent that Parts B and C of this Chapter and the Takeover Regulations, apply to a company that proposes to:

(i) dispose of all or the greater part of its assets or undertaking;

(ii) amalgamate or merge with another company; or

(iii) implement a scheme of arrangement,

the Panel has issued a compliance certificate in respect of the transaction, in terms of section 119 (4)*(b),* or exempted the transaction in terms of section 119(6).

(2) A proposed transaction contemplated in subsection (1) must be approved:

(a) by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the company's Memorandum of Incorporation, as contemplated in section 64(2); and

(b) by a special resolution, also adopted in the manner required by paragraph *(a)*, by the shareholders of the company's holding company if any, if:

(i) the holding company is a company or an external company;

(ii) the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and

(iii) having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and

(c) by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).

(3) Despite a resolution having been adopted as contemplated in subsections (2)(a) and *(b)*, a company may not proceed to implement that resolution without the approval of a court if:

(a) the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within five business days after the vote, any person who voted against the resolution requires the company to seek court approval; or

(b) the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).

(4) For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights:

(a) required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied; or

(b) required to be voted in support of a resolution, or actually voted in support of the resolution.

(4A) In subsection (4), 'act in concert' has the meaning set out in section 117(1)*(b)*.

(5) If a resolution requires approval by a court as contemplated in terms of subsection (3)*(a)*, the company must either:

(a) within 10 business days after the vote, apply to the court for approval, and bear the costs of that application; or

(b) treat the resolution as a nullity.

(6) On an application contemplated in subsection (3)*(b)*, the court may grant leave only if it is satisfied that the applicant:

(a) is acting in good faith;

(b) appears prepared and able to sustain the proceedings; and

(c) has alleged facts which, if proved, would support an order in terms of subsection (7).

(7) On reviewing a resolution that is the subject of an application in terms of subsection (5)*(a)*, or after granting leave in terms of subsection (6), the court may set aside the resolution only if:

(a) the resolution is manifestly unfair to any class of holders of the company's securities; or

(b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the Memorandum of Incorporation or any applicable rules of the company, or other significant and material procedural irregularity.

(8) The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person:

(a) notified the company in advance of the intention to oppose a special resolution contemplated in this section; and

(b) was present at the meeting and voted against that special resolution.

(9) If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect:

(a) the transfer of the whole or any part of the undertaking, assets and liabilities of a company contemplated in that transaction;

(b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;

(c) the transfer of shares from one person to another;

(d) the dissolution, without winding-up, of a company, as contemplated in the transaction;

(e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or

(f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger.

Section 164: Dissenting shareholders appraisal rights

(1) This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.

(2) If a company has given notice to shareholders of a meeting to consider adopting a resolution to:

(a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or

(b) enter into a transaction contemplated in sections 112, 113, or 114,

that notice must include a statement informing shareholders of their rights under this section.

(3) At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the company a written notice objecting to the resolution.

(4) Within 10 business days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who:

(a) gave the company a written notice of objection in terms of subsection (3); and

(b) has neither:

(i) withdrawn that notice; or

(ii) voted in support of the resolution.

(5) A shareholder may demand that the company pay the shareholder the fair value for all of the shares of the company held by that person if:

(a) the shareholder:

(i) sent the company a notice of objection, subject to subsection (6); and

(ii) in the case of an amendment to the company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;

(b) the company has adopted the resolution contemplated in subsection (2); and

(c) the shareholder:

(i) voted against that resolution; and

(ii) has complied with all of the procedural requirements of this section.

(6) The requirement of subsection (5)*(a)*(i) does not apply if the company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders rights under this section.

(7) A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within:

(a) 20 business days after receiving a notice under subsection (4); or

(b) if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.

(8) A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state:

(a) the shareholder's name and address;

(b) the number and class of shares in respect of which the shareholder seeks payment; and

(c) a demand for payment of the fair value of those shares.

(9) A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless:

(a) the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12)*(b)*;

(b) the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or

(c) the company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.

(10) If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.

(11) Within five business days after the later of:

(a) the day on which the action approved by the resolution is effective;

(b) the last day for the receipt of demands in terms of subsection (7)*(a)*; or

(c) the day the company received a demand as contemplated in subsection (7)*(b)*, if applicable, the company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.

(12) Every offer made under subsection (11):

(a) in respect of shares of the same class or series must be on the same terms; and

(b) lapses if it has not been accepted within 30 business days after it was made.

(13) If a shareholder accepts an offer made under subsection (12):

(a) the shareholder must either in the case of:

(i) shares evidenced by certificates, tender the relevant share certificates to the company or the company's transfer agent; or

(ii) uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the company or the company's transfer agent; and

(b) the company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and:

(i) tendered the share certificates; or

(ii) directed the transfer to the company of uncertificated shares.

(14) A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has:

(a) failed to make an offer under subsection (11); or

(b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.

(15) On an application to the court under subsection (14):

(a) all dissenting shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the court;

(b) the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and

(c) the court:

(i) may determine whether any other person is a dissenting shareholder who should be joined as a party;

(ii) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);

(iii) in its discretion may:

(aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or

(bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;

(iv) may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and

(v) must make an order requiring:

(aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)*(a)*; and

(bb) the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)*(a)*, subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.

(15A) At any time before the court has made an order contemplated in subsection (15)*(c)*(v), a dissenting shareholder may accept the offer made by the company in terms of subsection (11), in which case:

(a) that shareholder must comply with the requirements of subsection 13*(a)*; and

(b) the company must comply with the requirements of subsection 13*(b)*.

(16) The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.

(17) If there are reasonable grounds to believe that compliance by a company with subsection (13)*(b)*, or with a court order in terms of subsection (15)*(c)*(v)(bb), would result in the company being unable to pays its debts as they fall due and payable for the ensuing 12 months:

(a) the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and

(b) the court may make an order that:

(i) is just and equitable, having regard to the financial circumstances of the company; and

(ii) ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.

(18) If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.

(19) For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to:

(a) the provisions of that section; or

(b) the application by the company of the solvency and liquidity test set out in section 4.

(20) Except to the extent:

(a) expressly provided in this section; or

(b) that the Panel rules otherwise in a particular case,

a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person."

TABLE OF ENTITLEMENTS

the following table sets out the number of Zeder Shares to which Scheme Participants will be entitled, should the Scheme be implemented. Scheme Participants will be entitled to receive 16.2 (sixteen point two) Zeder Shares for every one Scheme Share disposed of by Scheme Participants in terms of the Scheme, as illustrated below:

Number of Scheme Shares held before the Scheme	Zeder Share entitlement	Number of Scheme Shares held before the Scheme	Zeder Share entitlement	Number of Scheme Shares held before the Scheme	Zeder Share entitlement
1	16	41	664	81	1 312
2	32	42	680	82	1 328
3	49	43	697	83	1 345
4	65	44	713	84	1 361
5	81	45	729	85	1 377
6	97	46	745	86	1 393
7	113	47	761	87	1 409
8	130	48	778	88	1 426
9	146	49	794	89	1 442
10	162	50	810	90	1 458
11	178	51	826	91	1 474
12	194	52	842	92	1 490
13	211	53	859	93	1 507
14	227	54	875	94	1 523
15	243	55	891	95	1 539
16	259	56	907	96	1 555
17	275	57	923	97	1 571
18	292	58	940	98	1 588
19	308	59	956	99	1 604
20	324	60	972	100	1 620
21	340	61	988	125	2 025
22	356	62	1 004	150	2 430
23	373	63	1 021	175	2 835
24	389	64	1 037	200	3 240
25	405	65	1 053	1 000	16 200
26	421	66	1 069	5 000	81 000
27	437	67	1 085	10 000	162 000
28	454	68	1 102	20 000	324 000
29	470	69	1 118	50 000	810 000
30	486	70	1 134	100 000	1 620 000
31	502	71	1 150	200 000	3 240 000
32	518	72	1 166	300 000	4 860 000
33	535	73	1 183	400 000	6 480 000
34	551	74	1 199	500 000	8 100 000
35	567	75	1 215	1 000 000	16 200 000
36	583	76	1 231	2 000 000	32 400 000
37	599	77	1 247	3 000 000	48 600 000
38	616	78	1 264	4 000 000	64 800 000
39	632	79	1 280	5 000 000	81 000 000
40	648	80	1 296	10 000 000	162 000 000

IRREVOCABLE UNDERTAKINGS BY AVL SHAREHOLDERS

As at the Last Practicable Date, the following AVL Shareholders have provided irrevocable undertakings to vote in favour of all AVL shareholder resolutions necessary to approve and implement the Scheme:

AVL shareholder	Number of AVL shares held	Percentage shareholding in AVL (%)
Boet le Roux	95 987	0.2
Christo Breirs-Louw	31 614	0.1
Devonvale boerdery	8 873	0.0
Easy nominees	268 617	0.5
Agulas nominees	160 845	0.3
Visio Capital	3 719 108	6.7
Weltevrede Kwekery – Johan Carinus	10 330	0.0
Paul Roux	7 849	0.0
JF Malan trust	11 873	0.0
Maritzrak 9	10 805	0.0
SJ Liebenberg	12 420	0.0
PJ de Bruyn	1 550	0.0
Wendy Brown	10 933	0.0
De Grendel	134 835	0.2
MH Kitshoff	37 562	0.1
MA Corbett	2 998	0.0
EM Corbett	4 500	0.0
Devsand(sanlam)	3 613	0.0
MR Corbett	5 387	0.0
Devsand	33 524	0.1
JB Rabie	11 452	0.0
JG Van Reenen	15 000	0.0
PJ Rossouw	99 630	0.2
DD Marais	20 002	0.0
JH de Waal	12 000	0.0
IJ Hugo	96 137	0.2
Raphula farming	142 880	0.3
Grootrivier trust	33 061	0.1
Phisantekraal boerdery	38 776	0.1
DH Hill	13 851	0.0
Uitkyk trust	27 486	0.0
Vunani	32 247	0.1
JFD Kriel	2 871	0.0
HFW Ellman	4 160	0.0
PS Du Plessis	14 986	0.0
B Theron	21 782	0.0
JW Joubert	11 166	0,0
The Borel-Saladen trust	16 439	0,0
The Honeydew trust	3 776	0,0
JA Van der Westheizen	11 360	0,0
Omri Thomas	50 000	0,1
Diderik Otto	1 919	0,0
Samara Totaram	1 800	0,0
36 One	57 129	0,1

AVL shareholder	Number of AVL shares held	Percentage shareholding in AVL (%)
AS Viljoen en seuns	41 064	0,1
Adrian Paul Dirk Cloete	3 382	0,0
Stellenpak	17 023	0,0
BM Hoogenhoud	10 342	0,0
Stettyn Wingerde	10 967	0,0
MJ Dicey	12 119	0,0
Paul Roux (boedel)	14 827	0,0
TL Kruger	1 694	0,0
Total	**5 424 551**	**9.8**

DEALINGS BY PROVIDERS OF IRREVOCABLE UNDERTAKINGS (ZEDER SHAREHOLDERS)

1. PSG Financial Services Limited had no dealings in AVL Shares during the six-month period prior to 25 June 2014 and during the period from 25 June 2014 up to the Last Practicable Date. Details regarding its dealings in Zeder Shares over the same period are set out below:

Date	Transaction	Volume	Price (cents)
29/04/2014	SELL	437 743	257.00
30/04/2014	SELL	115 275	257.00
10/07/2014	BUY	63 000	531.00
11/07/2014	BUY	150 513	533.00
14/07/2014	BUY	206 500	532.00
15/07/2014	BUY	277 315	533.95
23/07/2014	BUY	4 533 795	540.00

2. Coronation Fund Managers had no dealings in AVL Shares during the six-month period prior to 25 June 2014 and during the period from 25 June 2014 up to the Last Practicable Date. Details regarding its dealings in Zeder Shares over the same period are set out below:

Date	Transaction	Volume	Price (cents)
07/01/2014	SELL	5 623	445.00
08/01/2014	SELL	23 300	442.17
09/01/2014	SELL	50 865	445.24
10/01/2014	SELL	34 625	440.94
15/01/2014	SELL	100 260	450.79
17/01/2014	BUY	72 400	438.00
17/01/2014	SELL	23 140	439.17
20/01/2014	SELL	19 600	435.99
21/01/2014	SELL	500	439.00
24/01/2014	SELL	22 900	437.00
28/01/2014	BUY	1 134 270	417.64
28/01/2014	SELL	9 400	413.01
30/01/2014	SELL	11 700	403.38
03/02/2014	SELL	121 372	401.72
04/02/2014	SELL	47 800	385.23
05/02/2014	BUY	7 224	391.00
07/02/2014	SELL	5 200	420.50
13/02/2014	SELL	29 700	407.19
17/02/2014	SELL	20 400	407.29
20/02/2014	SELL	33 600	406.27
21/02/2014	BUY	4 600	406.00
24/02/2014	SELL	2 200	390.00
25/02/2014	BUY	1 060 399	399.81
27/02/2014	BUY	404 063	400.00
28/02/2014	BUY	11 305	400.00
07/03/2014	BUY	50 000	400.00
10/03/2014	BUY	442 800	412.00
11/03/2014	SELL	25 200	408.05
14/03/2014	SELL	5 400	412.00
25/03/2014	BUY	20 900	416.00
25/03/2014	SELL	29 400	416.00

Date	Transaction	Volume	Price (cents)
27/03/2014	SELL	181 014	406.00
31/03/2014	BUY	104 670	417.00
02/04/2014	BUY	766 523	419.00
04/04/2014	BUY	8 000	427.00
09/04/2014	BUY	40 400	436.47
11/04/2014	BUY	13 990	435.00
24/04/2014	BUY	62 130	432.00
19/05/2014	SELL	11 000	460.00
21/05/2014	SELL	14 300	466.90
23/05/2014	SELL	2 800	468.39
26/05/2014	SELL	59 300	466.80
06/06/2014	SELL	28 659	457.10
20/06/2014	BUY	836 954	484.71
26/06/2014	SELL	33 900	511.07
30/06/2014	SELL	4 100	550.00
03/07/2014	BUY	16 332	540.00
09/07/2014	SELL	80 390	533.04
10/07/2014	SELL	44 671	532.00
11/07/2014	BUY	211 540	533.00
11/07/2014	SELL	16 800	533.56

3. Allan Gray Proprietary Limited had no dealings in AVL Shares during the six-month period prior to 25 June 2014 and during the period from 25 June 2014 up to the Last Practicable Date. Details regarding its dealings in Zeder Shares over the same period are set out below:

Date	Transaction	Volume	Price (cents)
04 Feb 2014	SELL	11 311	390.00
27 Feb 2014	BUY	225 000	400.00

4. Sanlam Investment Management Proprietary Limited had no dealings in AVL Shares during the six-month period prior to 25 June 2014 and during the period from 25 June 2014 up to the Last Practicable Date. Details regarding its dealings in Zeder Shares over the same period are set out below:

Date	Transaction	Volume	Price (cents)
02/01/2014	SELL	(3 650)	435.00
02/01/2014	SELL	(540)	435.00
02/01/2014	SELL	(160)	435.00
09/01/2014	SELL	(300)	442.00
16/01/2014	SELL	(3 970)	445.00
27/01/2014	BUY	350	433.00
29/01/2014	BUY	165 503	403.16
30/01/2014	BUY	750 000	407.44
30/01/2014	BUY	24 748	400.00
03/02/2014	BUY	413 938	396.47
04/02/2014	BUY	549 111	388.71
10/02/2014	BUY	720	425.00
10/02/2014	BUY	2 670	425.00
20/02/2014	BUY	1 820	408.00
13/03/2014	BUY	170	412.00
18/03/2014	BUY	130	416.00
01/04/2014	SELL	(2 140)	415.00
03/04/2014	SELL	(25 718)	425.00
04/04/2014	SELL	(1 743 589)	426.98
07/04/2014	SELL	(130 685)	425.61
07/04/2014	SELL	(48 664)	424.21

Date	Transaction	Volume	Price (cents)
08/04/2014	BUY	200	426.00
08/04/2014	SELL	(89 737)	426.00
09/04/2014	SELL	(55 916)	440.00
10/04/2014	SELL	(99 084)	440.00
11/04/2014	SELL	(6 800)	440.00
23/04/2014	BUY	190	437.00
23/04/2014	SELL	(71 384)	440.11
24/04/2014	SELL	(12 266)	436.24
25/04/2014	SELL	(9 100)	435.00
30/04/2014	SELL	(50 450)	435.00
06/05/2014	SELL	(3 830)	442.61
09/05/2014	SELL	(350 000)	475.00
12/05/2014	SELL	(177 400)	470.19
13/05/2014	SELL	(506 200)	474.00
14/05/2014	SELL	(511 900)	474.00
15/05/2014	SELL	(450)	470.00
20/05/2014	SELL	(5 979)	468.00
20/05/2014	SELL	(25 080)	468.00
21/05/2014	SELL	(155 560)	468.00
21/05/2014	SELL	(113 221)	468.00
21/05/2014	SELL	(1 719 652)	468.00
22/05/2014	SELL	(136 685)	470.32
22/05/2014	SELL	(136 684)	470.32
22/05/2014	SELL	(263 260)	470.32
22/05/2014	SELL	(283 968)	468.00
23/05/2014	SELL	(9 932)	470.00
23/05/2014	SELL	(14 868)	470.00
28/05/2014	BUY	160	459.00
28/05/2014	SELL	(6 640)	458.02
28/05/2014	SELL	(200 000)	455.00
29/05/2014	SELL	(301 092)	450.00
03/06/2014	SELL	(170 630)	445.57
03/06/2014	SELL	(98 370)	445.57
05/06/2014	SELL	(32 763)	460.00
06/06/2014	SELL	(633 627)	460.21
09/06/2014	SELL	(330)	452.00
09/06/2014	SELL	(290)	452.00
10/06/2014	SELL	(10 000)	460.00
11/06/2014	SELL	(4 044)	460.00
11/06/2014	SELL	(2 834)	460.00
12/06/2014	SELL	(559 432)	460.00
13/06/2014	SELL	(26 430)	460.00
17/06/2014	SELL	(39 394)	460.00
18/06/2014	SELL	(28 900)	460.00
20/06/2014	SELL	(747 329)	485.01
20/06/2014	SELL	(412 550)	485.01
20/06/2014	SELL	(2 066 500)	487.00
20/06/2014	SELL	(538 500)	487.00
23/06/2014	SELL	(248 897)	532.57
23/06/2014	SELL	(961 805)	532.57
23/06/2014	SELL	(248 798)	532.57
24/06/2014	SELL	(206 441)	530.21
24/06/2014	SELL	(227 528)	530.21
24/06/2014	SELL	(439 704)	530.21

Date	Transaction	Volume	Price (cents)
25/06/2014	SELL	(57 898)	521.66
25/06/2014	SELL	(58 663)	521.66
26/06/2014	SELL	(490)	515.41
26/06/2014	BUY	200	516.00
26/06/2014	SELL	(5 031)	520.00
26/06/2014	SELL	(5 097)	520.00
27/06/2014	SELL	(478 707)	531.51
27/06/2014	SELL	(485 031)	531.51
01/07/2014	SELL	(3 620)	567.00
01/07/2014	BUY	170	568.00
08/07/2014	SELL	(360)	534.00
18/07/2014	SELL	(899 600)	545.00
18/07/2014	SELL	(241 900)	545.00
25/07/2014	SELL	(82 370)	540.00
25/07/2014	SELL	(303 470)	540.00
29/07/2014	SELL	(131 030)	584.15
29/07/2014	SELL	(180)	575.00

5. Investec Asset Management had no dealings in AVL Shares during the six-month period prior to 25 June 2014 and during the period from 25 June 2014 up to the Last Practicable Date. Details regarding its dealings in Zeder Shares over the same period are set out below:

Date	Transaction	Volume	Price (cents)
26/02/2014	SELL	(429)	404.00
02/04/2014	BUY	445 500	429.28
03/04/2014	BUY	125 856	424.72
03/04/2014	SELL	(779)	423.00
04/04/2014	BUY	74 144	426.96
08/04/2014	BUY	76 427	428.02
11/04/2014	SELL	(1 039)	434.00
22/04/2014	BUY	225 076	433.59
25/04/2014	SELL	(45)	430.00
30/04/2014	BUY	1 160 369	434.01
02/05/2014	BUY	25 802	439.53
06/05/2014	BUY	55 863	440.00
08/05/2014	BUY	162 000	440.00
09/05/2014	BUY	597 856	467.00
12/05/2014	BUY	1 070 152	470.00
13/05/2014	BUY	1 127 958	474.00
14/05/2014	BUY	1 000 000	474.00
14/05/2014	BUY	632 814	473.97
15/05/2014	BUY	659 186	473.56
27/05/2014	SELL	(5 345)	459.00
20/06/2014	BUY	100 000	495.00
20/06/2014	BUY	2 600 000	487.00
26/06/2014	SELL	(2 992)	520.00
27/06/2014	SELL	(197 008)	520.00
30/06/2014	SELL	(113 921)	560.00
07/07/2014	SELL	(2 161 515)	535.09
08/07/2014	SELL	(215 838)	535.00
09/07/2014	SELL	(108 953)	535.08
10/07/2014	SELL	(550 876)	535.01
11/07/2014	SELL	(245 477)	533.58
14/07/2014	SELL	(15 271)	533.00

Date	Transaction	Volume	Price (cents)
14/07/2014	SELL	(908 925)	533.00
15/07/2014	SELL	(1 059 033)	534.99
16/07/2014	SELL	(585 949)	540.73
17/07/2014	SELL	(56 099)	547.54
18/07/2014	SELL	(584 064)	545.09
25/07/2014	BUY	207 599	542.57
28/07/2014	BUY	204 949	558.05
29/07/2014	BUY	582 500	577.92

DEALINGS BY PROVIDERS OF IRREVOCABLE UNDERTAKINGS (AVL SHAREHOLDERS)

The tables below detail, as far as can be ascertained, the dealings in AVL Shares, during the six-month period prior to 25 June 2014 and during the period from 25 June 2014 up to the Last Practicable Date, by those AVL Shareholders who have provided irrevocable undertakings to vote in favour of the Scheme Resolution:

DEVSAND INVESTMENTS (PTY) LTD

Date	Transaction	Volume	Price (cents)
17/01/2014	BUY	2 000	7 405
04/02/2014	BUY	2 000	7 425
19/02/2014	SELL	3 500	7 450
17/03/2014	BUY	225	7 500
18/03/2014	BUY	440	7 500
	BUY	335	7 500
04/04/2014	BUY	2 000	7 000
10/04/2014	BUY	1150	7 350
	BUY	350	7 350
11/04/2014	BUY	943	7 350
14/04/2014	BUY	11	7 350
13/06/2014	BUY	5	7 900
	BUY	1 995	8 000
24/06/2014	BUY	2 000	8 010
27/06/2014	BUY	1 029	8 080
	BUY	1 000	8 080

EM and AC CORBETT

Date	Transaction	Volume	Price (cents)
27/05/2014	BUY	690	8 000
	BUY	310	8 000
11/06/2014	BUY	1 000	7 900

MR CORBETT

Date	Transaction	Volume	Price (cents)
11/06/2014	BUY	1 000	7 900

WH BROWN

Date	Transaction	Volume	Price (cents)
13/01/2014	BUY	881	7 495
	BUY	52	7 500

DE GRENDEL LANDGOED (PTY) LTD

Date	Transaction	Volume	Price (cents)
17/04/2014	SELL	22 000	7 500
19/05/2014	SELL	19 441	8 000
	SELL	559	8 000

JG VAN REENEN

Date	Transaction	Volume	Price (cents)
09/04/2014	SELL	1 000	7 350

EASY NOMINEES (PTY) LTD

Date	Transaction	Volume	Price (cents)
16/01/2014	BUY	4 295	7 400
	BUY	1 627	7 400
17/01/2014	BUY	1 948	7 400
	BUY	208	7 400
21/01/2014	BUY	1 710	7 400
23/01/2014	BUY	2 844	7 400
24/01/2014	BUY	610	7 400
03/06/2014	SELL	77	8 000
	SELL	2 923	8 000

VUNANI SECURITIES (PTY) LTD

Date	Transaction	Volume	Price (cents)
20/06/2014	BUY	9 800	8 150

SANLAM PRIVATE INVESTMENTS

Date	Transaction	Volume	Price (cents)
14/01/2014	BUY	56	7 400
	BUY	1 871	7 400
	BUY	2 399	7 400
	BUY	3 072	7 400
	BUY	732	7 400
15/01/2014	BUY	1 232	7 400
	BUY	578	7 400
	BUY	841	7 400
	BUY	1 515	7 400
	BUY	1 423	7 400
	BUY	1 761	7 400
	BUY	647	7 400
	BUY	439	7 400
	BUY	434	7 400
	BUY	370	7 400
	BUY	1 268	7 400
	BUY	404	7 400
	BUY	523	7 400
	BUY	1 500	7 400
27/01/2014	BUY	1 700	7 420
	BUY	990	7 420
	BUY	1 600	7 420
	BUY	541	7 420
28/01/2014	BUY	109	7 420
	BUY	840	7 420
	BUY	380	7 420
	BUY	142	7 420
	BUY	558	7 420
	BUY	716	7 420
	BUY	34	7 420
	BUY	650	7 420
	BUY	497	7 420
	BUY	380	7 420
	BUY	600	7 420
	BUY	839	7 420

Date	Transaction	Volume	Price (cents)
29/01/2014	BUY	235	7 420
	BUY	378	7 420
30/01/2014	BUY	590	7 420
	BUY	373	7 420
	BUY	630	7 420
	BUY	407	7 420
31/01/2014	BUY	500	7 420
	BUY	193	7 420
	BUY	450	7 420
	BUY	430	7 420
	BUY	427	7 420
	BUY	223	7 420
	BUY	480	7 420
	BUY	297	7 420
	BUY	213	7 420
	BUY	350	7 420
	BUY	420	7 420
	BUY	1 000	7 420
	BUY	500	7 420
	BUY	338	7 420
	BUY	179	7 420
03/02/2014	BUY	171	7 420
	BUY	400	7 420
	BUY	137	7 420
04/02/2014	BUY	1 000	7 420
	BUY	563	7 420
	BUY	37	7 420
	BUY	1 363	7 420
	BUY	400	7 420
	BUY	600	7 420
	BUY	600	7 420
	BUY	1 553	7 420
	BUY	183	7 420
	BUY	178	7 420
	BUY	122	7 420
	BUY	600	7 420
	BUY	1 000	7 420
	BUY	1 878	7 420
	BUY	122	7 420
05/02/2014	BUY	600	7 400
	BUY	820	7 400
	BUY	400	7 400
	BUY	1 700	7 400
	BUY	362	7 400
06/02/2014	BUY	300	7 400
	BUY	405	7 400
	BUY	233	7 400
	BUY	172	7 400
	BUY	528	7 420
	BUY	22	7 420
	BUY	378	7 420
	BUY	182	7 420
	BUY	128	7 400

Date	Transaction	Volume	Price (cents)
	BUY	400	7 400
	BUY	290	7 400
07/02/2014	BUY	233	7 400
	BUY	367	7 400
	BUY	183	7 400
	BUY	254	7 400
	BUY	397	7 400
	BUY	488	7 400
	BUY	158	7 400
11/02/2014	BUY	282	7 400
	BUY	318	7 400
	BUY	332	7 400
	BUY	164	7 400
14/02/2014	BUY	471	7 400
	BUY	179	7 400
	BUY	321	7 400
	BUY	389	7 400
	BUY	500	7 400
	BUY	601	7 400
	BUY	400	7 400
	BUY	600	7 400
	BUY	380	7 400
	BUY	1 605	7 400
	BUY	600	7 400
	BUY	700	7 400
	BUY	450	7 400
	BUY	924	7 400
	BUY	1 100	7 400
	BUY	315	7 400
17/02/2014	BUY	50	7 400
	BUY	500	7 400
	BUY	860	7 400
	BUY	600	7 400
	BUY	400	7 400
	BUY	2 860	7 400
	BUY	650	7 400
	BUY	840	7 400
18/02/2014	BUY	860	7 400
	BUY	500	7 400
	BUY	264	7 400
	BUY	266	7 400
	BUY	1 000	7 400
	BUY	350	7 400
25/02/2014	BUY	500	7 460
	BUY	670	7 460
	BUY	99	7 460
	BUY	2 451	7 460
	BUY	1 178	7 460
	BUY	1 700	7 461

Date	Transaction	Volume	Price (cents)
26/02/2014	BUY	113	7 460
	BUY	3 000	7 460
	BUY	2 000	7 500
	BUY	1 313	7 500
	BUY	86	7 460
27/02/2014	BUY	1 581	7 460
28/02/2014	BUY	1 142	7 460
	BUY	500	7 460
	BUY	891	7 460
03/03/2014	BUY	1 300	7 460
	BUY	1 600	7 460
	BUY	459	7 460
	BUY	2 000	7 460
	BUY	230	7 460
	BUY	550	7 460
04/03/2014	BUY	493	7 500
	BUY	441	7 500
	BUY	470	7 500
	BUY	230	7 500
06/03/2014	BUY	500	7 460
	BUY	480	7 460
	BUY	600	7 460
	BUY	20	7 460
	BUY	680	7 460
	BUY	650	7 460
	BUY	500	7 460
	BUY	520	7 460
	BUY	1 280	7 460
	BUY	930	7 460
	BUY	550	7 460
	BUY	500	7 460
07/03/2014	BUY	578	7 460
11/03/2014	BUY	325	7 460
12/03/2014	BUY	1 000	7 460
13/03/2014	BUY	47	7 460
	BUY	730	7 460
	BUY	365	7 460
	BUY	439	7 460
14/03/2014	BUY	1 000	7 501
17/03/2014	BUY	300	7 501
09/04/2014	BUY	2 800	7 350
	BUY	2 415	7 350
	BUY	3 516	7 350
	BUY	1 000	7 350
	BUY	269	7 350
22/05/2014	BUY	600	8 050
08/01/2014	SELL	40 000	7 400
09/01/2014	SELL	1 620	7 400
13/01/2014	SELL	494	7 400
14/01/2014	SELL	56	7 400
16/01/2014	SELL	1 627	7 400

Date	Transaction	Volume	Price (cents)
27/01/2014	SELL	1 700	7 420
	SELL	990	7 420
	SELL	541	7 420
	SELL	1 600	7 420
28/01/2014	SELL	34	7 420
	SELL	497	7 420
	SELL	650	7 420
	SELL	380	7 420
	SELL	600	7 420
	SELL	839	7 420
03/02/2014	SELL	171	7 420
	SELL	400	7 420
	SELL	137	7 420
04/02/2014	SELL	563	7 420
	SELL	37	7 420
	SELL	1 363	7 420
	SELL	400	7 420
	SELL	600	7 420
	SELL	600	7 420
	SELL	1 553	7 420
	SELL	178	7 420
	SELL	183	7 420
	SELL	122	7 420
	SELL	600	7 420
	SELL	1 000	7 420
	SELL	1 878	7 420
	SELL	122	7 420
05/02/2014	SELL	600	7 400
	SELL	400	7 400
	SELL	1 700	7 400
	SELL	820	7 400
	SELL	362	7 400
06/02/2014	SELL	300	7 400
	SELL	405	7 400
	SELL	233	7 400
	SELL	172	7 400
	SELL	528	7 420
	SELL	22	7 420
	SELL	378	7 420
07/02/2014	SELL	183	7 400
	SELL	397	7 400
	SELL	254	7 400
11/02/2014	SELL	282	7 400
	SELL	318	7 400
	SELL	332	7 400
	SELL	164	7 400
14/02/2014	SELL	471	7 400
	SELL	179	7 400
25/02/2014	SELL	1 700	7 461
26/02/2014	SELL	86	7 460

Date	Transaction	Volume	Price (cents)
28/02/2014	SELL	1 142	7 460
	SELL	500	7 460
	SELL	891	7 460
10/03/2014	SELL	336	7 500
11/03/2014	SELL	325	7 460
13/03/2014	SELL	730	7 460
	SELL	47	7 460
	SELL	439	7 460
	SELL	365	7 460
	SELL	225	7 500
	SELL	2 000	7 600
14/03/2014	SELL	1 000	7 501
17/03/2014	SELL	300	7 501
	SELL	225	7 500
18/03/2014	SELL	440	7 500
19/03/2014	SELL	650	7 465
	SELL	74 809	7 465
	SELL	145 000	7 350
24/03/2014	SELL	604	7 350
28/03/2014	SELL	866	7 000
04/04/2014	SELL	15 807	7 300
	SELL	6 038	7 300
	SELL	903	7 300
	SELL	903	7 300
	SELL	903	7 300
	SELL	608	7 350
09/04/2014	SELL	2 800	7 350
	SELL	2 415	7 350
	SELL	500	7 355
	SELL	500	7 355
	SELL	3 516	7 350
	SELL	269	7 350
10/04/2014	SELL	1 150	7 350
	SELL	350	7 350
11/04/2014	SELL	330	7 350
	SELL	485	7 350
	SELL	564	7 350
	SELL	943	7 350
15/04/2014	SELL	6 000	7 300
16/04/2014	SELL	1 694	7 300
	SELL	252	7 300
17/04/2014	SELL	2 845	7 200
	SELL	3 161	7 200
	SELL	651	7 300
	SELL	300	7 300
	SELL	1 040	7 350
22/04/2014	SELL	2 000	7 400
25/04/2014	SELL	2 000	7 500
	SELL	23	7 500
29/04/2014	SELL	1 995	7 500
	SELL	2 165	7 600

Date	Transaction	Volume	Price (cents)
30/04/2014	SELL	600	7 600
	SELL	449	7 600
	SELL	415	7 600
	SELL	550	7 600
05/05/2014	SELL	2 994	7 500
	SELL	1 421	7 500
	SELL	1 567	7 500
	SELL		
08/05/2014	SELL	1 515	7 500
	SELL	323	7 500
	SELL	600	7 500
14/05/2014	SELL	2 258	7 700
15/05/2014	SELL	1 138	7 700
19/05/2014	SELL	1 600	8 000
	SELL	559	8 000
20/05/2014	SELL	288	8 000
	SELL	156	8 000
	SELL	1 789	8 000
	SELL	1 155	8 000
	SELL	56	8 000
21/05/2014	SELL	1 152	8 000
	SELL	894	8 000
	SELL	1 039	8 000
	SELL	1 072	8 000
	SELL	1 000	8 000
	SELL	5 231	8 000
	SELL	769	8 000
	SELL	250	8 000
	SELL	1 922	8 000
	SELL	2 500	8 000
	SELL	1 581	8 000
23/05/2014	SELL	405	8 010
	SELL	695	8 010
	SELL	1 500	8 010
26/05/2014	SELL	3 555	8 010
	SELL	1 445	8 000
27/05/2014	SELL	310	8 000
02/06/2014	SELL	262	7 900
	SELL	107	7 900
	SELL	315	7 990
	SELL	1 004	7 990
	SELL	19 690	8 000
03/06/2014	SELL	1 700	7 900
	SELL	745	7 900
	SELL	452	7 900
	SELL	794	7 900
	SELL	2 935	7 900
	SELL	686	7 900
	SELL	797	7 900
	SELL	1 208	7 900
	SELL	2 415	7 900
	SELL	725	7 900
	SELL	1 594	7 900

Date	Transaction	Volume	Price (cents)
	SELL	797	7 900
	SELL	797	7 900
	SELL	600	8 000
	SELL	398	8 000
	SELL	220	8 000
05/06/2014	SELL	40	8 000
	SELL	550	8 000
	SELL	269	8 000
20/06/2014	SELL	20 000	8 000
	SELL	200	8 150
	SELL	9 800	8 150
23/06/2014	SELL	10 000	8 000

PEREGRINE EQUITIES (PTY) LTD

Date	Transaction	Volume	Price (cents)
07.01.14	BUY	1 012	7 400
08.01.14	BUY	40 000	7 400
08.01.14	BUY	101	7 400
09.01.14	BUY	1 620	7 400
10.01.14	BUY	3 353	7 400
13.01.14	BUY	494	7 400
04.04.14	BUY	15 807	7 300
04.04.14	BUY	6 038	7 300
04.04.14	BUY	903	7 300
04.04.14	BUY	903	7 300
04.04.14	BUY	903	7 300
04.04.14	BUY	1 303	7 350
04.04.14	BUY	608	7 350
11.04.14	BUY	17 000	7 300
11.04.14	BUY	330	7 350
11.04.14	BUY	485	7 350
11.04.14	BUY	564	7 350
15.04.14	BUY	6 000	7 300
15.04.14	BUY	500	7 300
16.04.14	BUY	1 694	7 300
16.04.14	BUY	252	7 300
17.04.14	BUY	2 845	7 200
17.04.14	BUY	3 161	7 200
17.04.14	BUY	651	7 300
17.04.14	BUY	300	7 300
17.04.14	BUY	1 040	7 350
17.04.14	BUY	2 500	7 48 0
17.04.14	BUY	1 100	7 500
17.04.14	BUY	22 000	7 500
22.04.14	BUY	2 000	7 400
22.04.14	BUY	1 185	7 400
25.04.14	BUY	2 000	7 500
25.04.14	BUY	23	7 500
29.04.14	BUY	1 995	7 500
29.04.14	BUY	2 165	7 600
30.04.12	BUY	600	7 600
30.04.12	BUY	449	7 600

Date	Transaction	Volume	Price (cents)
30.04.12	BUY	415	7 600
30.04.12	BUY	550	7 600
05.05.14	BUY	2 994	7 500
05.05.14	BUY	1 421	7 500
05.05.14	BUY	1 567	7 500
08.05.14	BUY	1 515	7 500
08.05.14	BUY	323	7 500
08.05.14	BUY	1 000	7 500
08.05.14	BUY	600	7 500
08.05.14	BUY	500	7 600
08.05.14	BUY	12 441	7 700
09.05.14	BUY	600	7 700
09.05.14	BUY	2 533	7 645
12.05.14	BUY	500	7 700
12.05.14	BUY	500	7 700
13.05.14	BUY	500	7 700
13.05.14	BUY	367	7 700
14.05.14	BUY	55	7 700
14.05.14	BUY	78	7 700
14.05.14	BUY	1 461	7 700
14.05.14	BUY	2 258	7 700
15.05.14	BUY	1 138	7 700
26.05.14	BUY	1 445	8 000
03.06.14	BUY	452	7 900
03.06.14	BUY	1 700	7 900
03.06.14	BUY	2 938	7 900
03.06.14	BUY	745	7 900
03.06.14	BUY	794	7 900
03.06.14	BUY	686	7 900
03.06.14	BUY	1 208	7 900
03.06.14	BUY	797	7 900
03.06.14	BUY	725	7 900
03.06.14	BUY	1 594	7 900
03.06.14	BUY	2 415	7 900
03.06.14	BUY	797	7 900
03.06.14	BUY	797	7 900
03.06.14	BUY	77	8 000
03.06.14	BUY	4 278	8 000
03.06.14	BUY	2 923	8 000
03.06.14	BUY	600	8 000
03.06.14	BUY	398	8 000
03.06.14	BUY	220	8 000
05.06.14	BUY	40	8 000
05.06.14	BUY	550	8 000
05.06.14	BUY	269	8 000
23.06.14	BUY	10 000	8 000
25.06.14	BUY	4 965	8 000
30.06.14	BUY	5 000	8 400
25.02.14	SELL	2 451	7 460
25.02.14	SELL	1 178	7 460
25.02.14	SELL	680	7 460
25.02.14	SELL	500	7 460
25.02.14	SELL	520	7 460

Date	Transaction	Volume	Price (cents)
25.02.14	SELL	650	7 460
25.02.14	SELL	1 280	7 460
25.02.14	SELL	930	7 460
25.02.14	SELL	550	7 460
25.02.14	SELL	500	7 460
25.02.14	SELL	2 906	7 450
22.05.14	SELL	1 395	8 010
22.05.14	SELL	600	8 050

OMRI THOMAS

Date	Transaction	Volume	Price (cents)
17.07.14	BUY	50 000	7 700

DEALINGS IN AVL SHARES BY ZEDER

Details regarding Zeder's dealings in AVL Shares during the six-month period prior to 25 June 2014 and during the period from 25 June 2014 up to the Last Practicable Date, are set out below:

Date	Transaction	Volume	Price (Cents)
08/01/2014	BUY	1 874	7 130
08/01/2014	BUY	3 259	6 818
08/01/2014	BUY	1 499	7 132
08/01/2014	BUY	1 384	7 132
08/01/2014	BUY	1 232	7 134
08/01/2014	BUY	1 117	7 134
08/01/2014	BUY	1 638	7 131
08/01/2014	BUY	2 229	7 129
08/01/2014	BUY	1 488	7 132
08/01/2014	BUY	1 146	7 134
14/01/2014	BUY	1 129	7 134
14/01/2014	BUY	1 119	7 134
14/01/2014	BUY	1 043	7 135
14/01/2014	BUY	1 111	7 135
14/01/2014	BUY	1 683	7 131
14/01/2014	BUY	3 517	6 818
15/01/2014	BUY	1 147	7 134
23/01/2014	BUY	1 071	7 135
23/01/2014	BUY	1 051	7 135
03/02/2014	BUY	1 910	7 130
03/02/2014	BUY	1 447	7 132
03/02/2014	BUY	1 256	7 133
17/02/2014	BUY	1 523	7 132
19/02/2014	BUY	19 760	7 479
20/02/2014	BUY	30 659	7 450
20/02/2014	BUY	2 350	7 129
26/02/2014	BUY	4 700	7 450
27/02/2014	BUY	738	7 450
04/03/2014	BUY	385	7 400
05/03/2014	BUY	1 641	7 450
10/03/2014	BUY	2 906	7 450
13/03/2014	BUY	4 025	7 621
18/03/2014	BUY	1 053	7 465
19/03/2014	BUY	84 518	7 465
19/03/2014	BUY	145 000	7 350
24/03/2014	BUY	5 000	7 350
24/03/2014	BUY	1 414	7 132
19/05/2014	BUY	30 000	8 000
20/05/2014	BUY	8 000	8 000
21/05/2014	BUY	12 253	8 000

AGRI VOEDSEL

ZEDER INVESTMENTS LIMITED

Agri Voedsel Limited
(Incorporated in the Republic of South Africa)
(Registration number 2007/015880/06)
("**AVL**" or "**the Company**")

Zeder Investments Limited
(Incorporated in the Republic of South Africa)
(Registration number 2006/019240/06)
Share code: ZED ISIN: ZAE000088431
("**Zeder**" or "**the Company**")

GENERAL OFFER BY ZEDER TO AVL SHAREHOLDERS

1. DEFINITIONS AND INTERPRETATION

Except for the additional defintions set out below, unless the context indicates otherwise, the definitions commencing on page 11 of the Circular apply, *mutatis mutandis*, to this **Annexure 16**. References to the singular shall include the plural and *vice versa,* words denoting one gender include the other and words and expressions denoting natural persons include juristic persons and associations of persons and *vice versa*.

"Closing Date"	the closing date of the General Offer, which date shall be 12:00 on the first Friday following the 30th Business Day after the Opening Date;
"General Offer Conditions"	the conditions precedent to which the General Offer is subject, should the General Offer be triggered, as set out in paragraph 7 below;
"General Offer Consideration"	the General Offer consideration of 16.2 (sixteen point two) Zeder Shares for each General Offer Share disposed of by General Offer Participants in terms of the General Offer, rounded to the nearest whole number and credited as fully paid (the General Offer Consideration will not have a cash alternative);
"General Offer Consideration Shares"	the Zeder Shares to be issued by Zeder as the General Offer Consideration, with a maximum of 463 655 648 Zeder Shares to be issued to General Offer Participants as consideration for their AVL Shares;
"General Offer Operative Date"	the date on which the General Offer becomes operative;
"General Offer Participants"	AVL Shareholders who lawfully and validly accept the General Offer by the Closing Date and who are thus entitled to receive the General Offer Consideration;
"General Offer Period"	the period from the Opening Date to the Closing Date;
"General Offer Shares"	those AVL Shares held by General Offer Participants on the Closing Date, in respect of which the General Offer Participants have accepted the General Offer (General Offer Participants may accept the General Offer in respect of any or all of the AVL Shares held by them);

"General Offer Trigger Event"	the fulfilment or waiver (to the extent possible) of all the Scheme Conditions other than either or both of the following Scheme Conditions, which event will automatically trigger the General Offer: – that the Scheme be approved by the requisite majority of AVL Shareholders, as contemplated in section 115(2)(a) of the Companies Act, and, to the extent required, by a High Court in terms of section 115(2)(c) of the Companies Act, and, if applicable, that AVL does not treat the aforesaid shareholder resolution as a nullity, as contemplated in section 115(5)(b) of the Companies Act (paragraph 4.4.1.3 of the Circular); or – the Scheme Conditions relating to the exercise of the Appraisal Rights, as detailed in paragraph 4.4.1.4 of the Circular;
"Opening Date"	the opening date of the General Offer, being 09:00 on the first Business Day following the date on which it is announced on SENS that the Scheme will not proceed and that the General Offer has become effective.

2. **INTRODUCTION**

2.1 AVL Shareholders are referred to the joint announcement by AVL and Zeder, released on SENS on 25 June 2014 and in the press on 26 June 2014, advising of the firm intention of Zeder to make an offer to acquire all the AVL Shares not already held by the Zeder Group:

2.1.1 by way of the Scheme; or

2.1.2 if the General Offer Trigger Event occurs and the Scheme fails, by way of the General Offer.

2.2 The General Offer will become effective immediately and shall be open for acceptances immediately once Zeder and AVL have announced through SENS and the printed media, as required, that the General Offer Trigger Event has occured and that the Scheme has therefore failed.

2.3 The General Offer is an affected transaction as defined in section 117 of the Companies Act. Therefore the General Offer is regulated by the Companies Act, the Companies Regulations and the Takeover Panel.

2.4 The purpose of this **Annexure 16** is to:

2.4.1 extend the General Offer to all AVL Shareholders, provided that the General Offer Trigger Event has occured; and

2.4.2 record the terms of the General Offer in compliance with the Companies Act and the Companies Regulations.

3. **IMPORTANT DATES AND TIMES**

Should the General Offer become effective, all dates and times pertinent thereto will be released on SENS and in the press.

4. **INFORMATION ON ZEDER**

Please refer to paragraph 3 of the Circular to which this **Annexure 16** is annexed for information regarding Zeder. For further information regarding Zeder, AVL Shareholders are referred to the Zeder Prospectus distributed with the Circular.

5. **RATIONALE FOR THE GENERAL OFFER**

5.1 **Rationale for Zeder**

Zeder's rationale appears in paragraph 4.1 of the Circular to which this **Annexure 16** is annexed.

5.2 **Rationale for AVL**

AVL's rationale is detailed in paragraph 4.2 of the Circular to which this **Annexure 16** is annexed.

6. **TERMS OF THE GENERAL OFFER**

6.1 **The General Offer**

6.1.1 Zeder hereby offers to acquire all or any of the issued AVL Shares held by AVL Shareholders, other than the Zeder Group, in exchange for the General Offer Consideration. AVL Shareholders may elect to accept the General Offer in whole or in part.

6.1.2 The General Offer will be subject to (and will become operative on the General Offer Operative Date upon) the fulfilment of the General Offer Conditions.

6.2 **The General Offer Consideration**

6.2.1 If the General Offer becomes unconditional and is implemented, each General Offer Participant will receive the General Offer Consideration for each General Offer Share held by such General Offer Participant as at the Closing Date.

6.2.2 The means by which the General Offer Consideration was calculated, is identical to the calculation of the Scheme Consideration. For further information in this regard, please refer to paragraph 4.5 of the Circular to which this **Annexure 16** is annexed.

6.2.3 No fraction of a General Offer Consideration Share will be issued and any fraction of a General Offer Consideration Share to which any General Offer Participant is entitled to in terms of the General Offer will, if it comprises 0.5 or more of a General Offer Consideration Share, be rounded up, otherwise it will be rounded down, to the nearest whole General Offer Consideration Share, as set out in the table of entitlements provided in **Annexure 13**.

6.3 **The General Offer Period**

The General Offer will be open for acceptance from 09:00 on the Opening Date and shall close at 12:00 on the Closing Date. The General Offer will be open for acceptance by those AVL Shareholders that are recorded in the AVL Register as such at any time from the Opening Date up to and including the Closing Date.

6.4 **Sufficient securities**

6.4.1 Should the General Offer be implemented and assuming the General Offer is accepted by all AVL Shareholders other than Zeder, a maximum of 463 655 648 Zeder Shares will be issued to General Offer Participants in consideration for all the AVL Shares held by them (being a total of 28 620 719 AVL Shares).

6.4.2 Zeder has sufficient authorised but unissued share capital available from which to issue the abovementioned maximum of 463 655 648 Zeder Shares.

6.5 **Amendment or variation of the General Offer**

No amendment or variation of the General Offer shall be valid unless it is agreed to by Zeder in writing and approved by the Takeover Panel, provided that Zeder shall not agree to any amendment or variation that has the effect of reducing the General Offer Consideration.

6.6 **No set-off of General Offer Consideration**

Settlement of the General Offer Consideration pursuant to the General Offer will be implemented in full in accordance with the terms of the General Offer without regard to any lien, right of set-off, counterclaim, deduction, withholding or other analogous right to which Zeder may otherwise be, or claim to be, entitled against any AVL Shareholder.

6.7 **Governing law**

The General Offer will be governed by and construed in accordance with the laws of South Africa and shall be subject to the exclusive jurisdiction of the South African courts.

7. GENERAL OFFER CONDITIONS

7.1 The General Offer will be subject to (and will become operative on the General Offer Operative Date upon) the fulfilment of the following General Offer Conditions on or before 30 November 2014:

7.1.1 that, to the extent required under the JSE Listings Requirements and the Companies Act, the requisite approvals of Zeder shareholders for the acquisition of the AVL Shares in terms of the General Offer and for the issue of the General Offer Consideration Shares, are obtained at the Zeder General Meeting; and

7.1.2 that, in respect of the implementation of the General Offer and only to the extent that same may be applicable, the approval of the JSE, the Takeover Panel and any other relevant regulatory authorities (either unconditionally or subject to conditions acceptable to Zeder) be obtained, it being recorded that on 26 February 2014 the Competition Tribunal of South Africa approved in advance the acquisition of control by Zeder over AVL (provided that this occurs by no later than 25 February 2015).

7.2 The General Offer Conditions cannot be waived.

7.3 Zeder will be entitled to extend the date for the fulfillment of any of the General Offer Conditions, by up to 60 days, in its own discretion, upon written notice to AVL, but shall not be entitled to extend the date to a date later than the aforesaid 60-day period without the prior written consent of AVL.

8. IRREVOCABLE UNDERTAKINGS

AVL Shareholders are referred to paragraph 9.1 of the Circular, which details the irrevocable undertakings and firm commitments provided by Zeder shareholders to vote in favour of all Zeder shareholder resolutions necessary to approve and implement the Scheme and (to the extent applicable) the General Offer. Details regarding dealings by such Zeder shareholders, during the six-month period prior to 25 June 2014 and during the period from 25 June 2014 up to the Last Practicable Date, are set out in **Annexure 14B** to the Circular.

9. PROCEDURE FOR ACCEPTANCE OF THE GENERAL OFFER

9.1 General

9.1.1 The General Offer may be accepted by AVL Shareholders in respect of all or part of their AVL Shares. AVL Shareholders who do not wish to accept the General Offer need take no further action and will be deemed to have declined the General Offer.

9.1.2 **AVL Shareholders are referred to the section entitled "Action required by AVL Shareholders in relation to the General Offer", commencing on page 8 of the Circular, which details the action to be taken by AVL Shareholders in relation to the General Offer, including the action to be taken by AVL Shareholders whose original AVL share certificates are currently held by AVL on their behalf.**

9.1.3 Zeder reserves the right, in its discretion, to:

9.1.3.1 treat as invalid, forms of acceptance, surrender, transfer and acceptance (*blue*) not completed correctly; and

9.1.3.2 require proof of the authority of the person signing the form of surrender, transfer and acceptance (*blue*) where such proof has not yet been lodged with or recorded by the Transfer Secretaries (or AVL's company secretary).

9.1.4 Unless otherwise permitted by law and in the sole discretion of Zeder, purported acceptances will not be considered valid if given from within any of the United States, Australia, Canada or Japan.

9.2 Acceptances irrevocable

9.2.1 All valid acceptances of the General Offer received by the Transfer Secretaries (or AVL's company secretary) on or prior to Closing Date, shall be irrevocable.

9.2.2 General Offer Participants should note that they may not trade any AVL Shares surrendered to Zeder in terms of the General Offer, from the date of acceptance of the General Offer.

9.3 **Transaction receipts**

No receipts will be issued by the Transfer Secretaries (or AVL's company secretary) for forms of acceptance, surrender, transfer and acceptance *(blue)* unless specifically requested to do so by the AVL Shareholder in question. Lodging agents who require special transaction receipts are requested to prepare such receipts and to submit them for stamping by the Transfer Secretaries together with the form of surrender, transfer and acceptance *(blue)*.

9.4 **Acceptances of the General Offer by nominee companies and representatives**

Acceptances of the General Offer by recognised nominee companies may be submitted in aggregate or in respect of each AVL Shareholder represented by such nominee companies. Any representative accepting the General Offer warrants that it is duly authorised to do so.

9.5 **Offer not made where illegal**

9.5.1 The legality of the General Offer to AVL Shareholders resident in jurisdictions outside of South Africa may be affected by laws of the relevant jurisdiction. Such AVL Shareholders should familiarise themselves with any applicable legal requirements, which they are obligated to observe. It is the responsibility of any such AVL Shareholders wishing to accept the General Offer to satisfy themself as to the full observance of the laws of the relevant jurisdiction in connection therewith.

9.5.2 In particular, the General Offer is not being made, directly or indirectly, in or into any jurisdiction where it is illegal for the General Offer to be made or accepted ("**the Affected Jurisdictions**") or by the use of mail, or by means or instrumentality of interstate or foreign commerce of, or any facility of a national securities exchange of, any of the Affected Jurisdictions. In such circumstances, this Circular is sent for information only.

9.5.3 AVL Shareholders wishing to accept the General Offer should not use the post of any of the Affected Jurisdictions or any such means, instrumentality or facility for any purpose, directly or indirectly, relating to the General Offer. Envelopes containing forms of acceptance, surrender, transfer and acceptance (*blue*) or other documents relating to the General Offer should not be post-marked in any of the Affected Jurisdictions or otherwise dispatched from any of the Affected Jurisdictions and all acceptors must provide addresses outside the Affected Jurisdictions for receipt of the General Offer Consideration to which they are entitled under the General Offer.

9.5.4 Without limitation to the generality of the above, the General Offer is not being made, directly or indirectly, in or into or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national securities exchange of, the United States, Australia, Canada or Japan and the General Offer cannot be accepted by any such use, means, instrumentality or facility or from within the United States, Australia, Canada or Japan.

9.6 **Representation and Warranty of Foreign AVL Shareholders**

AVL Shareholders who complete the form of surrender, transfer and acceptance *(blue)* are deemed to represent and warrant to Zeder that they have not received or sent copies or originals of this document, the form of surrender, transfer and acceptance *(blue)* or any related documents in, into or from the Affected Jurisdictions and have not otherwise utilised in connection with the General Offer, the mails, or any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or of any facility of a national securities exchange of, the Affected Jurisdictions, and that the form of surrender, transfer and acceptance *(blue)* has not been mailed or otherwise sent in, into or from the Affected Jurisdictions and such shareholder is accepting the General Offer from outside the Affected Jurisdictions.

10. **SETTLEMENT OF THE GENERAL OFFER CONSIDERATION**

AVL Shareholders are referred to the section entitled "Action required by AVL Shareholders in relation to the General Offer", commencing on page 8 of the Circular, which details the action to be taken by AVL Shareholders in relation to the General Offer, including the action to be taken by AVL Shareholders whose original AVL share certificates are currently held by AVL on their behalf.

10.1 Settlement of the General Offer Consideration is subject to the Exchange Control Regulations, the salient provisions of which are set out in **Annexure 11** to the Circular.

10.2 Zeder or its agents will administer and effect the issuing of the General Offer Consideration Shares to General Offer Participants.

10.3 In order to comply with recent legislative changes, the General Offer Shares may only be issued in Dematerialised form. In this regard, should the General Offer become operative:

10.3.1 AVL Shareholders who wish to receive the General Offer Consideration in Dematerialised form and who already have an account with a Broker or CSDP, will have their accounts at their Brokers or CSDPs credited with the General Offer Consideration;

10.3.2 AVL Shareholders who wish to receive the General Offer Consideration in Dematerialised form, but who do not have an account with a Broker or CSDP, will be issued with statements of allocation and will be required to appoint a Broker or CSDP so that Dematerialised General Offer Consideration Shares can be made available to them following the General Offer Operative Date;

10.3.3 AVL Shareholders who do not wish to hold their General Offer Consideration Shares in Dematerialised form and prefer to hold the General Offer Consideration Shares issued to them by Zeder in certificated form, will be afforded the option to "withdraw" their Dematerialised General Offer Consideration Shares and replace these with a physical Document of Title (please see paragraph 10.6 below).

10.4 If the General Offer becomes operative and AVL Shareholder have surrendered their Documents of Title to the Transfer Secretaries (or AVL's company secretary) on or before 12:00 on the Closing Date, then:

10.4.1 those General Offer Participants referred to in paragraph 10.3.1 above will have their accounts at their Brokers or CSDPs credited with the General Offer Consideration on the General Offer Operative Date;

10.4.2 those General Offer Participants referred to in paragraph 10.3.2 above will have their statements of allocation in respect of the General Offer Consideration posted to them, at their risk, within five Business Days of the General Offer Operative Date;

10.4.3 those General Offer Participants referred to in paragraph 10.3.3 above will have the share certificates in respect of their General Offer Consideration Shares posted to them, at their risk, within five Business Days of the General Offer Operative Date.

10.5 Should the General Offer become operative and should General Offer Participants surrender their Documents of Title to the Transfer Secretaries (or AVL's company secretary) after 12:00 on the Closing Date, then:

10.5.1 those General Offer Participants referred to in paragraph 10.3.1 above will their accounts at their Brokers or CSDPs credited with the General Offer Consideration within five Business Days of receipt of their Documents of Title and completed forms of surrender, transfer and acceptance;

10.5.2 those General Offer Participants referred to in paragraph 10.3.2 above will have the statements of allocation in respect of their General Offer Consideration posted to them, at their risk, within five Business Days of receipt of their Documents of Title and completed forms of surrender, transfer and acceptance;

10.5.3 those General Offer Participants referred to in paragraph 10.3.3 above will have the share certificates in respect of their General Offer Consideration Shares posted to them, at their risk, within five Business Days of receipt of their Documents of Title and completed form of surrender, transfer and acceptance.

10.6 In the case of the General Offer Participants who wish to "withdraw" their Dematerialised General Offer Consideration Shares as provided for above and whose registered addresses in the Register are outside of the Common Monetary Area, or where the relevant AVL Shares certificates are restrictively endorsed in terms of the Exchange Control Regulations, the following will apply:

10.6.1 for non-residents who are emigrants, the replacement Documents of Title will be sent to the AVL Shareholders' authorised dealer in foreign exchange in South Africa controlling their blocked assets; and

10.6.2 for all other non-residents, the replacement Documents of Title will be restrictively endorsed "non-resident" in terms of the Exchange Control Regulations.

11. **EXCHANGE CONTROL REGULATIONS**

Annexure 11 to the Circular contains a summary of the Exchange Control Regulations as they apply to General Offer Participants. General Offer Participants who are not resident in, or who have a registered address outside of South Africa, must satisfy themselves as to the full observance of the laws of any relevant territory concerning the receipt of the General Offer Consideration, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territory.

12. **INTENTIONS REGARDING THE CONTINUATION OF AVL'S BUSINESS AND THE AVL BOARD**

AVL Shareholders are referred to paragraph 14 of the Circular in this regard.

13. **REMUNERATION OF AVL DIRECTORS**

The remuneration of AVL Directors will not be affected by the General Offer.

14. **AGREEMENTS IN RELATION TO THE GENERAL OFFER**

14.1 No agreements have been entered into between Zeder, Zeder Directors (or persons who were directors of Zeder in the past 12 months) and/or Zeder Shareholders (or persons who were Zeder Shareholders in the past 12 months) and any of AVL, the AVL Directors (or persons who were directors of AVL in the past 12 months) or AVL Shareholders (or persons who were Zeder Shareholders in the past 12 months) in relation to the General Offer.

14.2 Zeder confirms that it is the ultimate prospective purchaser of the General Offer Shares and is acting alone and not in concert with any party.

15. **AVL DIRECTORS' SERVICE CONTRACTS**

No director of AVL has a service contract with AVL.

16. **OTHER SERVICE CONTRACTS**

No service contracts have been entered into or amended within the six-month period prior to the Last Practicable Date.

17. **INTEREST AND DEALINGS IN SHARES**

17.1 **Interests of Zeder and Zeder Directors in AVL Shares**

AVL Shareholders are referred to paragraph 5 of the Circular for information regarding the interests of Zeder and Zeder Directors in AVL Shares, as well as their dealings in AVL Shares during the six-month period prior to 25 June 2014 and during the period from 25 June 2014 up to the Last Practicable Date.

17.2 **Interests of Zeder Directors in Zeder Shares**

AVL Shareholders are referred to paragraph 6 of the Circular for information regarding the interests of Zeder Directors in Zeder Shares, as well as their dealings in Zeder Shares during the six-month period prior to 25 June 2014 and during the period from 25 June 2014 up to the Last Practicable Date.

17.3 **Interests of AVL and AVL Directors in Zeder Shares**

AVL Shareholders are referred to paragraph 7 of the Circular for information regarding the interests of AVL and AVL Directors in Zeder Shares, as well as their dealings in Zeder Shares during the six-month period prior to 25 June 2014 and during the period from 25 June 2014 up to the Last Practicable Date.

17.4 **Interests of AVL Directors in AVL Shares**

AVL Shareholders are referred to paragraph 8 of the Circular for information regarding the interests of AVL Directors in AVL Shares, as well as their dealings in AVL Shares during the six-month period prior to 25 June 2014 and during the period from 25 June 2014 up to the Last Practicable Date.

18. FINANCIAL INFORMATION OF AVL AND ZEDER

18.1 **Financial information of Zeder**

18.1.1 The audited historical financial information of Zeder for the last three financial years ended 29 February 2012, 28 February 2013 and 28 February 2014 is annexed to the Circular at **Annexure 6**.

18.1.2 The *pro forma* financial effects of the General Offer on Zeder are annexed to the Circular at **Annexure 7**, while the Independent Reporting Accountants' report thereon is annexed to the Circular at **Annexure 8**.

18.2 **Financial information of AVL**

18.2.1 The audited historical financial information of AVL for the last three financial years ended 30 September 2011, 2012 and 2013 is annexed to the Circular at **Annexure 2**. The Independent Reporting Accountants' report thereon is annexed to the Circular at **Annexure 3**.

18.2.2 The interim reviewed standalone financial information of AVL for the six-months ended 31 March 2014 is annexed hereto as **Annexure 4A**. The Independent Reporting Accountants' report thereon is annexed hereto as **Annexure 4B**.

18.2.3 The *pro forma* interim financial information of AVL for the six-months ended 31 March 2014 is annexed hereto as **Annexure 5A**. The Independent Reporting Accountants' report thereon is annexed hereto as **Annexure 5B**.

18.2.4 The *pro forma* financial effects of the Proposed Transaction on AVL are annexed hereto at **Annexure 9**, while the Independent Reporting Accountants' report thereon is annexed hereto as **Annexure 10**.

19. THE VIEWS OF THE INDEPENDENT BOARD ON THE GENERAL OFFER

19.1 In accordance with the Companies Regulations, the AVL Board has appointed the Independent Board comprising Messrs Willem Pieter Hanekom, Paul Oliver Sauer Meaker and Johan Georg Carinus. The Independent Board has appointed the Independent Expert to compile a report on the General Offer. The Zeder Board has provided all relevant information on Zeder requested by the Independent Expert in order to compile the report.

19.2 The Independent Board, after due consideration of the report of the Independent Expert, has determined that it will place reliance on the valuation performed by the Independent Expert for the purposes of reaching its own opinion regarding the General Offer and the General Offer Consideration as contemplated in Companies Regulation 110(3)(b). The Independent Board has formed a view of the range of the swap ratio of Zeder Shares for AVL Shares, which accords with the range contained in the Independent Expert's report, in considering its opinion and recommendation. The Independent Board is not aware of any factors which are difficult to quantify or are unquantifiable (as contemplated in Companies Regulation 110(6)) and has not taken any such factors into account, in forming its opinion.

19.3 The Independent Board, taking into account the report of the Independent Expert, has considered the terms and conditions of the General Offer and the members of the Independent Board are unanimously of the opinion that the terms and conditions thereof are fair and reasonable to AVL Shareholders and, accordingly, recommend that AVL Shareholders accept the General Offer.

19.4 The Independent Board has made the report of the Independent Expert available to the Zeder Directors. In accordance with Companies Regulation 106(6)(b), the Zeder Directors have placed reliance on the valuation performed by the Independent Expert and are also unanimously of the opinion that the terms and conditions of the General Offer are fair and reasonable to AVL Shareholders.

19.5 The AVL Board has not received any offers, other than the Offer by Zeder.

20. **REPORT OF THE INDEPENDENT EXPERT**

20.1 The report of the Independent Expert prepared in accordance with section 114(3) of the Companies Act and regulation 90 of the Companies Regulations is provided in **Annexure 1** to the Circular.

20.2 Having considered the terms and conditions of the General Offer and based on the conditions set out in its report, the Independent Expert has concluded that the terms and conditions of the General Offer are both fair and reasonable to AVL Shareholders, as each of these terms is respectively defined in the Companies Regulations.

21. **INTENDED ACTION OF AVL DIRECTORS**

Should the Scheme fail and the General Offer be made, all the AVL Directors who own AVL Shares in their own beneficial capacity intend to accept the General Offer.

22. **INDEPENDENT BOARD RESPONSIBILITY STATEMENT**

The Independent Board accepts responsibility for the information contained in the Circular, including this **Annexure 16**, which relates to AVL and confirms that, to the best of its knowledge and belief, such information which relates to AVL is true and the Circular does not omit anything likely to affect the importance of such information.

23. **ZEDER RESPONSIBILITY STATEMENT**

The Zeder Board accepts responsibility for the information contained in the Circular, including this **Annexure 16**, which relates to Zeder and confirms that, to the best of its knowledge and belief, such information which relates to Zeder is true and the Circular does not omit anything likely to affect the importance of such information.

24. **ADVISORS' CONSENTS**

The parties referred to in the "Corporate Information and Advisors" section of the Circular, have consented in writing to act in the capacities stated and to the inclusion of their names and, where applicable, reports, in the Circular in the form and context in which they appear and have not withdrawn their consent prior to the publication of the Circular.

25. **DOCUMENTS AVAILABLE FOR INSPECTION**

The documents, or copies thereof, listed in paragraph 25 of the Circular, will be available for inspection by the AVL Shareholders at AVL's registered office and at Zeder's registered office from the date of posting of the Circular until the end of the General Offer Operative Date.

SIGNED AT STELLENBOSCH ON 13 AUGUST 2014 ON BEHALF OF THE AVL BOARD

WP Hanekom
Director

SIGNED AT STELLENBOSCH ON 13 AUGUST 2014 ON BEHALF OF THE ZEDER BOARD

JF Mouton
Chairman

AGRI VOEDSEL

Agri Voedsel Limited

(Incorporated in the Republic of South Africa)
(Registration number 2007/015880/06)
("**AVL**" or "**the Company**")

NOTICE OF GENERAL MEETING OF AVL SHAREHOLDERS

NOTICE IS HEREBY GIVEN that a General Meeting of AVL Shareholders will be held at 10:30 on Monday, 15 September 2014 at NH The Lord Charles Hotel, Corner of Main Road (M9) and Broadway Boulevard (R44), Somerset West, Western Cape.

Purpose

The purpose of the General Meeting of AVL Shareholders is to consider and, if deemed fit, to approve, with or without modification, the resolution set out in this notice of general meeting.

Note:

- *The definitions and interpretations commencing on page 11 of the circular to which this notice of general meeting is attached ("the Circular"), apply mutatis mutandis to this notice and to the resolution set out below.*
- *For Special Resolution Number 1 to be approved by AVL Shareholders, it must be supported by at least 75% of the voting rights exercised on the resolution.*
- *Quorum requirement for Special Resolution Number 1 to be adopted: sufficient persons being present to exercise, in aggregate, at least 25% of all voting rights that are entitled to be exercised on the special resolution.*
- *The voting rights otherwise exercisable by Zeder shall not be taken into account for any purposes in respect of Special Resolution Number 1 (i.e. as to whether or not a quorum is present to vote on Special Resolution Number 1 or whether or not the required number of voting rights have been exercised in support of Special Resolution Number 1).*
- *In terms of Regulation 84 of the Companies Regulations, a presumption exists that Zeder Directors are acting in concert with Zeder in respect of the Scheme. Accordingly, the voting rights otherwise exercisable by any Zeder Directors and any persons who were Zeder Directors at the time the Zeder Board resolved to make the Offer to AVL Shareholders and who hold AVL Shares on the Scheme Voting Record Date, shall not be taken into account for any purposes in respect of Special Resolution Number 1 (i.e. as to whether or not a quorum is present to vote on Special Resolution Number 1 or whether or not the required number of voting rights have been exercised in support of Special Resolution Number 1).*
- *The date on which AVL Shareholders must have been recorded as such in the Register for purposes of being entitled to receive this notice is Friday, 8 August 2014.*

SPECIAL RESOLUTION NUMBER 1 – Approval of the Scheme in terms of sections 114 and 115 of the Companies Act

"**RESOLVED THAT**, as a special resolution in terms of section 115(2)(a) of the Companies Act, the Scheme proposed by the AVL Board between the Company and its shareholders, be and is hereby **APPROVED** on the terms set out in the Circular, with the Scheme constituting a scheme of arrangement under section 114 of the Companies Act, in terms of which Zeder will, if the Scheme becomes operative, acquire, for the Scheme Consideration of not less than 16.2 (sixteen point two) Zeder Shares for each Scheme Share disposed of in terms of the Scheme, all the issued AVL Shares (save for those AVL Shares currently held by the Zeder Group and by Dissenting Shareholders who do not withdraw their respective demands made in terms of sections 164(5) to 164(8) of the Companies Act or allow any offers by the Company to them in terms of section 164(11) of the Companies Act to lapse)."

Reason and effect

AVL Shareholders are referred to the content of the Circular for more information relating to the reason for and effect of Special Resolution Number 1.

VOTING AND PROXIES

The date on which AVL Shareholders must be recorded in the Register for purposes of being entitled to attend and vote at the General Meeting is Friday, 5 September 2014. The last day to trade in order to be entitled to attend and vote at the General Meeting is Friday, 29 August 2014.

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

An AVL Shareholder entitled to attend, speak and vote at the General Meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a shareholder of the Company. For the convenience of AVL Shareholders, a form of proxy (*yellow*) is attached hereto. Completion of a form of proxy will not preclude such AVL Shareholder from attending and voting (in preference to that shareholder's proxy) at the General Meeting of AVL Shareholders.

Duly completed forms of proxy and the authority (if any) under which it is signed must reach the Transfer Secretaries (or AVL's company secretary) at the address given below by not later than 10:30 on Thursday, 11 September 2014 (or by no later than 48 hours before any adjournment of such General Meeting, excluding Saturdays, Sundays and official public holidays) or, alternatively, such forms of proxy may be handed to the chairman of the General Meeting of AVL Shareholders immediately prior to the commencement of such General Meeting.

APPRAISAL RIGHTS FOR DISSENTING SHAREHOLDERS

In terms of section 164 of the Companies Act, at any time before Special Resolution Number 1 as set out in this notice is voted on, a Dissenting Shareholder may give the Company a written notice objecting to Special Resolution Number 1.

Within ten Business Days after the Company has adopted Special Resolution Number 1, the Company must send a notice that Special Resolution Number 1 has been adopted to each AVL Shareholder who:

- gave the Company a written notice of objection as contemplated above;
- has not withdrawn that notice; and
- has voted against Special Resolution Number 1.

An AVL Shareholder may, within 20 Business Days after receiving the Company's aforementioned notice of the adoption of Special Resolution Number 1, demand that the Company pay the AVL Shareholder the fair value for all of the AVL Shares of the Company held by that person if:

- the AVL Shareholder has sent the Company a notice of objection;
- the Company has adopted Special Resolution Number 1; and
- the AVL Shareholder voted against Special Resolution Number 1 and has complied with all of the procedural requirements of section 164 of the Companies Act.

The wording of section 164 of the Companies Act is set out in **Annexure 12** to the Circular.

SIGNED AT STELLENBOSCH ON 13 AUGUST 2014 ON BEHALF OF THE AVL BOARD

WP Hanekom
Director

Company secretary and registered office
Lucille van der Merwe
1st Floor, Ou Kollege
35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

Transfer Secretaries
Computershare Investor Services (Pty) Ltd
Ground Floor
70 Marshall Street, Johannesburg, 2001
(PO Box 61763, Marshalltown, 2107)

AGRI VOEDSEL

Agri Voedsel Limited

(Incorporated in the Republic of South Africa)
(Registration number 2007/015880/06)
("**AVL**" or "**the Company**")

FORM OF PROXY IN RESPECT OF THE GENERAL MEETING OF AVL SHAREHOLDERS

For use by AVL Shareholders at the General Meeting of AVL Shareholders convened in terms of the Companies Act to be held at 10:30 on Monday, 15 September 2014 at NH The Lord Charles Hotel, Corner of Main Road (M9) and Broadway Boulevard (R44), Somerset West, Western Cape or any adjourned or postponed meeting.

*The definitions and interpretations commencing on page 11 of the circular to which this form of proxy is attached ("**the Circular**") apply mutatis mutandis to this form of proxy.*

I/We (Please PRINT names in full)

of (address)

being the holder(s) of AVL Shares

do hereby appoint (see notes 1 and 2):

1. or failing him/her,

2. or failing him/her,

1. the Chairman of the General Meeting of AVL Shareholders

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

	For	Against	Abstain
Special Resolution Number 1 Approval of scheme of arrangement between AVL and AVL Shareholders			

** One vote per AVL Share held by AVL Shareholders. AVL Shareholders must insert the relevant number of votes they wish to vote in the appropriate box provided or "X" should they wish to vote all AVL Shares held by them.*

Signed at: on 2014

Signature

Capacity of signatory (where applicable)

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

Assisted by me (where applicable)

Full name

Capacity

Signature

SUMMARY OF RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

In terms of section 58 of the Companies Act:

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

Notes:

1. Each AVL Shareholder is entitled to appoint 1 (one) (or more) proxies (none of whom need be an AVL Shareholder) to attend, speak and vote in place of that AVL Shareholder at the General Meeting of AVL Shareholders.
2. An AVL Shareholder may insert the name of a proxy or the names of two alternative proxies of the AVL Shareholder's choice in the space/s provided with or without deleting "the Chairman of the General Meeting of AVL Shareholders" but the AVL Shareholder must initial any such deletion. The person whose name stands first on the form of proxy and who is present at the General Meeting of AVL Shareholders will be entitled to act as proxy to the exclusion of those whose names follow.
3. An AVL Shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the AVL Shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise and direct the chairman of the General Meeting of AVL Shareholders, if the chairman is the authorised proxy, to vote in favour of the Scheme, or any other proxy to vote or abstain from voting at the General Meeting of AVL Shareholders as he/she deems fit, in respect of all the AVL Shareholder's votes exercisable at the meeting.
4. Completed forms of proxy and the authority (if any) under which they are signed must be lodged with or posted to the Transfer Secretaries at Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107) or AVL's company secretary at 1st Floor, Ou Kollege Building, 35 Kerk Street, Stellenbosch, 7600 (PO Box 7403, Stellenbosch, 7599), to be received by them by no later than 48 hours before the commencement of the General Meeting (or any adjournment of the General Meeting), excluding Saturdays, Sundays and official public holidays or, alternatively, such form of proxy may be handed to the chairman of the General Meeting prior to the commencement of the General Meeting.
5. The completion and lodging of this form of proxy will not preclude the relevant AVL Shareholder from attending the General Meeting of AVL Shareholders and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such AVL Shareholder wish to do so.
6. The chairman of the General Meeting of AVL Shareholders may accept or reject any form of proxy not completed and/or received in accordance with these notes or with the memorandum of incorporation of AVL.
7. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy, unless previously recorded by AVL.
9. Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form of proxy, unless it has been registered by AVL or waived by the chairman of the General Meeting of AVL Shareholders.
10. Where AVL Shares are held jointly, all joint holders are required to sign this form of proxy.
11. A minor AVL Shareholder must be assisted by his/her parent/guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by AVL.
12. This form of proxy shall be valid at any resumption of an adjourned meeting to which it relates although this form of proxy shall not be used at the resumption of an adjourned meeting if it could not have been used at the General Meeting of AVL Shareholders from which it was adjourned for any reason other than it was not lodged timeously for the meeting from which the adjournment took place. This form of proxy shall in addition to the authority conferred by the Companies Act except insofar as it provides otherwise, be deemed to confer the power generally to act at the General Meeting of AVL Shareholders in question, subject to any specific direction contained in this form of proxy as to the manner of voting.
13. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or mental disorder of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the AVL Share in respect of which the proxy is given, provided that no notification in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by AVL before the commencement of the meeting or adjourned meeting at which the proxy is used.
14. Any proxy appointed pursuant to this form of proxy may not delegate her or his authority to act on behalf of the relevant AVL Shareholder.
15. In terms of section 58 of the Companies Act, unless revoked, an appointment of a proxy pursuant to this form of proxy remains valid only until the end of the General Meeting of AVL Shareholders or any adjournment of such General Meeting.

AGRI VOEDSEL

Agri Voedsel Limited

(Incorporated in the Republic of South Africa)
(Registration number 2007/015880/06)
("**AVL**" or "**the Company**")

FORM OF SURRENDER, TRANSFER AND ACCEPTANCE

*The definitions and interpretations commencing on page 11 of the circular to which this form of surrender, transfer and acceptance is attached (**"the Circular"**), apply mutatis mutandis to this form of surrender, transfer and acceptance.*

This form should be read in conjunction with the Circular.

Instructions:

1. A separate form of surrender, transfer and acceptance is required for each AVL Shareholder. AVL Shareholders must complete this form in BLOCK CAPITALS.
2. Part A must be completed by all AVL Shareholders who return this form and **relates to the surrender of Documents of Title**.
3. Part B must be completed by AVL Shareholders **who are emigrants from or non-residents of** the Common Monetary Area (see note 2).
4. Part C must be completed by all AVL Shareholders who return this form and relates to the **acceptance of the General Offer**.
5. Part D must be completed by all AVL Shareholders who return this form and **relates to the settlement of the Scheme Consideration or the General Offer Consideration, as applicable**.

Please also read notes overleaf.

To: **The Transfer Secretaries**

Hand deliveries to:	**Postal deliveries to:**
Computershare Investor Services Proprietary Limited Ground Floor, 70 Marshall Street Johannesburg, 2001	**Computershare Investor Services Proprietary Limited** PO Box 61763 Marshalltown, 2107

AVL Shareholders may return this form of surrender, transfer and acceptance (blue) and (if applicable) their Documents of Title either to:

– ***the Transfer Secretaries (Computershare Investor Services (Pty) Ltd), at the address provided above; OR***

– ***AVL's company secretary (Ms Lucille van der Merwe) at 1st Floor, Ou Kollege Building, 35 Kerk Street, Stellenbosch, 7600 (PO Box 7403, Stellenbosch, 7599),***

whichever is more convenient to AVL Shareholders.

Dear Sirs

PART A –SURRENDER OF DOCUMENTS OF TITLE

ALL AVL SHAREHOLDERS WHO RETURN THIS FORM MUST PLEASE COMPLETE PART A.

General note: ***AVL currently holds original AVL share certificates on behalf of some AVL Shareholders ("Relevant AVL Shareholders"). Accordingly, any statements below, requiring AVL Shareholders to return their Documents of Title to the Transfer Secretaries, shall not apply to Relevant AVL Shareholders and Relevant AVL Shareholders will, in those instances, only be required to complete this form of surrender, transfer and acceptance and to return it to the Transfer Secretaries in accordance with the instructions set out herein.***

AVL Shareholders who are unsure whether their original AVL share certificates are held by AVL should contact the Transfer Secretaries to confirm same. The Transfer Secretaries can be telephoned on 086 1100 634 (or +27 11 370 5000 if telephoning from outside South Africa) on every Business Day between 8:30 and 16:00.

Please tick the appropriate box:

1. ☐ Please tick this box *if the original share certificate/s for your AVL Shares are held by AVL on your behalf, meaning that you are a Relevant AVL Shareholder, as described in the General Note above;*

ALTERNATIVELY

2. ☐ Please tick this box *if you are enclosing the original share certificate/s or other Documents of Title for your AVL Shares.*

AVL Shareholders who wish to anticipate the Scheme or the General Offer becoming operative and expedite settlement of the Scheme Consideration or the General Offer Consideration, if applicable, should complete Part A and return this form to the Transfer Secretaries together with their Document(s) of Title (see General Note above) *by no later 12:00 on the Scheme Consideration Record Date.*

Should the Scheme not become operative, any Documents of Title surrendered to the Transfer Secretaries will, in the case of AVL Shareholders who have rejected the General Offer, be returned to such shareholders by the Transfer Secretaries, at such shareholders' own risk, by registered post within five Business Days from the date of receipt of the Documents of Title or the date on which it becomes known that the Scheme will not become operative, whichever is the later. For the avoidance of doubt, original AVL share certificates currently held by AVL on behalf of Relevant AVL Shareholders will continue to be held by AVL, unless a Relevant AVL Shareholder requests in writing that same be returned to him by AVL's company secretary.

Surname or Name of corporate body

First names (in full)

Title

Address (**see Part D below**)

Postal code

Country

Telephone (   )

Cellular telephone number

Email address

Fax number (   )

Please note: In order to comply with the requirements of the Financial Intelligence Centre Act, 2001, the Transfer Secretaries will be unable to record any change of address mandated unless the following documentation is received from the relevant AVL Shareholder:

- an original certified copy of your identity document;
- an original certified copy of a document issued by the South African Revenue Services to verify your tax number (if you do not have a tax number, please confirm this in writing and have the letter signed by a Commissioner of Oaths); and
- an original or an original certified copy of a service bill to verify your physical address.

I/WE HEREBY SURRENDER THE ENCLOSED SHARE CERTIFICATE/S, CERTIFIED TRANSFER DEED/S AND/OR OTHER DOCUMENTS OF TITLE, DETAILS OF WHICH HAVE BEEN COMPLETED BELOW, ALTERNATIVELY SURRENDER ALL THE SHARE CERTIFICATES CURRENTLY HELD BY AVL ON MY/OUR BEHALF, (AS THE CASE MAY BE) IN RESPECT OF MY/OUR HOLDING OF AVL SHARES.

Share certificate/s and/or other Document(s) of Title to be surrendered (as enclosed)

Name of registered holder (separate form for each holder)	Certificate number(s) (in numerical order)	Number of AVL Shares covered by each certificate
	Total	

Signature of AVL Shareholder	Stamp and address of agent lodging this form
Assisted by me (if applicable)	
State full name and capacity	
Date 2014	
Telephone number (Home) ( )	
Telephone number (Work) ( )	
Cell phone number ( )	

Signatories may be called upon for evidence of their authority or capacity to sign this form.

PART B

1. **To be completed only by AVL Shareholders who are emigrants from the Common Monetary Area.**

   The Scheme Consideration or General Offer Consideration, as applicable, will be forwarded to the authorised dealer nominated below for its control and credited to the emigrant's blocked account. Accordingly, a non-resident who is an emigrant from South Africa must provide the following information:

   Name and address of authorised dealer in South Africa or substitute instruction

   Account number

2. **To be completed only by all other non-resident AVL Shareholders who wish to provide a substitute address.**

   The Scheme Consideration or General Offer Consideration, as applicable, will be posted to the registered address of the non-resident concerned, unless written instructions to the contrary are received and a substitute address provided below:

   Substitute address

3. If no nomination is made in terms of 1 above, the Scheme Consideration or the General Offer Consideration, if applicable, will be held in trust by the Transfer Secretaries.

PART C –GENERAL OFFER

Please tick the appropriate box:

1. I/We, by ticking the box below, hereby irrevocably accept the General Offer, if made, in respect of the General Offer Shares held by me/us as represented by the Documents of Title enclosed herewith, or all the share certificates for AVL Shares currently held by AVL on my behalf, (as the case may be) which AVL Shares are hereby surrendered with this form of surrender, transfer and acceptance.

   ☐ Please tick this box if you **ACCEPT** the General Offer. By ticking this box, AVL Shareholders acknowledge that once they have accepted the General Offer, they will no longer be able to deal in their AVL Shares or have the surrendered Documents of Title returned until such time as the General Offer (if made) fails.

   ALTERNATIVELY, I/We, by ticking the box below, hereby reject the General Offer:

   ☐ Please tick this box if you **REJECT** the General Offer.

2. **The following portion of Part C only needs to be completed by those AVL Shareholders who have accepted the General Offer by ticking the applicable box at 1 above.**

   ☐ Please tick this box if you accept the General Offer in respect of **ALL** the AVL Shares held by you.

   ALTERNATIVELY, should you only accept the General Offer in respect of some of the AVL Shares held by you, kindly state the number of AVL Shares in respect of which the General Offer is accepted: ____________________________ (*insert number of AVL Shares)*

   Please note that, as the default position, it is assumed that an AVL Shareholder that has accepted the General Offer, has accepted the General Offer in respect of **ALL** the AVL Shares held by that AVL Shareholder. Accordingly, should an AVL Shareholder have accepted the General Offer by ticking the applicable box at 1 above, but such AVL Shareholder has neither ticked the applicable box in 2 above nor inserted the number of AVL Shares in respect of which the General Offer is accepted, **such AVL Shareholder shall be deemed to have accepted the General Offer in respect of all the AVL Shares held by that AVL Shareholder**.

PART D – SETTLEMENT OF SCHEME CONSIDERATION OR GENERAL OFFER CONSIDERATION

In order to comply with recent legislative changes, the Scheme Consideration Shares or General Offer Consideration Shares, as applicable, (collectively, "**Consideration Shares**") may only be issued in Dematerialised form.

All AVL Shareholders1[#] should kindly complete the section below, dealing with the settlement of the Consideration Shares, in the event that the AVL Shareholder becomes entitled to the Consideration Shares, whether as a result of the Scheme or the General Offer (as applicable) becoming operative.

1. ☐ Please tick this box if you have an account with a Broker or CSDP and wish such account to be credited with the Consideration Shares, and insert the details of such Broker or CSDP account below:

   Name of account holder: __________

   Name of Broker: __________

   Name of CSDP: __________

   Account number of Broker: __________

   Account number of CSDP: __________

   Telephone number of Broker/CSDP: __________

   SCA number of Broker/CSDP: __________

   Please note: Should the account details provided by you above be incorrect or incomplete, it will not be possible to credit such account with the Consideration Shares, in which case you will be issued with a statement of allocation, confirming the number of Consideration Shares due to you. The statement of allocation will be sent to you, at your risk, at the address provided by you in **Part A** above.

2. ☐ Please tick this box if you do not have an account with a Broker or CSDP, but wish to receive the Consideration Shares in Dematerialised form and not in certificated form. It will be necessary for you to appoint a Broker or CSDP before the Consideration Shares can be credited to your Broker or CSDP account. In the meantime, you will be issued with a statement of allocation, confirming the number of Consideration Shares due to you. The statement of allocation will be sent to you, at your risk, at the address provided by you in **Part A** above.

3. ☐ Please tick this box if you do NOT wish to receive the Consideration Shares in Dematerialised form and instead wish to "withdraw" the Dematerialised Consideration Shares due to you and replace these with a physical Document of Title (share certificate). The Document of Title (share certificate) for the Consideration Shares will be sent you, at your risk, at the address provided by you in **Part A** above.

Notes:

1. Emigrants from the Common Monetary Area must complete Part B.
2. All other non-residents of the Common Monetary Area must complete Part B if they wish the Scheme Consideration or the General Offer Consideration, if applicable, to be sent to an address other than their address in the Register.
3. If Part B is not properly completed, the Scheme Consideration or the General Offer Consideration, if applicable, (in the case of emigrants) will be held in trust by the Transfer Secretaries pending receipt of the necessary nomination or instruction.
4. The Scheme Consideration or the General Offer Consideration, if applicable, will not be sent to AVL Shareholders unless and until Documents of Title in respect of the relevant AVL Shares have been surrendered to the Transfer Secretaries.
5. If an AVL Shareholder produces evidence to the satisfaction of AVL and Zeder that Documents of Title in respect of AVL Shares have been lost or destroyed, AVL may waive the surrender of such Documents of Title against delivery of a duly executed indemnity in a form and on terms and conditions approved by AVL and Zeder, or may in their discretion waive such indemnity.
6. If this form of surrender, transfer and acceptance is not signed by the AVL Shareholder, the AVL Shareholder will be deemed to have irrevocably appointed the company secretary of AVL to implement that AVL Shareholder's obligations under the Scheme or the General Offer, as the case may be, on his/her behalf.
7. Persons who have acquired AVL Shares after the date of posting of the Circular to which this form of surrender, transfer and acceptance is attached, can obtain copies of the form of surrender, transfer and acceptance and the Circular from AVL's company secretary at 1st Floor, Ou Kollege Building, 35 Kerk Street, Stellenbosch, 7600 (PO Box 7403, Stellenbosch, 7599) and from the Transfer Secretaries at Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107).
8. No receipts will be issued for documents lodged, unless specifically requested. In compliance with the requirements of the JSE, lodging agents are requested to prepare special transaction receipts. Signatories may be called upon for evidence of their authority or capacity to sign this form.
9. Any alteration to this form of surrender, transfer and acceptance must be signed in full and should not be merely initialled.
10. If this form of surrender, transfer and acceptance is signed under a power of attorney, then such power of attorney, or a notarially certified copy hereof, must be sent with this form for noting (unless it has already been noted by AVL or the Transfer Secretaries).
11. Where the AVL Shareholder is a company or a close corporation, unless it has already been registered with AVL or the Transfer Secretaries, a certified copy of the directors' or members' resolution authorising the signing of this form of surrender, transfer and acceptance must be submitted if so requested by AVL.
12. Note 11 above does not apply in the event of this form bearing the stamp of a broking member of the JSE.
13. Where AVL Shares are held jointly, all joint holders are required to sign this form of surrender, transfer and acceptance.

[#] *Save for Dissenting Shareholders who have given notice in terms of sections 164(5) to 164(8) of the Companies and who do not withdraw their respective demands or allow any offers by the Company to them in terms of section 164(11) of the Companies Act to lapse.*

triple green™ by sappi
sugar cane fibre. chlorine-free. sustainable afforestation.
PRINTED BY INCE (PTY) LTD
REF. JOB003955