

UNAUDITED RESULTS

FOR THE SIX MONTHS ENDED 31 AUGUST 2017



SOTP value per share
R7,17 as at 26 September 2017

Recurring headline earnings per share ↓ **74,5%** to
3,8 cents per share

Headline earnings per share ↓ **69,9%** to
4,3 cents per share

OVERVIEW

Zeder is an investor in the broad agribusiness industry, with a specific focus on the food and beverage sectors. Its underlying investment portfolio was valued at R14,1bn on 31 August 2017. Zeder's 27,0% interest in Pioneer Foods remains its largest investment, representing 52,3% (28 February 2017: 62,7%) of the portfolio.

PROSPECTS

Zeder remains actively involved with its underlying portfolio of companies and continuously seeks new investment opportunities. We believe that, despite inevitable cyclicality, investing in the agribusiness industry should offer attractive long-term returns and the strength of our companies and management teams, combined with a defensive portfolio mix, should contribute to the continued sustainability of results. Despite these weaker interim financial results, most portfolio companies delivered against operational targets and should improve or recover during the next reporting cycle. We believe that the company and its shareholders will benefit from same.

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

Zeder's SOTP value per share, calculated using the quoted market prices for all JSE-listed investments, and market-related valuations for unlisted investments, decreased by 9,5% during the reporting period to R7,72 as at 31 August 2017. At the close of business on Tuesday, 26 September 2017, Zeder's SOTP value per share was R7,17.

Company	28 Feb 2017		31 Aug 2017		26 Sep 2017	
	Interest (%)	Rm	Interest (%)	Rm	Interest (%)	Rm
Pioneer Foods	27,1	9 538	27,0	7 377	27,0	6 553
Capespan	98,1	1 975	97,5	2 277	97,5	2 277
Zaad	91,4	1 531	93,2	2 043	93,2	2 043
Kaap Agri	39,8	1 321	39,8	1 563	39,8	1 465
Agrivision	55,6	614	55,9	614	55,9	614
Quantum Foods	26,7	193	27,0	199	27,0	185
Other		39		39		39
Total investments		15 211		14 112		13 176
Cash		173		75		66
Other net liabilities		(678)		(876)		(874)
SOTP value		14 706		13 311		12 368
Number of shares in issue (net of treasury shares) (million)		1 725		1 725		1 725
SOTP value per share (rand)		8,53		7,72		7,17

Note: Zeder's live SOTP is available at www.zeder.co.za

RECURRING HEADLINE EARNINGS

	Audited	Unaudited	
	28 Feb 2017 12 months	31 Aug 2016 6 months	31 Aug 2017 6 months
	Rm	Rm	Rm
Recurring headline earnings from investments	821	314	115
Management (base) fee	(75)	(75)	
Net interest, taxation and other income and expenses	(55)	(11)	(50)
Recurring headline earnings	691	228	65
Non-recurring headline earnings			
Management fee internalisation charge	(1 449)		
Other	(12)	(10)	9
Headline (loss)/earnings	(770)	218	74
Non-headline items	(26)	(4)	53
Attributable (loss)/earnings	(796)	214	127
Weighted average number of shares in issue (net of treasury shares) (million)	1 622	1 523	1 722
Recurring headline earnings per share (cents)	42,6	14,9	3,8
Headline (loss)/earnings per share – basic (cents)	(47,5)	14,3	4,3
Attributable (loss)/earnings per share – basic (cents)	(49,1)	14,0	7,4

Zeder and its portfolio companies traded under challenging macro conditions during the period under review. Its largest investment, Pioneer Foods, reported weaker earnings for the six-month period ended 31 March 2017, due to the aforementioned and, in part, factors that are unlikely to reoccur. Additionally, the first six months of Zeder's earnings reflect the annual input-cost cycle associated with many of its unlisted agriculture and food business investments. This period therefore represents the lesser half of earnings while making year-on-year comparisons at the interim stage challenging due to seasonal variances.

Combined, these factors weighed heavily on Zeder as consolidated recurring headline earnings decreased compared to the same period in the prior year. Earnings growth from Kaap Agri and Quantum Foods were offset by declines from Pioneer Foods, Capespan, Zaad and Agrivision.

Recurring headline earnings per share consequently decreased by 74,5% to 3,8 cents.

Headline earnings per share decreased by 69,9% to 4,3 cents mainly as a result of the above, offset by a lower BEE charge incurred by Pioneer Foods.

Attributable earnings per share decreased by 47,1% to 7,4 cents, a lower percentage than headline earnings per share, mainly due to a non-headline profit on disposal of underlying business operations at a subsidiary level.

Profit before finance costs and taxation per Zeder's consolidated income statement decreased by 26,6% to R232m, mainly as a result of lower investee earnings.

DIVIDEND

It is currently Zeder's policy to only declare a final dividend at year-end.

UNAUDITED FINANCIAL RESULTS

This short-form announcement contains only a summary of the information in the full announcement made on SENS on Wednesday, 4 October 2017, and is the responsibility of the directors. Please refer to the full announcement for additional information. The full announcement is also available for viewing on Zeder's website at www.zeder.co.za or may be requested and obtained in person, at no charge, at the registered office of the company and the offices of the sponsor during office hours. Any investment decisions should be based on consideration of the full announcement made on SENS.

Signed on behalf of the board of directors

Jannie Mouton
Chairman

Stellenbosch
4 October 2017

Norman Celliers
Chief executive officer

Zeder Investments Ltd: Incorporated in the Republic of South Africa, Registration number: 2006/019240/06, JSE share code: ZED, ISIN code: ZAE000088431

Directors: JF Mouton (Chairman), N Celliers* (CEO), JH le Roux* (FD), GD Eksteen#, WL Greeff, ASM Karaan#, N Mjoli-Mncube#, PJ Mouton, CA Otto# (* executive * independent non-executive)

Company secretary and registered office: Zeder Corporate Services (Pty) Ltd, 2nd Floor, Ou Kollege, 35 Kerk Street, Stellenbosch, 7600; PO Box 7403, Stellenbosch, 7599

Transfer secretary: Computershare Investor Services (Pty) Ltd, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196; PO Box 61051, Marshalltown, 2107

Sponsor: PSG Capital (Pty) Ltd

Auditor: PricewaterhouseCoopers Inc