

10 May 2011

Dear Shareholder

Please find attached hereto the notice of the annual general meeting of shareholders of Zeder Investments Limited ("Zeder") to be held at Webersburg, Webersburg Wines, Annandale Road, Stellenbosch, on Wednesday, 15 June 2011, at 09:30.

Zeder's annual report for the year ended 28 February 2011 will be mailed to shareholders in due course and made available on Zeder's website at [www.zeder.co.za](http://www.zeder.co.za).



**Jannie Mouton**  
*Chairman*



**Antonie Jacobs**  
*Chief executive officer*

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given of the annual general meeting of shareholders of Zeder Investments Ltd ("Zeder" or "the company") to be held at Webersburg, Webersburg Wines, Annandale Road, Stellenbosch, on Wednesday, 15 June 2011, at 09:30 ("the AGM").

### **Purpose**

The purpose of the meeting is to transact the business set out in the agenda below. For the avoidance of doubt, the memorandum and articles of association of the company are referred to as the memorandum of incorporation in accordance with the terminology used in the new Companies Act 2008 (Act 71 of 2008), as amended ("the Companies Act"), which became effective on 1 May 2011.

### **Agenda**

1. Presentation of the audited annual financial statements of the company, including the reports of the directors and the audit committee for the year ended 28 February 2011. The annual report, containing the complete audited annual financial statements, is available at [www.zeder.co.za](http://www.zeder.co.za) or can be obtained from the company's registered office. A condensed version of the audited annual financial statements is included in annexure A of this notice.
2. To consider and, if deemed fit, approve, with or without modification, the following ordinary resolutions:

#### *Note:*

*For any of the ordinary resolutions numbers 1 to 8 to be adopted, more than 50% of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof. For ordinary resolution number 9 to be adopted, more than 75% of the voting rights exercised on such ordinary resolution must be exercised in favour thereof.*

### **2.1 Re-election of directors**

#### **2.1.1 Ordinary resolution number 1**

"Resolved that Mr J F Mouton, who retires by rotation in terms of the memorandum of incorporation of the company and, being eligible and offering himself for re-election, be and is hereby re-elected as director."

#### **2.1.2 Ordinary resolution number 2**

"Resolved that Mr C A Otto, who retires by rotation in terms of the memorandum of incorporation of the company and, being eligible and offering himself for re-election, be and is hereby re-elected as director."

Summaries of the curricula vitae of Mr J F Mouton and Mr C A Otto are included in annexure B of this notice.

The reason for ordinary resolution numbers 1 and 2 is that the memorandum of incorporation of the company and, to the extent applicable, the Companies Act, require that a component of the non-executive directors rotate at the AGM and, being eligible may offer themselves for re-election as directors.

### **2.2. Re-appointment of the members of the audit and risk committee of the company**

#### *Note:*

*For avoidance of doubt, all references to the audit and risk committee of the company is a reference to the audit committee as contemplated in the Companies Act.*

#### **2.2.1 Ordinary resolution number 3**

"Resolved that Mr M S du Pré le Roux, being eligible, be and is hereby re-appointed as a member of the audit and risk committee of the company, as recommended by the board of directors of the company, until the next annual general meeting of the company."

#### **2.2.2 Ordinary resolution number 4**

"Resolved that Mr G D Eksteen, being eligible, be and is hereby re-appointed as a member of the audit and risk committee of the company, as recommended by the board of directors of the company, until the next annual general meeting of the company."

### **2.2.3 Ordinary resolution number 5**

"Resolved that Mr L P Retief, being eligible, be and is hereby re-appointed as a member of the audit and risk committee of the company, as recommended by the board of directors of the company, until the next annual general meeting of the company."

Summaries of the curricula vitae of Mr M S du Pré le Roux, Mr G D Eksteen and Mr L P Retief are included in annexure B of this notice.

The reason for ordinary resolution numbers 3 to 5 (inclusive) is that the company, being a public listed company, must appoint an audit committee and the Companies Act requires that the members of such audit committee be appointed, or re-appointed, as the case may be, at each annual general meeting of a company.

## **2.3 Re-appointment of auditor**

### **Ordinary resolution number 6**

"Resolved that PricewaterhouseCoopers Inc. be and is hereby re-appointed as auditor of the company for the ensuing year on the recommendation of the audit and risk committee of the company".

The reason for ordinary resolution number 6 is that the company, being a public listed company, must have its financial results audited and such auditor must be appointed or re-appointed each year at the AGM of the company as required by the Companies Act.

## **2.4. Auditor's remuneration**

### **Ordinary resolution number 7**

"Resolved that the auditor's remuneration for the year ended 28 February 2011 as determined by audit and risk committee of the company be and is hereby confirmed".

The reason for ordinary resolution number 7 is that the memorandum of incorporation of the company requires that the remuneration of the auditors be considered at the AGM.

## **2.5 Unissued shares placed under control of the directors**

### **Ordinary resolution number 8**

"Resolved that the unissued shares in the company, limited to 5% of the number of shares in issue at 28 February 2011, be and are hereby placed under the control of the directors until the next annual general meeting and that the directors be and are hereby authorised to issue any such shares as they may deem fit, subject to the Companies of 2008 (Act 71 of 2008), as amended, the memorandum of incorporation of the company, and the provisions of the Listings Requirements of the JSE Limited, save that the aforementioned 5% limitation shall not apply to any shares issued in terms of a rights offer."

The reason for ordinary resolution number 8 is that the board requires authority from shareholders in terms of its memorandum of incorporation to issue shares in the company. This general authority, once granted, allows the board from time to time, when it is appropriate to do so, to issue ordinary shares as may be required *inter alia* in terms of capital raising exercises and to maintain a healthy capital adequacy ratio. This general authority is subject to the restriction that it is limited to 5% of the number of shares in issue at 28 February 2011 on the terms more fully set out in ordinary resolution number 8 and subject to the further restrictions set out in ordinary resolution number 9 below in relation to the issue of shares for cash.

## **2.6 General authority to issue shares for cash**

### **Ordinary resolution number 9**

"Resolved that the directors of the company be and are hereby authorised by way of a general authority, to allot and issue any of its unissued shares for cash placed under their control as they in their discretion may deem fit, without restriction, subject to the provisions of the Listings Requirements of the JSE Limited ("the JSE"), and subject to the proviso that the aggregate number of ordinary shares able to be allotted and issued in terms of this resolution, shall be limited to 5% of the issued share capital at 28 February 2011, provided that:

- the approval shall be valid until the date of the next annual general meeting of the company, provided it shall not extend beyond fifteen months from the date of this resolution;
- a paid press announcement giving full details, including the impact on net asset value and earnings per share, will be published after any issue representing, on a cumulative basis within any one financial year, 5% or more of the number of shares in issue prior to such issue;
- the general issues of shares for cash in the aggregate in any one financial year may not exceed 5% of the applicant's issued share capital (number of securities) of that class. For purposes of determining whether the aforementioned 5% has been or will be reached, the securities of a particular class will be aggregated with the securities that are compulsorily convertible into securities of that class and, in the case of the issue of compulsorily convertible securities, aggregated with the securities of that class into which they are compulsorily convertible. The number of securities of a class which may be issued shall be based on the number of securities of that class in issue at the date of such application less any securities of the class issued during the current financial year, provided that any securities of that class to be issued pursuant to a rights issue (announced and irrevocable and underwritten) or acquisition (concluded up to the date of application) may be included as though they were securities in issue at the date of application;
- in determining the price at which an issue of shares will be made in terms of this authority the maximum discount permitted will be 10% of the weighted average traded price of such shares, as determined over the 30 trading days prior to the date that the price of the issue is agreed between the issuer and the party subscribing for the securities. The JSE should be consulted for a ruling if the securities have not traded in such 30 business day period;
- any such issue will only be made to public shareholders as defined in paragraphs 4.25 to 4.27 of the Listings Requirements of the JSE and not to related parties; and
- any such issue will only be securities of a class already in issue or, if this is not the case, will be limited to such securities or rights that are convertible into a class already in issue."

For listed entities wishing to issue shares for cash, it is necessary for the board not only to obtain the prior authority of the shareholders as may be required in terms of their memorandum of incorporation contemplated in ordinary resolution number 8 above but it is also necessary to obtain the prior authority of shareholders in accordance with the Listings Requirements of the JSE. The reason for this resolution is accordingly to obtain a general authority from shareholders to issue shares for cash in compliance with the Listings Requirements of the JSE.

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

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

*Note:*

*For the special resolutions to be adopted, more than 75% of the voting rights exercised on each special resolution must be exercised in favour thereof.*

### **3.1 Remuneration of directors**

#### **Special resolution number 1**

"Resolved in terms of section 66(9) of the Companies Act of 2008 (Act 71 of 2008), as amended, that the company be and is hereby authorised to remunerate its directors for their services as directors and/or pay any fees related thereto on the following basis and on any other basis as may be recommended by the remuneration committee and approved by the board of directors, provided that the aforementioned authority shall be valid until the next annual general meeting of the company:

Per annum for serving as a director: R70,000

Per annum for serving on the audit and risk committee: R25,000  
(provided that the chairman of the audit and risk committee will receive R30,000 instead of R25,000)

Note: executive directors of the company are not personally remunerated for their services as directors of the company and/or its subsidiaries."

The reason for special resolution number 1 is for the company to obtain the approval of shareholders by way of special resolution for the payment of remuneration to its non-executive directors in accordance with the requirements of the Companies Act.

The effect of special resolution number 1 is that the company will be able to pay its non-executive directors for the services they render to the company as directors without requiring further shareholder approval until the next AGM.

## **3.2 Inter-company loans**

### **Special resolution number 2**

“Resolved in terms of section 45(3)(a)(ii) of the Companies Act of 2008 (Act 71 of 2008), as amended (“the Companies Act”), as a general approval, that the board of the company be and is hereby authorised to approve that the company provides any direct or indirect financial assistance (“financial assistance” will herein have the meaning attributed to it in section 45(1) of the Companies Act) that the board of the company may deem fit to any company or corporation that is related or inter-related (“related” or “inter-related” will herein have the meaning attributed to it in section 2 of the Companies Act) to the company, on the terms and conditions and for amounts that the board of the company may determine, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the company.”

The reason for and effect of special resolution number 2 is to grant the directors of the company the authority until the next AGM to provide financial assistance to any company or corporation which is related or inter-related to the company. This means that the company is authorised to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries.

## **3.3 Share repurchases by the company and its subsidiaries**

### **3.3.1 Special resolution number 3**

“Resolved as a special resolution that the company be and is hereby authorised, as a general approval, to repurchase any of the shares issued by the company, upon such terms and conditions and in such amounts as the directors may from time to time determine, but subject to the provisions of section 46 and 48 of the Companies Act of 2008 (Act 71 of 2008), as amended (“the Companies Act”), the memorandum of incorporation of the company, the Listings Requirements of the JSE Limited (“the JSE”) and the requirements of any other stock exchange on which the shares of the company may be quoted or listed, including, *inter alia*, that:

- the general repurchase of the shares may only be implemented on the open market of the JSE and done without any prior understanding or arrangement between the company and the counterparty;
- this general authority shall only be valid until the next annual general meeting of the company, provided that it shall not extend beyond fifteen months from the date of this resolution;
- an announcement must be published as soon as the company has acquired shares constituting, on a cumulative basis, 3% of the number of shares in issue prior to the acquisition, pursuant to which the aforesaid 3% threshold is reached, containing full details thereof, as well as for each 3% in aggregate of the initial number of shares acquired thereafter;
- the general authority to repurchase is limited to a maximum of 20% in the aggregate in any one financial year of the company’s issued share capital at the time the authority is granted;
- a resolution has been passed by the board of directors approving the purchase, that the company has satisfied the solvency and liquidity test as defined in the Companies Act and that since the solvency and liquidity test was applied there have been no material changes to the financial position of the group;
- the general repurchase is authorised by the company’s memorandum of incorporation;
- repurchases must not be made at a price more than 10% above the weighted average of the market value of the shares for five business days immediately preceding the date that the transaction is effected. The JSE should be consulted for a ruling if the applicants securities have not traded in such five business day period;
- the company may at any point in time only appoint one agent to effect any repurchase(s) on the company’s behalf;
- the company may not effect a repurchase during any prohibited period as defined in terms of the Listings Requirements of the JSE unless there is a repurchase programme in place as contemplated in terms of 5.72(g) of the Listings Requirements of the JSE; and
- the company must ensure that its sponsor provides the JSE with the required working capital letters before it commences the repurchase of any shares.”

The reason for and effect of special resolution number 3 is to grant the directors a general authority in terms of its memorandum of incorporation and the Listings Requirements of the JSE for the acquisition by the company of shares issued by it on the basis reflected in the special resolution.

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

time the authority is granted.

### 3.3.2 Special resolution number 4

“Resolved as a special resolution that the company, insofar as it may be necessary to do so, hereby approves, as a general approval, and authorises the acquisition by any subsidiary of the company (“the subsidiary” or “the acquiree”) of shares issued by such subsidiary and/or shares issued by the company, upon such terms and conditions and in such amounts as the directors of any such subsidiary may from time to time determine, but subject to the provisions of section 46 and 48 of the Companies Act of 2008 (Act 71 of 2008), as amended (“the Companies Act”), the memorandum of incorporation of the company, the Listings Requirements of the JSE Limited (“the JSE”) and the requirements of any other stock exchange on which the shares of the subsidiary may be quoted or listed, including, *inter alia*, that:

- the general repurchase of shares may only be implemented on the open market of the JSE and done without any prior understanding or arrangement between the acquiree and the other counterparty;
- this general authority shall only be valid until the next annual general meeting of the company, provided that it shall not extend beyond fifteen months from the date of this resolution;
- an announcement must be published as soon as the acquiree has acquired shares constituting, on a cumulative basis, 3% of the number of shares of the acquiree company in issue prior to the acquisition, pursuant to which the aforesaid 3% threshold is reached, containing full details thereof, as well as for each 3% in aggregate of the initial number of shares acquired thereafter;
- this general authority to repurchase is limited to a maximum of 20% in the aggregate in any one financial year of the acquiree’s issued share capital at the time the authority is granted, subject to a maximum of 10% in the aggregate in the event that it is the company’s share capital that is repurchased by a subsidiary;
- a resolution has been passed by the board of directors approving the purchase, that the company has satisfied the solvency and liquidity test as defined in the Companies Act and that since the solvency and liquidity test was applied there have been no material changes to the financial position of the group;
- the general purchase is authorised by the company’s memorandum of incorporation;
- repurchases must not be made at a price more than 10% above the weighted average of the market value of the shares for the five business days immediately preceding the date that the transaction is effected. The JSE should be consulted for a ruling if the securities have not traded in such five business day period;
- the company and/or subsidiary may at any point in time only appoint one agent to effect any repurchase(s) on the subsidiary company’s behalf;
- the subsidiary company may not effect a repurchase during any prohibited period as defined in terms of the Listings Requirements of the JSE unless there is a repurchase programme in place as contemplated in terms of 5.72(g) of the Listings Requirements of the JSE; and
- the company must ensure that its sponsor provides the JSE with the required working capital letters before it commences the repurchase of any shares.”

The reason for and effect of special resolution number 4 is to grant the board of directors of any subsidiary of the company a general authority in terms of the Listings Requirements of the JSE to acquire shares issued by such subsidiary and/or to acquire shares issued by the company on the basis reflected in the special resolution.

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

## 4. Other business

To transact such other business as may be transacted at an AGM or raised by shareholders with or without advance notice to the company.

### Information relating to the special resolutions

1. The directors of the company or its subsidiaries will only utilise the general authority to purchase shares of the company and/or the subsidiary as set out in special resolution numbers 3 and 4 to the extent that the directors, after considering the maximum shares to be purchased, are of the opinion that the position of the company and its subsidiaries (“the Group”) would not be compromised as to the following:
  - the Group’s ability in the ordinary course of business to pay its debts for a period of 12 months after the date of this AGM and for a period of 12 months after the purchase;
  - the consolidated assets of the Group will at the time of the AGM and at the time of making such determination

be in excess of the consolidated liabilities of the Group. The assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited annual financial statements of the Group;

- the ordinary capital and reserves of the Group after the purchase will remain adequate for the purpose of the business of the Group for a period of 12 months after the AGM and after the date of the share purchase; and
- the working capital available to the Group after the purchase will be sufficient for the Group's requirements for a period of 12 months after the date of the notice of the annual general meeting

and the directors have passed a resolution authorising the repurchase, resolving that the company or the subsidiary, as the case may be, has satisfied the solvency and liquidity test as defined in the Companies Act and resolving that since the solvency and liquidity test had been applied, there have been no material changes to the financial position of the Group.

General information in respect of directors, major shareholders, directors' interest in securities and material changes and the share capital of the company is contained in Annexure B to this notice.

2. The company is not involved in any legal or arbitration proceedings, nor are any proceedings pending or threatened of which the company is aware that may have or have had in the previous 12 months, a material effect on the company's financial position.
3. The directors, whose names appear in annexure B of this notice, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts that have been made and that the notice contains all information required by the Listings Requirements of the JSE.
4. Special resolutions 3 and 4 are renewals of resolutions taken at the previous annual general meeting on 18 June 2010.

## **Voting**

1. The date on which shareholders must be recorded as such in the share register maintained by the transfer secretaries of the company ("the Share Register") for purposes of being entitled to receive this notice is Friday, 29 April 2011.
2. The date on which shareholders must be recorded in the Share Register for purposes of being entitled to attend and vote at this meeting is Friday, 10 June 2011, with the last day to trade being Friday, 3 June 2011.
3. Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairman of the AGM and must accordingly bring a copy of their identity document, passport or drivers' license to the AGM. 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.
4. Shareholders entitled to attend and vote at the AGM may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a member of the company. A form of proxy, in which are set out the relevant instructions for its completion, is enclosed for the use of a certificated shareholder or own-name registered dematerialised shareholder who wishes to be represented at the annual general meeting. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the AGM.
5. The instrument appointing a proxy and the authority (if any) under which it is signed must reach the transfer secretaries of the company at the address given below by not later than 12:00 on Monday, 13 June 2011.
6. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the AGM in person will need to request their Central Securities Depository Participant ("CSDP") or broker to provide them with the necessary authority in terms of the custody agreement entered into between such shareholders and the CSDP or broker.
7. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who are unable to attend the annual general meeting and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or broker in the manner and time stipulated therein.

8. Shareholders present in person, by proxy or by authorised representative shall, on a show of hands, have one vote each and, on a poll, will have one vote in respect of each share held.

By order of the board

**PSG Corporate Services (Pty) Ltd**

Company secretary

10 May 2011

Stellenbosch

**Registered office**

Zeder Investments Ltd

Ou Kollege

35 Kerk Street

Stellenbosch, 7600

(PO Box 7403, Stellenbosch, 7599)

**Transfer secretaries**

Computershare Investor Services (Pty) Ltd

Ground Floor

70 Marshall Street

Johannesburg, 2001

(PO Box 61051, Marshalltown, 2107)

**Sponsor**

PSG Capital

Ou Kollege

35 Kerk Street

Stellenbosch, 7600

(PO Box 7403, Stellenbosch, 7599)



## ANNEXURE A – Audited abridged results for the year ended 28 February 2011

Recurring headline earnings per share up 14,8% to 27,1 cents

Headline earnings per share up 9,2% to 18,9 cents

Attributable earnings per share up 89,3% to 26,5 cents

Sum-of-the-Parts value per share up 29,9% to 274 cents

<b>Abridged group income statement</b>	<b>2011 R'm</b>	<b>2010 R'm</b>
Investment income	22,8	41,2
Net fair value gains	32,0	15,2
Other operating income	0,8	1,1
<b>Total income</b>	<b>55,6</b>	<b>57,5</b>
Management fee (note 3)	(53,2)	(40,7)
Other expenses	(0,2)	(0,1)
<b>Total expenses</b>	<b>(53,4)</b>	<b>(40,8)</b>
Share of profits of associated companies	199,8	128,5
<b>Results of operating activities</b>	<b>202,0</b>	<b>145,2</b>
Finance cost	(2,4)	(0,6)
Loss on dilution of interest in associated company		(17,5)
Gain on disposal of investment in associated company	81,3	
<b>Profit before taxation</b>	<b>280,9</b>	<b>127,1</b>
Taxation	(21,8)	(3,5)
<b>Profit for the year</b>	<b>259,1</b>	<b>123,6</b>
Profit for the year attributable to equity holders of the company	259,1	123,6
Non-headline items		
Loss on dilution of interest in associated company		17,5
Non-headline items of associated companies	(10,1)	10,9
Gain on disposal of investment in associated company	(65,6)	
Impairment of investment in an associated company	1,4	
<b>Headline earnings</b>	<b>184,8</b>	<b>152,0</b>
Earnings per share (cents)		
– Attributable (basic and diluted)	26,5	14,0
– Headline (basic and diluted)	18,9	17,3
Number of shares in issue and weighted average (million)		
– In issue	978,1	978,1
– Weighted average *	978,1	880,6

\* Increased number of shares in issue due to rights issue during June 2009 at R1,35 per share

<b>Abridged group statement of comprehensive income</b>	<b>2011 R'm</b>	<b>2010 R'm</b>
Profit for the year	259,1	123,6
Share of other comprehensive income/(loss) of associated companies	8,4	(16,9)
Other equity movements of associated companies	1,3	1,1
Disposal of investment in associated company	10,1	
Step acquisition from equity securities to investment in associated companies		
Reversal of previous fair value gains after taxation on equity securities		(0,4)
Revaluation of assets and liabilities of associated companies		0,4
<b>Total comprehensive income for the year</b>	<b>278,9</b>	<b>107,8</b>
Attributable to equity holders of the company	278,9	107,8
<b>Abridged group statement of financial position</b>	<b>2011 R'm</b>	<b>2010 R'm</b>
<b>Assets</b>		
Non-current assets	2 350,3	2 183,0
Investment in associated companies (note 2)	2 143,6	1 967,8
Equity securities	206,7	215,2
Current assets	207,6	121,8
Trade and other receivables	1,6	
Current income tax receivable		0,2
Cash and cash equivalents	206,0	121,6
<b>Total assets</b>	<b>2 557,9</b>	<b>2 304,8</b>
<b>Equity</b>		
Ordinary shareholders' funds	2 521,8	2 282,0
Total equity	2 521,8	2 282,0
<b>Liabilities</b>		
Non-current liabilities		
Deferred income tax	5,9	1,7
Current liabilities		
Trade and other payables	30,2	21,1
Total liabilities	36,1	22,8
<b>Total equity and liabilities</b>	<b>2 557,9</b>	<b>2 304,8</b>
Net asset value per share (cents)	257,8	233,3

<b>Abridged group statement of changes in owners' equity</b>	<b>2011 R'm</b>	<b>2010 R'm</b>
Ordinary shareholders' equity at beginning of year	2 282,0	1 725,4
Shares issued		491,6
Dividend paid	(39,1)	(42,8)
Total comprehensive income for the year	278,9	107,8
<b>Ordinary shareholders' equity at end of year</b>	<b>2 521,8</b>	<b>2 282,0</b>

#### Dividend per share

- 2009: 7 cents (declared on 6 April 2009 and paid on 11 May 2009)
- 2010: 4 cents (declared on 12 April 2010 and paid on 10 May 2010)
- 2011: 4 cents (declared on 11 April 2011 and paid on 9 May 2011)

<b>Abridged group statement of cash flows</b>	<b>2011 R'm</b>	<b>2010 R'm</b>
Cash flow from operating activities	27,0	21,9
Cash flow from investment activities	96,5	(376,9)
Cash flow from financing activities	(39,1)	448,7
Net increase in cash and cash equivalents	84,4	93,7
Cash and cash equivalents at beginning of year	121,6	27,9
<b>Cash and cash equivalents at end of year</b>	<b>206,0</b>	<b>121,6</b>

### Notes to the abridged financial statements

#### 1. Basis of presentation and accounting policies

The abridged financial statements have been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS), and IAS 34 – Interim Financial Reporting; the requirements of the South African Companies Act of 1973, as amended; and the Listings Requirements of the JSE Limited. The accounting policies applied in the preparation of these abridged financial statements are consistent with those used in the previous financial year, except for the following standards and interpretation which are effective for the financial year beginning 1 March 2010:

- IFRS 3 Revised – Business Combinations
- IAS 27 Revised – Consolidated and Separate Financial Statements
- IFRIC 17 – Distribution of Non-Cash Assets to Owners

These standards and interpretation had no impact on the reported results. Results of operating activities, as presented in the income statement, include share of profits of associated companies as a significant part of Zeder's business activity is performed through associates. The comparatives have been presented on a consistent basis.

#### 2. Investment in associated companies

Zeder invests in the agriculture, food and beverage sectors.

#### 3. Management fee

A management fee is payable to PSG Group Ltd ("PSG Group"), the group's ultimate holding company, in terms of a management agreement. In accordance with the management agreement, PSG Group provides all investment, administrative, advisory, financial and corporate services to the group. Management fees payable consist of a base fee and a performance fee element. The base fee is calculated at 2% p.a. (exclusive of VAT) on the net asset value of the group (excluding cash) at the end of every month and 0,15% p.a. (exclusive of VAT) on the daily average cash balances. The base fee is accrued at the end of every month. The performance fee is calculated on the last day of the

financial year at 10% p.a. on the outperformance of the group's equity portfolio above the equally weighted FTSE-JSE Beverage Total Return Index (TRI041) and the FTSE-JSE Food Producers Total Return Index (TRI043) over any financial year. No performance fee was payable during the current or prior year.

#### 4. Segment report

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.

Segmental income comprises dividends received and fair value gains/(losses) relating to equity investments, as well as income from associated companies (including loss on dilution of investment in associated company), after tax, as per the income statement.

Recurring headline earnings are 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 investees, 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.

<b>For the year ended</b>	<b>Income</b>	<b>Recurring headline earnings</b>	<b>Non- recurring headline earnings</b>	<b>Headline earnings</b>	<b>Net asset value</b>
<b>28 February 2011</b>	<b>R'm</b>	<b>R'm</b>	<b>R'm</b>	<b>R'm</b>	<b>R'm</b>
Food and agri	188,7	256,5	(73,6)	182,9	1 671,4
Beverages	144,5	60,3		60,3	675,6
	<u>333,2</u>	<u>316,8</u>	<u>(73,6)</u>	<u>243,2</u>	<u>2 347,0</u>
Net interest and other income and expenses	0,9	1,1	(0,3)	0,8	207,6
Management fees and taxation	(75,0)	(53,2)	(6,0)	(59,2)	(32,8)
Total	<u>259,1</u>	<u>264,7</u>	<u>(79,9)</u>	<u>184,8</u>	<u>2 521,8</u>
Non-headline items				<u>74,3</u>	
Attributable earnings				<u>259,1</u>	
Recurring headline earnings per share (cents)		<u>27,1</u>			

<b>For the year ended 28 February 2010</b>	<b>Income R'm</b>	<b>Recurring headline earnings R'm</b>	<b>Non- recurring headline earnings R'm</b>	<b>Headline earnings R'm</b>	<b>Net asset value R'm</b>
Food and agri	124,5	190,3	(56,4)	133,9	1 396,2
Beverages	26,9	45,9		45,9	786,8
	<u>151,4</u>	<u>236,2</u>	<u>(56,4)</u>	<u>179,8</u>	<u>2 183,0</u>
Net interest and other income and expenses	16,5	16,5		16,5	121,6
Management fees and taxation	(44,3)	(44,6)	0,3	(44,3)	(22,6)
Total	<u>123,6</u>	<u>208,1</u>	<u>(56,1)</u>	<u>152,0</u>	<u>2 282,0</u>
Non-headline items				<u>(28,4)</u>	
Attributable earnings				<u>123,6</u>	

Recurring headline earnings per share (cents)

23,6

#### 7. Commitments and contingencies

Contingencies of associated companies which could have an impact on the group's equity accounted earnings can be summarised as follows:

The Competition Commission has initiated an investigation into the alleged collective price fixing of grain storage tariffs by agricultural businesses, including Kaap Agri Ltd. The Competition Commission informed all parties involved that the matter had been referred to the Competition Tribunal. The maximum fine could be as much as ten percent of the affected revenue. This could have a bearing on the results of the group's investments in agricultural businesses. The potential timing and financial consequences, if any, for the group's investee companies can not be determined as yet.

## **ANNEXURE B – General information in respect of directors, major shareholders, directors' interest in securities and material changes and the share capital of the company**

### **DIRECTORS**

The company's directors are unchanged from the previous year and include:

#### **Johannes Fredericus Mouton**

Non-executive chairman  
(64), BCom (Hons), CA(SA), AEP

**Directorships:** non-executive chairman of PSG Group Ltd, non-executive director of Steinhoff International Holdings Ltd and Pioneer Food Group Ltd.

#### **Summary of curriculum vitae**

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

#### **Antonie Egbert Jacobs**

Chief Executive Officer  
(46), BAcc, BCompt (Hons), CA(SA), MCom (Tax), LLB

**Directorships:** non-executive director of Capespan Group Ltd, MGK Business Investments Ltd and Pioneer Food Group Ltd.

#### **Summary of curriculum vitae**

Mr Jacobs has many years experience in an investment management capacity in the agricultural sector. He was the managing director of KLK and financial director of Winecorp and Spier Holdings.

#### **George Douglas Eksteen**

Independent non-executive director  
(69)

#### **Summary of curriculum vitae**

Mr Eksteen farms in the Malmesbury area. He is currently the chairman of Kaap Agri Ltd and also serves on the board of Pioneer Food Group Ltd.

#### **Wynand Louw Greeff**

Financial Director  
(41), BCompt (Hons), CA(SA)

#### **Summary of curriculum vitae**

Mr Greeff has been involved within the PSG group since 2002 and is the financial director of PSG Group Ltd. He serves on various boards within PSG.

#### **Michiel Scholtz du Pré le Roux**

Independent non-executive director  
(61), BCom, LLB

**Directorships:** non-executive chairman of Capitec Bank Holdings Ltd.

#### **Summary of curriculum vitae**

Mr le Roux was managing director of Distillers Corporation (SA) Ltd from 1979 to 1993, and from 1995 to 1998 managing director of Boland Bank, NBS Boland and BOE Bank. He is one of the founding members of Capitec Bank.

#### **Chris Adriaan Otto**

Non-executive director  
(61), BCom, LLB

**Directorships:** non-executive director of PSG Group Ltd, Capitec Bank Holdings Ltd, Capevin Holdings Ltd, Capevin Investments Ltd, Distell Group Ltd and Kaap Agri Ltd.

#### **Summary of curriculum vitae**

Mr Otto has been a director of PSG since 1996. He has been directly involved in the establishment of Capitec Bank and Zeder. He has played an integral role in the establishment and management of PSG and its various operating subsidiaries.

#### **Lambert Phillips Retief**

Independent non-executive director  
(58), BCom (Hons), CA(SA), OPM (HBS)

**Directorships:** non-executive chairman of Paarl Media Holdings (Pty) Ltd, non-executive director of Media24 Ltd and Naspers Ltd.

#### **Summary of curriculum vitae**

Mr Retief has been involved in the printing and publishing business since 1978. He is a past chairman of the provincial press association and current president of the printing industry federation of South Africa. He is also a director of various investment companies.

## MAJOR SHAREHOLDERS AND DIRECTORS' INTEREST IN SECURITIES

The company's shareholders at 28 February 2011 can be summarised as follows:

	Shareholders		Shares held	
	Number	%	Number	%
Range of shareholding				
1 - 20,000	2,563	67,8	18,372,648	1,9
20,001 - 50,000	596	15,8	20,897,303	2,1
50,001 - 100,000	269	7,1	20,594,865	2,1
100,001 - 500,000	211	5,6	47,183,564	4,8
500,001 - 1,000,000	42	1,1	31,740,982	3,2
Over 1,000,000	100	2,6	839,299,155	85,9
	<b>3,781</b>	<b>100,0</b>	<b>978,088,517</b>	<b>100,0</b>
Public and non-public shareholding				
Non-public				
Directors	5	0,1	620,000	0,1
- AE Jacobs (indirect beneficial)			130,000	
- WL Greeff (direct beneficial)			80,000	
- JF Mouton (indirect non-beneficial)			80,000	
- MS du Pré le Roux (indirect non-beneficial)			250,000	
- CA Otto (indirect non-beneficial)			80,000	
PSG Financial Services Ltd	1		407,892,429	41,7
Public	3,775	99,9	569,576,088	58,2
	<b>3,781</b>	<b>100,0</b>	<b>978,088,517</b>	<b>100,0</b>

PSG Financial Services Ltd is the only individual shareholder holding 5% or more of the issued shares at 28 February 2011. The shareholding of directors remained unchanged for the year ended 28 February 2011.

## SHARE CAPITAL OF THE COMPANY

The company's authorised and issued share capital was unchanged from the prior year, and at 28 February 2011 was:

### **Authorised**

1,500,000,000 ordinary shares with a par value of 1 cent each

250,000,000 cumulative, non-redeemable, non-participating preference shares with a par value of 1 cent each

### **Issued**

978,088,517 ordinary shares with a par value of 1 cent each

### **Material changes**

There has been no material change in the financial or trading position of the company and its subsidiaries subsequent to the company's financial year end, being 28 February 2011.

**Zeder Investments Limited**  
(Incorporated in the Republic of South Africa)  
(Registration number: 2006/019240/06 )  
JSE share code: ZED  
ISIN code: ZAE 000088431  
("Zeder" or "the company")

FORM OF PROXY – FOR USE BY CERTIFICATED AND OWN-NAME DEMATERIALISED SHAREHOLDERS ONLY

For use at the annual general meeting of ordinary shareholders of the company to be held at 09:30 at Webersburg, on Wednesday, 15 June 2011.

I/We (Full name in print) \_\_\_\_\_

of (address) \_\_\_\_\_

being the registered holder of \_\_\_\_\_ ordinary shares hereby appoint:

1. \_\_\_\_\_ or failing him/her,

2. \_\_\_\_\_ or failing him/her,

3. the chairman of the meeting,

as my proxy to vote for me/us at the annual general meeting for purposes of considering and, if deemed fit, passing, with or without modification, the special resolutions and ordinary resolutions to be proposed thereat and at each adjournment thereof and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares registered in my/our name(s) in accordance with the following instructions (see Notes):

	Number of shares		
	In favour of	Against	Abstain
1. To accept the presentation of the audited annual financial statements			
2.1.1 Ordinary resolution number 1: To re-elect J F Mouton as director			
2.1.2 Ordinary resolution number 2: To re-elect C A Otto as director			
2.2.1 Ordinary resolution number 3: To re-appoint Mr M S du Pré le Roux as member of the audit and risk committee			
2.2.2 Ordinary resolution number 4: To re-appoint Mr G D Eksteen as member of the audit and risk committee			
2.2.3 Ordinary resolution number 5: To re-appoint Mr L P Retief as member of the audit and risk committee			
2.3 Ordinary resolution number 6: To re-appoint the auditor, PricewaterhouseCoopers Inc.			
2.4 Ordinary resolution number 7: To confirm the auditor's remuneration			
2.5 Ordinary resolution number 8: Unissued shares placed under control of the directors			
2.6 Ordinary resolution number 9: General authority to issue shares for cash			
3.1 Special resolution number 1: Remuneration of non-executive directors			
3.2 Special resolution number 2: Inter-company loans			
3.3.1 Special resolution number 3: Share buyback by Zeder			
3.3.2 Special resolution number 4: Share buyback by subsidiaries of Zeder			

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

Signed at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

Signature(s) \_\_\_\_\_

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

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



# Notes

1. A Zeder shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space(s) provided, with or without deleting "the chairman of the annual general meeting". The person whose name appears first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A Zeder shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of shares to be voted on behalf of that shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the chairman of the annual general meeting, if he/she is the authorised proxy, to vote in favour of the resolutions at the meeting, or any other proxy to vote or to abstain from voting at the meeting as he/she deems fit, in respect of all the shares concerned. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or his/her proxy, but the total of the votes cast and in respect whereof abstentions are recorded may not exceed the total of the votes exercisable by the shareholder or his/her proxy.
3. When there are joint registered holders of any shares, any one of such persons may vote at the meeting in respect of such shares as if he/she was solely entitled thereto, but, if more than one of such joint holders be present or represented at any meeting, that one of the said persons whose name stands first in the register in respect of such shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member, in whose name any shares stand, shall be deemed joint holders thereof.
4. Forms of proxy must be completed and returned to be received by the transfer secretaries of the company, Computershare Investor Services (Proprietary) Limited (PO Box 61051, Marshalltown, 2107), by not later than 12:00 on Monday, 13 June 2011.
5. Any alteration or correction made to this form of proxy must be initialled by the signatory(ies).
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company's transfer secretaries or waived by the chairman of the annual general meeting.
7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to