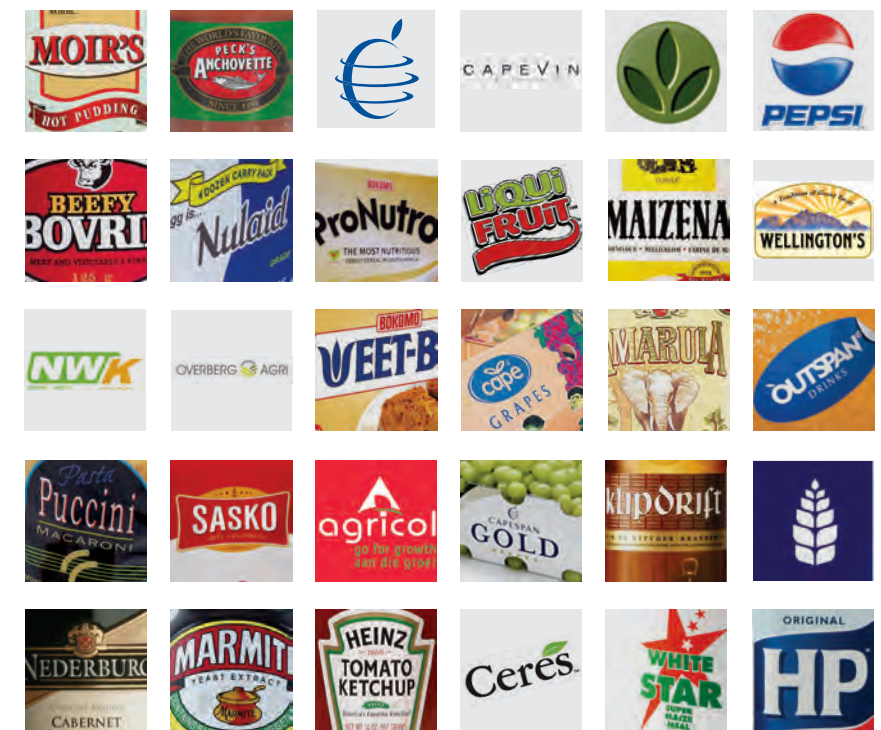




Investing in the broad agribusiness industry, with a specific focus on the food and beverage sectors.

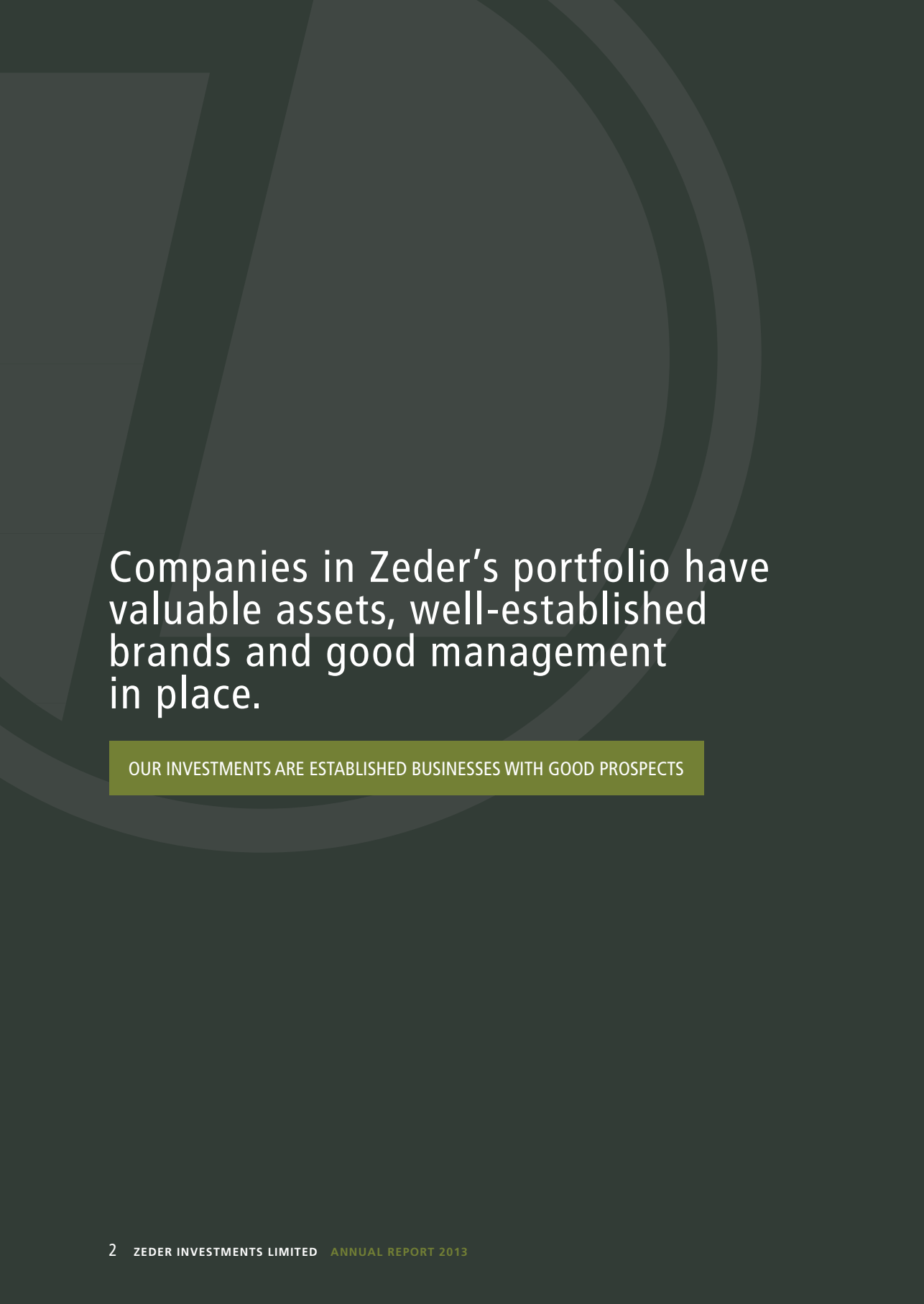
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ANNUAL REPORT 2013



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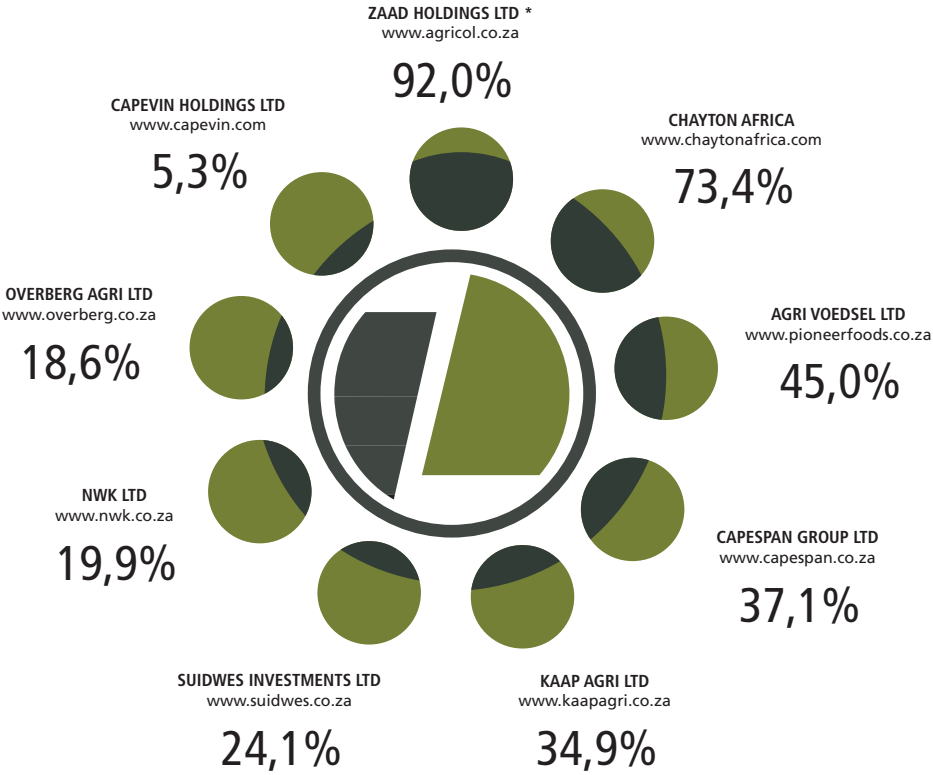
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Companies in Zeder's portfolio have valuable assets, well-established brands and good management in place.

OUR INVESTMENTS ARE ESTABLISHED BUSINESSES WITH GOOD PROSPECTS

# INTEREST IN INVESTMENTS



\* Agricol Holdings Ltd is in the process of changing its name to Zaad Holdings Ltd.



The Zeder board of directors  
has a wealth of knowledge,  
experience and expertise.

ZEDER IS MANAGED BY PSG GROUP LIMITED

# BOARD OF DIRECTORS

## Johannes Fredericus Mouton (66)

### CHAIRMAN

BCom (Hons), CA(SA), AEP

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

## Norman Celliers (39) \*

### CHIEF EXECUTIVE OFFICER

BEng (Civil), MBA (Oxon), Dip Soc (Oxon)

**Directorships:** Non-executive director of Pioneer Food Group Ltd and Capevin Holdings Ltd.

## Antonie Egbert Jacobs (48) \*\*

### NON-EXECUTIVE DIRECTOR

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

**Directorships:** Executive chairman of Agricol Holdings Ltd, non-executive director of Capespan Group Ltd and Pioneer Food Group Ltd.

## Petrus Johannes Mouton (36)

### NON-EXECUTIVE DIRECTOR

BCom (Mathematics)

**Directorships:** Chief executive officer of PSG Group Ltd and non-executive director of Capitec Bank Holdings Ltd.

## George Douglas Eksteen (71)

### NON-EXECUTIVE DIRECTOR ^

**Directorships:** Non-executive chairman of Agri Voedsel Ltd.

## Wynand Louw Greeff (43)

### FINANCIAL DIRECTOR

BCompt (Hons), CA(SA)

**Directorships:** Financial director of PSG Group Ltd.

## Michiel Scholtz du Pré le Roux (63)

### NON-EXECUTIVE DIRECTOR ^

BCom, LLB

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

## Chris Adriaan Otto (63)

### NON-EXECUTIVE DIRECTOR ^

BCom, LLB

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

## Lambert Phillips Retief (60)

### NON-EXECUTIVE DIRECTOR ^

BCom (Hons), CA(SA), OPM (HBS)

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

\* Appointed 23 July 2012

\*\* Resigned as chief executive officer with effect from 30 April 2012 and was re-appointed as a non-executive director on 8 April 2013.

^ Independent

# LETTER TO SHAREHOLDERS

During the year under review, Zeder's core investment portfolio performed well and significant strides were made in implementing our expanded investment strategy. While global uncertainty prevails and caution remains the operative word, encouraging macro indicators underpin our optimism for further growth in our existing portfolio and new opportunities in the broad agribusiness industry, particularly in the African context.

## THE MACRO ENVIRONMENT

As the world's population continues to grow and urbanises, a number of major themes appear to be shaping consumer demand around the world. On the one hand emerging consumers are presenting significant opportunities in the developing world where staple needs must be served and the migration to protein diets unlocks growth opportunities. At the same time affluent consumers throughout the world are reconsidering their ways of life and are demanding higher quality and healthier foods presenting attractive prospects.

These trends, when reviewed in the context of finite resources, are influencing agribusiness industries around the world. New areas of production are being developed in previously neglected regions; the use of technology in agriculture and agro-industries is leading to remarkable breakthroughs; the high cost of energy and inputs is challenging traditional business models and sustainable alternatives are emerging.

## OUR INVESTMENTS

With a strong existing portfolio and pipeline of new opportunities, Zeder is well positioned to participate in business opportunities that emerge from the aforementioned trends.

- **Pioneer Foods** is already one of South Africa's leading food and beverage companies with an annual revenue in excess of R18,6bn. It has the ability to grow its existing business and expand into other sectors and international markets by leveraging its broad consumer product basket, world-class infrastructure and operational expertise.
- **Kaap Agri, NWK and Overberg Agri** are well-established and regionally dominant South African agribusinesses with combined revenues in excess of R8,5bn. These companies have opportunities to grow through regional expansion, consolidation and efficiency improvements.
- **Capespan** has an annual turnover in excess of R5,2bn and represents a group of companies involved with global fruit production, procurement and marketing on the one hand and integrated logistics on the other. The group has operations in 19 countries, procures fruit from 23 countries and services customers in more than 60 countries.
- **Zaad** holds 100% and 49% in Agricol and Klein Karoo Seed Marketing respectively. These two companies are well-established seed companies in their different markets servicing customers across Southern Africa and abroad.
- **Chayton Africa** is involved with the acquisition, development and management of large-scale commercial grain operations in Zambia. In less than 18 months the company has grown from humble beginnings to being the 2nd largest grain producer in Zambia with 4 100 hectares under irrigation.



## LETTER TO SHAREHOLDERS *(continued)*

Encouraging macro indicators underpin our optimism for further growth in our existing portfolio and new opportunities in the broad agribusiness industry, particularly in the African context.

Over the next year we will focus on growing the businesses within our existing portfolio while also actively seeking new opportunities.

### **APPRECIATION**

Zeder is an investment holding company and our performance is tied to the quality of our underlying investments and internal teams as well as the support we receive from our shareholders. We would therefore like to express our sincere appreciation to the leaders and employees of all our portfolio companies, the directors and management responsible for managing and overseeing Zeder and the shareholders who have entrusted us with their capital.



Jannie Mouton  
Chairman



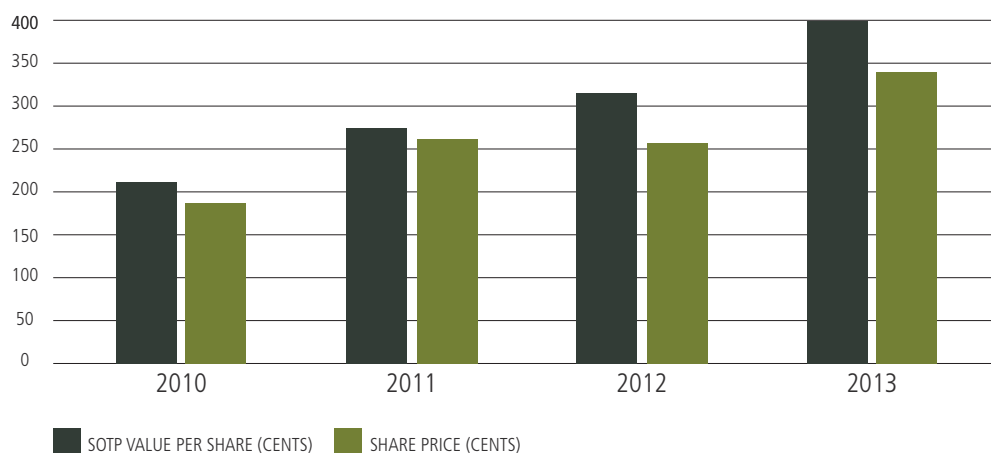
Norman Celliers  
Chief executive officer



## REVIEW OF OPERATIONS



## REVIEW OF OPERATIONS



YEAR ENDED FEBRUARY	2011	2012	2013
Recurring headline earnings (Rm)	264,7	273,0	251,1
Headline earnings (Rm)	184,8	299,9	196,3
Recurring headline earnings per share (cents)	27,1	27,9	25,7
Headline earnings per share (cents)	18,9	30,7	20,1
Dividend per share (cents)	4,0	4,0	4,0

## REVIEW OF OPERATIONS *(continued)*

### OVERVIEW

Zeder is an investor in the broad agribusiness industry with a specific focus on the food and beverage sectors. The value of its portfolio at year-end was R3,9bn, of which Agri Voedsel (with its interest of 30,7% in Pioneer Foods) represented 37,8%. During the year under review, Zeder invested a further R538m, of which the majority relate to the investments in Agricol and Chayton Africa.

### STRATEGY

Zeder has historically only taken non-controlling strategic stakes in entities. The acquisition of controlling interests in both Agricol and Chayton illustrates Zeder's refined strategy to include playing a more active role in determining strategy, and to help expand the respective businesses.

### RESULTS

The two key benchmarks which Zeder believes to measure performance by are *sum-of-the-parts* ("SOTP") value per share and *recurring headline earnings* per share.

#### Sum-of-the-parts

Zeder's SOTP value per share, calculated using the quoted market prices for all JSE-listed and over-the-counter ("OTC") traded investments, and market-related valuations for unquoted, unlisted investments, increased by 26,7% during the year to R3,99. The SOTP value is analysed in the table below:

Company	2011		2012		2013	
	Interest %	Rm	Interest %	Rm	Interest %	Rm
Agri Voedsel			44,7	1 230,4	45,0	1 475,2
Kaap Agri *	43,9	1 270,4	33,4	205,5	34,9	343,2
Capevin Holdings	39,5	691,3	39,8	713,1	5,3	287,6
Capespan	22,7	84,7	40,9	293,0	37,1	284,2
Zaad Holdings	25,1	27,1	25,1	49,8	92,0	368,9
Chayton Africa					73,4	276,9
Suidwes	21,8	76,1	23,7	82,7	24,1	90,2
Other		348,8		541,3		386,0
<b>Total investments</b>		2 498,4		3 115,8		3 512,2
Cash and cash equivalents		206,0		77,5		692,2
Other net liabilities		(28,6)		(108,6)		(301,1)
<b>SOTP value</b>		2 675,8		3 084,7		3 903,3
Number of shares in issue (million)		978,1		978,1		978,1
<b>SOTP value per share (rand)</b>		2,74		3,15		3,99
Net asset value per share (rand)		2,58		2,88		3,36

\* Kaap Agri unbundled from Agri Voedsel (December 2011).



## REVIEW OF OPERATIONS *(continued)*

The compounded annual growth of Zeder's SOTP value since listing on 1 December 2006 until 28 February 2013, calculated on the basis of reinvesting dividends, is approximated at 17,6%.

Zeder's consolidated *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 does not equity account in terms of accounting standards, are included in the calculation of consolidated *recurring headline earnings*. This provides management and investors with a more realistic and simplistic way of evaluating Zeder's earnings performance.

	2011 Rm	2012 Rm	2013 Rm
<b>Recurring headline earnings of subsidiaries</b>	–	–	11,1
Zaad Holdings			32,9
Chayton Africa			(21,8)
<b>Recurring headline earnings of associated companies and equity securities</b>	316,8	323,4	321,9
Food and agri	256,5	265,1	255,8
Beverages	60,3	58,3	66,1
Net interest and other income and expenses	1,1	(2,4)	(23,3)
Management fees and taxation	(53,2)	(48,0)	(58,6)
<b>Recurring headline earnings</b>	264,7	273,0	251,1
Non-recurring headline earnings, net of taxation			
Investments marked-to-market and one-off items	(79,9)	26,9	(54,8)
<b>Headline earnings</b>	184,8	299,9	196,3
Non-headline items, net of taxation	74,3	34,7	315,4
<b>Attributable earnings</b>	259,1	334,6	511,7
<b>Recurring headline earnings per share (cents)</b>	27,1	27,9	25,7
<b>Headline earnings per share (cents)</b>	18,9	30,7	20,1
<b>Attributable earnings per share (cents)</b>	26,5	34,2	52,3
<b>Dividend per share (cents)</b>	4,0	4,0	4,0

## REVIEW OF OPERATIONS *(continued)*

### **Recurring headline earnings**

*Recurring headline earnings* per share decreased by 7,9% to 25,7 cents mainly due to the initial losses incurred by Chayton, a start-up company in its development phase, and the funding cost in respect of the debt raised to fund the acquisition of this investment.

However, should Zeder's share of the initial losses incurred by Chayton and the funding cost related to this investment be excluded, the *recurring headline earnings* per share would have increased by 6,5% to 29,7 cents.

### **Headline earnings**

*Headline earnings* per share decreased by 34,5% to 20,1 cents. The decrease in *non-recurring headline earnings* is mainly the result of a one-off special dividend received in the prior year, less marked-to-market profits achieved in the year under review, as well as one-off costs comprising Pioneer's B-BBEE share-based payment expense, Distell's provision for excise duties and Agri Voedsel's unbundling costs.

### **Attributable earnings**

*Attributable earnings* per share increased by 52,9% to 52,3 cents as a result of the R315m net *non-headline* profit, which consists mainly, of the disposal of a 15,1% stake in Capevin Holdings and other corporate actions.

Profit from operating activities (before finance costs and taxation) increased by 87,8%, predominantly as a result of the aforementioned Capevin disposal.

### **Agri Voedsel (Pioneer Foods)**

Agri Voedsel is an unlisted holding company that owns a 30,7% economic interest in the listed Pioneer Foods. During the year under review, Zeder largely maintained its 45% share in Agri Voedsel. The year started off with a challenging first half for Pioneer Foods, but the business enjoyed a modest recovery during the second half, ending the year with a 6% increase in adjusted headline earnings per share.

In line with its competitors, Pioneer Foods' performance has been constrained by a prolonged high commodity price cycle and structural challenges within the poultry industry. Despite the current period of margin compression, Zeder remains optimistic about Pioneer in the long run. It is a leading food producer with strong fundamentals, which under new management remains well poised to benefit from the growing demand for food and beverages, both in sub-Saharan Africa and select international markets.

Pioneer's results can be viewed at [www.pioneerfoods.co.za](http://www.pioneerfoods.co.za).

### **Capevin Holdings (Distell)**

During the year under review, Capevin Holdings ("CVH") was independently listed on the JSE as a holding company following a merger with Capevin Investments, with its core asset being an effective interest of 28,9% in Distell. Since listing, Zeder disposed of 15,1% of its interest in CVH for R799,8m, and thereby reduced its shareholding to 5,3% (valued at R287,6m at year-end). The listing



"Over the next year we will focus on growing the businesses within our existing portfolio while also actively seeking new opportunities."

NORMAN CELLIERS – CHIEF EXECUTIVE OFFICER



## REVIEW OF OPERATIONS *(continued)*

of CVH created R208m in value for Zeder shareholders in addition to the increase attributable to the underlying performance of Distell.

Distell's results can be viewed at [www.distell.co.za](http://www.distell.co.za).

### **Kaap Agri**

Kaap Agri is a retail services group which supplies a variety of products and services to the agricultural sector and the general public. It has 148 operating points throughout South Africa, as well as a growing exposure to the rest of Africa. Kaap Agri produced satisfactory results with its headline earnings per share having increased by 26% to 148,05 cents per share for the year ended 30 September 2012. Zeder's interest in Kaap Agri was 34,9% at year-end, and has subsequently increased to above 35% through the recent voluntary, partial offer to shareholders at R13,25 per Kaap Agri share.

Kaap Agri's results can be viewed at [www.kaapagri.co.za](http://www.kaapagri.co.za).

### **Capespan**

Capespan continued to deliver satisfactory results. While its underlying performance remains stable, exposure to the European markets, normal agricultural risks and labour implications will need to be carefully monitored going forward. However, Zeder remains optimistic about Capespan's growth potential in both its fruit and logistics divisions, and has increased its interest to 71,3% since year-end.

Further information about Capespan can be viewed at [www.capespan.co.za](http://www.capespan.co.za).

### **Zaad Holdings**

Zeder is optimistic about the potential that the seed market offers. Zeder has a 92% interest in Zaad Holdings, a company that owns 100% of Agricol and 49% of Klein Karoo Seed Marketing ("KKS").

Agricol is an agricultural and confectionery seed business that has established itself in both the South African and international markets for more than 50 years. Their activities include plant breeding, production, international trade, processing and the distribution of seed.

KKS offers complementary services to that of Agricol.

Further information about Agricol and KKS can be viewed at [www.agricol.co.za](http://www.agricol.co.za) and [www.seedmarketing.co.za](http://www.seedmarketing.co.za), respectively.

### **Chayton Africa**

At the reporting date, Zeder had a 73,4% stake in Chayton, a start-up company which acquires, develops and operates large-scale commercial farming operations in Zambia. The total irrigated land capacity has already reached 4 100 hectares and Chayton remains on track to reach its targets in that country. Although this investment is currently in a development phase and exposed to additional risk, Zeder is optimistic about the long-term prospects of primary food demand in sub-Saharan Africa.

### **PSG MANAGEMENT FEE**

PSG and Zeder are in the process of preparing a proposal to restructure the management fee payable to PSG. The proposal will be presented to Zeder shareholders for approval in due course.

## CORPORATE GOVERNANCE

“Zeder is committed to the four values underpinning good corporate governance: responsibility, accountability, fairness and transparency.”

WYNAND GREEFF – FINANCIAL DIRECTOR

## CORPORATE GOVERNANCE *(continued)*

Zeder is managed by PSG Group Ltd (PSG) in terms of a formal management agreement and adheres to PSG's corporate governance policies. For more detail regarding these policies, refer to PSG's annual report which is available at [www.psggroup.co.za](http://www.psggroup.co.za).

Zeder is committed to the four values underpinning good corporate governance – responsibility, accountability, fairness and transparency – as also advocated in the King Code of Governance Principles (King III). Zeder's corporate governance policies have in all material respects been applied appropriately during the financial year under review. The group's major subsidiaries and associated companies are similarly committed having, *inter alia*, their own audit and risk, and remuneration committees.

Due to the size and nature of the company, the board does not consider application of all principles contained within King III appropriate. Where specific principles have not been applied, explanations for these are contained within this section of the annual report. A detailed analysis of the group's adherence to King III is available at [www.zeder.co.za](http://www.zeder.co.za).

### BOARD OF DIRECTORS

There is a clear division of responsibilities at board level to ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making. The Zeder board of directors remains autonomous, albeit that there is a formal management agreement in place between Zeder and PSG Corporate Services (Pty) Ltd (PSG Corporate Services). Details of Zeder's directors are provided on page 5 of this annual report. The independence of the non-executive directors is considered on an ongoing basis by the board as a whole.

Although certain of the non-executive directors are not classified as independent in terms of King III, all of the non-executive directors are independent of thought and action. The board believes that all directors should own shares in the company. A director, as a shareholder, will thus share proportionally in the consequences of any good or bad decision.

The board met four times during the past financial year as set out in the table below. Mr AE Jacobs was appointed to the board subsequent to year-end on 8 April 2013. Mr JF Mouton fulfils the role of non-executive chairman, Mr N Celliers that of chief executive officer, and Mr WL Greeff that of financial director. Consideration will be given to the appointment of a lead independent director in due course.

Zeder does not have a nomination committee, and director appointments are considered to be a matter for the board as a whole, with all appointments being made in a formal and transparent manner.

Due to the nature and size of the business of the company, the experience of the directors and the knowledge that directors have regarding the particular business of the company, induction, as well as ongoing training and development of directors, is not driven through formal processes.

Zeder's memorandum of incorporation requires one third of the non-executive directors of the company to retire by rotation and offer themselves for re-election by shareholders at the annual general meeting. In addition thereto, newly appointed directors should retire and offer themselves for re-election by shareholders at the first annual general meeting following their appointment. In accordance with the company's memorandum of incorporation, Messrs N Celliers,

## CORPORATE GOVERNANCE *(continued)*

AE Jacobs, MS du Pré le Roux and JF Mouton retire and have offered themselves for re-election. Brief *curricula vitae* for these directors are included on pages 38 and 39 of this annual report.

<b>BOARD ATTENDANCE</b>	10 Apr 2012	23 Jul 2012	1 Oct 2012	11 Feb 2013
JF Mouton (chairman)	√	√	√	√
N Celliers	#	√	√	√
GD Eksteen	√	√	√	√
WL Greeff	√	√	√	√
AE Jacobs	√			
MS du Pré le Roux	√	√	√	√
CA Otto	√	√	√	√
LP Retief	√	√	√	√

√ – Present

# – By invitation

The board's key roles and responsibilities are:

- promoting the interests of stakeholders;
- formulation and approval of strategy;
- retaining effective control; and
- ultimate accountability and responsibility for the performance and affairs of the company.

The board does not conduct regular appraisals of its members and committees. Consideration will be given to same in future.

The board has appointed an audit and risk committee consisting of three independent non-executive directors, namely Messrs LP Retief (chairman), MS du Pré le Roux and GD Eksteen. Messrs Retief and le Roux have been members for more than six years and Mr Eksteen has been a member for the past three and a half years. The audit and risk committee met on 10 April 2012 and 1 October 2012.

<b>ATTENDANCE</b>	10 Apr 2012	1 Oct 2012
GD Eksteen	√	√
MS du Pré le Roux	√	√
LP Retief (chairman)	√	√

√ – Present

The audit and risk committee has formal terms of reference and their report is on page 22 of this annual report.

The board has not appointed a remuneration committee as PSG Corporate Services fulfils this role in terms of the formal management agreement. The remuneration paid to Messrs N Celliers, AE Jacobs, GD Eksteen, MS du Pré le Roux and LP Retief is disclosed in the directors' report on page 25 of this annual report. Messrs WL Greeff, JF Mouton, PJ Mouton and CA Otto received remuneration from PSG Corporate Services for services rendered to PSG and its subsidiaries in general.

### EXECUTIVE COMMITTEE

The executive committee responsible for the management of Zeder comprises Messrs JF Mouton (chairman), N Celliers, WL Greeff, JA Holtzhausen, WJS Meyer, PJ Mouton and CA Otto. This committee meets regularly, at least twice a month, and is primarily responsible for the allocation and investing of the company's resources, including capital.

### INTERNAL CONTROL AND RISK MANAGEMENT

Internal control and risk management is overseen by the audit and risk committee whose report is included on page 22 of this report.

Based on the functions performed by the audit and risk committee and PSG Corporate Services, in terms of the formal management agreement, the board is confident that the system of internal

## CORPORATE GOVERNANCE *(continued)*

controls and current risk management processes are effective and aligned to the business needs and that it is not necessary to establish an internal audit function.

Based on the size and nature of the business, the audit and risk committee believes that certain governance mechanisms are not warranted. These include implementation of a combined assurance model and implementation of an IT governance framework.

As IT does not play a significant role in the sustainability of Zeder's business at a group level due to its nature and size, the investment and expenditure in IT at group level are insignificant. The board is accordingly satisfied that the current systems of IT governance at group level are appropriate.

### **COMPANY SECRETARY**

PSG Corporate Services (Pty) Ltd is the company secretary of Zeder Investments Ltd. The company secretary acts as conduit between the board and the group. The company secretary is responsible for board administration, liaison with the Companies and Intellectual Property Commission and the JSE Ltd. Board members also have access to legal and other expertise, when required and at the cost of the company, through the company secretary.

The company secretary has to date maintained a professional relationship with board members, giving direction on good governance and independent advice, as and when required. The audit and risk committee has reviewed, through discussion and assessment, the qualifications, experience and competence of the individuals employed by the company secretary and has noted that the company secretary performed all formalities and substantive duties timeously and in an appropriate manner. The board is satisfied that an arm's length relationship exists.

The certificate that the company secretary is required to issue in terms of section 88(2)(e) of the Companies Act is on page 23 of this annual report.

### **INTEGRATED REPORTING AND DISCLOSURE**

Zeder is an investment holding company that rarely gets involved in the management of its underlying investments. Part of the philosophy of Zeder is to invest in companies with strong management. Zeder therefore relies on them to apply the principles of King III in regards to integrated reporting and disclosure, to the extent appropriate to their business.

Zeder will, going forward, apply the principles of integrated reporting at company level to the extent that such principles are considered appropriate.

### **SOCIAL RESPONSIBILITY**

Zeder also subscribes to the philosophy of black economic empowerment (BEE) and encourages its investments to undertake BEE initiatives. Zeder has participated and facilitated BEE transactions and has a strategic and trusted BEE partner, which it introduces to its investments.

### **FINANCIAL REPORTING AND STAKEHOLDER COMMUNICATION**

Zeder has identified its two major stakeholders as its shareholders and investment companies. Ongoing communication and engagement are therefore focused on these groups, as detailed below. Financial reports are provided to shareholders twice a year. Details regarding significant transactions undertaken are reported as required by the JSE Listings Requirements.

Communication with investment companies is done on an ongoing basis. The annual general meeting serves as platform for interactive communication with stakeholders. The company's communication officer's contact details are available on Zeder's website should stakeholders wish to direct queries to the company.



# ABRIDGED GROUP FINANCIAL STATEMENTS

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These abridged group financial statements comprise a summary of the audited group annual financial statements of Zeder Investments Ltd ("Zeder") for the year ended 28 February 2013.

The group annual financial statements, including these abridged group financial statements, were compiled under the supervision of the group financial director, Mr WL Greeff, CA(SA), and were audited by Zeder's external auditor, PricewaterhouseCoopers Inc.

The group annual financial statements, including the unmodified audit opinion, is available on Zeder's website [www.zeder.co.za](http://www.zeder.co.za) or may be requested and obtained in person, at no charge, at the registered office of Zeder during office hours.

## **REPORT OF THE AUDIT AND RISK COMMITTEE**

*for the year ended 28 February 2013*

The audit and risk committee ("the committee") reports that it has considered the matters set out in the Companies Act, 71 of 2008, as amended, and is satisfied with the independence and objectivity of the external auditor, PricewaterhouseCoopers Inc. The committee has considered and approved the fees payable to the external auditor and is satisfied with the extent of non-audit-related services performed.

This committee also acted as the statutory audit committee of those public company subsidiaries that are legally required to have such a committee.

The committee has satisfied itself that the financial function, including the financial director, has the appropriate expertise, experience and resources, and is satisfied that the internal financial controls of the company are working effectively.

A board-approved audit and risk committee charter stipulating, inter alia, the committee's composition, duties and responsibilities, has been adopted. The committee is satisfied that it complied with the responsibilities as set out in the audit and risk committee charter as well as relevant legal and regulatory responsibilities.

Based on the information and explanations given by management and discussions with the independent external auditor regarding the results of their audit, the committee is satisfied that there was no material breakdown in the internal financial controls during the financial year under review.

The committee has evaluated the annual financial statements of the company and group for the year ended 28 February 2013, as well as these abridged group financial statements and, based on the information provided to the committee, considers that the group complies, in all material respects, with the requirements of the Companies Act, 71 of 2008, as amended, and International Financial Reporting Standards.



**LP Retief**  
*Chairman*

8 April 2013  
Stellenbosch

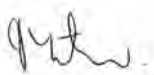


## **APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS** *for the year ended 28 February 2013*

The directors are responsible for the maintenance of adequate accounting records and to prepare annual financial statements that fairly represent the state of affairs and the results of the company and group. The external auditor is responsible for independently auditing and reporting on the fair presentation of the annual financial statements. Management fulfils this responsibility primarily by establishing and maintaining accounting systems and practices adequately supported by internal accounting controls. Such controls provide assurance that the company and group's assets are safeguarded, that transactions are executed in accordance with management's authorisations and that the financial records are reliable. The annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the manner required by the Companies Act of South Africa and the JSE Listings Requirements, and incorporate full and responsible disclosure. Appropriate and recognised accounting policies are consistently applied.

The audit and risk committee of the group meets regularly with the external auditor, as well as senior management, to evaluate matters concerning accounting policies, internal control, auditing and financial reporting. The external auditor has unrestricted access to all records, assets and personnel as well as to the audit and risk committee.

The annual financial statements are prepared on the going concern basis, since the directors have every reason to believe that the group has adequate resources to continue for the foreseeable future. The annual financial statements, including these abridged group financial statements set out on pages 24 to 37, were approved by the board of directors of Zeder Investments Ltd and are signed on its behalf by:



**JF Mouton**  
*Chairman*



**WL Greeff**  
*Financial director*

8 April 2013  
Stellenbosch

## **DECLARATION BY THE COMPANY SECRETARY**

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



**PSG Corporate Services (Pty) Ltd**  
**Per PJR de Wit**  
*Company secretary*

8 April 2013  
Stellenbosch

## **DIRECTORS' REPORT**

*for the year ended 28 February 2013*

### **OVERVIEW**

Zeder Investments Ltd is an investor with a portfolio comprising agriculture, food and related investments.

During the year under review, the group invested R538m in new and existing investments, of which Agricol Holdings ("Zaad Holdings") and Chayton Africa ("Chayton") represented R501m. The group disposed of 15,1% of its shareholding in Capevin Holdings and 1,6% in Capespan for total cash proceeds of R807m.

### **RESULTS**

Recurring headline earnings per share decreased by 7,9% to 25,7 cents, mainly due to the initial losses incurred by Chayton, a start-up business in its development phase, and the funding cost in respect of the debt raised to fund the acquisition of this investment. Headline earnings per share decreased by 34,5% to 20,1 cents. The decrease in non-recurring headline earnings is mainly the result of a one-off special dividend received in the prior year and less marked-to-market profits achieved in the current year. Attributable earnings per share increased by 52,9% to 52,3 cents, which reflects the non-headline profit on disposal of the aforementioned 15,1% stake in Capevin Holdings.

The results for the year ended 28 February 2013 for the first time include the consolidated results of Chayton and Zaad Holdings, the subsidiary companies in which Zeder acquired controlling interests during the year under review.

### **SHARE CAPITAL**

The number of shares in issue remained unchanged at 978 088 517 during the year under review.

### **DIVIDENDS**

During the year, a final dividend of 4 cents per share was declared and paid in respect of the year ended 29 February 2012.

On 8 April 2013, the company declared a final dividend of 4 cents per share in respect of the year ended 28 February 2013, which is payable on 6 May 2013.

### **EVENTS SUBSEQUENT TO THE REPORTING DATE**

Subsequent to the reporting date, the group increased its shareholding in Capespan, refer note 7 to the abridged annual financial statements for further details.

The directors are unaware of any other matter or event which is material to the financial affairs of the group that have occurred between the reporting date and the date of approval of the annual financial statements and these abridged group financial statements.

### **DIRECTORS**

The directors of the company at the date of this report were:

<b>Executive</b>	<b>Non-executive</b>
N Celliers	JF Mouton (Chairman)
WL Greeff	PJ Mouton
	AE Jacobs
	GD Eksteen *
	MS du Pré le Roux *
	CA Otto *
	LP Retief *
	* Independent

## DIRECTORS' REPORT *(continued)* for the year ended 28 February 2013

Directors' emoluments are paid by PSG Group in terms of the management agreement (refer note 2 to the abridged group financial statements). Directors' emoluments include the following cash-based remuneration:

	Basic salary R'000	Company contributions R'000	Performance- related <sup>1</sup> R'000	Fees R'000	Total 2013 R'000	Total 2012 R'000
<b>Executive</b>						
N Celliers <sup>2</sup>	1 084	16	1 000		2 100	—
WL Greeff <sup>3</sup>					—	—
AE Jacobs <sup>4</sup>	249	3			252	1 750
<b>Non-executive</b>						
JF Mouton <sup>3</sup>					—	—
CA Otto <sup>3</sup>					—	—
PJ Mouton <sup>3</sup>					—	—
GD Eksteen				99	99	95
MS du Pré le Roux				99	99	95
LP Retief				104	104	100
	1 333	19	1 000	302	2 654	2 040

<sup>1</sup> Paid in respect of the 2013 year.

<sup>2</sup> Mr N Celliers is the holder of 56 042 PSG Group and 3 102 324 Zeder share options, issued in separate tranches at an average strike price of R53,53 and R2,90 respectively. These options will vest in tranches over a period of five years, and the related costs are carried by PSG Group in terms of the management agreement.

<sup>3</sup> These directors receive directors' emoluments from PSG Group for services rendered to PSG Group and its investee companies.

<sup>4</sup> Mr AE Jacobs resigned as chief executive officer with effect from 30 April 2012 and was re-appointed as a non-executive director on 8 April 2013.

The company's prescribed officers include members of PSG Group's executive committee, which manages the group (as set out in the corporate governance report), and whose remuneration is disclosed in PSG Group's annual report.

### SHAREHOLDING OF DIRECTORS

28 February 2013	Beneficial		Non-beneficial		Total shareholding	
	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 8 to the abridged group financial statements.

## **DIRECTORS' REPORT** *(continued)* *for the year ended 28 February 2013*

### **SECRETARY**

The secretary of the company is PSG Corporate Services (Pty) Ltd. Please refer to the administration section for its business and postal addresses.

### **AUDITOR**

PricewaterhouseCoopers Inc held office in accordance with the Companies Act of South Africa (71 of 2008), at the date of this report.

### **SPECIAL RESOLUTIONS OF SUBSIDIARIES**

The following special resolutions were passed by subsidiary companies of the company during the past financial year.

#### **1. Zaad Holdings Ltd**

Resolved that the board of the company is authorised, in terms of section 45(3)(a)(ii) of the Companies Act No 71 of 2008 as amended, to approve any direct or indirect financial assistance that the board may deem fit to any company that is related or inter-related to the company on the terms and conditions and for amounts that the board of the company may determine.

Resolved that the authorised ordinary share capital of the company is hereby reorganised by the conversion of each of the existing authorised and issued ordinary par value shares into authorised and issued ordinary shares of no par value, on the basis that each ordinary no par value share shall have the value, rights and privileges similar or equivalent to the value, rights and privileges which were attached to such ordinary shares immediately prior to the aforementioned conversion.

Resolved that the authorised ordinary share capital of no par value is increased by the subdivision of the existing ordinary shares of no par value, ranking *pari passu* in all respects with the existing ordinary shares of no par value.

Resolved that following the share capital restructure, sufficient of the company's unissued ordinary shares of no par value is placed under the control of the board of directors to enable the company to make a rights offer issue.

Resolved that the authorised ordinary share capital of no par value is increased by the creation of additional ordinary shares of no par value, ranking *pari passu* in all respects with the existing ordinary shares of no par value.

Resolved that the company is authorised to change its name from Agricol Holding Limited to Zaad Holdings Limited and all existing translated forms of the company's name, if any, be and are hereby cancelled.

Resolved that the existing memorandum of incorporation and articles of association of the company is hereby substituted, in its entirety, by the adoption of a new memorandum of incorporation.

#### **2. Chayton Africa**

Resolved that the company is authorised to change its name from Chayton Atlas Investments to Chayton Africa.

## **REPORT OF THE INDEPENDENT AUDITOR** *to the members of Zeder Investments Ltd*

These abridged group financial statements, which comprise the abridged group statement of financial position as at 28 February 2013, and the abridged group statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and related notes, as set out on pages 28 to 37, are derived from the audited group annual financial statements of Zeder Investments Ltd for the year ended 28 February 2013. We expressed an unmodified audit opinion on those group annual financial statements in our report dated 8 April 2013.

These abridged group financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa. Reading the abridged group financial statements, therefore, is not a substitute for reading the audited group annual financial statements of Zeder Investments Ltd.

### ***Directors' responsibility for the abridged group financial statements***

The company's directors are responsible for the preparation of an abridged version of the audited group annual financial statements in accordance with the requirements of Section 8.57 of the JSE Ltd Listings Requirements, and the requirements of the Companies Act of South Africa as applicable to abridged financial statements.

### ***Auditor's responsibility***

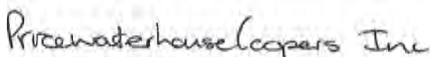
Our responsibility is to express an opinion on the abridged group financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements".

### ***Opinion***

In our opinion, these abridged group financial statements derived from the audited group annual financial statements of Zeder Investments Ltd for the year ended 28 February 2013 are consistent, in all material respects, with those group annual financial statements, in accordance with the requirements of Section 8.57 of the JSE Ltd Listings Requirements, and the requirements of the Companies Act of South Africa as applicable to abridged financial statements.

### ***Other reports required by the Companies Act***

As part of our audit of the group annual financial statements for the year ended 28 February 2013, we have read the directors' report, the report of the audit and risk committee and the declaration by the company secretary for the purpose of identifying whether there are material inconsistencies between these reports and the audited group annual financial statements or the abridged group financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited group annual financial statements or the abridged group financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.



**PricewaterhouseCoopers Inc**  
**Director: NH Döman**  
*Registered Auditor*

8 April 2013  
Stellenbosch

## ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION

as at 28 February 2013

	Audited 28 Feb 2013 Rm	Audited 29 Feb 2012 Rm
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>2 838,5</b>	<b>2 850,7</b>
Property, plant and equipment	381,8	
Intangible assets	158,9	
Investment in associated companies	2 126,5	2 567,1
Loans to and preference share investments in associated companies	54,5	66,1
Equity securities	100,5	217,5
Loans and advances	16,3	
<b>Current assets</b>	<b>1 059,2</b>	<b>132,0</b>
Biological assets	31,3	
Inventories	174,6	
Trade and other receivables	100,7	54,5
Cash and cash equivalents (including money market investments)	752,6	77,5
Non-current assets held for sale	287,7	
<b>Total assets</b>	<b>4 185,4</b>	<b>2 982,7</b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to owners of the parent	3 283,5	2 817,0
Non-controlling interest	109,1	
<b>Total equity</b>	<b>3 392,6</b>	<b>2 817,0</b>
<b>Non-current liabilities</b>	<b>544,8</b>	<b>132,6</b>
Deferred income tax	53,9	2,6
Borrowings	445,2	130,0
Derivative financial instrument	45,7	
<b>Current liabilities</b>	<b>248,0</b>	<b>33,1</b>
Borrowings	60,0	0,7
Trade and other payables	187,5	32,4
Current income tax payable	0,5	
<b>Total liabilities</b>	<b>792,8</b>	<b>165,7</b>
<b>Total equity and liabilities</b>	<b>4 185,4</b>	<b>2 982,7</b>
<b>Net asset value per share (cents)</b>	<b>335,7</b>	<b>288,0</b>
<b>Tangible net asset value per share (cents)</b>	<b>319,5</b>	<b>288,0</b>

## ABRIDGED GROUP INCOME STATEMENT

for the year ended 28 February 2013

	Audited 28 Feb 2013 Rm	Audited 29 Feb 2012 Rm
Sale of goods	328,1	
Cost of goods sold	(234,4)	
<b>Gross profit</b>	<b>93,7</b>	<b>–</b>
<b>Income</b>		
Change in fair value of biological assets	28,7	
Investment income	13,1	63,7
Net fair value gains	32,5	51,2
Other operating income	5,5	0,6
<b>Total income</b>	<b>79,8</b>	<b>115,5</b>
<b>Expenses</b>		
Management fee (note 2)	(58,6)	(48,0)
Marketing, administration and other expenses	(120,1)	(3,2)
<b>Total expenses</b>	<b>(178,7)</b>	<b>(51,2)</b>
Share of profits of associated companies	300,2	285,8
Net loss on dilution of interest in associated companies	(155,3)	(7,9)
Net gain/(loss) on disposal of investment in associated companies	502,9	(0,1)
<b>Results from operating activities</b>	<b>642,6</b>	<b>342,1</b>
Finance costs	(37,2)	(7,2)
<b>Profit before taxation</b>	<b>605,4</b>	<b>334,9</b>
Taxation	(95,9)	(0,3)
<b>Profit for the year</b>	<b>509,5</b>	<b>334,6</b>
<b>Attributable to:</b>		
Owners of the parent	511,7	334,6
Non-controlling interest	(2,2)	
	<b>509,5</b>	<b>334,6</b>
Attributable to owners of the parent	511,7	334,6
Non-headline items (note 3)	(315,4)	(34,7)
<b>Headline earnings</b>	<b>196,3</b>	<b>299,9</b>
<b>Earnings per share (cents)</b>		
Attributable (basic and diluted)	52,3	34,2
Headline (basic and diluted)	20,1	30,7
Recurring headline (basic and diluted)	25,7	27,9
<b>Number of shares (million)</b>		
In issue and weighted average	978,1	978,1

## ABRIDGED GROUP STATEMENT OF COMPREHENSIVE INCOME

for the year ended 28 February 2013

	Audited 28 Feb 2013 Rm	Audited 29 Feb 2012 Rm
<b>Profit for the year</b>	<b>509,5</b>	334,6
<b>Other comprehensive income for the year</b>	<b>44,7</b>	(0,3)
Currency translation adjustments	13,4	
Fair value gains on available-for-sale investments	0,4	
Share of other comprehensive income of associated companies	32,3	55,3
Other equity movements of associated companies	(0,2)	(15,2)
Reversal of other comprehensive income of associated companies	(1,2)	(40,4)
<b>Total comprehensive income for the year</b>	<b>554,2</b>	334,3
<b>Attributable to:</b>		
Owners of the parent	552,6	334,3
Non-controlling interest	1,6	
	<b>554,2</b>	334,3



## ABRIDGED GROUP STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2013

	Audited 28 Feb 2013 Rm	Audited 29 Feb 2012 Rm
<b>Ordinary shareholders' equity at beginning of year</b>	<b>2 817,0</b>	<b>2 521,8</b>
Total comprehensive income for the year	552,6	334,3
Transactions with owners	(47,0)	
Dividend paid	(39,1)	(39,1)
<b>Ordinary shareholders' equity at end of year</b>	<b>3 283,5</b>	<b>2 817,0</b>
<b>Non-controlling interest</b>	<b>109,1</b>	<b>—</b>
Non-controlling interest at beginning of the period		
Transactions with non-controlling interest	107,5	
Total comprehensive income for the year	1,6	
<b>Total equity</b>	<b>3 392,6</b>	<b>2 817,0</b>

## ABRIDGED GROUP STATEMENT OF CASH FLOWS

for the year ended 28 February 2013

	Audited 28 Feb 2013 Rm	Audited 29 Feb 2012 Rm
Net cash flow from operating activities	44,8	21,3
Net cash flow from investment activities	386,3	(240,7)
Net cash flow from financing activities	242,7	90,9
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>673,8</b>	<b>(128,5)</b>
Exchange gains on cash and cash equivalents	1,3	
<b>Cash and cash equivalents at beginning of period</b>	<b>77,5</b>	<b>206,0</b>
<b>Cash and cash equivalents at end of period</b>	<b>752,6</b>	<b>77,5</b>

# ABRIDGED GROUP SEGMENTAL REPORT

for the year ended 28 February 2013

	Audited 28 Feb 2013 Rm	Audited 29 Feb 2012 Rm
<b>Recurring headline earnings of subsidiaries</b>	<b>11,1</b>	–
Zaad Holdings	32,9	
Chayton	(21,8)	
<b>Recurring headline earnings of associated companies and equity securities</b>	<b>321,9</b>	323,4
Food and agri	255,8	265,1
Beverages	66,1	58,3
Net interest and other income and expenses	(23,3)	(2,4)
Management fees and taxation	(58,6)	(48,0)
<b>Recurring headline earnings</b>	<b>251,1</b>	273,0
<b>Non-recurring headline earnings, net of taxation</b>	<b>(54,8)</b>	26,9
Recurring earnings adjustment (food and agri)	(8,6)	48,6
One-off items		
Pioneer Foods/Competition Commission settlement impact		(20,6)
Pioneer Foods B-BBEE charge	(22,2)	
Distell excise duty charge	(12,6)	
Agri Voedsel unbundling costs	(6,1)	
Other	(5,3)	(1,1)
<b>Headline earnings</b>	<b>196,3</b>	299,9
Non-headline items (note 3)	315,4	34,7
<b>Attributable earnings</b>	<b>511,7</b>	334,6
<b>Segmental income analysis:</b>		
<b>Subsidiaries – Zaad Holdings</b>	<b>266,7</b>	–
Sale of goods	264,7	
Investment income	1,9	
Net fair value gains	0,1	
<b>Subsidiaries – Chayton</b>	<b>92,4</b>	–
Sale of goods	63,4	
Change in fair value of biological assets	28,7	
Investment income	0,3	
<b>Associated companies and equity securities – food and agri</b>	<b>291,5</b>	338,2
Investment income	5,8	59,9
Net fair value gains	39,7	51,2
Share of profits of associated companies	247,9	227,2
Gain on dilution of interest in associated company	2,0	
Loss on disposal of investment in associated company	(3,9)	(0,1)
<b>Associated companies and equity securities – beverages</b>	<b>394,5</b>	58,6
Net fair value gains	(7,3)	
Share of profits of associated companies	52,3	58,6
Loss on dilution of interest in associated company	(157,3)	
Gain on disposal of investment in associated company	506,8	
<b>Unallocated income</b>		
Investment income	5,1	3,8
<b>Segmental income</b>	<b>1 050,2</b>	400,60

Further details regarding segmental reporting are set out in note 5.

**ABRIDGED GROUP SEGMENTAL REPORT** *(continued)*  
for the year ended 28 February 2013

	Audited 28 Feb 2013 Rm	Audited 29 Feb 2012 Rm
<b>Sum-of-the-parts segmental analysis:</b>		
<b>Sum-of-the-parts of subsidiaries</b>	<b>645,8</b>	—
Zaad Holdings	368,9	
Chayton	276,9	
<b>Sum-of-the-parts of associated companies and equity securities</b>	<b>2 866,4</b>	3 115,8
Food and agri	2 578,8	2 402,7
Beverages	287,6	713,1
<b>Cash and cash equivalents</b>	<b>692,2</b>	77,5
<b>Other net liabilities</b>	<b>(301,1)</b>	(108,6)
<b>SOTP value</b>	<b>3 903,3</b>	3 084,7

# NOTES TO THE ABRIDGED GROUP FINANCIAL STATEMENTS

for the year ended 28 February 2013

## 1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The abridged group financial statements have been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards ("IFRS"), including IAS 34 – Interim Financial Reporting; 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 requirements of the South African Companies Act of 2008, as amended; and the Listings Requirements of the JSE Ltd. The accounting policies applied in the preparation of these abridged group financial statements are consistent with those used in the previous financial year, and no new accounting standards, interpretations or amendments to IFRS were relevant to the group's operations.

The abridged group financial statements for the year ended 28 February 2013 for the first time include the consolidated results of Chayton Africa ("Chayton") and Agricol Holdings Ltd ("Zaad Holdings"), the subsidiary companies in which Zeder acquired controlling interests during the year under review (refer to note 6).

## 2. MANAGEMENT FEE

A management fee is payable to PSG Group Ltd ("PSG Group"), Zeder'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 Zeder group of companies.

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 for the current or prior year.

Apart from the aforementioned management fee, no other related-party transactions material to an understanding of these financial results, were entered into.

## 3. NON-HEADLINE ITEMS

	<b>Audited 28 Feb 2013 Rm</b>	<b>Audited 29 Feb 2012 Rm</b>
Net loss on dilution of interest in associated companies	<b>155,3</b>	7,9
Non-headline items of associated companies	<b>(42,8)</b>	(43,3)
Net (gain)/loss on disposal of investments in associated companies	<b>(502,9)</b>	0,1
Fair value adjustment on step-up acquisition of a subsidiary	<b>(22,0)</b>	
Fair value adjustment on non-current asset held for sale	<b>7,3</b>	
Net profit on sale of property, plant and equipment	<b>(1,8)</b>	
Taxation effect of non-headline items	<b>91,3</b>	0,6
Non-controlling interest	<b>0,2</b>	
Net non-headline profit	<b>(315,4)</b>	(34,7)

## **NOTES TO THE ABRIDGED GROUP FINANCIAL STATEMENTS** *(continued)* *for the year ended 28 February 2013*

### **4. COMMITMENTS**

In terms of a subscription agreement, the group has a capital commitment to invest a further amount of approximately R116m in Chayton for the purposes of expanding its operations.

The group acquired an option in terms whereof it may, during an agreed option period, elect to purchase the remaining shareholding in Klein Karoo Seed Marketing (Pty) Ltd, with a reciprocal put in favour of the current shareholder. Any exercise of the option is subject to approval from the relevant competition authorities. The main business activities of Klein Karoo Seed Marketing and its subsidiaries are the handling, value-adding, processing and marketing of seed and seed-related products.

### **5. SEGMENTAL REPORTING**

Following the group's acquisition of controlling interests during the year, the group is organised into four reportable segments, namely Zaad Holdings (sole shareholder of Agricol (Pty) Ltd), Chayton, food and agri, and beverages. Zaad Holdings and Chayton are subsidiaries, while food and agri and beverages comprise investments in associated companies and equity securities. The subsidiary segments operate mainly in the Republic of South Africa, Mauritius and Zambia, whereas the other segments operate mainly in the Republic of South Africa.

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). Associated companies' and subsidiaries' one-off gains/losses are excluded from recurring headline earnings and included in non-recurring headline earnings.

Segmental income comprises sale of goods, change in fair value of biological assets, investment income, net fair value gains, share of profits of associated companies, net loss on dilution of interest in associated companies and net gain/loss on disposal of investment in associated companies, as per the income statement.

### **6. BUSINESS COMBINATIONS**

#### **Agricol**

On 28 March 2012, the group acquired the remaining 74,9% of the issued share capital in Agricol. Agricol is incorporated in the Republic of South Africa and its activities include plant breeding, production, international trade, processing and distribution of seed. In July 2012, the group sold 8% of its stake in Agricol to a non-controlling shareholder, leaving the group with a 92% interest at the reporting date.

#### **Chayton**

At the reporting date, Zeder held a 73,4% interest in Chayton, a company incorporated in Mauritius, with farming operations in Zambia.

#### **Somawhe Estates Ltd ("Somawhe")**

On 31 July 2012, Zeder, through its subsidiary Chayton, acquired 100% of the issued share capital in Somawhe, a company incorporated in Zambia, with farming operations there.

**NOTES TO THE ABRIDGED GROUP FINANCIAL STATEMENTS** *(continued)*  
for the year ended 28 February 2013

**6. BUSINESS COMBINATIONS** *(continued)*

The summarised assets, liabilities, consideration and goodwill resulting from these acquisitions are as follows:

GROUP	Agricol Rm	Chayton Rm	Somawhe Rm	Total Rm
Property, plant and equipment	(38,9)	(129,0)	(177,2)	<b>(345,1)</b>
Biological assets		(14,0)	(55,0)	<b>(69,0)</b>
Intangible assets	(21,5)	(0,7)		<b>(22,2)</b>
Equity securities	(2,4)			<b>(2,4)</b>
Inventories	(79,2)	(3,8)	(10,8)	<b>(93,8)</b>
Trade and other receivables	(61,4)	(3,8)	(5,1)	<b>(70,3)</b>
Cash and cash equivalents	(31,3)	(9,9)	(9,8)	<b>(51,0)</b>
Deferred income tax liabilities	8,5	1,3	16,8	<b>26,6</b>
Borrowings		146,3	18,0	<b>164,3</b>
Current income tax liabilities	19,7		1,1	<b>20,8</b>
Trade and other payables	57,4	18,1	6,6	<b>82,1</b>
<b>Total identifiable net (assets)/liabilities</b>	<b>(149,1)</b>	<b>4,5</b>	<b>(215,4)</b>	<b>(360,0)</b>
Previously held investment in Agricol at fair value	50,4			<b>50,4</b>
Goodwill	(51,7)	(28,1)	(59,2)	<b>(139,0)</b>
<b>Total consideration</b>	<b>(150,4)</b>	<b>(23,6)</b>	<b>(274,6)</b>	<b>(448,6)</b>
Cash consideration paid	(150,4)	(23,6)	(274,6)	<b>(448,6)</b>
Cash and cash equivalents acquired	31,3	9,9	9,8	<b>51,0</b>
<b>Cash outflow through business combinations</b>	<b>(119,1)</b>	<b>(13,7)</b>	<b>(264,8)</b>	<b>(397,6)</b>

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 R6,1m were incurred with the above business combinations, which are included in marketing, administration and other expenses.

**7. EVENTS AFTER THE REPORTING PERIOD**

The group acquired an additional 34,2% interest in the Capespan Group Ltd, to increase its interest in same to approximately 71,3%. This is in line with the group's refined strategy.

On 8 April 2013, the company declared a final dividend of 4 cents per share in respect of the year ended 28 February 2013, which is payable on 6 May 2013. The dividend was calculated in accordance with Zeder's policy of paying 100% of free cash flow as a final ordinary dividend.

**NOTES TO THE ABRIDGED GROUP FINANCIAL STATEMENTS** *(continued)*  
for the year ended 28 February 2013

**8. SHAREHOLDER ANALYSIS**

	Shareholders		Shares held	
	Number	%	Number (‘000)	%
<b>Range of shareholding</b>				
1 – 20 000	3 502	73,9	22 778	2,3
20 001 –50 000	628	13,2	21 645	2,2
50 001 –100 000	273	5,8	20 506	2,1
100 001 –500 000	191	4,0	41 481	4,2
500 001 –1 000 000	56	1,2	39 723	4,1
Over 1 000 000	90	1,9	831 956	85,1
	<b>4 740</b>	<b>100,0</b>	<b>978 089</b>	<b>100,0</b>

**Public and non-public shareholding**

Non-public

– Directors	5	0,1	560	0,1
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– PSG Financial Services Ltd	1		415 177	42,4
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Public	4 734	99,9	562 352	57,5
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	<b>4 740</b>	<b>100,0</b>	<b>978 089</b>	<b>100,0</b>
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PSG Financial Services Ltd is the only individual shareholder holding 5% or more of the issued shares at 28 February 2013.

## 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 Spier Wine Estate, Baden Powell Drive, Stellenbosch, on Friday, 21 June 2013, at 09:45 ("the AGM").

### Purpose

The purpose of the AGM is to transact the business set out in the agenda below.

### 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 2013. The annual report of which this notice forms part, contains the abridged audited annual financial statements and the aforementioned reports. The group annual financial statements, including the unmodified audit opinion, are available on Zeder's website [www.zeder.co.za](http://www.zeder.co.za) or may be requested and obtained in person, at no charge, at the registered office of Zeder during office hours.
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 (inclusive) 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, at least 75% of the voting rights exercised on such ordinary resolution must be exercised in favour thereof.*

### 2.1 Retirement and re-election of directors

#### 2.1.1 Ordinary resolution number 1

"Resolved that Mr JF 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."

##### **Summary curriculum vitae of Mr JF Mouton**

Mr JF Mouton graduated with a BCom (Hons) degree from the University of Stellenbosch and qualified as Chartered Accountant (SA).

Mr JF Mouton is the founder and chairman of PSG Group. He is also chairman of the company and a non-executive director of numerous other companies, including PSG Konsult Ltd and Steinhoff International Holdings Ltd.

Prior to the establishment of PSG Group, he co-founded and served as managing director of the stockbroking firm SMK.

#### 2.1.2 Ordinary resolution number 2

"Resolved that Mr MS du Pré le Roux, 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."

##### **Summary curriculum vitae of Mr MS du Pré le Roux**

Mr MS du Pré le Roux obtained his BCom and LLB degrees from the University of Stellenbosch. He is non-executive chairman of Capitec Bank Holdings Ltd and Capitec Bank Ltd and non-executive director of the company. Previously he was managing director of Distillers Corporation (SA) Ltd, Boland Bank Ltd, NBS Boland Ltd and BoE Bank Ltd.



## NOTICE OF ANNUAL GENERAL MEETING *(continued)*

The reason for ordinary resolutions numbers 1 and 2 is that the memorandum of incorporation of the company and, to the extent applicable, the Companies Act 2008 (Act 71 of 2008) as amended ("the Companies Act"), requires that a component of the non-executive directors rotate at the AGM and, being eligible, may offer themselves for re-election as directors.

### 2.1.3 Ordinary resolution number 3

"Resolved that Mr N Celliers, being a new appointment to the board, who retires 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."

#### **Summary curriculum vitae of Mr N Celliers**

Mr N Celliers holds a BEng (Civil) degree from the University of Stellenbosch and an MBA from the University of Oxford (England). His professional experience includes engineering, management consulting and private equity in South Africa and abroad. Currently he is the chief executive officer of the company and a non-executive director of Pioneer Food Group Ltd and Capevin Holdings Ltd.

### 2.1.4 Ordinary resolution number 4

"Resolved that Mr AE Jacobs, being newly re-appointed to the board, who retires 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."

#### **Summary curriculum vitae of Mr AE Jacobs**

Mr AE Jacobs has many years' experience in an investment management capacity in the agricultural sector and was previously the chief executive officer of the company. Currently he is the executive chairman of Zaad Holdings Ltd, a subsidiary of Zeder, and serves on the boards of Pioneer Food Group Ltd and Capespan Group Ltd. Previously he was the managing director of KLK and financial director of Winecorp and Spier Holdings.

The reason for ordinary resolutions numbers 3 and 4 is that the memorandum of incorporation of the company and, to the extent applicable, the Companies Act, requires that appointments made by the board must be confirmed by the shareholders. Messrs N Celliers and AE Jacobs are accordingly retiring and, being eligible, offering themselves for re-election as directors by the shareholders.

## 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 5

"Resolved that Mr MS 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."

A summary *curriculum vitae* of Mr MS du Pré le Roux is set out in paragraph 2.1.2 above.

### 2.2.2 Ordinary resolution number 6

"Resolved that Mr GD 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."

## NOTICE OF ANNUAL GENERAL MEETING *(continued)*

### **Summary curriculum vitae of Mr GD Eksteen**

Mr GD Eksteen farms in the Malmesbury area and is currently the chairman of Agri Voedsel Ltd.

### **2.2.3 Ordinary resolution number 7**

"Resolved that Mr LP 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."

### **Summary curriculum vitae of Mr LP Retief**

Mr LP Retief obtained a BCom Hons degree from the University of Stellenbosch. He also qualified as Chartered Accountant (SA). He is the non-executive chairman of Paarl Media Holdings (Pty) Ltd and non-executive director of Media24 Ltd, the company, Naspers Ltd and Pioneer Food Group Ltd.

The reason for ordinary resolutions numbers 5 to 7 (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 8**

"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 8 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 General authority to issue ordinary 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 the company's unissued shares for cash as they in their discretion may deem fit, without restriction, subject to the provisions of the Listings Requirements of the JSE Ltd ("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 the date of the first such issue, 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;
- the general issues of shares for cash in any one financial year may not exceed in the aggregate 5% of the applicant's issued share capital (number of securities) of that class at the date of the first such issue, it being recorded that ordinary shares issued pursuant to a rights offer to shareholders shall not diminish the number of ordinary shares that comprise the 5% of the ordinary shares that can be issued in terms of this ordinary resolution.
- for purposes of determining whether the aforementioned 5% has been or will be reached,
  - (i) account must be taken of the dilution effect, in the year of issue of options/convertible securities, by including the number of any equity securities which may be issued in future arising out of the issue of such options/convertible securities; and

## NOTICE OF ANNUAL GENERAL MEETING *(continued)*

- (ii) 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, 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 will 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 (other than issues by way of rights offers and/or in consideration for acquisitions and/or to share incentive schemes as may have been duly approved by the JSE and shareholders of the company, if applicable), it is necessary for the board to obtain the prior authority of the shareholders in accordance with the Listings Requirements of the JSE and the memorandum of incorporation of the company. The reason for ordinary resolution number 9 is accordingly to obtain a general authority from shareholders to issue shares for cash in compliance with the Listings Requirements of the JSE and the memorandum of incorporation of the company.

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, at least 75% of the voting rights exercised on each special resolution must be exercised in favour thereof.*

### **3.1 Inter-company financial assistance**

#### **3.1.1 Special resolution number 1: Inter-company financing**

“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 1 is to grant the directors of the company the authority until the next annual general meeting to provide direct or indirect financial assistance

## NOTICE OF ANNUAL GENERAL MEETING *(continued)*

to any company or corporation which is related or inter-related to the company. This means that the company is, *inter alia*, authorised to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries.

### **3.1.2 Special Resolution Number 2: Financial assistance for the acquisition of shares in a related or inter-related company**

"Resolved that in terms of section 44(3)(a)(ii) of 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 44(1) and 44(2) of the Companies Act), that the board of the company may deem fit to any company or corporation that is related or inter-related to the company ("related" or "inter-related" will herein have the meaning attributed to it in section 2 of the Companies Act) and/or to any financier who provides funding by subscribing for preference shares or other securities in any company or corporation that is related or inter-related to the company, on the terms and conditions and for amounts that the board of the company may determine for the purpose of, or in connection with the subscription of any option, or any shares or other securities, issued or to be issued by a related or inter-related company or corporation, or for the purchase of any shares or securities of a related or inter-related company or corporation, 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 the authority until the next AGM to provide financial assistance to any company or corporation which is related or inter-related to the company for the purpose of or in connection with the subscription or purchase of options, shares or other securities in any such related or inter-related company or corporation. This means that the company is authorised, *inter alia*, to grant loans to its subsidiaries and to guarantee and furnish security for the debt of its subsidiaries where any such financial assistance is directly or indirectly related to a party subscribing for options, shares or securities in its subsidiaries. A typical example of where the company may rely on this authority is where a subsidiary raised funds by way of issuing preference shares and the third-party funder requires the company to furnish security, by way of a guarantee or otherwise, for the obligations of its subsidiary to the third-party funder arising from the issue of the preference shares. The company has no immediate plans to use this authority and is simply obtaining same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority.

### **3.2 Special resolution number 3: Share buy-back by Zeder and its subsidiaries**

"Resolved as a special resolution that the company and the subsidiaries of the company be and are 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 sections 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 Ltd ("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;

## NOTICE OF ANNUAL GENERAL MEETING *(continued)*

- 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 will be consulted for a ruling if the company's 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 or by a subsidiary of the company of shares issued by the company 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. Furthermore, in terms of section 48(2)(b)(i) of the Companies Act, subsidiaries may not hold more than 10%, in aggregate, of the number of the issued shares of a company. For the avoidance of doubt, a pro rata repurchase by the company from all its shareholders will not require shareholder approval, save to the extent as may be required by the Companies Act.

### **3.3 Conversion and increase of authorised and issued share capital**

#### **3.3.1 Special resolution number 4: Conversion of authorised and issued share capital to shares of no par value**

"Resolved as a special resolution that in accordance with the provisions of regulation 31 of the Companies Regulations issued pursuant to the Companies Act, No. 71 of 2008, as amended ("the Companies Act"), and having had sight of the board report in this regard, which was included as annexure A to the notice of this AGM, the authorised and issued share capital of the company be and is hereby reorganised by:

- the conversion of each of the existing authorised and issued ordinary par value shares of R0,01 (one cent) each into authorised and issued ordinary shares of no par value, on the basis that each ordinary no par value share shall have the value, preferences, rights and limitations similar or equivalent to the value, preferences, rights and limitations which were attached to such ordinary shares immediately prior to the aforementioned conversion; and

## NOTICE OF ANNUAL GENERAL MEETING *(continued)*

- the conversion of each of the existing authorised cumulative, non-redeemable, non-participating preference shares (“preference shares”) with a par value of R0,01 (one cent) each into authorised preference shares of no par value, on the basis that each no par value preference share shall have the value, preferences, rights and limitations similar or equivalent to the value, preferences, rights and limitations which were attached to such preference shares immediately prior to the aforementioned conversion.”

In accordance with regulation 31 of the Companies Regulations, a company is entitled, in alignment with the provisions of the Companies Act, to convert its existing authorised and issued share capital from shares with a par value to shares of no par value. The reason for special resolution number 4 is accordingly to obtain the approval of the shareholders to align the company's capital structure with the provisions of the Companies Act. The effect of special resolution number 4, if passed, will be that the current authorised and issued par value ordinary shares and authorised, unissued par value preference shares will, after the conversion be no par value ordinary shares and no par value preference shares respectively. However, the value, preferences, rights and limitations attaching to the no par value ordinary shares and the no par value preference shares in the company will not be altered as a result of the conversion.

### **3.3.2 Special Resolution Number 5: Increase of the authorised ordinary share capital of the company**

“Resolved as a special resolution that in accordance with the provisions of section 36 of the Companies Act, No 71 of 2008, as amended (“the Companies Act”), and regulation 31 of the Companies Regulations and following the conversion of the authorised and issued share capital of the company as set out in special resolution number 4 above, the company's authorised ordinary share capital is increased by the creation of a further 500 000 000 ordinary no par value shares in the authorised ordinary share capital of the company, so as to result in a total of 2 000 000 000 ordinary no par value shares in the authorised ordinary share capital of the company.”

The reason for special resolution number 5 is to increase the authorised ordinary share capital of the company. The effect of special resolution number 5 if passed is that the authorised ordinary share capital of the company will be increased from 1 500 000 000 ordinary no par value shares to 2 000 000 000 ordinary no par value shares.

### **3.4 Special Resolution Number 6: Consequential amendments to the memorandum of incorporation of the company**

“Resolved as a special resolution that, subject to the passing of special resolutions numbers 4 and 5, the memorandum of incorporation of the company be amended by the deletion of the existing Schedule 1 thereto and the substitution thereof with the following new Schedule 1:

#### **“SCHEDULE “1”**

##### **CLASSES OF SHARES**

1. 2 000 000 000 ordinary no par value Shares, of the same class, each of which ranks *pari passu* in respect of all rights and entitles the holder to –
  - vote on any matter to be decided by the Shareholders and to 1 (one) vote per ordinary Share held in the case of a vote by means of a poll;
  - participate proportionally in any distribution made by the company; and
  - receive proportionally the net assets of the company upon its liquidation.

## NOTICE OF ANNUAL GENERAL MEETING *(continued)*

2. 250 000 000 cumulative, non-redeemable, non-participating preference shares each of no par value, of the same class, and in respect of which the preferences, rights, limitations and other terms have not been determined, with any such determination requiring approval by the Shareholders by special resolution as contemplated in clause 6.2.5."

The date on which the amendment to the memorandum of incorporation as set out herein becomes effective will be the date that this special resolution is adopted by the shareholders, irrespective of the date of filing thereof with the Companies and Intellectual Properties Commission ("CIPC") or such other date as may be deemed appropriate by the CIPC."

The reason for special resolution number 6 is to obtain the approval of the shareholders to amend the memorandum of incorporation of the company to reflect that the share capital has been converted to shares of no par value and that the authorised ordinary share capital has been increased. The effect of special resolution number 6, if passed, will be that the shareholders will have authorised the amendment of the memorandum of incorporation of the company to reflect that the authorised and issued share capital of the company has been converted and increased in accordance with special resolutions numbers 4 and 5.

#### **4. Other business**

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

#### **Information relating to the special resolutions and other matters**

1. The directors of the company or its subsidiaries will only utilise the general authority to purchase shares of the company as set out in special resolution number 3 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 ("Zeder group") would not be compromised as to the following:
  - the Zeder 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 Zeder 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 Zeder 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 Zeder group;
  - the ordinary capital and reserves of the Zeder group after the purchase will remain adequate for the purpose of the business of the Zeder 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 Zeder group after the purchase will be sufficient for the Zeder group's requirements for a period of 12 months after the date of the notice of the AGM

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 Zeder 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 the annual report of which this notice forms part, as well as the full set of annual financial statements, being available on Zeder's website [www.zeder.co.za](http://www.zeder.co.za) or which may be requested and obtained in person, at no charge, at the registered office of Zeder during office hours.

## NOTICE OF ANNUAL GENERAL MEETING *(continued)*

2. Remuneration of directors

In terms of the management agreement between Zeder and PSG Corporate Services (Pty) Ltd ("PSG"), all directors' fees are paid by PSG. In the interests of transparency, shareholders are advised that fees payable to directors in the financial year ahead will be as set out below:

Per annum for serving as a director: R81 600

Per annum for serving on the audit and risk committee: R29 200

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

3. 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.
4. The directors, whose names appear on page 5 of the annual report of which this notice forms part, 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.
5. Special resolutions numbers 1 to 3 (inclusive) are renewals of resolutions taken at the previous annual general meeting on 22 June 2012.

### 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, 10 May 2013.
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, 14 June 2013, with the last day to trade being Friday, 7 June 2013.
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 driver's licence 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 Wednesday, 19 June 2013.



## NOTICE OF ANNUAL GENERAL MEETING *(continued)*

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

13 May 2013

Stellenbosch

**Sponsor**

PSG Capital (Pty) Ltd

## NOTICE OF ANNUAL GENERAL MEETING *(continued)*

### ANNEXURE A

#### REPORT OF THE BOARD OF ZEDER INVESTMENTS LIMITED IN TERMS OF REGULATION 31(7) OF THE COMPANIES REGULATIONS

In accordance with Regulation 31(7) of the Companies Act, No. 71 of 2008, as amended, it is the opinion of the board of directors of Zeder Investments Limited ("Zeder" or the "company") that –

- a) the value of the ordinary shares held by the shareholders of Zeder which are proposed to be converted from ordinary shares with a par value of R0,01 (one cent) to ordinary shares with no par value (the "Ordinary Share Conversion") will be unaffected by the Ordinary Share Conversion;
- b) the value of the authorised cumulative, non-redeemable, non-participating preference shares, none of which have been issued, which are proposed to be converted from cumulative, non-redeemable, non-participating preference shares with a par value of R0,01 (one cent) to cumulative, non-redeemable, non-participating preference shares without a par value (the "Preference Share Conversion"), will be unaffected by the Preference Share Conversion;
- c) the company's authorised securities consist of ordinary shares and cumulative, non-redeemable, non-participating preference shares and the issued securities consist only of ordinary shares with a par value of R0,01 (one cent), which will be affected by the proposed conversions;
- d) there will be no material effect on the rights of the ordinary shareholders as a result of the proposed conversions; and
- e) there will be no material adverse effects as a result of the proposed conversions and no person will receive any compensation as a result of the proposed conversions.



(Incorporated in the Republic of South Africa)  
(Registration number 2006/019240/06)  
JSE share code: ZED  
ISIN code: ZAE00088431  
("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 09:45 at Spier Wine Estate, on Friday, 21 June 2013.

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 Mr JF Mouton as director			
2.1.2 Ordinary resolution number 2: To re-elect Mr MS du Pré le Roux as director			
2.1.3 Ordinary resolution number 3: To re-elect Mr N Celliers as director			
2.1.4 Ordinary resolution number 4: To re-elect Mr AE Jacobs as director			
2.2.1 Ordinary resolution number 5: To re-appoint Mr MS du Pré le Roux as a member of the audit and risk committee			
2.2.2 Ordinary resolution number 6: To re-appoint Mr GD Eksteen as a member of the audit and risk committee			
2.2.3 Ordinary resolution number 7: To re-appoint Mr LP Retief as a member of the audit and risk committee			
2.3 Ordinary resolution number 8: To re-appoint PricewaterhouseCoopers Inc as the auditor			
2.4 Ordinary resolution number 9: General authority to issue ordinary shares for cash			
3.1.1 Special resolution number 1: Inter-company financing			
3.1.2 Special resolution number 2: Financial assistance for the acquisition of shares in a related or inter-related company			
3.2 Special resolution number 3: Share buy-back by Zeder and its subsidiaries			
3.3.1 Special resolution number 4: Conversion of authorised and issued share capital to shares of no par value			
3.3.2 Special resolution number 5: Increase of the authorised ordinary share capital of the company			
3.4 Special resolution number 6: Consequential amendments to the memorandum of incorporation of the company			

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

Signed at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

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/her 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 Wednesday, 19 June 2013.
5. Any alteration or correction made to this form of proxy must be initialled by the signatory(ies).
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company's transfer secretaries or waived by the chairman of the annual general meeting.
7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.

## ADMINISTRATION

### DETAILS OF ZEDER INVESTMENTS LTD

Registration number 2006/019240/06

Share code: ZED

ISIN code: ZAE000088431

### SECRETARY AND REGISTERED OFFICE

PSG Corporate Services (Pty) Ltd

Registration number 1996/004840/07

Ou Kollege Building

35 Kerk Street

Stellenbosch, 7600

PO Box 7403

Stellenbosch, 7599

Telephone +27 21 887 9602

Telefax +27 21 887 9619

### TRANSFER SECRETARIES

Computershare Investor Services (Pty) Ltd

Ground Floor

70 Marshall Street

Johannesburg, 2001

PO Box 61051

Marshalltown, 2107

### CORPORATE ADVISOR AND SPONSOR

PSG Capital

### AUDITOR

PricewaterhouseCoopers Inc

### PRINCIPAL BANKER

FirstRand Ltd

### WEBSITE ADDRESS

[www.zeder.co.za](http://www.zeder.co.za)

## SHAREHOLDERS' DIARY

Financial year-end

Profit announcement

Annual general meeting

Interim profit announcement

### 2013

28 February

8 April

21 June

7 October

[WWW.ZEDER.CO.ZA](http://WWW.ZEDER.CO.ZA)