

INTERIM RESULTS

FOR THE SIX MONTHS ENDED 31 AUGUST 2012

• SUM-OF-THE-PARTS VALUE PER SHARE 👚 5,1% TO R3,31 • RECURRING HEADLINE EARNINGS PER SHARE 🗸 35,1% TO 8,5 CENTS • HEADLINE EARNINGS PER SHARE 🗸 33,0% TO 5,9 CENTS

CONDENSED COOLD INCOME STATEMENT

Number of shares (million)

In issue and weighted average

Net asset value per share (cents)

Net tangible asset value per share (cents)

ZEDER INTERIM RESULTS COMMENTARY

Zeder invested a further R439m during the period under review, of which R427m related to the acquisition of controlling interests in Chayton and Agricol (see below). Its investment portfolio now amounts to R3,6bn of which Agri Voedsel Beleggings (Pioneer) and Capevin Holdings (Distell) represent 56,3% (29 Feb 2012: 62,4%).

The two key benchmarks we believe to measure Zeder's performance by are growth in its recurring headline earnings per share and sum-of-the-parts ("SOTP") value per share.

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 in which Zeder holds less than 20% and are generally not equity accountable in terms of accounting standards, are included in the calculation of our consolidated recurring headline earnings. This provides management and investors with a more realistic and simplistic way of evaluating Zeder's earnings performance. The recurring headline earnings value is analysed in the table below:

	Unau	Unaudited	
	31 Aug	31 Aug	29 Feb
	2012	2011	2012
	Rm	Rm	Rm
Recurring earnings	119,9	146,2	323,4
Food and agri	99,6	130,2	265,
Beverages	20,3	16,0	58,3
Net interest and other income and expenses	(8,8)	4,0	(2,4
Management fee	(28,0)	(21,7)	(48,0
Taxation		(0,7)	
Recurring headline earnings	83,1	127,8	273,0
Non-recurring headline earnings, net of taxation	(25,8)	(41,5)	26,9
Recurring earnings adjustment (food and agri), net of taxation	17,4	(20,0)	48,6
One-off items			
Pioneer Foods Competition Commission settlement impact		(20,6)	(20,
Pioneer Foods B-BBEE share-based payment charge	(22,2)		
Distell excise duty provision	(12,6)		
Agri Voedsel unbundling costs	(6,1)		
Other	(2,3)	(0,9)	(1,
Headline earnings	57,3	86,3	299,
Non-headline items, net of taxation	50,6	(2,1)	34,
Attributable earnings	107,9	84,2	334,
Recurring headline earnings per share (cents)	8,5	13,1	27,

Recurring headline earnings per share decreased by 35,1% to 8,5 cents. This was mainly due to 1) a lower earnings contribution from Pioneer Foods; 2) initial losses incurred by Chayton, a startup business in its development phase; and 3) a net interest expense as opposed to net interest income in the prior period as a result of the debt raised to fund the acquisitions of mainly Agricol and Chayton. Headline earnings per share decreased by 33,0% to 5,9 cents, while attributable earnings per share increased by 27,9% to 11,0 cents.

Zeder's SOTP value per share, calculated using the quoted market prices for all listed and over-the-counter ("OTC") traded unlisted investments, and market related valuations for the unquoted, unlisted investments, increased by 5,1% to R3,31 since year-end. The SOTP value is analysed in the table below:

	31 Augus	31 August 2012		29 February 2012	
Company	Interest (%)	Rm	Interest (%)	Rm	
Agri Voedsel Beleggings	44,7	1 068,8	44,7	1 230,4	
Capevin Holdings	20,3	963,9	39,8	713,1	
Capespan	37,0	283,4	40,9	293,0	
Chayton	93,8	276,9			
Kaap Agri	33,8	205,6	33,4	205,5	
Agricol	92,0	182,4	25,1	49,8	
Suidwes	24,1	90,2	23,7	82,7	
Other		542,4		541,3	
Total investments		3 613,6		3 115,8	
Cash and cash equivalents		32,8		77,5	
Other net liabilities		(408,8)		(108,6)	
SOTP value		3 237,6	_	3 084,7	
SOTP value per share		3,31	_	3,15	
Number of shares in issue		978,1		978,1	

Agri Voedsel Beleggings (Pioneer)

Zeder largely maintained its 13,8% indirect interest in Pioneer Foods. The period commenced with favourable forecasts on macro factors, but was subsequently adversely impacted by the unexpected drought in the USA. Grain commodity prices remained within a high range and had a negative impact on Pioneer's margins. In addition, cheap broiler imports had a negative impact on the entire industry.

Despite the current period of margin compression, Zeder remains optimistic about Pioneer in the long run. It is a leading company with strong fundamentals, and is well poised to benefit from the growing demand for food and beverages both in sub-Sahara Africa and select international markets.

Capevin Holdings (Distell)

Capevin Holdings, with its core asset an effective interest of 29,0% in Distell, reported a 2,2% decrease in headling earnings per share for the year ended 30 June 2012. This decrease was largely due to Distell's provision of R297.8m fo additional excise duties. Normalised headline earnings, however, increased by 20,3% to 37,9 cents per share as a result of Distell's strong operational performance.

The listing of Capevin Holdings on the JSE following its merger with and the delisting of Capevin Investments created R264m in value for Capevin Holdings shareholders during the period under review. Zeder now has a 20,3% interest in Capevin Holdings, which is underpinned by an attractive dividend yield.

New investments

Zeder acquired the remaining shares in Agricol for R150,4m during the period under review. The company is a dynamic player in the Agri-seed industry with attractive organic and acquisitive growth prospects.

In addition, Zeder invested R276,9m in Chayton Atlas Investments, a company that acquires, develops and operates commercial grain production hubs in sub-Sahara Africa. Chayton's first investments are all in Zambia where more than 4 000 hectares of irrigated farm land have been acquired and developed for double cropping purposes. At present the focus is on soya and wheat production, and opportunities for crop diversification and vertical integration will be explored in the long term. While this investment is still in the development phase, Zeder is confident that Chayton provides it with a compelling exposure to the growing market opportunity for staple foods in Africa. In September 2012, Norfund (a private equity company owned by the Norwegian Ministry of Foreign Affairs) invested US\$10m in Chayton for a 21.8% interest.

Other investments

During the period under review, Zeder largely maintained its investments in Capespan, Kaap Agri, Suidwes, NWK and Overberg Agri. Most of these companies performed above expectations. While the upside through arbitrage has diminished, significant long-term value remains to be created through the removal of structural layers, improved efficiencies, market consolidation and organic growth.

We continue to believe that the agribusiness, food and beverage sectors offer rewarding investment opportunities, both locally and abroad. It is for this reason that we are passionate about investment opportunities in Africa and beyond. DIVIDEND

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

On behalf of the board

Stellenbosch 1 October 2012 Chief executive officer

CONDENSED GROUP INCOME STATEMENT	_	Unaudited		Audited	
	Notes	31 Aug 2012 Rm	31 Aug 2011 Rm	29 Feb 2012 Rm	
Revenue		79,3			
Cost of sales		(52,3)			
Gross profit		27,0	_	_	
Income					
Investment income		7,6	8,3	63,7	
Other gains and losses		62,5	13,1	51,2	
Other income		1,8	0,3	0,6	
Total income		71,9	21,7	115,5	
Expenses					
Management fee	2	(28,0)	(21,7)	(48,0)	
Operating expenses		(43,3)	(0,2)	(3,1)	
Total expenses		(71,3)	(21,9)	(51,1)	
Share of profits of associated companies		101,6	88,7	277,8	
Results of operating activities		129,2	88,5	342,2	
Finance costs		(14,9)	(1,8)	(7,2)	
Profit before taxation	_	114,3	86,7	335,0	
Taxation	3	(7,4)	(2,5)	(0,4)	
Profit for the period		106,9	84,2	334,6	
Attributable to					
Owners of the parent		107,9	84,2	334,6	
Non-controlling interest		(1,0)			
0	_	106,9	84,2	334,6	
Attributable to owners of the parent Non-headline items, net of taxation		107,9	84,2	334,6	
Interest in non-headline items of associated companies		(32,6)	2,1	(43,3)	
(Profit)/loss on dilution of interest in associated company		(1,2)	2,1	7,9	
Fair value gain resulting from step-up acquisition		(22,0)		7,0	
Realised loss on sale of interest in associated company		4,3		0.7	
Realised loss on sale of equity securities		0,9		0.7	
Headline earnings	_	57,3	86.3	299,9	
Earnings per share (cents)	_				
Attributable (basic and diluted)		11,0	8.6	34.2	
Headline (basic and diluted)		5,9	8,8	30,7	
Recurring headline (basic and diluted)		3,5 8,5	13,1	27,9	
Number of characterities		0,3	13,1	21,3	

CONDENSED GROUP STATEMENT	Unaudited		Audited	
OF COMPREHENSIVE INCOME	31 Aug 2012 Rm	31 Aug 2011 Rm	29 Feb 2012 Rm	
Net profit for the period	106,9	84,2	334,6	
Other comprehensive income for the period	(1,1)	(8,8)	(0,3)	
Share of other comprehensive income/(loss) of associated companies	0,2	5,0	55,3	
Currency translation differences	(1,2)			
Other equity movements of associated companies	(0,1)	(13,8)	(15,2)	
Reversal of other comprehensive income of associated company			(40,4)	
Total comprehensive income for the period	105,8	75,4	334,3	
Attributable to:				
Owners of the parent	106,9	75,4	334,3	
Non-controlling interest	(1,1)			
	105,8	75.4	334.3	

CONDENSED GROUP STATEMENT		Unaudited		ted Audited	
OF FINANCIAL POSITION	Notes	31 Aug 2012 Rm	31 Aug 2011 Rm	29 Feb 2012 Rm	
Assets	110100				
Non-current assets		3 294,8	2 581,7	2 850,7	
Property, plant and equipment		352,5			
Intangible assets		99,8			
Investment in associated companies		2 571,7	2 304,7	2 633,2	
Equity securities		250,6	277,0	217,5	
Loans and advances		20,2			
Current assets		494,2	23,1	132,0	
Inventories		113,4			
Biological assets		73,3			
Trade and other receivables		62,3	7,7	54,5	
Cash and cash equivalents		245,2	15,4	77,5	
Total assets	_	3 789,0	2 604,8	2 982,7	
Equity and liabilities					
Ordinary shareholders' equity		2 870,5	2 558,1	2 817,0	
Non-controlling interest		31,4			
Total equity		2 901,9	2 558,1	2 817,0	
Non-current liabilities		459,7	7,7	132,6	
Deferred income tax	3	37,2	7,7	2,6	
Borrowings		422,5		130,0	
Current liabilities		427,4	39,0	33,1	
Borrowings		308,4	10,1	0,7	
Trade and other payables		99,5	28,6	32,4	
Current income tax payable		5,2	0,3		
Provisions for other liabilities and charges		14,3			
Total liabilities	_	887,1	46,7	165,7	
Total equity and liabilities	=	3 789.0	2 604.8	2 982.7	

293.5

283.3

261.5

261,5

288,0

288,0

CONDENSED GROUP STATEMENT	Unaudited	Audited	
OF CHANGES IN EQUITY	31 Aug 2012 Rm	31 Aug 2011 Rm	29 Feb 2012 Rm
Ordinary shareholders' equity at beginning of period	2 817,0	2 521,8	2 521,8
Total comprehensive income for the period	106,9	75,4	334,3
Dividend paid	(39,1)	(39,1)	(39,1)
Transactions with non-controlling interest	(14,3)		
Ordinary shareholders' equity at end of period	2 870,5	2 558,1	2 817,0
Non-controlling interest	31,4	_	_
Non-controlling interest at beginning of the period	_		
Transactions with non-controlling interest	32,5		
Total comprehensive loss for the period	(1,1)		
Total equity	2 901,9	2 558,1	2 817,0

CONDENSED GROUP STATEMENT OF CASH FLOWS	Unaudited		Audited	
	31 Aug 2012 Rm	31 Aug 2011 Rm	29 Feb 2012 Rm	
Net cash flow from operating activities	56,9	26,8	21,3	
Net cash flow from investment activities	(126,8)	(188,4)	(240,7)	
Net cash flow from financing activities	237,6	(29,0)	90,9	
Net increase/(decrease) in cash and cash equivalents	167,7	(190,6)	(128,5)	
Cash and cash equivalents at beginning of period	77,5	206,0	206,0	
Cash and cash equivalents at end of period	245,2	15,4	77,5	

NOTES TO THE CONDENSED GROUP FINANCIAL STATEMENTS

1. Basis of presentation and accounting policies

The condensed interim group financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting and should be read in conjunction with the annual financial statements for the year ended 29 February 2012, which have been prepared in accordance with International Financial Reporting Standards (IFRS), including the AC 500 standards; 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 interim group financial statements are consistent with those used in the previous financial year. No new standards, interpretations or amendments, which are relevant to the group's operations, became effective during the year.

Results of operating activities, as presented in the condensed group income statement, include share of profits of associated companies as a significant part of Zeder Investments Ltd's ("Zeder") business activity is performed through associated companies. The financial year-ends of the majority of the investments in associated companies/subsidiaries are different to that of Zeder, resulting in Zeder applying the so called 'lag accounting' principle to same. The maximum time period allowed between the reporting date of an associated company/subsidiary and that of Zeder is three months. Adjustments have been made for any significant transactions that occurred between the reporting date of an associated company/subsidiary and that of Zeder. The comparatives have been presented on a consistent basis.

The condensed interim financial statements for the six months ended 31 August 2012 for the first time include the consolidated results of Chayton Atlas Investments and Agricol, the subsidiary companies in which Zeder acquired controlling interests during the period under review.

The complete IAS 34-compliant report has been released on the Securities Exchange News Service ("SENS") and is also available at www.zeder.co.za.

2. Management fee

978,1

978,1

A management fee is payable to PSG Group Ltd ("PSG Group"), Zeder's ultimate holding company, in terms of a management agreement. This represents a related-party transaction. In accordance with the management agreement, PSG Group provides all investment, administrative, advisory, financial and corporate services to Zeder and

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 eguity portfolio above the equally weighted FTSE-JSE Beverage Total Return Index (TRIO41) and the FTSE-JSE Food Producers Total Return Index (TRI043) over any financial year. No performance fee was payable for the year ended 29 February 2012.

Deferred income tax is provided for on the fair value adjustments to the group's equity investment portfolio, using an effective capital gains tax rate of 18.6%. Taxable income is subject to normal taxation at a rate of 28%

On 28 March 2012, the group committed to invest R334m in Chayton Atlas Investments. As at the reporting date, the committed capital not yet invested approximated R110m.

Distell Group Ltd ("Distell") received an assessment from the South African Revenue Service for additional employees tax relating to its share incentive scheme. Distell obtained legal and tax specialist opinions on this matter, which indicated that no provision is necessary and submitted an objection to this assessment. The Zeder group's interest in the amount that is at risk is R3,1m (excluding penalties and interest

At the current and prior reporting dates, the group had no contingent liabilities

5. Related-party transactions and balances

The management fee expense (note 2) was incurred with PSG Group in terms of the existing management agreement, with the amount payable included under trade and other payables

Included in Borrowings is a loan of R100,6m from PSG Corporate Services (Pty) Ltd ("PSG Corporate Services"), a fellow PSG Group subsidiary.

6. Business combinations

On 28 March 2012, Zeder acquired the remaining 74,9% of the share capital in Agricol for a cash consideration of R150,4m. The net identifiable asset value acquired amounted to R149,1m with goodwill amounting to R51,7m.

6.2 Chayton Atlas Investments ("Chayton")

On 10 April 2012, Zeder acquired 100% of the share capital of Chayton, a company incorporated in Mauritius, for a cash consideration of R23,6m. At the time, Chayton had negative equity of R4,5m, resulting in the recognition of R28,1m in goodwill. Subsequently, Zeder invested an additional R253,3m cash in Chayton. As at 31 August 2012, Zeder held a 93,8% interest in Chayton.

On 31 July 2012, Zeder, through its subsidiary Chayton, acquired 100% of the share capital of Somawhe, a company operating in Zambia. The consideration payable is estimated at R204,1m, equating to the net identifiable asset value of Somawhe. Negotiations regarding the consideration will be finalised during the second half of the financial year.

 $\textbf{ZEDER INVESTMENTS LIMITED} \quad \text{Incorporated in the Republic of South Africa Registration number: } 2006/019240/06$

DIRECTORS JF Mouton** (Chairman), N Celliers* (Chief executive officer), WL Greeff* (Financial director), GD Eksteen', PJ Mouton**, MS du P le Roux', CA Otto', LP Retief', (* executive ** non-executive ' independent non-executive)

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