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ANNUAL REPORT 2007

ZEDER
INVESTMENTS LIMITED

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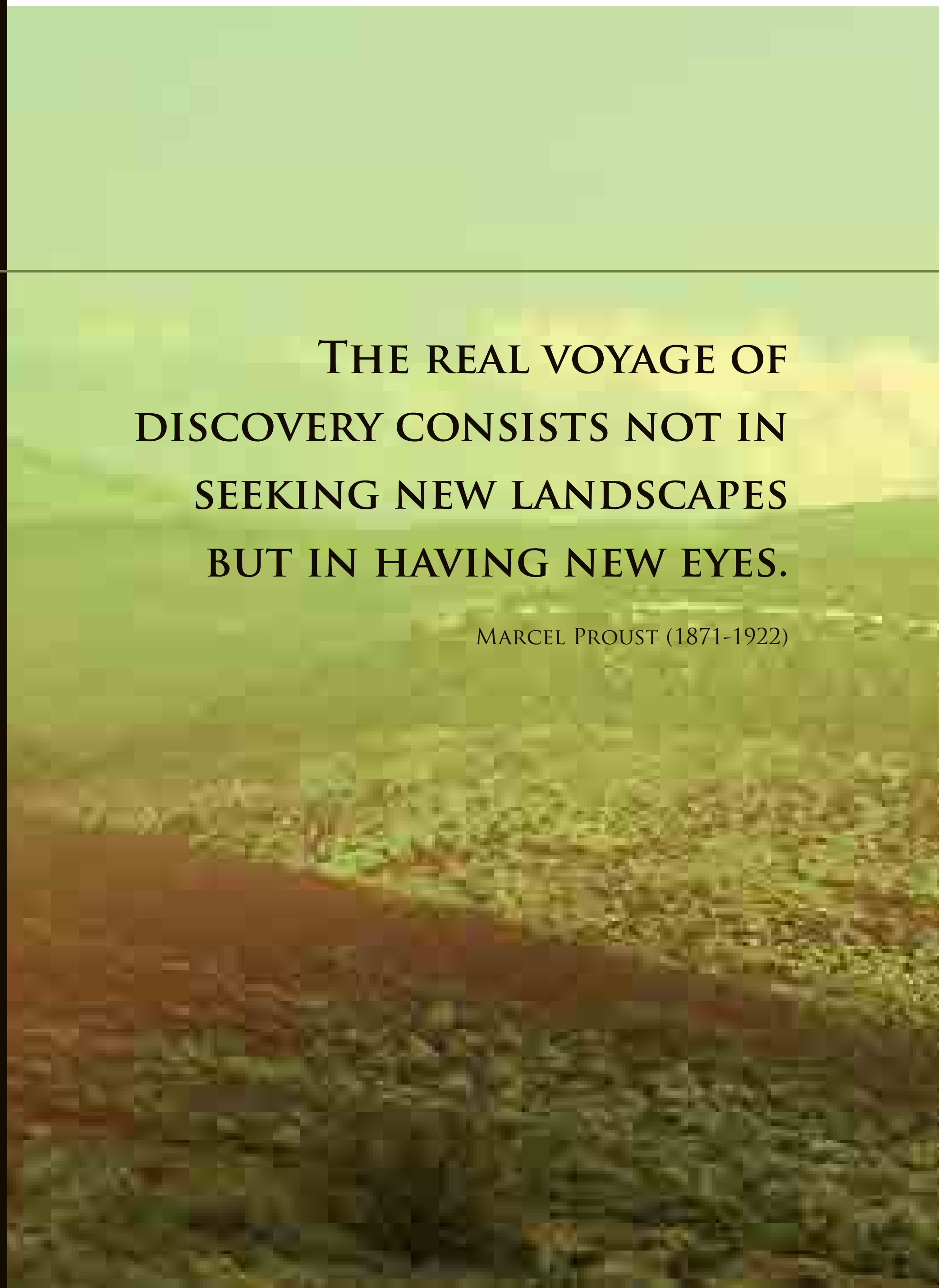

ADMINISTRATION

DETAILS OF ZEDER INVESTMENTS LIMITED
Registration number 2006/019240/06
Share code: ZED
ISIN code: ZAE000088431

SECRETARY AND REGISTERED OFFICE
PSG Corporate Services (Pty) Limited
Registration number 1996/004840/07
Ou Kollege
35 Kerk Street
Stellenbosch 7600
PO Box 7403
Stellenbosch 7599
Telephone +27 21 887 9602
Telefax +27 21 887 9619

TRANSFER SECRETARIES
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11 Diagonal Street
Johannesburg 2001
PO Box 4844
Johannesburg 2000
Telephone +27 11 834 2266
Telefax +27 11 834 4398

CORPORATE ADVISER AND SPONSOR
PSG Capital (Pty) Limited

BROKER
PSG Online Securities Limited

AUDITOR
PricewaterhouseCoopers Inc.

PRINCIPAL BANKER
First National Bank – a division of FirstRand Bank Limited

WEBSITE ADDRESS
www.zeder.co.za

SHAREHOLDERS' DIARY

	2007
Financial year-end	28 February
Profit announcement	11 April
Annual general meeting	22 June
Interim report	8 October

COMPRESS PB3294

ZEDER IS A RECENTLY ESTABLISHED INVESTMENT HOLDING COMPANY IN THE AGRICULTURAL, FOOD, BEVERAGES, GRAIN AND RELATED INDUSTRIES. IT REPRESENTS PSG GROUP'S VISION OF ESTABLISHING A VIABLE MECHANISM ALLOWING INVESTORS TO SHARE IN A DIVERSIFIED AGRI PORTFOLIO. BASICALLY THE LISTED ZEDER INVESTS IN VARIOUS FORMS OF UNLISTED SECURITIES IN ITS IDENTIFIED SECTORS.

CONTINUOUSLY SEEKING

Directors

Johannes Fredericus Mouton

(60), BComm (Hons), CA(SA), AEP

Chairman

Directorships: Non-executive director of Capitec Bank Holdings Limited, executive chairman of PSG Group Limited and non-executive director of Steinhoff International Holdings Limited.

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

Chris Adriaan Otto

(57), BComm, LLB

Non-executive director

Directorships: Executive director of PSG Group Limited, non-executive director of Capitec Bank Holdings Limited and Channel Life Limited.

Summary of curriculum vitae: Mr Otto has been an executive director of PSG Group since 1996. He has been directly involved in the establishment of Capitec Bank and Zeder. He has played an integral role in the establishment and management of PSG Group and its various operating subsidiaries. Such operating subsidiaries have engaged in investment activities (for example, PSG pursuing its agricultural investment strategy that culminated in the establishment of Zeder) which Mr Otto has overseen and advised on.

Antonie Egbert Jacobs

(42), BAcc, BCompt (Hons), CA(SA), MComm (Tax), LLB

Chief executive officer

Summary of curriculum vitae: Mr Jacobs is a qualified chartered accountant with many years experience in an investment management capacity in the agricultural sector. He was the managing director of KLK Landbou Limited for three years. He has sat on the boards of various investment holding companies with diversified interests, such as Winecorp (where he was the financial director) and Spier Holdings (which has investments in the hotel and leisure industries, farming and property development). Prior to that, he was the executive head of financial re-engineering at BoE Bank. He also previously lectured tax and accountancy at the University of Stellenbosch.

Michiel Scholtz du Pré le Roux

(57), BComm, LLB

Non-executive director

Directorships: Non-executive chairman of Capitec Bank Holdings Limited.

Summary of curriculum vitae: Mr Le Roux was managing director of Distillers Corporation (SA) Limited from 1979 to 1993, and from 1995 to 1998 managing director of Boland Bank Limited, NBS Boland Limited and BoE Bank Limited. He is one of the founding members of Capitec Bank.

Johan Georg Carinus

(57), BComm

Non-executive director

Directorships: Non-executive director of Distell Limited.

Summary of curriculum vitae: Mr Carinus is a grape farmer from Stellenbosch and serves on the board of Het Jan Marais Fund. He also served on the boards of KWV Limited from 1990 to 2003, the Stellenbosch Farmers' Winery from 1994 to 2000, the Stellenbosch Vineyards from 1996 to 2004 and Rand Merchant Bank from 1982 to 1998.

Lambert Phillips Retief

(54), BComm Hons, CA(SA), OPM (HBS)

Non-executive director

Directorships: Executive chairman of Paarl Media Holdings (Proprietary) Limited, director of Media24 Limited

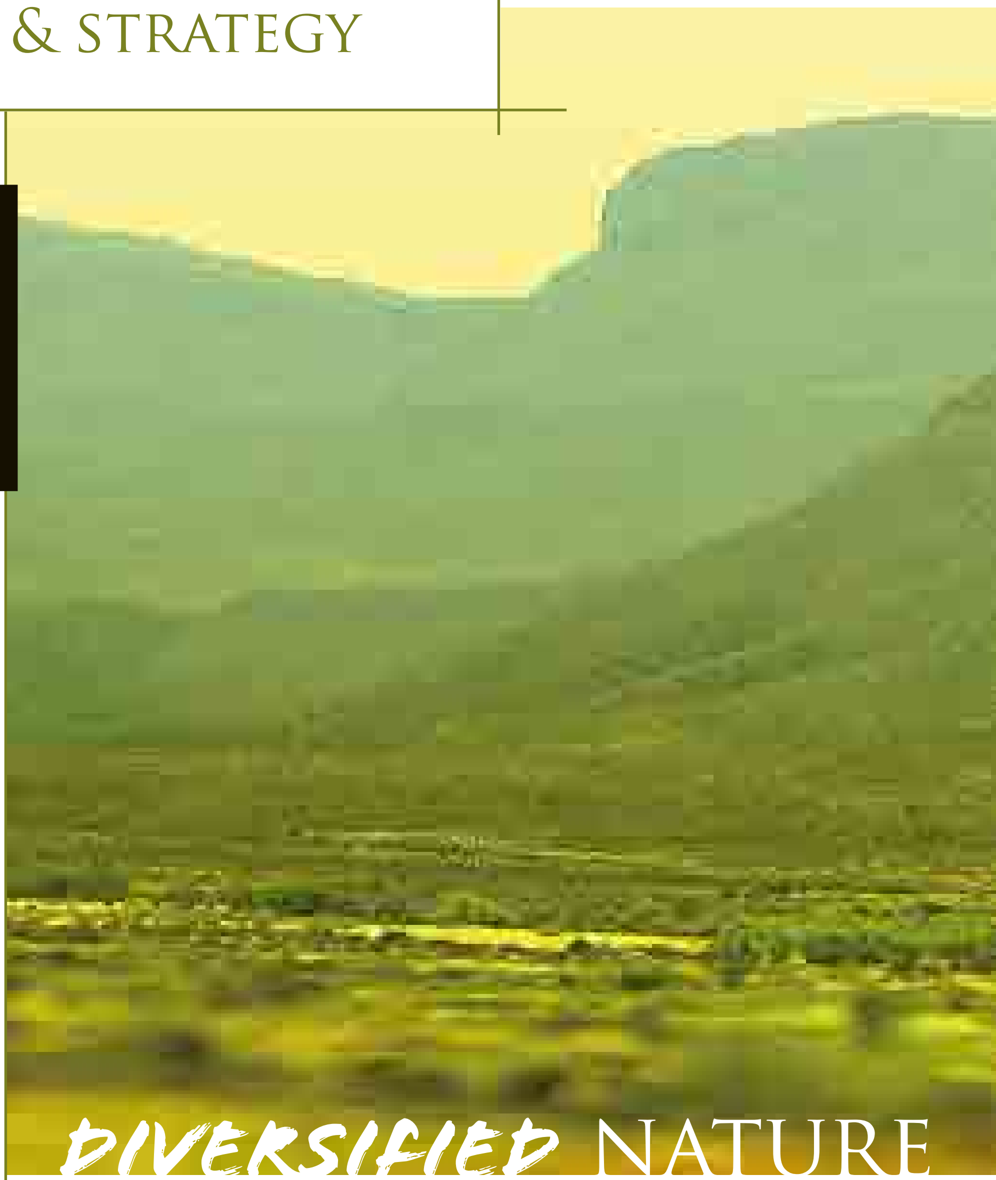
Summary of curriculum vitae: Mr Retief is a qualified chartered accountant and has been involved in the printing and publishing business since 1978. He is a past chairman of the Provincial Press Association and current president of the Printing Industry Federation of South Africa. He is also a director of various investment companies.

An investment in Zeder gives investors in the agri industry a greater geographical spread in their investment and diversifies their underlying portfolio.

- NWK Limited 3,5%
- BKB Limited 2,7%
- KWV Limited 14,9%
- Suidwes Investments Limited 2,8%
- KLK Landbou Limited 7,3%
- Senwes Limited 2,8%
- Pioneer Food Group Limited 5,3%
- Kaap Agri Limited 5,0%
- OVK Operations Limited 6,0%

OPPORTUNITY & STRATEGY

AGRICULTURAL PROGRESS HAS BEEN A CRUCIAL FACTOR IN WORLDWIDE ECONOMIC CHANGE



DIVERSIFIED NATURE

IMPORTANT BUT AVOIDS PROTECTION

The history of agriculture is a significant part of human history, as agricultural progress has been a crucial factor in worldwide economic change. When farmers became capable of producing beyond the needs of their own families the community had the opportunity to look for opportunities beyond the acquisition of foods.

Farmers have always been an important component of social stability. In the developed world farmers are paid generous subsidies for, in several instances, producing sub-optimally. These subsidies are justified in the name of food security for those countries but arguably only serve as leverage for political power. Thankfully South Africa has not deemed it an appropriate route, but it is harmful for farmers in the developing world because they are not in a position to compete on equal footing with the subsidised farmers of developed countries.

For example, a decrease in the subsidies paid for European sugar cane farmers was well accepted by the South African market as it immediately led to an increase in the world sugar price. Although this might have a negative short-term impact on the European sugar farmers, free market economic powers are in the long run beneficial to the community as a whole.

But South Africa is definitely not innocent of protectionism. We still have several barriers in the society. Keeping it topical, several agri companies are also guilty of imposing restrictions.

These restrictions ultimately impact negatively on shareholder value. The restrictions placed on who can be shareholders decrease the pool of "exclusive" investors and therefore prevent the share prices from reflecting fair value in free tradability.

That said, the importance that the Southern African food and agricultural sector will play cannot be underestimated. Development across the world and specifically in the BRIC (Brazil, Russia, India and China) countries is not only increasing demand for food-related products but also decreasing the productive agricultural land. Sub-Saharan Africa will be relied on as the breadbasket of the world.

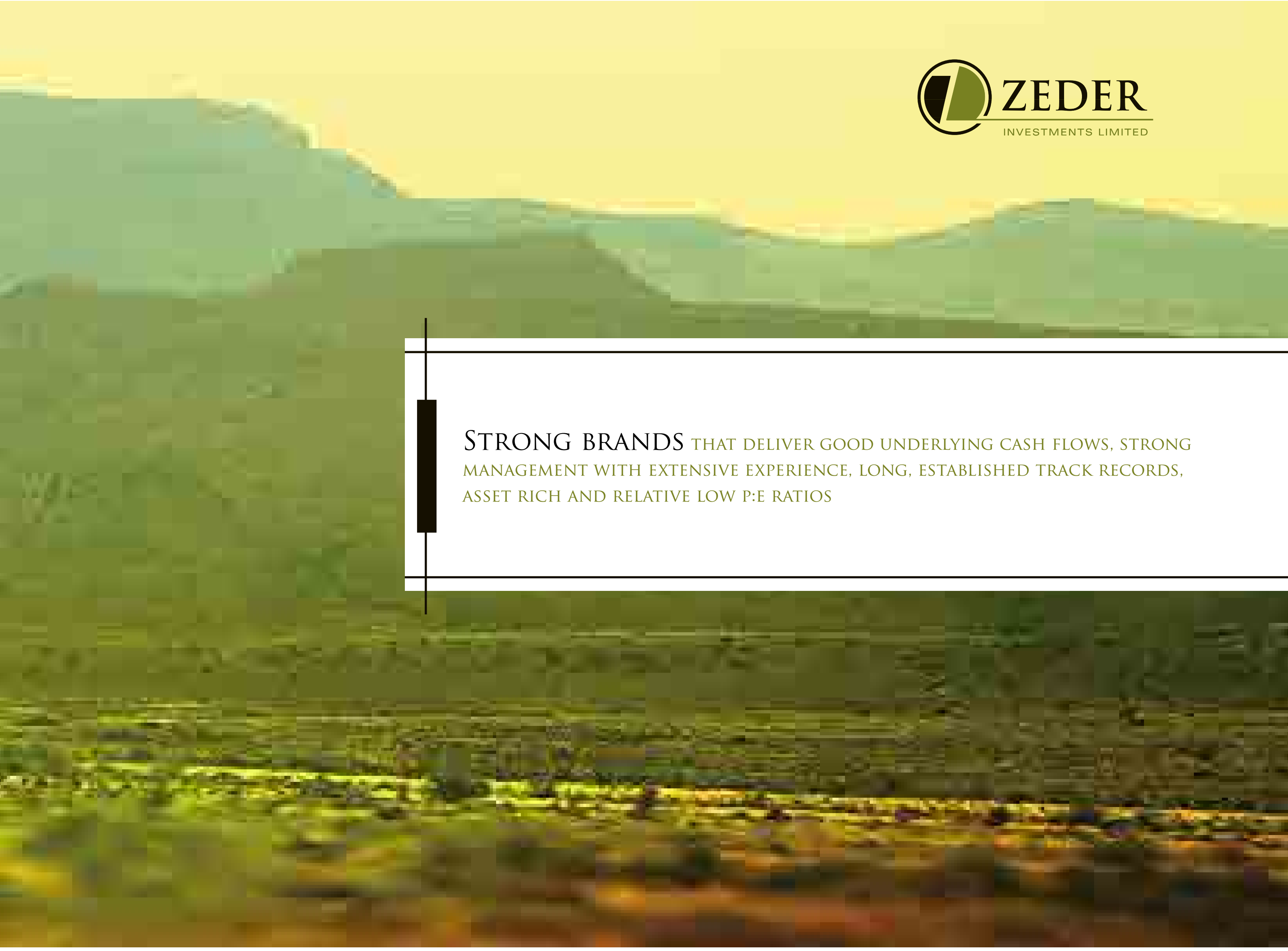
ZEDER, A VALUE PROPOSITION

It has been six months since PSG's agricultural assets were merged into the agriculture, food and beverage company Zeder Investments Limited.

PSG Group identified value and invested in several agricultural and food-related companies. The majority of these companies are unlisted companies that transformed from co-operatives.

The co-operatives' objective was to deliver good service and products at the lowest possible price to its producers (mainly farmers who were members). Given the effects of globalisation and the fact that banks and/or financial institutions are the main providers of capital, the new agri companies' purpose has changed. While they continue to provide good service and products, they have shifted their focus towards giving positive returns to their shareholders.

Shareholding was initially limited to the producers in the co-operatives but has recently become more diversified. Co-operatives used to have numerous methods of determining profitsharing amongst members. Several of these permutations survived the conversion and remain embedded in the corporate structure of these companies, e.g. limitations where



only bona fide farmers are allowed as shareholders or to have voting rights. In other instances shareholding was determined based on your annual agricultural production. By conscientiously removing some of these barriers, value is unlocked for current and future shareholders.

The attributes we identified that make for compelling investment into the companies are:

- Long, established track records
- Strong brands that deliver good underlying cash flows
- Strong management with extensive experience
- Geographically they have little or no competition
- Asset rich and relative low p:e ratios

We maintain that there is a gap between the intrinsic value and current market price of agri companies, which will close in the long term if more restrictions are removed.

Zeder offers to our shareholders:

- Liquidity – the listed shares of Zeder is freely traded on the JSE, while the underlying investments in the companies offer much less liquidity.
- Diversification – the investments are diversified across industries and geographical areas. This reduces overall risk of the investment.
- Being a shareholder of reference can increase Zeder's strategic input in the underlying investments.
- Critical mass – Zeder is in a position to participate in substantial opportunities that may arise and has the necessary capital available.
- Individual shareholders in the underlying companies are offered the opportunity to exchange their holdings for a stake in the diversified Zeder.

THANKS

I would like to express my gratitude to the management of Zeder and PSG as well as my fellow colleagues on the board of directors.

Jannie Mouton
11 April 2007

REVIEW OF INVESTMENTS

ASSET-RICH
WELL-MANAGED
PROFIT-PRODUCING
INVESTMENTS

EXECUTIVE SUMMARY

Overview

The agricultural sector of the South African economy has undergone a dramatic change in the last decade. Previously, most firms operating in the sector were structured as co-operative undertakings focusing on the needs of producers. Over the last decade, most of these firms have converted to public companies. Many of these companies present attractive investment opportunities for patient investors.

PSG Group Limited ("PSG") has acquired interests in a number of these agri-related companies, which formed the basis of Zeder Investments Limited's ("Zeder") initial investment portfolio. All of the companies invested in are unlisted and many have intricate control structures in place. Because of these barriers to entry, it is a sector in which many institutional and retail investors have not yet invested, despite the attractive investment opportunities available.

PSG has developed considerable expertise in the agricultural sector of the South African economy, and has generated positive returns from agri-related investments. Through Zeder, investors are now able to participate in these investment opportunities presented by the agricultural sector.

Investment themes

Zeder focuses on the agricultural processing, food, beverages, grain and related sectors. Investments are in unlisted companies. The investment approach is value-oriented and contrarian, which is considered vital for generating attractive long-term investment returns of a highly cyclical nature.

INVESTMENT OPPORTUNITY

Investment trends

The transformation of companies in the agricultural sector, from being producer focused to being shareholder focused, is an extensive process that still has years to run. In the limited number of companies where this transformation has been concluded, shareholders have benefited substantially. Zeder will benefit from the process of industry consolidation and company rationalisation that is envisaged over the next number of years.

Investment focus

Zeder invests predominantly in equity instruments, usually in the form of ordinary shares, but alternative investment instruments are also considered where an attractive investment return is expected.

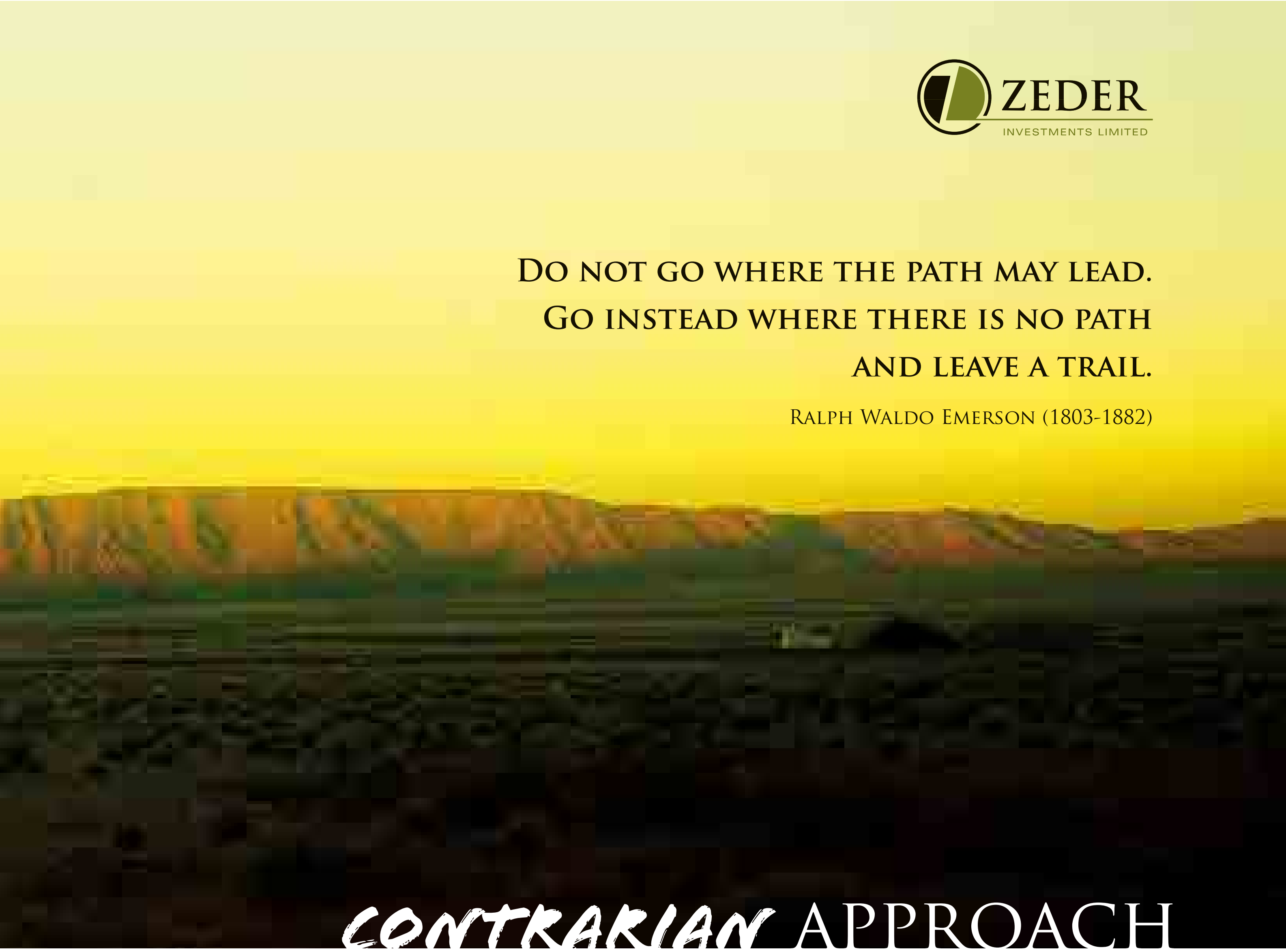
Where compelling investment opportunities are identified, a substantial interest will be taken in companies.

Although there is no restriction on the level of gearing Zeder may employ, it is not expected that Zeder will utilise debt to a significant extent, and the level of gearing employed will be assessed continuously in the context of the level of liquidity within Zeder's portfolio.

INVESTMENT STRATEGY

Investment objective

Because the nature of Zeder's investments is mainly equity, Zeder aims to achieve investment returns in excess of the performance of the FTSE-JSE Beverages Total Return Index and the FTSE-JSE Food Producers Total Return Index.



CONTRARIAN APPROACH

Investment process

The team that has been responsible for PSG's agricultural investments will be responsible for evaluating and implementing investments. Investment opportunities are identified and evaluated by team members who present their ideas to the PSG-constituted Zeder Executive Committee ("Zeder Exco") for approval.

Investment management

The Zeder portfolio is monitored on an ongoing basis with regular feedback to Zeder Exco.

Risk profile

The strategy is to make focused investments in opportunities presenting attractive return potential at acceptable levels of risk.

Zeder Exco

The committee consists of the following persons: Messrs CA Otto, JF Mouton and AE Jacobs.

GOVERNANCE OF THE COMPANY

The company is governed by:

- board of directors;
- audit committee; and
- Zeder Exco.

PSG provides all administrative and secretarial services required by Zeder. Apart from the management fee, no additional fees are charged for these services.

MANAGEMENT AGREEMENT

Zeder is managed by Zeder Exco, as nominated by PSG Group in terms of the management agreement.

Zeder Exco has the responsibility to:

- manage the general administrative activities of Zeder, such as the accounting functions, including the management of the company's bank account;
- manage the broader investment functions, such as identifying and making recommendations on investments, disposals of investments, encumbering of investments, and the co-ordination of due diligence investigations on potential investments;
- manage the financial affairs of the company, including managing and monitoring the company's gearing and liquidity position, administering the company's borrowing policy and making recommendations regarding the issue of shares;
- perform semi-annual valuations of Zeder and its investments;
- manage communication to investors and other stakeholders;
- appoint and/or dismiss directors of investee entities, where entitled to do so, and attend and/or vote at the appropriate meetings of such entities in accordance with the board's instructions; and
- remunerate the directors of Zeder.

Expenses and fees

Zeder Exco, being PSG Group or its duly appointed nominee, will bear all reasonable expenses related to general and financial administration, including the promotion of the company.

Zeder Exco will only be reimbursed for certain costs in very limited circumstances incurred in the management of the company, for example, future capital raising and placement fees, taxes that may become payable by Zeder and legal claims/costs incurred on behalf of Zeder.

Zeder Exco will charge the following fees:

	Percentage
Base fee per annum on net asset value of company (excluding cash)	2,00
Base fee per annum on cash held	0,15
Annual performance fee* (share of return above benchmark return)	10,0

** Information regarding the management fees is discussed in more detail under the accounting policies.*

If you can find a path with no obstacles, it probably doesn't lead anywhere.

Frank A Clark (1945-)

REVIEW OF ZEDER'S INVESTMENTS

KWV Limited

Year ended 30 June	2006	2005	2004
Turnover (Rm)	**1 186**	1 090	1 036
Headline earnings per share (cents)	**28**	17	15
Net asset value per share (cents)	**298**	268	238

KWV Limited ("KWV") is inter alia the holding company of KWV Investments Limited ("KWV Investments"). KWV Investments is a JSE-listed investment holding company that indirectly owns 30% of Distell Limited.

KWV's 16,7% indirect interest in Distell (through KWV Investments) generated a 68,1% increase over the comparative interim period.

Mr Thys Loubser, newly appointed CEO, will be leading the company through demanding and competitive trading conditions currently being experienced in the industry, both domestically and internationally. KWV is in the process of re-evaluating its strategy, especially marketing. Management has warned that this process could lead to write-offs that may have a negative impact on the results for the full year.

Pioneer Food Group Limited

Year ended 30 September	2006	2005	2004
Turnover (Rm)	**9 604**	8 446	7 591
Headline earnings per share (cents)	**326**	314	207
Net asset value per share (cents)	**2 088**	1 758	1 193

Pioneer Food Group Limited ("Pioneer") was established in 1920, and has grown over time to become one of the largest food manufacturers in South Africa. While the core of its business remains milling and baking of grain, it has also built an impressive portfolio of well-known brands, through internal development and acquisitions.

The company is divided into two primary divisions: staple foods and branded products. The staple foods division includes Sasko (wheaten flour, bread, White Star maize meal, rice), agri products (chicken, eggs and animal feeds) and non-branded SAD products (dried fruits, nuts, jams). The branded products division includes Bokomo Foods (cereals, biscuits, rusks, Maizena), Ceres Beverage Company (Ceres, Liqui-Fruit and Fruitree fruit juices, Pepsi), Heinz Foods (tomato sauce, condiments, seafood products, soups) and branded SAD products (Marmite, Bovril, Peck's, Redro).

Subsequent to the previous financial year-end, management cautioned that the excellent growth recorded over the previous two financial periods was unlikely to continue.

For the last reporting period the group's revenue increased by 14% to R9,6 billion. The operating profit increased to R756 million, a 5% increase over the comparative period. This moderate growth in profits illustrates the increased pressure on profit margins.

The company is in the process of significant brand building and increasing its manufacturing facilities. Pioneer's board approved in excess of another R800 million to fund this process.

Kaap Agri Limited

Year ended 30 September	**2006**	2005	2004
Turnover (Rm)	**1 415**	1 221	1 322
Headline earnings per share (cents)	**78**	72	55
Net asset value per share (cents)	**528**	445	343

Kaap Agri Limited ("Kaap Agri") originated from the merger between WPK Beleggings Limited and Boland Agri Beherend Limited in 2005. The company offers a wide range of products and services to the agricultural community and increasingly to the broad public in the Western and Northern Cape. Kaap Agri is also the single largest shareholder in Pioneer, with a shareholding of about 22%.

The company has changed the focus of its trading branches (the Agrimark stores) from purely farming orientated to include the public at large. This has been quite successful, and the Agrimark stores are the largest contributor to group revenue and profits.

Headline earnings from operations increased by 50% over the comparative period. Positive cash flow of R161 million from operations has enabled the group to reduce its interest-bearing debt by R129 million.

At the most recent AGM, the chairman stated that certain clauses in the articles of association that limit the further unlocking of value for shareholders would be altered in 2007. This will lead to a positive re-rating of the business.

Senwes Limited

Year ended 30 April	**2006**	2005	2004
Turnover (Rm)	**3 979**	4 250	4 479
Headline earnings per share (cents)	**57**	66	55
Net asset value per share (cents)	**378**	344	315

Senwes Limited ("Senwes") is one of the largest grain-handling concerns in South Africa. The company has silo capacity of about 4,6 million tons – more than 25% of the total capacity in the country.

The company now focuses on the handling, storage and marketing of grain, the supply of financing to clients, as well as the supply of inputs to farmers. The only remaining non-core businesses are a wine cellar and a seed supply business, both operating profitably.

Senwes has positioned itself as one of the foremost companies in the field of handling, storage and marketing of grain in South Africa. Management has identified this aspect of the business to be the area where the company has a high competency level, and accordingly the company has been expanding its grain-handling geographical footprint to areas beyond its traditional service area. At the same time, input supply activities have been scaled down to some extent, with the sale and closure of some trading branches.

Senwes has an empowerment partner in the Royal Bafokeng Consortium. The transaction was done whereby Senwesbel, the holding company of Senwes of which only bona fide farmers were allowed to be shareholders, sold a 27,1% share in Senwes to the Consortium.

Despite the reduced grain volumes resulting from downscaling in the planting of grain in the previous season, the group performed very well during the last reported six-month period. Profit from continued operations improved by 22% over the comparative period.

ZEDER
INVESTMENTS LIMITED

KLK Landbou Limited

Year ended 28 February	2006	2005	2004
Turnover (Rm)	**772**	602	383
Headline earnings per share (cents)	**36**	50	37
Net asset value per share (cents)	**335**	304	258

KLK Landbou Limited ("KLK") is a small but well-diversified, agri-focused company headquartered in Upington. The company primarily serves the sheep farmers in the Kalahari and Northern Cape areas, but it is involved in a diverse range of businesses comprising mainly procurement and supply of agricultural requisites; procurement and marketing of livestock through the hosting of auctions and operating feedlots; slaughtering, processing and marketing of livestock; distribution and retail sales of BP fuels and related products; and the operation of Nissan and General Motors dealerships.

Fuel distribution generates the bulk of the company's profits (more than 50% of net income in 2006).

Oos Vrystaat Kaap Operations Limited

Year ended 28 February	2006	2005	2004
Turnover (Rm)	**1 264**	1 069	796
Headline earnings per share (cents)	**48**	47	40
Net asset value per share (cents)	**420**	348	273

Oos Vrystaat Kaap Operations Limited ("OVK") is a diversified agricultural business with its head office in Ladybrand in the Free State. The company's primary activities involve: general trade; fuel distribution; mechanisation (sales, servicing and repairs of agricultural machinery); motor dealerships; short-term insurance broking; grain handling, storage and marketing; livestock slaughtering and marketing of carcasses; and client financing.

The diversified nature of its business has enabled it to achieve a satisfactory profit history of solid growth and returns on equity. The company also has a consistent record of paying satisfactory dividends to shareholders.

The general trading division of OVK is the company's most important division with the fuel distribution business. Both divisions are important profit generators and consistent performers.

Suidwes Investments Limited

Year ended 30 April	2006	2005	2004
Turnover (Rm)	**944**	1 048	1 128
Headline earnings per share (cents)	**28**	(20)	23
Net asset value per share (cents)	**174**	157	170

Suidwes Investments Limited ("Suidwes") is a typical agricultural company operating in a maize-producing area of North West, with its head office in Leeudoringstad. The company is involved in all aspects of meeting the needs of grain and other farmers, from supplying inputs and requisites to grain handling, storage and marketing, to selling insurance and providing finance.

Suidwes has announced that in spite of lower volumes of maize handled during the year, it is expected that the company will improve on the previous year's results.

Suidwes looks set to perform in line with most of the other agri companies serving the maize-growing areas of South Africa. Although cyclical, the company has shown that it is able to maintain satisfactory levels of profitability from its core operations going forward.

BKB Limited

Year ended 30 June	**2006**	2005	2004
Turnover (Rm)	**554**	519	555
Headline earnings per share (cents)	**666**	572	87
Net asset value per share (cents)	**7 444**	6 638	5 000

BKB Limited's ("BKB") business entails the handling and marketing of agricultural products, wool, mohair and livestock on behalf of its clients, the provision of farming requisites and the rendering of services related to activities. The company also trades in wool and mohair on the international market for its own account. As a result of the continued decline in wool and mohair volumes handled by the company, excess warehouse space is leased or otherwise utilised for warehousing. The company consists of a national branch network with its head office in Port Elizabeth.

At the end of 2006, BKB merged with Grainco (Proprietary) Limited. Grainco specialises in the storage, handling and collateral management of grain. The recent merger with Grainco will offer synergies, new opportunities in the grain industry as well as benefits that BKB's national infrastructure offers. The combined company will be able to transact in the entire grain industry and add value to their clients in a meaningful way.

NWK Limited

Year ended 28 February	**2006**	2005	2004
Turnover (Rm)	**2 555**	2 050	2 044
Headline earnings per share (cents)	**65**	49	62
Net asset value per share (cents)	**573**	569	530

NWK Limited ("NWK") fulfils an essential role in South Africa's agricultural industry as a leading provider of agricultural services and inputs, primarily in the North West province. The Lichtenburg-based company's clients are agricultural producers and buyers of a wide range of agricultural inputs. The company is involved in a wide spectrum of activities in the following fields: grain industry, agricultural management services, trade, financial services and industries.

NWK has performed solidly for the last couple of years, with profits shown in each of the last six years. The company is conservatively financed with a liquid balance sheet and has historically paid out attractive dividends. NWK has proved itself to be a conservatively run company that has managed to show profits in all phases of the agricultural cycle.

The smaller harvest and the lower quality of grain have had a negative effect on NWK's results during the last interim reporting period. The drought experienced in a wide area will have an impact on results in the next financial year of the grain-producing community.

PROSPECTS

Zeder is increasing its shareholding in certain of its underlying investments and is constantly investigating opportunities.

Zeder's profitability depends on dividend income emanating from its investments as well as the positive market movements in this portfolio. Having regard to the quality of the portfolio and depending on the markets, the company's profits should show modest growth.

THANKS

My gratitude goes out to the management of Zeder, Zeder Exco members as well as my fellow colleagues on the board of directors.

Antonie Jacobs
11 April 2007

FINANCIAL STATEMENTS
for the period ended 28 February 2007

CONTENTS

ASSET RICH *WELL-MANAGED PROFIT-PRODUCING INVESTMENTS*

CREATING ZEDER Since 2004, PSG has pursued a strategy of investing in various unlisted agri companies and has enjoyed good returns on these investments. Following this strong growth, PSG transferred its various agricultural investments to Zeder on 1 September 2006.

ZEDER INVESTMENTS LIMITED

The directors are responsible for the maintenance of adequate accounting records and to prepare financial statements that fairly represent the state of affairs and the results of the company. The external auditors are responsible for independently auditing and reporting on the fair presentation of these financial statements. The directors fulfil this responsibility primarily by establishing and maintaining accounting systems and practices adequately supported by internal accounting controls. Such controls provide assurance that the company's assets are safeguarded, that transactions are executed in accordance with management's authorisations and that the financial records are reliable. The financial statements are prepared in accordance with International Financial Reporting Standards and incorporate full and reasonable disclosure. Appropriate and recognised accounting policies are applied consistently.

The financial statements are prepared on the going concern basis, since the directors have every reason to believe that the company has adequate resources to continue its operations for the foreseeable future.

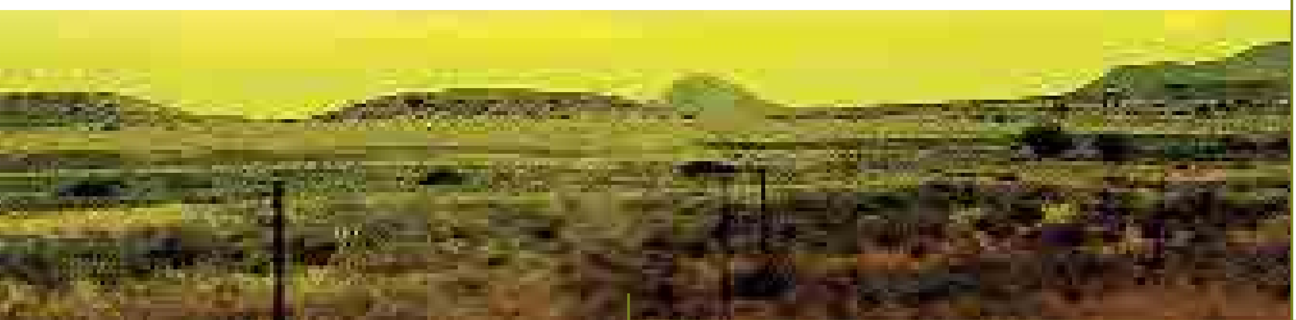
The financial statements set out on pages 16 to 30 were approved by the board of directors of Zeder Investments Limited and are signed on its behalf by:

AE Jacobs
Director

CA Otto
Director

JF Mouton
Chairman

11 April 2007
Stellenbosch



The health of the eye seems to demand a horizon. We are never tired, so long as we can see far enough.

Ralph Waldo Emerson (1803 - 1882)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZEDER INVESTMENTS LIMITED

We have audited the financial statements of Zeder Investments Limited, which comprise the balance sheet as at 28 February 2007, the income statement, the statement of changes in equity, the cash flow statement for the period then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 18 to 30.

Directors' responsibility for the financial statements
The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act in South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of the company as at 28 February 2007, and of their financial performance and their cash flows for the period then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: HD Nel
Registered auditor

11 April 2007
Cape Town

DECLARATION BY THE COMPANY SECRETARY

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

PSG Corporate Services (Pty) Limited
Per WL Greeff
Company secretary

11 April 2007
Stellenbosch

The directors are pleased to submit their report for the maiden reporting period ended 28 February 2007.

NATURE OF BUSINESS

The company's main business is that of an investment holding company.

OVERVIEW

The company was incorporated on 21 June 2006 as Friedshelf 766 (Pty) Limited. On 8 August 2006, the company was converted to a public company and changed its name to Friedshelf 766 Limited by special resolution. The company subsequently changed its name to Zeder Investments Limited, also by special resolution.

During the period under review the company completed a private placement, raising a gross amount of R700,3 million and also exchanged shares for investments in various agri companies. PSG's percentage shareholding in the company after the aforementioned is 35,8%. The company listed on the JSE Main Board on 1 December 2006. Its investment portfolio increased to R776,3 million from R349,7 million as at 1 September 2006, the date on which PSG transferred its investments in agricultural and food companies to the company in exchange for shares. The increase in the investment portfolio can largely be attributed to additions through cash purchases and unrealised gains as a result of fair value adjustments to the company's investments. The result is a net profit after tax of R136,5 million for the reporting period, which translates into an earnings per share of 27,8 cents.

OPERATING RESULTS

The operating results and the state of affairs of the company are set out fully in the attached income statement, balance sheet and notes thereto. The company's headline earnings amounted to R136,5 million.

SHARE CAPITAL

Details of the authorised and issued share capital appear in note 5 to the financial statements.

During the period under review, the number of shares in issue changed as follows:

	Number of shares
At beginning of period	
Issued in terms of share swap on 1 September 2006	**174 870 962**
Issued in terms of a share swap private placement	**16 657 629**
Issued for cash in terms of a private placement	**350 125 000**
Issued in terms of share swap on 23 October 2006	**27 703 214**
Issued in terms of a further share swap to private investors	**1 956 003**
Net shares in issue at end of period	**571 312 808**

DIVIDEND

A maiden dividend of 2,0 cents per share has been declared by the directors.

DIRECTORS

The directors of the company at the date of this report and any changes during the period under review are set out below:

JG Carinus (appointed 1 September 2006)
AE Jacobs (appointed 1 September 2006)
MS du Pré le Roux (appointed 1 September 2006)
JF Mouton (appointed 21 August 2006)
CA Otto (appointed 21 August 2006)
LP Retief (appointed 7 November 2006)
PL Uys (appointed 21 June 2006; resigned 21 August 2006)

DIRECTORS' EMOLUMENTS

Directors' emoluments in the amount of R312 000 were paid to AE Jacobs, an executive director of the company, by PSG Group Limited, a related party.

SHAREHOLDING OF DIRECTORS

The shareholding of directors in the issued share capital of the company as at 28 February 2007 was as follows:

	Beneficial		Non-beneficial		Total shareholding	
Name	**Direct**	**Indirect**	**Direct**	**Indirect**	**Number**	**%**
AE Jacobs		50 000			50 000	0,01
JF Mouton				50 000	50 000	0,01
CA Otto				50 000	50 000	0,01
JG Carinus		250 000			250 000	0,04
MS du Pré le Roux				250 000	250 000	0,04
LP Retief				1 199 500	1 199 500	0,21
		300 000		1 549 500	1 849 500	0,32

On 1 September 2006 the directors acquired their shares as part of the private placement for cash at an issue price of R2 per share, with the exception of Mr LP Retief who acquired his shares in the open market. There were no changes in shareholding between 28 February 2007 and the date of this report.

INDIVIDUAL SHAREHOLDERS HOLDING 5% OR MORE AS AT 28 FEBRUARY 2007

	Shares held	
	Number	%
PSG Financial Services Limited	202 568 373	35,5
Sanlam	28 567 921	5,0
	231 136 294	40,5

SECRETARY

The secretary of the company is PSG Corporate Services (Pty) Limited. The business and postal addresses are as follows:

Ou Kollege
35 Kerk Street
Stellenbosch 7600

PO Box 7403
Stellenbosch 7599

ZEDER INVESTMENTS LIMITED

BALANCE SHEET
AS AT 28 FEBRUARY 2007

	Notes	2007 R000
ASSETS		
Financial assets		
Equity securities	1	**776 301**
Receivables	3	**219**
Cash and cash equivalents	4	**537 362**
Total assets		**1 313 882**
Capital and reserves attributable to the company's equity holders		
Share capital	5	**5 713**
Share premium		**1 140 620**
Retained earnings		**136 525**
Ordinary shareholders' funds		**1 282 858**
Total equity		**1 282 858**
LIABILITIES		
Deferred income tax	2	**18 461**
Trade and other payables	6	**7 148**
Current income tax liabilities		**5 415**
Total liabilities		**31 024**
Total liabilities and shareholders' funds		**1 313 882**

INCOME STATEMENT

FOR THE PERIOD ENDED 28 FEBRUARY 2007

	Notes	2007 R000
Income		
Investment income	7	**30 648**
Fair value gains and losses on financial instruments	8	**137 064**
Sundry income	9	**215**
Total income		**167 927**
Expenses		
Management fees – base fee		**(7 514)**
Total expenses		**(7 514)**
Results of operating activities		**160 413**
Finance costs	10	**(12)**
Profit before taxation		**160 401**
Taxation	11	**(23 876)**
Net profit for the period attributable to equity holders		**136 525**
Earnings per share (cents)	12	
Basic		**27,8**
Diluted		**27,8**

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 28 FEBRUARY 2007

	Share capital R000	Share premium R000	Retained earnings R000	Total R000
At beginning of period				
Issue of share capital	**5 713**	**1 142 845**		**1 148 558**
Share issue costs		**(2 225)**		**(2 225)**
Net income for the period			**136 525**	**136 525**
Balance at 28 February 2007	**5 713**	**1 140 620**	**136 525**	**1 282 858**

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 28 FEBRUARY 2007

	Notes	2007 R000
Cash retained from operating activities		
Cash generated by operating activities	16.1	**30 266**
Taxation paid	16.2	
Net cash flow from operating activities		**30 266**
Cash utilised in investing activities		
Cash utilised in investment activities		**(190 929)**
Net cash flow from investment activities		**(190 929)**
Cash flows from financing activities		
Proceeds from issue of ordinary shares		**700 250**
Share issue costs		**(2 225)**
Net cash flow from financing activities		**698 025**
Net increase in cash and cash equivalents		**537 362**
Cash and cash equivalents at beginning of period		
Cash and cash equivalents at end of period	16.3	**537 362**

ACCOUNTING POLICIES

THE PRINCIPAL ACCOUNTING POLICIES APPLIED IN THE PREPARATION OF THESE FINANCIAL STATEMENTS ARE SET OUT BELOW.

BASIS OF PREPARATION

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). They have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets and financial liabilities at fair value through profit or loss.

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

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

Certain new standards, amendments and interpretations to existing standards have been published but have effective dates applicable to future annual financial statements of the company and which the company has not early adopted:

- IFRS 7, Financial Instruments: Disclosures, and a Complementary Amendment to IAS 1, Presentation of Financial Statements – Capital Disclosures (effective from 1 January 2007)
  IFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. It replaces IAS 30, Disclosures in the Financial Statements of Banks and Similar Financial Institutions, and disclosure requirements in IAS 32, Financial Instruments: Disclosure and Presentation. It is applicable to all entities that report under IFRS / IAS. The amendment to IAS 1 introduces disclosures about the level of an entity's capital and how it manages capital. The company will apply IFRS 7 and the amendment to IAS 1 for annual periods beginning 1 March 2007.

The following new standards, amendments and interpretations will, at present, have no effect on the company.

- IFRIC Interpretation 10 – Interim Financial Reporting and Impairment
  An entity shall not reverse an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost.
- IFRIC Interpretation 11 – IFRS 2 – Group and Treasury Share Transactions (effective from 1 March 2007)
- IFRIC Interpretation 11 – IFRS 2 is not applicable to the company's operations.
- IFRIC Interpretation 12 – Service Concession Arrangements (effective from 1 January 2008)
- IFRIC Interpretation 12 is not applicable to the company's operations.
- IFRS 8 – Operating Segments (effective from 1 January 2009)
- IFRS 8 is not applicable to the company's operations.

FINANCIAL INSTRUMENTS

Financial instruments recognised on the balance sheet include equity securities, receivables, loans and advances, trade creditors and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

OFFSETTING FINANCIAL INSTRUMENTS

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

FINANCIAL ASSETS

The company classifies its financial assets into the following categories: financial assets at fair value through profit or loss, available-for-sale assets and loans and advances. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this at every reporting date.

Financial assets at fair value through profit or loss

This category has two subcategories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges.

Loans and advances
Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the company intends to sell in the short term.

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

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

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

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

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

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

The company does not apply hedge accounting.

RECEIVABLES
Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

CASH AND CASH EQUIVALENTS
Cash and cash equivalents include cash in hand, other deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, money market funds and bank overdrafts.

SHARE CAPITAL
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

Non-redeemable preference shares, where the dividend declaration is subject to discretion of the board, is classified as equity.

FINANCIAL LIABILITIES

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective-interest method.

DEFERRED INCOME TAX

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

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

PROVISIONS

Provisions are recognised when:

- the company has a present legal or constructive obligation as a result of past events;
- it is more likely than not that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pretax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

REVENUE RECOGNITION

Revenue is recognised as follows:

Interest income

Interest income is recognised on a time proportionate basis using the effective-interest method. When a receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding discount as interest income. Interest income from financial assets that are classified as at fair value through profit or loss is included in investment income.

Dividend income

Dividend income is recognised when the right to receive payment is established. Dividend from financial assets that are classified as at fair value through profit or loss is included in investment income.

MANAGEMENT FEES

Management fees payable consist of a base fee and a performance fee element. The base fee is calculated at 2% p.a. on the market value of the equity portfolio (after deducting provision for capital gains tax) at the end of every month and 0,15% on the daily weighted 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 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. The performance fee is accrued at each year-end.

DIVIDEND DISTRIBUTIONS

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

CONTINGENCIES

A contingent liability is either a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. These contingent liabilities are not recognised in the balance sheet but disclosed in the notes to the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. These contingent assets are not recognised in the balance sheet but are disclosed in the notes to the financial statements unless the inflow of financial benefits is probable.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial period. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances.

Fair value of unquoted equity securities

The fair value of unquoted equity securities that are not traded in an active market is determined by using valuation techniques with reference to market prices.

Impairment of assets

An impairment of assets is considered when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgement. In making this judgement, the following factors may be considered: normal volatility in share price, the financial health of the investee, sector performance and changes in operational and financing cash flow.

FINANCIAL RISK MANAGEMENT

The company's activities expose it to a variety of financial risks: market risk (including price risk), credit risk, and cash flow interest rate risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

Risk management is carried out under policies approved by the company's board of directors. The principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity are identical to that of PSG Group Limited, who is responsible for the management and administration of the company.

Market risk

Price risk

The company is exposed to equity securities price risk because of investments held by the company and classified on the balance sheet either as available-for-sale or at fair value through profit or loss. The company manages price risk by monitoring equity securities prices on a regular basis. The company is not directly exposed to commodity price risk.

Credit risk

The company has no significant concentrations of credit risk. Cash is invested with high-credit-quality financial institutions and money market funds.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. At the period end the company had limited liquidity risk as it had virtually no debt.

Cash flow interest rate risk

The company's interest rate risk arises from interest-bearing investments. The company manages its cash flow interest rate risk by monitoring interest rates on a regular basis.

	2007 R000
1. EQUITY SECURITIES	
Quoted	
Unlisted	**682 556**
Unquoted	**93 745**
	776 301

The unquoted equity securities relate to advances which are linked to equity instruments. In terms of these agreements, the company is entitled to a percentage increase in the market value of the underlying equity securities and the dividends received on these securities. The advances are impaired to the value of the underlying instruments should the market value of the instruments fall below the current carrying value of the advances.

A list of the equity securities is available for inspection at the company's registered office.

	2007 Fair value through profit or loss R000
Reconciliation of movements	
Carrying amount at beginning of period	–
Additions – cash purchases	**190 929**
Additions – shares issued	**448 308**
Unrealised net fair value gains	**137 064**
Carrying amount at 28 February 2007	**776 301**
Non-current portion	**776 301**

The investment in equity securities forms part of a strategic investment portfolio and the company's stated long-term investment strategy.

	2007 R000
2. DEFERRED INCOME TAX	
Deferred income tax assets	1 415
To be recovered after more than 12 months	
To be recovered within 12 months	1 415
Deferred income tax liabilities	(19 876)
To be paid after more than 12 months	(19 876)
To be paid within 12 months	
Net deferred income tax (liability)	(18 461)

	Unrealised profits R000	STC credits R000	Total R000
The movement in the deferred tax balance during the period is as follows:			
At start of period			–
Credit/(charges) to income statement	(19 876)	1 415	(18 461)
At 28 February 2007	(19 876)	1 415	(18 461)

The STC (secondary tax on companies) liability, should all reserves be paid out, amounts to R15 169 000 at 28 February 2007.

Deferred tax on temporary differences relating to financial assets that are measured at fair value through profit or loss which forms part of the company's long-term investment strategy, is calculated using the capital gains tax rate.

	2007 R000
3. RECEIVABLES	
Prepayments and sundry debtors	219
Current portion	219
4. CASH AND CASH EQUIVALENTS	
Cash at bank and in hand	12 410
Money market fund	524 952
	537 362

The money market fund earned interest at money market rates during the period under review. Money market funds are immediately available.

	2007 R000
5. SHARE CAPITAL	
Authorised	
1 500 000 000 ordinary shares of 1 cent each	**15 000**
250 000 000 cumulative, non-redeemable, non-participating preference shares of 1 cent each	**2 500**
Issued	
571 312 808 ordinary shares of 1 cent each	**5 713**
Refer to the directors' report for details of shares issued during the period.	
6. TRADE AND OTHER PAYABLES	
Accounts payable and accruals	**7 148**
Current portion	**7 148**
7. INVESTMENT INCOME	
Interest income	
Loans and advances	**502**
Cash and short-term funds	**18 829**
	19 331
Dividend income	
Equity securities – at fair value through profit or loss	**11 317**
Investment income	**30 648**
8. FAIR VALUE GAINS AND LOSSES ON FINANCIAL INSTRUMENTS	
Net fair value gains on financial instruments at fair value through profit or loss:	
Unrealised fair value gains and losses	**137 064**
9. SUNDRY INCOME	
Rebate received on PSG Money Market funds invested	**215**
10. FINANCE COSTS	
Unsecured loans	**12**

	2007 R000
11. TAXATION	
Current taxation	
Current period	**5 415**
Deferred taxation	
Current period	**19 876**
Secondary tax on companies	
Deferred taxation	**(1 415)**
	23 876
Reconciliation of rate of taxation	**%**
South African normal tax rate	**29,0**
Adjusted for:	
Non-taxable income	**(2,05)**
Non-deductible expenses	**1,20**
Capital gains tax	**(12,39)**
Secondary tax on companies	**(0,88)**
Effective rate of tax	**14,88**
12. EARNINGS PER SHARE	
The calculations of earnings per share are based on the following:	
Total earnings attributable to ordinary shareholders	**136 525**
Headline earnings	**136 525**

	Number of shares '000
The calculation of the weighted average number of shares and diluted weighted average number of shares is as follows:	
Weighted number of shares issued in the period	**490 477**
Weighted number of shares at the end of the period	**490 477**
Diluted weighted number of shares at the end of the period	**490 477**

13. CAPITAL COMMITMENTS AND CONTINGENCIES

The company did not have any capital commitments neither contingencies at 28 February 2007.

14. BORROWING POWERS

The borrowing powers of the company are unlimited.

15. RELATED-PARTY TRANSACTIONS

PSG Group Limited ("PSG") has been identified as a related party by virtue of the fact that Messrs JF Mouton and CA Otto are directors of both companies and the fact that the company is managed by PSG as detailed below.

During the period, the company entered into a management agreement with PSG whereby PSG will provide all investment, administrative, advisory, financial and corporate services in the normal course of business in return for earning a management fee. During the period under review, the management fees payable to PSG amounted to R7 514 127.

During the period ended 28 February 2007, the company incurred share placement commission of R2 224 000 payable to PSG. The net amount due to PSG at 28 February 2007 amounted to R5 533 395.

During the period, the company invested in the PSG Money Market Fund and advanced money to a subsidiary of PSG on which it earned net interest of R17 952 030 for the period. The balance on the PSG Money Market Fund at 28 February 2007 was R524 952 030. A rebate of R215 306 was received from PSG Investment Services (Pty) Limited for investing in the PSG Money Market Fund for the period ended 28 February 2007.

On 1 September 2006 the company issued 174 870 956 ordinary shares at a premium of R1,99 per share to PSG in exchange for equity securities with a value of R349 742 000 at the transaction date.

On 23 October 2006 the company issued a further 27 010 537 ordinary shares at a premium of R2,19 per share to PSG in exchange for equity securities with a net value of R59 423 000 at transaction date.

Details of directors' emoluments and share dealings are included in the directors' report.

	2007 R000
16. NOTES TO THE CASH FLOW STATEMENT	
16.1 Cash generated by operating activities	
Net income from normal operations before tax	160 401
	160 401
Change in working capital	
Change in accounts receivable	(219)
Change in trade and other payables	7 148
Change in financial instruments	
Fair value changes in equity securities	(137 064)
	30 266
16.2 Taxation paid	
Credit/(charge) in income statement	(23 876)
Deferred tax adjustment	18 461
Movement in taxation liability	5 415
	–
16.3 Cash and cash equivalents at end of period	
Cash and short-term funds	537 362

17. COMPARATIVE FIGURES

No comparative figures have been presented as this is the first reporting period of the company.

	2007 R
18. NET ASSET VALUE PER SHARE	
Net asset value per share	2,25
Net tangible asset value per share	2,25

19. SEGMENTAL REPORTING

All investment activities are considered by the directors to be in the agricultural and related services sector of South Africa.

Notice is hereby given of the annual general meeting of shareholders of Zeder Investments Limited ("Zeder" or "the company") to be held at The Auditorium, Oude Libertas, Adam Tas Street, Stellenbosch, on Friday, 22 June 2007, at 11:00.

AGENDA

1. To receive and consider the annual financial statements of the company and the reports of the directors and the auditor for the year ended 28 February 2007.

2. Re-election of directors:

   2.1. To re-elect as director Mr JF Mouton who retires by rotation in terms of the articles of association of the company and, being eligible, offers himself for re-election.

   Summary curriculum vitae of Johannes Fredericus Mouton
   Mr Mouton, aged 60, obtained his academic qualifications, including a BComm (Hons) from the University of Stellenbosch. He also qualified as Chartered Accountant (SA).

   He is executive chairman of PSG Group Limited, non-executive director of Capitec Bank Holdings Limited and Capitec Bank Limited, chairman of Zeder Investments Limited, non-executive director of Steinhoff International Holdings Limited and a director in various other companies.

   He is founder of PSG Group and other companies in the PSG group. He established Senekal, Mouton & Kitshoff Inc, a stockbroking company, and was a member of the JSE. He served as member of several JSE committees and was instrumental in various corporate transactions. He has 30 years of experience in financial management and investment banking.

   2.2. To re-elect as director Mr CA Otto who retires by rotation in terms of the articles of association of the company and, being eligible, offers himself for re-election.

   Summary curriculum vitae of Chris Adriaan Otto
   Mr Otto, aged 57, obtained the BComm and LLB degrees from the University of Stellenbosch.

   He is an executive director of PSG Group Limited, non-executive director of Capitec Bank Holdings Limited, Capitec Bank Limited, Channel Life Limited and Quince Capital Limited and chairman of Paladin Capital Limited.

   He is a founder director of both PSG Group Limited and Capitec Bank Holdings Limited. He is also a director of numerous unlisted companies.

3. To reappoint PricewaterhouseCoopers Inc. as auditor for the ensuing year.

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

   4.1 Ordinary resolution number 1

   "Resolved that the unissued shares in the company, limited to 15% of the number of shares in issue at 28 February 2007, be and are hereby placed under the control of the directors until the next annual general meeting and that they be and are hereby authorised to issue any such shares as they may deem fit, subject to the Companies Act, 1973 (Act 61 of 1973), the articles of association of the company, and the provisions of the Listings Requirements of the JSE Limited."

   4.2 Ordinary resolution number 2

   "Resolved that the directors of the company be and are hereby authorised by way of a general authority, to allot and issue any of its unissued shares for cash placed under their control as they in their discretion may deem fit, without restriction, subject to the provisions of the Listings Requirements of the JSE Limited ("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 15% of the issued share capital at 28 February 2007, provided that:

– the approval shall be valid until the date of the next annual general meeting of the company, provided it shall not extend beyond fifteen months from the date of this resolution;
– a paid press announcement giving full details, including the impact on net asset value and earnings per share, will be published after any issue representing, on a cumulative basis within any one financial year, 5% or more of the number of shares in issue prior to such issue;
– the general issues of shares for cash in the aggregate in any one financial year may not exceed 15% of the applicant's issued share capital (number of securities) of that class. The securities of a particular class will be aggregated with the securities that are compulsorily convertible into securities of that class; and, in the case of the issue of compulsorily convertible securities, aggregated with the securities of that class into which they are compulsorily convertible. The number of securities of a class which may be issued shall be based on the number of securities of that class in issue at the date of such application less any securities of the class issued during the current financial year, provided that any securities of that class to be issued pursuant to a rights issue (announced and irrevocable and underwritten) or acquisition (concluded up to the date of application) may be included as though they were securities in issue at the date of application;
– in determining the price at which an issue of shares will be made in terms of this authority the maximum discount permitted will be 10% of the weighted average traded price of such shares, as determined over the 30 trading days prior to the date that the price of the issue is determined or agreed by the directors. The committee of the JSE should be consulted for a ruling if the applicant's securities have not traded in such 30 business day period;
– any such issue will only be made to public shareholders as defined in paragraph 4.22 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."

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

4.3 Special resolution number 1

"Resolved as a special resolution that the company be and is hereby authorised, as a general approval, to repurchase any of the shares issued by the company, upon such terms and conditions and in such amounts as the directors may from time to time determine, but subject to the provisions of section 85 to section 88 of the Companies Act, 1973 (Act 61 of 1973), the articles of association of the company, the Listings Requirements of the JSE Limited ("JSE") and the requirements of any other stock exchange on which the shares of the company may be quoted or listed, namely that:

– the general repurchase of the shares may only be implemented on the open market of the JSE and done without any prior understanding or arrangement between the company and the counterparty;
– this general authority shall only be valid until the next annual general meeting of the company, provided that it shall not extend beyond fifteen months from the date of this resolution;
– an announcement must be published as soon as the company has acquired shares constituting, on a cumulative basis, 3% of the number of shares in issue prior to the acquisition, pursuant to which the aforesaid 3% threshold is reached, containing full details thereof, as well as for each 3% in aggregate of the initial number of shares acquired thereafter;
– the general authority to repurchase is limited to a maximum of 20% in aggregate in any one financial year of the company's issued share capital at the time the authority is granted;
– the general repurchase is authorised by the company's articles of association;
– 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 company will only effect a general repurchase if, after the purchase is effected, it still complies with paragraphs 3.37 to 3.41 of the Listings Requirements of the JSE concerning shareholder spread requirements;
– 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; and
– the company must ensure that its sponsor provides the JSE with the required working capital letters before it commences to repurchase of any shares."

4.4 Special resolution number 2

"Resolved as a special resolution that the company, insofar as it may be necessary to do so, hereby approves, as a general approval, and authorises the acquisition by any subsidiary of the company of shares issued by such subsidiary and/or by the company, upon such terms and conditions and in such amounts as the directors of such subsidiary/ies may from time to time determine, but subject to the provisions of section 85 to section 89 of the Companies Act, 1973 (Act 61 of 1973), the articles of association of the company, the Listings Requirements of the JSE Limited ("JSE") (if listed) and the requirements of any other stock exchange on which the shares of the acquiree company may be quoted or listed, namely that:

- the general repurchase of shares may only be implemented on the open market of the JSE and done without any prior understanding or arrangement between the company and the other counterparty;
- this general authority shall only be valid until the next annual general meeting of the company, provided that it shall not extend beyond fifteen months from the date of this resolution;
- an announcement must be published as soon as the subsidiary has acquired shares constituting, on a cumulative basis, 3% of the number of shares of the acquiree company in issue prior to the acquisition, pursuant to which the aforesaid 3% threshold is reached, containing full details thereof, as well as for each 3% in aggregate of the initial number of shares acquired thereafter;
- this general authority to repurchase is limited to a maximum of 20% in the aggregate in any one financial year of the acquiree company's issued share capital at the time the authority is granted, subject to a maximum of 10% in aggregate in the event that it is the company's share capital that is repurchased by a subsidiary;
- the general purchase is authorised by the company's articles of association;
- repurchases must not be made at a price more than 10% above the weighted average of the market value of the shares for the five business days immediately preceding the date that the transaction is effected;
- the subsidiary company will only effect a general repurchase if, after the repurchase is effected, the company still complies with paragraphs 3.37 to 3.41 of the Listings Requirements of the JSE concerning shareholder spread requirements;
- the company and/or subsidiary may at any point in time only appoint one agent to effect any repurchase(s) on the subsidiary company's behalf;
- the subsidiary company may not effect a repurchase during any prohibited period as defined in terms of the Listings Requirements of the JSE; 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."

Reasons for and effects of the special resolutions

1. The reason for and effect of special resolution number 1 is to grant the directors a general authority in terms of the Companies Act, 1973 (Act 61 of 1973), for the acquisition by the company of shares issued by it on the basis reflected in the special resolution.

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

2. The reason for and effect of special resolution number 2 is to grant the board of directors of any subsidiary of the company a general authority to acquire shares issued by such subsidiary and/or by the company on the basis reflected in the special resolution.

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

3. The directors of the company or its subsidiaries will only utilise the general authority to purchase shares of the company and/or the subsidiary as set out in special resolutions number 1 and 2 to the extent that the directors, after considering the maximum shares to be purchased, are of the opinion that the company and its subsidiaries' ("Zeder") position would not be compromised as to the following:
   - Zeder's ability in the ordinary course of business to pay its debts for a period of 12 months after the date of the notice of the annual general meeting;
   - the consolidated assets of Zeder will be in excess of the consolidated liabilities of Zeder. The assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited annual financial statements of Zeder;

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

Information relating to the special resolutions

1. General information in respect of directors (page 2), major shareholders (page 17), directors' interest in securities and material changes (page 17) and the share capital of the company (page 16) is contained in the annual report to which this notice is attached.

2. The company is not involved in any legal or arbitration proceedings, nor are any proceedings pending or threatened of which the company is aware that may have or have had in the previous 12 months, a material effect on the company's financial position.

3. The directors, whose names are on page 2 of the annual report to which this notice is attached, 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 JSE Listings Requirements.

VOTING

Shareholders entitled to attend and vote at the annual general meeting 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 annual general meeting.

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 11:00 on Thursday, 21 June 2007.

Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the annual general meeting 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.

On a poll, ordinary shareholders will have one vote in respect of each share held. 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.

By order of the board

PSG Corporate Services (Proprietary) Limited
Company secretary

Stellenbosch
30 May 2007

Registered office
Zeder Investments Limited
1st Floor
Ou Kollege
35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

Transfer secretaries
Link Market Services South Africa (Pty) Limited
5th Floor
11 Diagonal Street
Johannesburg, 2001
(PO Box 4844, Johannesburg, 2000)

Zeder Investments Limited: Previously Friedshelf 766 (Pty) Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2006/019240/06)
JSE share code: ZED ISIN code: ZAE000088431
("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 11:00 at Stellenbosch, on Friday, 22 June 2007.

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 adopt annual financial statements and reports			
2.1 To re-elect JF Mouton as director			
2.2 To re-elect CA Otto as director			
3. To reappoint the auditor, PricewaterhouseCoopers Inc.			
4.1 Ordinary resolution number 1 – unissued shares			
4.2 Ordinary resolution number 2 – authority to issue shares for cash			
4.3 Special resolution number 1 – share buyback by Zeder Investments Limited			
4.4 Special Resolution number 2 – share buyback by subsidiaries of Zeder Investments Limited			

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

Signed at ____________________ on this __________ day of ______________2007

Signature(s) ____

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

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

NOTES

1. A Zeder shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space(s) provided, with or without deleting "the chairman of the annual general meeting". The person whose name appears first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow.

2. A Zeder shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of shares to be voted on behalf of that shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the chairman of the annual general meeting, if he/she is the authorised proxy, to vote in favour of the resolutions at the meeting, or any other proxy to vote or to abstain from voting at the meeting as he/she deems fit, in respect of all the shares concerned. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or his/her proxy, but the total of the votes cast and in respect whereof abstentions are recorded may not exceed the total of the votes exercisable by the shareholder or his/her proxy.

3. When there are joint registered holders of any shares, any one of such persons may vote at the meeting in respect of such shares as if he/she was solely entitled thereto, but, if more than one of such joint holders be present or represented at any meeting, that one of the said persons whose name stands first in the register in respect of such shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member, in whose name any shares stand, shall be deemed joint holders thereof.

4. Forms of proxy must be completed and returned to be received by the transfer secretaries of the company, Link Market Services South Africa (Proprietary) Limited, 11 Diagonal Street, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000), by not later than 11:00 on Thursday, 21 June 2007.

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.