

ZEDER INVESTMENTS LIMITED
(Incorporated in the Republic of South Africa)
Registration number: 2006/019240/06
Share code: ZED
ISIN number: ZAE000088431
("Zeder")

SUM-OF-THE-PARTS ("SOTP") VALUE AND RECURRING HEADLINE EARNINGS

Zeder, an investment holding company, continues to use the SOTP value and recurring headline earnings per share benchmarks to provide management and investors with a realistic and transparent way of evaluating Zeder's performance.

Zeder's SOTP value is calculated using the quoted market prices for all JSE-listed investments and market-related valuations for unlisted investments.

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 consolidated recurring headline earnings. Once-off items are excluded from recurring headline earnings.

TRADING STATEMENT

In terms of the Listings Requirements of the JSE Limited, a listed company is required to publish a trading statement as soon as it becomes reasonably certain that the financial results for the next period to be reported on will show a 20% or more difference from those of the previous corresponding period.

Zeder hereby advises that a reasonable degree of certainty exists that:

1. Its SOTP value as at 31 March 2017 will be between R8.62 and R9.11 per share.
2. For the year ended 28 February 2017:
 - Recurring headline earnings per share will be between 42.2 cents and 43.0 cents, or between 0.5% lower or 1.4% higher than the 42.4 cents reported for the year ended 29 February 2016; and
 - Headline loss per share will be between 47.0 cents and 48.0 cents, compared to the headline earnings per share of 36.5 cents reported for the year ended 29 February 2016; and

- Attributable loss per share will be between 48.5 cents and 49.7 cents, compared to the attributable earnings per share of 52.5 cents reported for the year ended 29 February 2016.

On 29 August 2016, Zeder shareholders voted in favour of acquiring the rights to the management agreement from PSG Group in exchange for the issue of 207.7m Zeder shares, representing a 12% equity interest. The rights to the PSG Group management agreement so acquired, valued at R1.449bn, did not meet the recognition criteria for intangible assets in terms of International Financial Reporting Standards (IFRS), and was consequently accounted for in the income statement as a non-recurring headline expense. It should be noted that this was a once-off charge, with Zeder benefiting from the related cost savings thereafter as no further fees will be paid to PSG in terms of this agreement. As a result of this once-off management fee internalisation charge of R1.449bn to the income statement, Zeder's headline and attributable earnings per share decreased significantly.

This financial information has not been reviewed or reported on by the auditor of Zeder. The audited results for the year ended 28 February 2017 will be published on or about 10 April 2017.

Stellenbosch
5 April 2017

Sponsor
PSG Capital