CAXTON

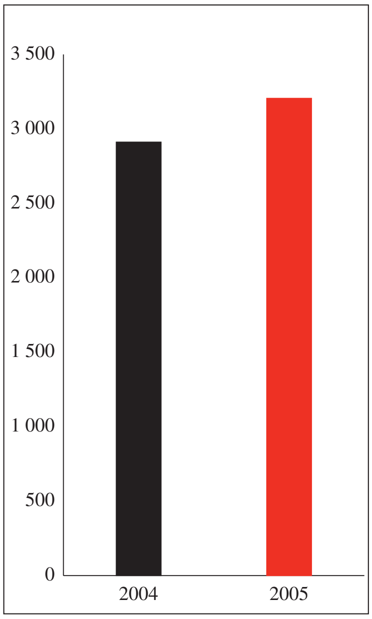
ANNUAL REPORT

2005

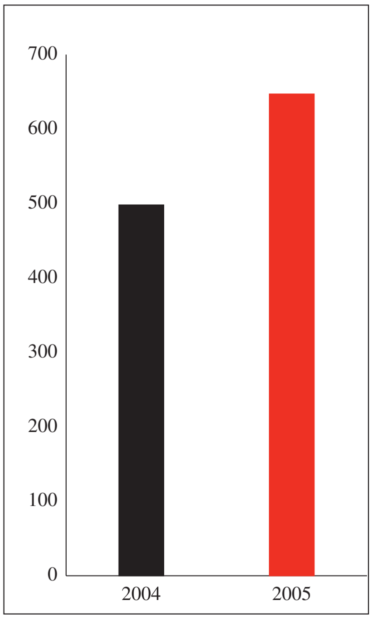
Caxton and CTP Publishers and Printers Limited

Turnover	**R3 205 million**
Operating profit	**R647 million**
Cash generated by operating activities	**R743 million**
Cash resources	**R1 079 million**

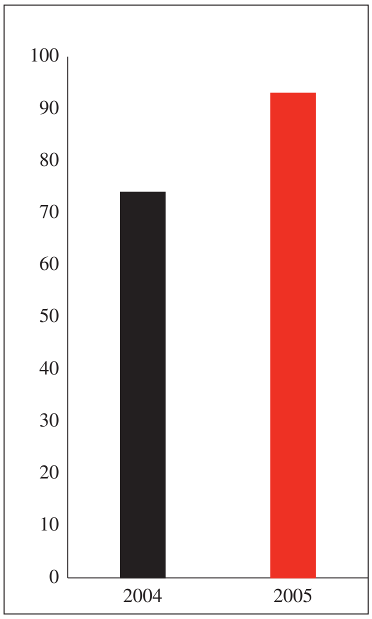
Revenue



EBITDA



EPS



Highlights

	2005 R'm	2004 R'm
Income statement and cash flow		
Turnover	**3 205**	2 911
Operating profit before depreciation and amortisation	**647**	498
Earnings attributable to ordinary shareholders	**433**	334
Diluted headline earnings per share (cents)	**93**	74
Cash generated by operating activities	**743**	558
Balance sheet		
Shareholders' equity	**2 614**	2 332
Total assets	**3 413**	3 119
Cash and cash equivalents	**1 079**	963
Other information		
Number of shares in issue (000's)	**450 477**	456 114
Net asset value per share	**584**	513
Number of employees	**5 255**	5 239

CAXTON AND CTP PUBLISHERS AND PRINTERS LIMITED

ANNUAL REPORT

FOR THE YEAR

ENDED 30 JUNE 2005

Directorate and administration

Directorate **(*Non-executive directors)**

Dr F. van Zyl Slabbert* *(Chairman)*
T.D. Moolman *(Chief Executive Officer)*
G.M. Utian *(Managing Director)*
Dr J.M. Buitendag*
P.C. Desai*
F.T. Gatefield*
P.G. Greyling
P.M. Jenkins*
A.C.G. Molusi*
M.D.W. Short
P. Vallet*

Secretary

N. Sooka

Business address

16 Wright Street
Industria West
Johannesburg, 2093

Postal address

PO Box 43587
Industria, 2042

Registered office

16 Wright Street
Industria West
Johannesburg, 2093

Auditors

PKF (JHB) Inc.
PKF House
15 Girton Road
Parktown
Johannesburg, 2193

Attorneys

Fluxmans Attorneys
11 Biermann Avenue
Rosebank
Johannesburg, 2196

Bankers

ABSA Bank Limited
ABSA Towers, Johannesburg, 2001

Transfer secretaries

Computershare Investor Services 2004 (Pty) Limited
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Company registration no.

1947/026616/06

CAXTON AND CTP PUBLISHERS AND PRINTERS LIMITED AND ITS SUBSIDIARIES

Chairman and Managing Director's Report

Group performance

It is most gratifying to once again report that good results have been produced for the year ended 30 June 2005. Shareholders' attention is drawn to the fact that earnings attributable to ordinary shareholders have more than doubled over the last three years from R182 million to R433 million. The last year's performance has been assisted by the buoyant conditions that prevailed in the economy generally, and in retail trading in particular. South Africa appears to have entered into a far more stable and enduring economic pattern which bodes well for the future of the country. It is a pattern which is characterised by a firmer currency, a lower interest rate environment and disciplined fiscal management. This has resulted in a more confident consumer who has seen his or her most valuable asset, their home, appreciating considerably in value and this has led to a new found confidence and a willingness to spend. As a consequence, retailers have experienced what can probably be described as the best trading conditions in their history, which in turn has positively impacted on the advertising market. In addition, more money is flowing into the economy from the vast increase in the income of a number of the previously disadvantaged population as they take their rightful place in society.

Against this background, and with advertising spend reaching new heights, the turnover of the company grew by 10% from R2 911 million to R3 205 million which is approximately 6% above the level of inflation.

Financial review

Net income from operating activities increased from R414,3 million to R551,1 million which equates to a 33% rise. The trading margin amounted to 17,2%, considerably up from last year's 14,2% and which reflects the efficiencies achieved during the year.

Interest rates have for a number of years been in decline and this year was no exception. As a result, net finance income reduced from R82,8 million to R76,0 million. Notwithstanding capital expenditure of R280 million to create new capacity, cash and cash equivalents amounted to R1 079 million at 30 June 2005, R116 million larger than at 30 June 2004.

Income before taxation amounted to R627,1 million compared with R497,1 million earned in the corresponding period last year. Taxation, including Secondary Tax on Companies, reflects the lower level of company tax (where the rate has been reduced from 30% to 29%) and the benefit derived from the investment in preference shares, and amounted to R195,3 million, an effective rate of 31,1%; slightly lower than the rate in the previous year of 33,3%. Income from the company's associates was relatively unchanged at R7,6 million and after providing for the minority shareholders' share of income and the fixed component of the preference dividend, net income for the year attributable to ordinary shareholders was R433,2 million, an improvement of 29,7% on the R333,9 million earned during the previous financial year.

Earnings per share were 96 cents, up 32%, and diluted earnings amounted to 95 cents. Headline earnings increased to 94 cents – a substantial improvement of 26%, which improvement remained at a similar level for diluted headline earnings, which were 93 cents per share.

Cash flow

The generation of cash from operating activities grew in no small measure to R742 million. A feature of this year's activities is the exemplary reduction of R109 million in working capital.

Capital expenditure on property, plant and equipment, as previously mentioned, amounted to R280 million and investments of R46 million were made. In addition an amount of R52 million was expended on the buying back of a number of the company's ordinary shares.

Divisional performance

The major generator of the improvement in the company's performance was the Newspaper division, whilst the remainder of the company's operations were negatively impacted on by margin pressure in varying degrees. Only towards the end of the financial year did raw material input costs start to rise. The lower costs that prevailed during the year, meant that in a number of instances, selling prices of products had to be reduced. The improved predictability of the exchange rate also helped to reduce the levels of working capital, particularly where raw material stocks were concerned.

Newspapers

An excellent result was obtained by the community and regional newspapers, where further market share gains were achieved and where advertising income was at an all time high. Expenditure on increasing the availability of papers to cater for the growth in consumer demand and the number of new readers, partly due to the residential boom was well spent. A number of successful new titles were launched, particularly those into the old "townships" which are being developed under the banner of "Caxton Urban Newspapers". New products were published and an exciting opportunity to launch a monthly magazine, which will service individual communities, has been identified and the roll out of this magazine, which has been named "*Get It*", has begun.

It would be inappropriate not to mention the contribution made by the main newspaper factory situated in Industria in Johannesburg.

Over the last three years substantial investments have been made in new presses and in the mail room equipment. Without these investments it would not have been possible to handle the enormous increases in volume which have occurred and the efficiency of this factory is commendable. Further investments in state of the art handling equipment and a new press has been budgeted for and will be installed in the forthcoming year. A new newspaper factory is presently being erected in Cape Town and should commence operations early in the new year.

Citizen

The company's daily newspaper "*The Citizen*" improved its performance despite a drop in circulation due to the launch of a number of competitive products.

Magazines

The latest Audit Bureau of Circulation figures show that more magazines are being purchased by consumers. This gain has however to be seen against a literal "avalanche" of new titles that has taken place, and which is making the market even more competitive. Despite this, the division did well and improved its profitability. A number of changes in the formats and the frequency of publishing of certain magazines yielded good results. "*Woman and Home*" – a title under licence to I.P.C in the United Kingdom – was launched with good success in April 2005. Further launches are being considered and should take place shortly. The magazine advertising market is, however, not growing in line with the additional titles being published which means that publishers will in future become more reliant on higher selling prices of their publications to maintain profits.

Academic publishing

The thrust to maintain market share by Maskew Miller Longman, which company is owned jointly with Pearsons, has yielded good results and it is notable that a small improvement has in fact taken place in the share of the South African schools curriculum, despite the level of competition having risen appreciably. This, however, has come at a cost and increased marketing expenditures have had the effect of slightly reducing profitability. Longmans, which division trades in Southern Africa, showed disappointing results in certain countries whilst in others, market share gains were made. Pearson Education, the higher education and trade division, traded well throughout the year and has embarked upon local publishing for higher education which should show good results in the future.

Book printing

Extensive changes have been made to this division's factory situated in Parow in Cape Town and new presses, a state of the art bindery and ancillary equipment have been installed. Volumes fell during the year which resulted in profits remaining very much in line with those of the previous year. It is, however, anticipated that with the efficiencies that will flow from the new investments, and provided volumes are at similar levels, an improvement in profitability can be anticipated. Book printing is heavily dependent on the level of activity in the publishing of books for schools and it is therefore interesting to read recent articles which refer to the Government spending large additional sums on Education, with some monies being earmarked for textbooks.

Web printing

Flowing from volume growth, this division did well to maintain profitability in what can only be described as the company's most competitive business activity. Margin pressure continued unabated, but the installation of new equipment at the factory in Durban produced excellent results. All the factories were equipped with the latest digital equipment for the transmission of material and data which will further improve efficiencies. Shareholders have been previously advised of the large capital programme that is currently being undertaken. A total of some R200 million is being invested in the purchase and installation of equipment to expand the Durban gravure printing facility and to create a new gravure printing factory in Isando. All these projects will be completed during the new financial year. This expansion will substantially improve this division's ability to cater for the ever growing requirements of its customers in a cost efficient manner.

Packaging

The steps that were needed to reduce the operational cost base of this division have been completed and good production and efficiencies are now being achieved. In Gauteng, operations are to be consolidated at the Elandsfontein factory, which will place this division in an excellent position to increase market share. Good results have been achieved by SA Litho in the Cape, where a number of new presses were installed to cater for the migration to self adhesive labels that is taking place in the label industry.

Stationery

This division continues to deal with intense competition and the selling price of their products continues to decrease. Nevertheless, due to improved volumes and better efficiencies, profits grew.

Increase in authorised share capital

In view of the fact that the industries in which the company trades or invests in are undergoing a period of deregulation, consolidation and change, and whilst the company has considerable financial resources and access to additional financial resources if required, the directors deemed it prudent to double the authorised share capital of the company. This was approved by the shareholders of the company on 10 January 2005.

Share incentive scheme

A detailed announcement was made on 14 April 2005 regarding the new share incentive scheme which the directors of the company had on 25 January 2005 resolved to implement. Documents have unfortunately taken a lengthy time to complete, but have now been finalised and shareholders will be advised accordingly.

Prospects

It has been one of the longest continuous periods during which South African retailers have prospered from the substantially improved levels of consumer spending. The climate appears to be destined for further growth albeit not at the levels seen over the past year. The economy is, however, being pressurised from the large increase in the price of oil and the number of strikes which have recently taken place. South Africa cannot be an island of prosperity in a world in turmoil. Future growth and development is largely dependent on what takes place in the world's major economies. The company has spent aggressively on new equipment and is in a good position to process its customers' increasing requirements which are anticipated to become more demanding. Subject to the economy remaining on track for continued growth, results for the forthcoming year should show further growth slightly ahead of inflation.

Social responsibility

In June 2005, a research grant of R430 000 was handed over to the research centre of the Department of Microbiology of the University of Cape Town's Medical School to assist in pioneering research that the centre is conducting in combating tuberculosis. The company, after investigation that included seeking international opinion, was satisfied that the research was worth supporting, as, if successful, it could have a profound effect in combating the killer disease.

Furthermore, notwithstanding a variety of grants that are made to numerous worthy organisations, the company continues to support the Chair of Journalism at the University of the Witwatersrand to the extent of R250 000 per annum.

Thanks

We again take the opportunity of thanking all of our customers and suppliers for their ongoing support. The record results that have been achieved reflect directly on the loyalty, dedication and effort of our staff, without whose commitment the achievement of these results would not have been possible.

Dr. F. van Zyl Slabbert
(Chairman)

G.M. Utian
(Managing Director)

Caxton and CTP Publishers and Printers Limited and its subsidiaries

Corporate Governance

Caxton complies with the listing requirements of the JSE Limited in relation to the Code of Corporate Practices and Conduct as contained in the second King Report on Corporate Governance.

Board of Directors

The Board of Directors of Caxton comprises eleven directors of whom seven, including the chairman, are non-executive directors. Procedures for appointments to the board are formal and transparent.

The Board of Directors has the following subcommittees:

Audit committee

The Chairman is an executive director. The external auditors have unrestricted access to this committee. The audit committee, which is mandated to meet at least three times each year, reviews the effectiveness of internal control in the group with reference to the findings of the external auditors.

Other areas covered include the review of important accounting issues, specific disclosures in the financial statements and a review of major audit recommendations.

The audit committee members are: M.D.W. Short (Chairman), P. Vallet, P.G. Greyling and G.M. Utian.

Remuneration committee

The remuneration committee comprises P. Vallet (Chairman) and M.D.W. Short.

Chairman and chief executive officer

The roles of the chairman and the chief executive officer are separate.

Board meetings

The Board of Directors has four meetings a year. In addition, the Articles of Association of the company provide for material decisions taken between meetings to be confirmed by way of directors' resolutions.

Executive management

The executive committees of the respective companies and divisions meet monthly with senior management to consider issues relevant to the entity's performance.

Financial statements

The company's directors are responsible for preparing the company and group financial statements and other information presented in the annual report in a manner that fairly presents the financial position and results of the operations of the company and the group for the year ended 30 June 2005.

The external auditors are responsible for carrying out an independent examination of the financial statements in accordance with South African Auditing Standards and reporting whether the financial statements are in accordance with South African Statements of Generally Accepted Accounting Practice and the Companies Act in South Africa. The auditors' report is set out on page 7 of these financial statements.

The annual financial statements set out on pages 8 to 28 have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice. They are based on appropriate accounting policies, which have been consistently applied, except as noted in the accounting policies note, and are supported by reasonable and prudent judgments and estimates. Adequate accounting records have been maintained throughout the year under review.

Internal control

Caxton maintains internal controls and systems designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability for the assets of the group and its stakeholders. These controls are based on established policies and procedures and are implemented by trained personnel with an appropriate segregation of duties. All employees are expected to maintain the highest ethical standards in a manner which, in all reasonable circumstances, is above reproach.

The effectiveness of these controls and systems are monitored through adherence to performance standards and by the aid of internal control procedures and checklists.

Nothing material has come to the attention of the directors or the external auditors, based on their tests of internal controls, to indicate that any material breakdown in the functioning of the above mentioned internal controls and systems has occurred during the year under review.

Management reporting

The company has established a comprehensive management reporting discipline, which includes the preparation of annual budgets by all companies and divisions in the group. Performance relative to budget and prior years is monitored on a regular basis and reported to the Board.

Employee equity

In accordance with the requirements of the Employment Equity Act, reports governed by staff complement or annual turnover have been submitted to the Employment Equity Registry by each division within the group.

An analysis by gender and race of the group staff complement is conducted annually and the most recent analysis shows that in excess of 80 percent of the complement fall into the category defined as previously disadvantaged.

The policy outlined in the 2004 annual report is unchanged but bears repeating:

> "The company's policy is that no employee would be dismissed or forced to take early retirement to provide an opportunity for the employment of a person defined as previously disadvantaged. In filling vacancies which do arise, there is a predisposition towards applicants who are defined as previously disadvantaged, but the ultimate selection is determined by the applicant's skills levels and the most qualified is selected".

We have progressed further in addressing the skills shortage, which we identified amongst previously disadvantaged persons in the industries in which we operate.

The Caxton and CTP training division which has been established to rectify the situation has made excellent strides in its training of individuals and 63 learners are currently under training and have been placed in a number of production facilities in the company's divisions. All trainees are registered with the MAPP SETA for training to full journeyman status and several are shortly to undergo their final trade test. It is interesting to note that in the interim examination, one of our learners secured first place in the national results and a further five learners were placed in the top 30.

The training division has also recruited journalist trainees who are located at the Newspaper Division's community newspapers. These trainees have been enrolled at this time, for the journalism course provided by the Tshwane University of Technology. In addition, from 2006 the programme will be further bolstered by the establishment of a fully-fledged cadet school to be headed by one of the most senior editors in the company, at which school candidates will receive fulltime tutoring for five months as part of a two-year training course. Guest lecturers, carefully chosen for their individual expertise, will be invited to present some of the modules. It is the intention that at all times there will not be less than 20 trainees.

Going concern

After making enquiries the directors have no reason to believe that the company will not be a going concern in the year ahead. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Company Secretary's Report

To the best of my knowledge and belief, the company has lodged with the Registrar of Companies in Pretoria, all returns required by the Registrar to be submitted and such returns are true and correct and reflect the latest information applicable to the company.

N. Sooka
Company Secretary

30 September 2005

Caxton and CTP Publishers and Printers Limited and its subsidiaries

TEN YEAR REVIEW – SALIENT FEATURES

	2005	2004	2003	2002	2001	2000	1999*	1998	1997	1996
Gross turnover (Rm)	**3 826**	3 439	3 234	2 561	2 380	2 258	2 598	1 245	1 119	966
Income before taxation (Rm)	**627**	497	438	362	320	265	465	200	145	127
Earnings attributable to ordinary shareholders (Rm)	**433**	334	256	182	174	158	321	130	96	81
Weighted average number of shares in issue during the period (000's)	**449 493**	456 114	416 293	371 150	371 150	383 750	379 020	323 370	314 170	298 880
Earnings per ordinary share (cents)	**96**	73	61	49	47	43	85	40	31	27
Diluted earnings per share (cents)	**95**	72	60	47	45	41	–	–	–	–
Diluted headline earnings per share (cents)	**93**	74	64	47	48	42	55	–	–	–
Dividends/distribution per ordinary share (cents)	**40**	35	30	20	20	–	10	12	5	4
Special dividend per ordinary share (cents)	**–**	–	–	–	–	–	10	–	–	–
Dividend cover (times)	**2,4**	2	2	2	2	–	8	3	6	6
Ordinary shareholders' equity (Rm)	**2 614**	2 332	2 196	1 637	1 512	1 337	1 323	538	451	376
Net current assets (Rm)	**1 325**	1 300	1 355	1 271	1 097	925	936	233	171	134
Net asset value per share (cents)	**584**	513	478	441	408	366	371	167	144	126
Number of employees	**5 255**	5 239	5 258	5 380	5 235	5 605	5 435	3 496	3 159	3 121

* 15 month reporting period

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

CAXTON AND CTP PUBLISHERS AND PRINTERS LIMITED

We have audited the annual financial statements and the group annual financial statements of Caxton and CTP Publishers and Printers Limited set out on pages 8 to 28 for the year ended 30 June 2005. These financial statements are the responsibility of the company's directors.

Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with Statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

Audit opinion

In our opinion the financial statements fairly present, in all material respects, the financial position of the company and the group at 30 June 2005 and the results of their operations, cash flows and changes in equity for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the Companies Act in South Africa.

PKF

PKF (JHB) Inc.
Registered Accountants and Auditors
Chartered Accountants (SA)

Johannesburg
30 September 2005

Caxton and CTP Publishers and Printers Limited
Directors' report

Review of business and operations

Gross turnover for the year increased by R386,4 million (2004: R205 million) to R3 826 million (2004: R3 439 million). Profit from operations increased by R136,8 million (2004: R98,7 million) to R551,1 million (2004: R414,3 million). Net finance income received amounted to R76,0 million (2004: R82,8 million) with capital expenditure during the year totalling R280 million (2004: R236 million). Net cash resources amounted to R1 079 million (2004: R963 million).

Ordinary dividend

A dividend of 40 cents (2004: 35 cents) per share has been declared payable on 26 September 2005 to shareholders registered on 16 September 2005.

Preference dividend

A 6% preference dividend of 12 cents (2004: 12 cents) per share and a participating preference dividend of R3,26 (2004: R2,52) per preference share has been declared payable on 26 September 2005 to shareholders registered on 16 September 2005.

Share capital

Particulars of the authorised and issued share capital of the company are set out in note 11 of the financial statements.

Holding company

The company's holding company is Caxton Limited and its ultimate holding company is Modern Media (Proprietary) Limited.

Subsidiary companies

Particulars of subsidiary companies are set out on page 27. The aggregate attributable interest of the company in the after tax profits and losses of the subsidiaries was:

	R000	
	2005	2004
Profits	**386 277**	291 927
Losses	**(1 507)**	(2 518)
	384 770	289 409

Share incentive schemes

The company operates two employee share incentive schemes:

- the Caxton and CTP Publishers and Printers Limited Share Option Scheme (formerly CTP Holdings Limited) which was established in 1996.
- The Caxton and CTP Publishers and Printers Limited Purchase Scheme (formerly Caxton Publishers and Printers Limited) which was established in 1998.

The number of shares which may be acquired by the trustees of the schemes is 10% of the issued share capital.

The relevant particulars of the schemes are set out below:

	2005	2004
Number of shares which may be acquired	**45 345 024**	45 725 378
Shares granted less lapsed since inception of both schemes	**31 636 046**	32 140 346
Directors	**14 000 000**	14 000 000
Other employees	**17 636 046**	18 140 346
Available for utilisation at the end of the financial year	**13 708 978**	13 585 032

Share option scheme

The strike price of the option was the market price of the company's share price of R4,20 and R5,01 on the grant dates. These share options are exercisable over 10 years at the company's closing share price on the JSE Limited on the exercise date. The amount expensed in the income statement is the difference between the strike price and the closing share price on 30 June 2005 of R10,80 (June 2004: R8,20) multiplied by the share options outstanding.

Details of share options movement during the period:

	Number of options	Weighted average exercise price
Outstanding on 1 July 2004	6 131 000	
Exercised during the year	(450 000)	R 9,20
Granted during the year	–	
Lapsed during the year	(504 300)	
Outstanding on 30 June 2005	5 176 700	
– directors	1 290 000	
– other employees	3 886 700	
Number of participants	39 (2004: 45)	

Share purchase scheme

The purchase price was the market price of the company's share price on the grant date.

Details of share movement during the period:

	Number of shares
Outstanding on 1 July 2004	385 500
Paid during the year	(98 000)
Lapsed during the year	(50 000)
Outstanding on 30 June 2005	237 500
– directors	–
– other employees	237 500
Number of participants	2 (2004: 7)

Directorate and Secretary

The names of the present directors, the secretary and his addresses are set out on page 1 of this report. In terms of the Articles of Association Mr. P.G. Greyling, Mr. P.C. Desai and Mr. P.M. Jenkins retire as directors and, being eligible, offer themselves for re-election.

At the date of this report and 30 June 2005 the directors' beneficial shareholding in the company amounted to:

Directors	2005 Direct	2004 Direct	2005 Indirect	2004 Indirect
F.T. Gatefield	–	–	1 995 638	1 995 638
P.G. Greyling	1 325 000	1 325 000	–	–
T.D. Moolman	–	–	17 219 196	17 219 196
M.D.W. Short	–	6 677 710	6 677 710	–
G.M. Utian	60 000	60 000	2 010 579	2 010 579
TOTAL	1 385 000	8 062 710	27 903 123	21 225 413

The Moolman & Coburn Partnership, through various intermediate companies controlled by them, controls Caxton Limited, which holds 40,24% of the issued ordinary shares of Caxton and CTP Publishers and Printers Limited. The Moolman & Coburn Partnership and its intermediate companies control an additional 6,9% and its associates acting in concert, hold a further 4,2% of the issued ordinary shares of Caxton and CTP Publishers and Printers Limited . It therefore controls a total of 51,3% of the issued ordinary shares of the company.

The directors do not have any non-beneficial shareholdings in the company.

Shareholder spread

At the year end, the ordinary shares of the company were held by the following categories of shareholders:

	Number of shareholders	% of shareholders	Number of shares held	% of shares held
Non-public shareholders				
Group directors	8	0,37	31 531 761	6,95
Trustees of employee share schemes	2	0,09	983 954	0,22
Shares held by a subsidiary	1	0,05	2 973 242	0,66
Shareholders holding more than 10% of the issued ordinary shares				
– Johnnic Communications Limited	1	0,05	80 065 330	17,66
– Caxton Limited	1	0,05	182 479 476	40,24
	13	0,61	298 033 763	65,73
Public shareholders	2 132	99,39	155 416 480	34,27
Total	2 145	100,00	453 450 243	100,00

According to the records of the company, other than as indicated above, no shareholder held five per cent or more of the company's shares at 30 June 2005.

Subsequent events

The directors are not aware of any matter or circumstance arising since the end of the financial year, not otherwise dealt with in the report or group annual financial statements that would significantly affect the operations of the group or the results of those operations.

Approval of the annual financial statements

The annual financial statements, which appear on pages 8 to 28, have been approved by the board and are signed on its behalf by:

G.M. Utian
Managing Director

T.D. Moolman
Chief Executive Officer

Johannesburg
30 September 2005

Caxton and CTP Publishers and Printers Limited
Balance sheets at 30 June 2005

COMPANY 2004 R000	COMPANY 2005 R000	Notes		GROUP 2005 R000	GROUP 2004 R000
			ASSETS		
–	–	2	PROPERTY, PLANT AND EQUIPMENT	1 209 903	1 031 560
–	–	3	INTANGIBLE ASSETS	5 348	7 076
1 433 421	1 401 811	4	INTEREST IN SUBSIDIARIES	–	–
90 115	186 440	5	INVESTMENTS AND LOANS	220 958	116 459
1 523 536	1 588 251			1 436 209	1 155 095
			CURRENT ASSETS		
–	–	6	Inventories	361 814	359 226
1 335	505	7	Accounts receivable	532 793	610 942
104	–		Taxation	2 610	29 902
110 034	205 706	8	Preference shares – listed	205 706	110 034
95 000	95 000	9	Preference shares – unlisted	95 000	95 000
89 622	98 413	10	Bank and cash resources	778 587	758 424
296 095	399 624			1 976 510	1 963 528
1 819 631	1 987 875		**TOTAL ASSETS**	3 412 719	3 118 623
			EQUITY AND LIABILITIES		
11 514	11 336	11	SHARE CAPITAL	11 237	11 359
804 971	745 165		SHARE PREMIUM	716 592	768 286
4 469	63 669	12	NON-DISTRIBUTABLE RESERVES	137 704	80 523
550 019	440 353		DISTRIBUTABLE RESERVES	1 748 942	1 471 931
1 370 973	1 260 523		ORDINARY SHAREHOLDERS' EQUITY	2 614 475	2 332 099
100	100	11	PREFERENCE SHARE CAPITAL	100	100
–	–	13	MINORITY INTEREST	9 709	7 434
–	–	14	DEFERRED TAXATION	136 780	115 109
1 371 073	1 260 623			2 761 064	2 454 742
			CURRENT LIABILITIES		
16 819	13 080	15	Accounts payable	451 028	416 671
–	–	16	Provisions	122 132	114 117
430 861	713 895		Amounts owed to group companies	–	–
878	277		Taxation	78 495	133 093
448 558	727 252			651 655	663 881
1 819 631	1 987 875		**TOTAL EQUITY AND LIABILITIES**	3 412 719	3 118 623

Caxton and CTP Publishers and Printers Limited
Income statements for the year ended 30 June 2005

COMPANY 2004 R000	COMPANY 2005 R000	Notes		GROUP 2005 R000	GROUP 2004 R000
–	–	17	GROSS TURNOVER	3 825 575	3 439 211
–	–		LESS: INTER-GROUP	(620 742)	(528 351)
–	–		NET TURNOVER	3 204 833	2 910 860
–	–		OTHER OPERATING INCOME	77 522	56 199
–	–		**TOTAL OPERATING INCOME**	3 282 355	2 967 059
			CHANGES IN INVENTORIES OF FINISHED GOODS		
–	–		AND WORK IN PROGRESS	(6 843)	(9 083)
–	–		RAW MATERIALS AND CONSUMABLES USED	1 007 421	995 632
–	–	18	STAFF COSTS	616 523	554 510
		19	DEPRECIATION, AMORTISATION AND		
–	–		IMPAIRMENT EXPENSE	95 752	84 178
677	(1 794)	20	OTHER NET OPERATING EXPENSES/(INCOME)	1 018 356	927 509
677	(1 794)		**TOTAL OPERATING EXPENSES/(INCOME)**	2 731 209	2 552 746
(677)	1 794		**PROFIT/(LOSS) FROM OPERATIONS**	551 146	414 313
62 444	66 548	22	FINANCE INCOME	76 628	89 365
(1 522)	(251)	23	FINANCE COSTS	(667)	(6 542)
60 245	68 091		**INCOME BEFORE TAXATION**	627 107	497 136
(14 740)	(16 425)	24	TAXATION	(195 281)	(165 753)
45 505	51 666		**INCOME AFTER TAXATION**	431 826	331 383
–	–		INCOME FROM ASSOCIATES	7 575	7 490
–	–	13	ATTRIBUTABLE TO MINORITY INTEREST	(6 198)	(4 930)
(6)	(6)	26	FIXED COMPONENT OF PREFERENCE DIVIDENDS	(6)	(6)
			EARNINGS ATTRIBUTABLE TO ORDINARY		
45 499	51 660		**SHAREHOLDERS**	433 197	333 937
		27	EARNINGS PER ORDINARY SHARE (cents)	96,2	73,2
		27	DILUTED EARNINGS PER SHARE (cents)	95,1	72,2
		28	HEADLINE EARNINGS PER SHARE (cents)	93,7	74,7
		28	DILUTED HEADLINE EARNINGS PER SHARE (cents)	92,6	73,7
		25	DIVIDEND PER ORDINARY SHARE (cents)	35,0	-
		26	PREFERENCE DIVIDENDS PER SHARE (cents)	338	264
			– Fixed	12	12
			– Participating	326	252

Caxton and CTP Publishers and Printers Limited
Cash flow statements for the year ended 30 June 2005

COMPANY 2004 R000	COMPANY 2005 R000	Notes		GROUP 2005 R000	GROUP 2004 R000
			CASH FLOW FROM		
(90 904)	**(119 644)**		**OPERATING ACTIVITIES**	**455 709**	315 654
(677)	**(4 778)**	34.1	Cash generated by/(utilised in) operations	**633 956**	528 678
2 201	**(2 909)**	34.2	Changes in working capital	**108 840**	29 314
1 524	**(7 687)**		Cash generated by/(utilised in) operating activities	**742 796**	557 992
(15 054)	**(16 922)**	34.3	Taxation paid	**(200 914)**	(184 172)
5 268	**5 842**		Net interest received	**57 936**	73 553
55 654	**60 455**		Dividends received	**18 025**	9 270
47 392	**41 688**		Net cash inflow from operating activities	**617 843**	456 643
(138 035)	**–**		Distribution of share premium	**–**	(137 909)
(261)	**(161 332)**	34.4	Dividends paid	**(162 134)**	(3 080)
(101 546)	**(52 157)**		**CASH FLOW FROM INVESTING ACTIVITIES**	**(313 728)**	(297 147)
			Property, plant, equipment and intangibles		
–	**–**		– additions to maintain and expand operations	**(279 504)**	(235 777)
–	**–**		– proceeds from disposals	**11 764**	5 658
–	**–**			**(267 740)**	(230 119)
–	**4 065**	34.5	Investments – subsidiary businesses	**–**	–
(101 546)	**(56 222)**	34.6	– associates, other investments and loans	**(45 988)**	(67 028)
(101 546)	**(52 157)**			**(45 988)**	(67 028)
290 579	**250 594**		**CASH FLOW FROM FINANCING ACTIVITIES**	**(51 816)**	(32 888)
–	**–**		Proceeds on sale of shares by Share Trust	**232**	1 889
290 579	**283 034**		Increase in amount owing to group companies	**–**	–
–	**(32 440)**		Own shares acquired	**(52 048)**	(34 777)
98 129	**78 793**		Net increase/(decrease) in cash and cash equivalents	**90 165**	(14 381)
196 527	**294 656**		Cash and cash equivalents at beginning of year	**963 458**	977 839
294 656	**373 449**	34.7	Cash and cash equivalents at end of year	**1 053 623**	963 458

Caxton and CTP Publishers and Printers Limited
Statements of changes in equity for the year ended 30 June 2005

Group **R000**	Notes	Share capital	Share premium	Non-distributable reserves	Distributable reserves	Total
Balance at 1 July 2003		11 506	940 825	87 443	1 155 719	2 195 493
Attributable earnings to ordinary shareholders for the year		–	–	–	333 937	333 937
Distribution of share premium		–	(137 909)	–	–	(137 909)
Preference dividends paid	26	–	–	–	(119)	(119)
Foreign currency translation reserve adjustment		–	–	(994)	–	(994)
Realisation of loans acquired at a discount		–	–	(5 119)	5 119	–
Realisation of land and buildings revaluation reserve		–	–	(807)	807	–
Reversal of deferred tax		–	–	–	(25 421)	(25 421)
Share trust consolidation		(44)	(1 720)	–	1 889	125
Own shares acquired		(103)	(32 910)	–	–	(33 013)
Balance at 30 June 2004		11 359	768 286	80 523	1 471 931	2 332 099
Balance at 1 July 2004		11 359	768 286	80 523	1 471 931	2 332 099
Attributable earnings to ordinary shareholders for the year		–	–	–	433 197	433 197
Ordinary dividends paid	25	–	–	–	(158 079)	(158 079)
Preference dividends paid	26	–	–	–	(126)	(126)
Realisation of land and buildings revaluation reserve		–	–	(2 019)	2 019	–
Share trust consolidation		20	212	–	–	232
Fair value adjustments – investments		–	–	33 530	–	33 530
Fair value adjustments – preference shares		–	–	25 670	–	25 670
Own shares acquired and cancelled		(96)	(32 241)	–	–	(32 337)
Own shares acquired by subsidiary		(46)	(19 562)	–	–	(19 608)
Costs relating to increase in authorised share capital		–	(103)	–	–	(103)
Balance at 30 June 2005		11 237	716 592	137 704	1 748 942	2 614 475
Company **R000**						
Balance at 1 July 2003		11 514	942 880	4 469	504 900	1 463 763
Attributable earnings for the year		–	–	–	45 499	45 499
Distribution of share premium		–	(137 909)	–	(261)	(138 170)
Preference dividends paid	26	–	–	–	(119)	(119)
Balance at 30 June 2004		11 514	804 971	4 469	550 019	1 370 973
Balance at 1 July 2004		11 514	804 971	4 469	550 019	1 370 973
Attributable earnings for the year		–	–	–	51 660	51 660
Ordinary dividends paid	25	–	–	–	(161 200)	(161 200)
Preference dividends paid	26	–	–	–	(126)	(126)
Own shares acquired current year and cancelled		(96)	(32 241)	–	–	(32 337)
Own shares acquired prior year and cancelled		(82)	(27 462)	–	–	(27 544)
Fair value adjustments – investments		–	–	33 530	–	33 530
Fair value adjustments – preference shares		–	–	25 670	–	25 670
Costs relating to increase in authorised share capital		–	(103)	–	–	(103)
Balance at 30 June 2005		11 336	745 165	63 669	440 353	1 260 523

Caxton and CTP Publishers and Printers Limited
Notes to the annual financial statements
for the year ended 30 June 2005

1. ACCOUNTING POLICIES

The financial statements are compiled in accordance with the historic cost convention except for certain financial instruments carried at fair value and properties which have been revalued. The principal accounting policies of the group, which conform with South African Statements of Generally Accepted Accounting Practice, are set out below and have been consistently applied in all material respects with those of the previous year.

The company's current accounting policies are in line with the requirements of the following International Financial Reporting Standards : IAS 36 (AC 128) impairment of assets; IAS 16 (AC123) property, plant and equipment; IAS 38 (AC 129) intangible assets; IAS 32 (AC 125)/IAS 39 (AC 133) financial instruments and IFRS 3 (AC 140) business combinations.

1.1 Consolidation

The consolidated annual financial statements combine the financial position and the results of the operations of the company and entities controlled by the group drawn up to 30 June each year. Control is achieved where the company has the power to govern the financial and operating policies of an investee so as to obtain the benefits of its activities. The results of the controlled entities are incorporated over the period in which the group exercises control over them. Unrealised profits arising from transactions within the group and inter company balances have been eliminated. Where necessary, accounting policies for controlled entities are changed to ensure consistency with the policies adopted by the group. The financial statements of controlled entities are prepared for the same reporting period as the parent company. The company carries its investment in controlled entities at cost less accumulated impairment losses.

1.2 Jointly controlled entities

Investments in jointly controlled entities are accounted for at cost in the holding company, and a proportionate share of the assets/liabilities/income and expenses are recognised with similar line items in the consolidated financial statements on a line by line basis. The accounting policies of the jointly controlled entities are the same as those of the group in all material respects.

1.3 Associated companies

The equity method is used to account for investments in associated companies. These are long-term investments where the interests of the group are sufficiently material to enable it to exercise significant influence over the financial and operating policies of the investee company concerned. Under the equity method of accounting the group's share of the associate's profit or loss for the year is recognised in the income statement. The group's interest in the associate is carried in the balance sheet at cost plus post acquisition changes in the group's share of the results of operations of associates. The accounting policies of the associated companies are the same as those of the group in all material respects. Provision is made for any impairment in the carrying value of the investment in associates.

1.4 Property, plant and equipment

The group's properties are all owner-occupied. Land and buildings are stated at acquisition cost and revalued on an open market value in use basis at intervals not exceeding five years. Freehold buildings are depreciated on the straight line basis to their anticipated residual value over their estimated useful life to the group. Land is not depreciated.

Plant and machinery is stated at acquisition cost and is depreciated on the straight line basis to their anticipated residual value over their estimated useful life, less any accumulated impairment losses. Furniture, equipment and vehicles are stated at acquisition cost and depreciated on a straight line basis to their anticipated residual values over their estimated useful lives.

The rates of depreciation used are:

Buildings	2%
Plant and machinery	4 – 12,5%
Vehicles	20%
Furniture and equipment	15 – 33%

1.5 Intangible assets

1.5.1 Goodwill

Positive goodwill

Any payment made by the acquirer in excess of the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities, in anticipation of future economic benefits from the assets that are not capable of being individually identified and seperately recognised, is recognised at cost price as an asset. Such goodwill is not amortised and is tested on an annual basis for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired.

Excess of fair value of assets and liabilities of business acquired over cost

Where the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised, exceeds the cost of the business combination, the excess is recognised immediately in profit and loss after a reassessment of the measurement of the acquiree's identifiable assets, liabilities and contingent liabilities have been performed.

1. ACCOUNTING POLICIES (continued)

1.5 Intangible assets (continued)

1.5.2 Publication titles

Newspaper and magazine publication titles arise on acquisition of newspapers and magazines. Active publication titles are stated at cost and amortised over the best estimate of its useful life, which is five years. Non-active publication titles are written off in the year the newspaper or magazine ceases publication.

1.6 Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less any costs of completion and disposal. Cost is determined on the following basis:

- raw materials are valued on a first – in, first – out or average cost basis.
- work in progress and finished goods are valued at raw material cost, direct labour and a proportion of manufacturing overhead expenses, based on normal capacity.

1.7 Impairment of assets

The carrying amounts of property, plant and equipment, goodwill and investments are reviewed at each balance sheet date to determine whether there is indication of impairment. If any such indication exists, the recoverable amount is estimated as the higher of net selling price and value in use. An impairment loss is recognised whenever the carrying amount exceeds the recoverable amount and the assets are written down to their recoverable amount.

1.8 Deferred taxation

Deferred taxation is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Current tax rates are used to determine deferred taxation. Provision is made for deferred taxation on the revaluation of property and on fair value adjustment on business acquisitions. Deferred taxation assets relating to temporary differences which will result in deductible amounts in future periods are recognised to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised.

1.9 Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

1.10 Financial instruments

Financial instruments recognised on the balance sheet include investments, accounts receivables, cash and cash equivalents and accounts payables. All financial instruments are recognised at the time the group becomes party to the contractual provisions of the instruments. All financial instruments are initially measured at cost which includes directly attributable transaction costs, being the fair value of the consideration given.

Financial assets, or a portion of financial assets, are derecognised when the group loses control of the contractual rights that comprise the financial assets. The group loses such control if it realises the rights to benefits specified in the contract, the rights expire, or if the group surrenders those rights. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expires.

Subsequently the financial instruments are measured as follows:

Investments

The company's investment in unlisted associates and subsidiaries are carried at cost less a provision for impairment.

Listed and unlisted investments, other than investments in associates, subsidiaries and joint ventures are classified as available for sale or held for trading. Listed investments, unlisted investments and preference shares are initially measured at cost including transaction costs. Investments are subsequently measured at fair value with fair value adjustments recognised as a separate component of equity in respect of available for sale investments, and through the income statement in respect of held for trading investments.

Accounts receivable

Accounts receivable, which generally have 30 to 60 day terms, are recognised at original invoice amount less an allowance for any uncollectible amounts. Accounts receivable which are of a long-term nature are subsequently measured at amortised cost less an allowance for uncollectible amounts, and are classified as receivables originated by the enterprise. An estimate for doubtful debts is made when collection of any amount outstanding is no longer probable. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents consists of cash on hand, cash in banks, short-term deposits, bank overdrafts and highly liquid investments. Those cash and cash equivalents that have a fixed maturity are subsequently measured at amortised cost using effective interest rates. Those cash and cash equivalents that do not have a fixed maturity are subsequently measured at cost.

Accounts payable

Accounts payable which are normally settled on 30 to 60 day terms, are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the group. Accounts payable are subsequently measured at amortised cost using effective interest rates.

1 ACCOUNTING POLICIES (continued)

1.11 Foreign currency transactions

Foreign currency transactions are recorded at the transaction date using the spot rate. At balance sheet date all foreign currency monetary items are converted at the year end closing rate. Gains and losses on conversion are recognised in the income statement. Assets and liabilities of subsidiaries denominated in foreign currencies are translated at year-end rates. Income and expense items are translated using the annual weighted average rates of exchange. Adjustments from translation are recorded in shareholders' equity and are reflected in the income statements only upon sale or liquidation of the underlying investments. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as local currency assets and liabilities of the foreign entity and are translated at the closing rate. Foreign currency forward contracts protect the group from movements in exchange rates by establishing the rate at which a foreign currency asset or liability will be settled. Profits or losses on forward currency contracts are calculated based on forward rates of similar contracts at year-end, and are recognised immediately in the profit for the period.

1.12 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. The following specific recognition criteria are adopted: turnover from net invoiced sales and circulation revenue is recognised when risk is transferred to the customer; dividend income is recognised when the last date to register for the dividend has passed; interest is recognised on a proportion basis which takes into account the effective yield on the asset over the period it is expected to be held.

1.13 Employee benefits

Contributions to the group's defined contribution plans are charged to the income statement in the periods when the services are rendered.

1.14 Leases

Leases are classified as operating leases where substantially all the risk and rewards associated with ownership of an asset are not transferred from the lessor to the lessee.

2. PROPERTY, PLANT AND EQUIPMENT (GROUP)

Cost or valuation R000	Freehold land and buildings	Leasehold improve-ments	Plant and machinery	Vehicles	Furniture and equipment	Total
Year ended 30 June 2005						
Opening net book value	**231 302**	**124**	**771 090**	**10 606**	**18 438**	**1 031 560**
Purchases	**14 894**	**1 517**	**246 218**	**6 715**	**10 160**	**279 504**
Disposal	**(3 111)**	**–**	**(2 427)**	**(1 291)**	**(308)**	**(7 137)**
Impairment	**–**	**–**	**(4 920)**	**–**	**(6)**	**(4 926)**
Depreciation	**(3 853)**	**(695)**	**(68 980)**	**(4 463)**	**(11 107)**	**(89 098)**
Closing net book value	**239 232**	**946**	**940 981**	**11 567**	**17 177**	**1 209 903**
Summary						
Cost	**64 732**	**1 834**	**1 355 846**	**31 518**	**93 556**	**1 547 486**
Valuation	**192 780**	**–**	**–**	**–**	**–**	**192 780**
	257 512	**1 834**	**1 355 846**	**31 518**	**93 556**	**1 740 266**
Accumulated depreciation and impairment	**(18 280)**	**(888)**	**(414 865)**	**(19 951)**	**(76 379)**	**(530 363)**
Net book value	**239 232**	**946**	**940 981**	**11 567**	**17 177**	**1 209 903**
Year ended 30 June 2004						
Opening net book value	218 647	–	636 602	11 262	19 379	885 890
Purchases	14 232	317	195 904	6 160	12 158	228 771
Disposals and reclassification	(165)	(126)	(3 196)	(2 173)	768	(4 892)
Impairment	507	–	(3 096)	–	–	(2 589)
Depreciation	(1 919)	(67)	(55 124)	(4 643)	(13 867)	(75 620)
Closing net book value	231 302	124	771 090	10 606	18 438	1 031 560
Summary						
Cost	19 877	317	1 126 196	30 063	85 215	1 261 668
Valuation	214 138	–	–	–	–	214 138
	234 015	317	1 126 196	30 063	85 215	1 475 806
Accumulated depreciation and impairment	(2 713)	(193)	(355 106)	(19 457)	(66 777)	(444 246)
Net book value	231 302	124	771 090	10 606	18 438	1 031 560

2.1 The register of fixed property is available for inspection at the registered office of the company.

2.2 The fixed properties were revalued by various independent valuers on 1 October 2001.

Company 2004 R000	Company 2005 R000			Group 2005 R000	Group 2004 R000
		3.	**INTANGIBLE ASSETS**		
			Goodwill		
			Goodwill acquired	–	4 330
			Accumulated amortisation	–	(2 165)
				–	2 165
			Impairment	–	(2 165)
				–	–
			Publication titles		
			Cost or valuation		
			Opening net book value	7 076	2 557
			Purchases	–	7 006
			Reclassifications and disposals	–	(848)
			Amortisation	(1 728)	(1 639)
			Closing net book value	5 348	7 076
		4.	**INTEREST IN SUBSIDIARIES**		
1 398 462	1 370 917		Shares at cost		
34 959	30 894		Amount owing by subsidiaries		
1 433 421	1 401 811				
		5.	**INVESTMENTS AND LOANS**		
			Associated companies – Unlisted		
23 462	28 677		Shares at cost	28 272	23 056
–	–		Share of post acquisition reserves	16 691	13 726
23 462	28 677		Total carrying value	44 963	36 782
(2 240)	3 503		Loans	10 456	6 348
21 222	32 180			55 419	43 130
			Listed investments		
3 353	6 314		African Media Entertainment Limited	6 314	3 353
35 232	34 188		Johnnic Holdings Limited	34 188	35 232
–	57 978		Johnnic Communications Limited	57 978	–
–	–		Other	11 245	4 402
38 585	98 480			109 725	42 987
			Unlisted investments		
30 301	15 773		Long-term preference shares	15 773	30 301
7	40 007		Other	40 041	41
30 308	55 780			55 814	30 342
90 115	186 440			220 958	116 459
			(i) Associated company details are set out on page 28.		
90 115	186 440		(ii) Fair value of investments and loans	220 958	116 459
		6.	**INVENTORIES**		
			Raw materials	221 506	225 761
			Work in progress	42 115	48 314
			Finished goods	98 193	85 151
				361 814	359 226
			Comprising:		
			Inventory at cost	324 669	324 290
			Inventory at net realisable value	37 145	34 936
				361 814	359 226

Company 2004 R000	Company 2005 R000		Group 2005 R000	Group 2004 R000
		7. ACCOUNTS RECEIVABLE		
		Trade accounts receivable	492 127	520 782
		Allowance for doubtful debts	(32 474)	(29 547)
		Prepayment and deferred expenditure	14 547	22 679
1 335	505	Other accounts receivable	58 593	97 028
1 335	505		532 793	610 942
		8. PREFERENCE SHARES LISTED		
22 654	23 991	Preference shares earning a dividend, payable semi-annually, of 72% of prime.	23 991	22 654
87 380	102 765	Preference shares earning a dividend payable semi-annually, of 75% of prime.	102 765	87 380
–	68 100	Preference shares earning a dividend payable semi-annually, of 70% of prime.	68 100	–
–	10 850	Preference shares earning a dividend payable semi-annually, of 68% of prime.	10 850	–
110 034	205 706		205 706	110 034
		9. PREFERENCE SHARES UNLISTED		
95 000	95 000	Preference shares earning a dividend, payable semi-annually, of 59% of prime, redeemable 6 June 2006	95 000	95 000
		10. BANK AND CASH RESOURCES		
49 307	22 848	Cash on hand	278 507	241 003
40 315	75 565	Cash on call and deposit	500 080	517 421
89 622	98 413		778 587	758 424
		11. SHARE CAPITAL		
		ORDINARY SHARE CAPITAL		
		Authorised		
15 000	30 000	1 200 000 000 ordinary shares of 2,5 cents each	30 000	15 000
		(2004: 600 000 000 ordinary shares of 2,5 cents each)		
		Issued		
11 514	11 336	453 450 243 ordinary shares of 2,5 cents each (2004: 460 570 068 ordinary shares of 2,5 cents each)	11 336	11 514
–	–	Less: Treasury shares (2004: 3 316 285)	–	(83)
–	–	Less: 2 973 242 (2004: 1 139 960) shares held by subsidiary	(74)	(28)
11 514	11 336	450 477 001 (2004: 456 113 823) ordinary shares of 2,5 cents each	11 262	11 403
–	–	Less: Share Trust consolidation	(25)	(44)
11 514	11 336		11 237	11 359
		PREFERENCE SHARE CAPITAL		
		Authorised		
200	200	100 000 6% cumulative participating preference shares of R2 each	200	200
		Issued		
100	100	50 000 6 % cumulative participating preference shares of R2 each	100	100

The unissued shares are under the control of the directors until the next annual general meeting.

Company 2004 R000	Company 2005 R000		Group 2005 R000	Group 2004 R000
		12. NON-DISTRIBUTABLE RESERVES		
		Comprises:		
4 469	4 469	Realisation reserve	32 700	32 700
–	–	Foreign currency translation reserve adjustment	(994)	(994)
–	–	Loans acquired at a discount	16 338	16 338
–	–	Surplus on revaluation of land and buildings	30 460	32 479
–	59 200	Fair value adjustments	59 200	–
4 469	63 669		137 704	80 523
		13. MINORITY INTEREST		
		Balance at beginning of the year	7 434	5 459
		Share of earnings	6 198	4 930
		Dividends	(3 923)	(2 955)
		Balance at end of the year	9 709	7 434
		14. DEFERRED TAXATION		
		Balance at beginning of the year	115 109	84 673
		Income statement transfer	23 559	5 388
		Rate change	(3 918)	–
		Prior year adjustment	2 030	–
		Trade marks	–	25 421
		Revaluation adjustments	–	(373)
		Balance at end of the year	136 780	115 109
		Deferred taxation comprises:		
		– property	175 952	155 167
		– accounts receivable	7 808	6 991
		– accounts payable	(44 441)	(41 870)
		– assessed losses	(2 539)	(5 179)
			136 780	115 109
		The benefits of the tax losses in the group have been included in deferred tax.		
		15. ACCOUNTS PAYABLE		
–	–	Trade accounts payable	260 880	256 251
16 819	13 080	Sundry accounts payable and accruals	190 148	160 420
16 819	13 080		451 028	416 671

Company			Group	
2004	2005		2005	2004
R000	R000		R000	R000
		16. PROVISIONS		
		Bonus		
		Opening balance	59 361	47 398
		Additional provisions	44 713	68 747
		Utilised	(31 560)	(56 784)
		Closing balance	72 514	59 361
		Leave pay		
		Opening balance	16 305	11 355
		Additional provisions	7 828	14 667
		Utilised	(5 572)	(9 717)
		Closing balance	18 561	16 305
		Volume discount allowed		
		Opening balance	8 470	5 910
		Additional provisions	12 136	17 389
		Utilised	(9 525)	(14 829)
		Closing balance	11 081	8 470
		Retrenchments		
		Opening balance	670	1 142
		Utilised	(58)	(472)
		Reversed	(542)	–
		Closing balance	70	670
		Development and other		
		Opening balance	29 311	17 738
		Additional provisions	–	32 500
		Utilised	(7 148)	(20 927)
		Reversed	(2 257)	–
		Closing balance	19 906	29 311
		Total provisions		
		Opening balance	114 117	83 543
		Additional provisions	64 677	133 303
		Utilised	(53 863)	(102 729)
		Reversed	(2 799)	–
		Closing balance	122 132	114 117

17. TURNOVER

The group's gross turnover has been reflected in order to provide a measure for the return generated by the group's assets and personnel.

18. STAFF COSTS

			Group 2005 R000	Group 2004 R000
		– salaries, wages and bonuses	588 345	530 270
		– retirement benefit costs	28 178	24 240
			616 523	554 510

Company 2004 R000	Company 2005 R000		Group 2005 R000	Group 2004 R000
		19. DEPRECIATION, AMORTISATION AND IMPAIRMENT EXPENSE		
		Depreciation		
		– buildings and leasehold improvements	4 548	1 986
		– plant and machinery	68 980	55 124
		– motor vehicles	4 463	4 643
		– furniture and equipment	11 107	13 867
		Amortisation		
		– goodwill	–	2 165
		– publication titles	1 728	1 639
		Impairment		
		– buildings (impairment losses reversed on disposal of property)	–	(507)
		– plant and machinery	4 920	3 096
		– furniture and equipment	6	–
		– goodwill	–	2 165
			95 752	84 178

During the previous year, the group changed its estimate of the useful lives of plant and machinery. This change resulted in a reduction of R32 million in the depreciation charge for the previous year.

Company 2004 R000	Company 2005 R000		Group 2005 R000	Group 2004 R000
		20. OTHER NET OPERATING EXPENSES		
		Income		
–	–	Profit on disposal of property, plant and equipment	5 438	1 255
–	6 572	Profit on disposal of investments	9 639	–
–	–	Foreign currency profits	754	182
–	–	Excess of fair value of assets and liabilities of business acquired over cost	2 882	–
–	–	Fair value increase in investments	4 888	–
–	6 572		23 601	1 437
		Expenditure		
		Auditors' remuneration		
114	148	– audit fees	3 465	3 130
–	–	– under provision previous year	4	24
–	–	– fees for other services	569	565
114	148		4 038	3 719
		Fees for:		
		– administrative, managerial and secretarial services	15 591	8 035
		– royalties	958	981
		– technical services	4 923	4 385
			21 472	13 401
		Foreign currency losses	1 829	4 404
		Operating leases		
		– buildings	10 154	8 837
		– other	1 567	1 380
			11 721	10 217
		Loss on sale of property, plant and equipment	811	977

21. DIRECTORS' EMOLUMENTS

R000	Executive Directors				Non-executive Directors					
	T.D. Moolman	G.M Utian	P.G. Greyling	M.D.W Short	Dr. J.M. Buitendag	F.T. Gatefield	P. Vallet	Dr. F. van Zyl Slabbert	R.W. Woulidge	Total 2005
Directors' fees					40					**40**
Fees for services	1 980	1 800		1 800			150			**5 730**
Consulting fees						221		360		**581**
Basic salary			1 039							**1 039**
Bonuses			600							**600**
Retirement funding			54							**54**
Shares/option exercised		1 175								**1 175**
Total 2005	**1 980**	**2 975**	**1 693**	**1 800**	**40**	**221**	**150**	**360**	**–**	**9 219**
Total 2004	4 850	6 370	4 078	4 850	10	184	150	1 613	1 775	23 880

	2005 R000	2004 R000
Paid by:		
– Subsidiaries	**9 219**	23 880

Messrs Desai, Jenkins and Molusi did not receive any remuneration from the company or its subsidiaries.

Details of directors' participation in the share option scheme

	Opening balance	Options exercised	Closing balance	Exercise date	Subscription price	Market price	Vesting period
T.D. Moolman	240 000	–	240 000		R4,20		Fully vested
T.D. Moolman	700 000	–	700 000		R5,01		Fully vested
G.M. Utian	600 000	(250 000)	350 000	1 Oct 04	R4,20	R8,90	Fully vested
	1 540 000	(250 000)	1 290 000				

Company 2004 R000	Company 2005 R000		Group 2005 R000	Group 2004 R000
		22. FINANCE INCOME		
6 790	**6 093**	– interest on bank deposits	**58 603**	80 095
7 465	**11 695**	– dividends: listed companies	**11 725**	7 465
–	**6 300**	– dividends: unlisted companies	**6 300**	1 805
4 142	**4 610**	– dividends: associated companies	**–**	–
44 047	**37 850**	– dividends: subsidiary companies	**–**	–
62 444	**66 548**		**76 628**	89 365
		23. FINANCE COSTS		
–	**–**	– interest on bank overdraft	**336**	309
1 522	**251**	– other	**331**	6 233
1 522	**251**		**667**	6 542

Company 2004 R000	Company 2005 R000		Group 2005 R000	Group 2004 R000
		24. TAXATION		
		South African normal tax		
1 985	2 064	– current	149 667	124 345
2 499	2 021	– prior year	815	16 164
		Deferred tax		
–	–	– current (including rate change)	19 641	21 997
–	–	– prior year	2 030	(16 609)
9 538	12 340	Secondary tax on companies	16 788	13 551
718	–	Capital gains tax	1 360	745
–	–	Foreign tax	4 980	5 560
14 740	16 425		195 281	165 753
18 074	19 746	Tax at the standard rate of 29% (2004: 30%)	181 861	149 141
3 334	3 321	Difference	(13 420)	(16 612)
		Reconciled as follows:		
16 777	19 120	– dividend and other non-taxable income	7 718	7 545
(608)	(1 438)	– disallowable expenses	(3 446)	(4 746)
(2 579)	(2 021)	– effect of prior year	(2 845)	445
(9 538)	(12 340)	– secondary tax on companies	(16 788)	(13 551)
(718)	–	– capital gains tax	(1 360)	(745)
–	–	– rate differential foreign tax	(45)	(5 560)
–	–	– rate change	3 918	–
–	–	– other	(572)	–
3 334	3 321		(13 420)	(16 612)
		Estimated tax losses:		
		– at beginning of year	17 263	18 057
		– incurred and acquired during year	3 554	1 978
		– utilised during year	(12 061)	(2 772)
		– at end of year	8 756	17 263
		25. DIVIDENDS		
–	161 200	Paid – ordinary	158 079	–
		During 2004 a distribution was made to shareholders from the share premium account, in lieu of a dividend.		
		26. PREFERENCE DIVIDENDS		
		6% preference dividend		
6	6	– declared	6	6
119	126	– participating preference dividend	126	119
125	132	**Paid**	132	125
6	6	– fixed portion	6	6
126	163	– participating portion declared, paid post year end	163	126
132	169	**Used in calculation of dividend per share**	169	132

The participating preference portion of the preference dividend is at the rate of 0,5% for every completed 5% dividend in excess of 10% paid on the ordinary shares.

Company			Group	
2004	2005		2005	2004
R000	R000		R000	R000
		27. EARNINGS PER SHARE		
		The calculation of earnings per share is based on earnings of	433 197	333 937
		and on the weighted number of shares of 449 493 047 (2004: 456 113 823). Diluted earnings is based on additional shares of 5 176 700 in respect of share options (2004: 6 131 000).		
		28. HEADLINE EARNINGS PER SHARE		
		Earnings attributable to ordinary shareholders	433 197	333 937
		Impairment in value of property, plant and equipment	4 926	2 589
		Profit on disposal of property, plant and equipment	(4 627)	(278)
		Surplus on disposal of investments	(9 639)	–
		Net goodwill written off	(2 882)	–
		Goodwill impairment	–	2 165
		Goodwill amortisation	–	2 165
		Headline earnings	420 975	340 578
		29. COMMITMENTS		
		Capital expenditure on plant and machinery		
		– approved but not contracted	297 000	70 000
		The capital expenditure will be financed from existing resources.		
		Operating lease commitments		
		Future minimum rentals under non-cancellable leases are as follows:		
		Within one year	2 548	2 801
		After one year, but not more than five years	5 487	3 569
			8 035	6 370

30. CONTINGENT LIABILITIES AND FOREIGN EXCHANGE EXPOSURE

Forward exchange contracts not relating to specific items on the balance sheet but entered into to cover foreign commitments not yet due, in Rand equivalents:

	Rate of exchange	Group 2005 R000	Group 2004 R000
European Euro	8,45	429	27 511
US Dollars	6,79	874	2 431
British Pounds	12,38	464	–
Other	–	584	–
		2 351	29 942

31. BORROWING POWERS

In terms of its Articles of Association, the company's and group's borrowing powers are unrestricted.

32. RELATED PARTIES

Certain directors are members of a partnership that benefits from a revenue arrangement with the group. The directors’ share of the partnership benefit amounts to 2,5% (2004: 2,5%) of the group's advertising turnover.

Subsidiaries

Details of investment in subsidiaries are disclosed in note 4 and in the annexure on page 27.

Directors

The directors’ names are disclosed on page 1 of this report, whilst their emoluments are disclosed in note 21. The directors' shareholding in the company is disclosed in the directors' report.

Company 2004 R000	Company 2005 R000		Group 2005 R000	Group 2004 R000
		32. RELATED PARTIES (continued)		
		Associates		
		Details of income from associates and investments are disclosed in the income statement, note 5 and in the annexure on page 28.		
		33. RETIREMENT BENEFIT PLANS		
		The group's main retirement benefit plans, the Hortors Group Pension and Provident Funds, are governed by the Pension Funds Act. The plans are structured as defined contribution plans as opposed to defined benefit plans. 4 354 (2004: 4 575) of the group's employees are covered by the plans.		
		34. NOTES TO THE CASH FLOW STATEMENT		
		34.1 Cash generated by operations		
60 245	68 091	Income before taxation	627 107	497 136
(5 268)	(5 842)	Interest received (net)	(57 936)	(73 553)
(55 654)	(60 455)	Dividends received	(18 025)	(9 270)
		Adjustment for non-cash items:		
–	–	– depreciation of property, plant and equipment	90 829	75 620
–	–	– amortisation and impairment of intangibles	4 926	4 228
–	(6 572)	– profit on disposal of investments	(9 639)	–
–	–	– fair value increase in investments	(4 888)	–
–	–	– net surplus on disposal of property, plant and equipment	(4 627)	(278)
–	–	– excess of fair value of assets and liabilities of business acquired over cost	(2 882)	–
–	–	– loss on forex	1 076	4 221
–	–	– movement in provisions	8 015	30 574
(677)	(4 778)		633 956	528 678
		34.2 Changes in working capital		
–	–	(Increase)/decrease in inventories	(2 588)	44 143
1 787	830	Decrease/(increase) in accounts receivable	78 147	(63 073)
414	(3 739)	Increase/(decrease) in accounts payable	33 281	48 244
2 201	(2 909)		108 840	29 314
		34.3 Taxation paid		
(1 088)	(774)	Opening tax payable	(103 189)	(126 996)
(14 740)	(16 425)	Charged in income statement	(173 610)	(160 365)
774	277	Closing tax payable	75 885	103 189
(15 054)	(16 922)		(200 914)	(184 172)
		34.4 Dividends paid		
(261)	(161 332)	Charged to reserves	(158 211)	(125)
–	–	Dividends of minority shareholders	(3 923)	(2 955)
(261)	(161 332)		(162 134)	(3 080)
		34.5 Investments – subsidiary businesses		
–	4 065	Repayments from group companies	–	–
–	4 065		–	–
		34.6 Investments – associates and other investments		
(68 887)	(73 387)	Acquisitions	(75 523)	(72 445)
–	22 908	Proceeds from disposal of investments	33 644	–
(32 659)	(5 743)	(Increase)/decrease in loans	(4 109)	5 417
(101 546)	(56 222)		(45 988)	(67 028)

Company			Group	
2004	2005		2005	2004
R000	R000		R000	R000

34. NOTES TO THE CASH FLOW STATEMENT (continued)

34.7 Cash and cash equivalents

Company 2004 R000	Company 2005 R000		Group 2005 R000	Group 2004 R000
89 622	98 413	Cash	778 587	758 424
205 034	300 706	Preference shares at fair value	300 706	205 034
294 656	399 119	Fair value of cash and cash equivalents	1 079 293	963 458
–	(25 670)	Fair value adjustment of preference shares	(25 670)	–
294 656	373 449		1 053 623	963 458

35. FINANCIAL INSTRUMENTS

Exposure to currency, interest rate and credit risk arises in the normal course of the group's business. The group incurs currency risk as a result of transactions that are denominated in a currency other than S.A. Rands. These transactions, mainly for the import of capital equipment and inventory, are substantially hedged by utilising forward exchange contracts. Details of forward exchange contracts that do not relate to amounts on the balance sheet are given in note 30.

Bank balances carry interest rates that vary in accordance with market rates. The group is exposed to credit risk in its accounts receivable and bank balances. The group has a credit risk policy in place and the exposure to credit risk is monitored on an ongoing basis. The group has no significant concentration of credit risk. Bank balances are all maintained at reputable financial institutions.

Accounts receivable and accounts payable, arising from normal trade transactions, are expected to be settled within normal credit terms.

Financial instruments recognised on the balance sheet include bank balances and cash, investments, accounts receivable, accounts payable and borrowings.

The carrying values of financial instruments are considered to approximate their fair value.

36. SEGMENTAL REPORTING

The group operates under one segment being Publishing and Printing, which is considered to be the primary reporting segment. It operates under one geographic segment being South Africa, which is considered to be a secondary segment. Primary and secondary disclosure requirements are disclosed in the financial statements.

CAXTON AND CTP PUBLISHERS AND PRINTERS LIMITED

INFORMATION RELATING TO INTEREST IN SUBSIDIARIES

NAME OF SUBSIDIARY	ACTIVITIES	ISSUED CAPITAL R	HOLDING % 2005	HOLDING % 2004	COST 2005 R000	COST 2004 R000	OWING* 2005 R000	OWING* 2004 R000
DIRECTLY HELD								
Caxton Publishers and Printers	Holding company	28 234	**100**	100	**1 352 228**	1 379 773	**30 894**	34 959
Darwain Investments	Printing	300	**60**	60	**494**	494		
Highway Mail	Publishing	100 000	**67**	67	**471**	471		
Lumedia	Publishing	100	**75**	75	**833**	833		
Noordwes Koerante	Publishing	250	**90**	90	**–**	–		
Northwest Web Printers	Printing	100	**90**	90	**–**	–		
Raylene Designs	Repro designs	100	**55**	55	**–**	–		
Ridge Times	Publishing	4 000	**67**	67	**512**	512		
Saxton Investments	Investments	100	**100**	100	**–**	–		
Zululand Observer	Publishing	47	**60**	60	**2 497**	2 497		
INDIRECTLY HELD								
CTP Limited	Printing and publishing	2 500 718	**100**	100	**–**	–		
CTP Gravure and Web Printers (Coastal)	Printing	200	**100**	100	**–**	–		
Direct Stationery U.K.	Stationery distributors	1 711	**100**	100	**–**	–		
Donua Designs	Stationery distributors	400	**100**	–	**–**	–		
Erfrad 13	Property owning	100	**100**	100	**–**	–		
Highway Printers	Printing	100	**100**	100	**–**	–		
Impala Stationery Manufacturers	Stationery manufacturer	90 000	**100**	100	**–**	–		
Kagiso Publishers	Printing	700	**100**	100	**–**	–		
Pecanview Properties	Property owning	–	**100**	100	**–**	–		
Project Northwards	Property owning	166	**100**	100	**–**	–		
Racing Network	Publishing	1 000	**100**	100	**–**	–		
Rorke Outsourcing	Computer consultancy	100	**100**	100	**–**	–		
The Citizen Limited	Holding company	3 195 161	**100**	100	**–**	–		
The Citizen (1978)	Publishing	3	**100**	100	**–**	–		
Thuthuka Packaging	Printing	14 815	**100**	100	**–**	–		
Tight Lines	Publishing	180	**100**	100	**–**	–		
					1 357 035	1 384 580	**30 894**	34 959

All private companies unless otherwise stated and are all incorporated in the Republic of South Africa

* The amounts owing are interest free and repayable on demand

NAME OF SUBSIDIARY	ACTIVITIES	ISSUED CAPITAL R	HOLDING % 2005	HOLDING % 2004	COST 2005 R000	COST 2004 R000	OWING* 2005 R000	OWING* 2004 R000
JOINTLY CONTROLLED ENTITIES								
Maskew Miller Longman Holdings	Publishing	50 000	**50**	50	**13 882**	13 882	**–**	–
MCS Caxton International Press	Distribution	100	**50**	50	**–**	–	**–**	–
					13 882	13 882	**–**	–
					1 370 917	1 398 462	**30 894**	34 959

CAXTON AND CTP PUBLISHERS AND PRINTERS LIMITED

INFORMATION RELATING TO ASSOCIATED COMPANIES

ASSOCIATE	ACTIVITIES	ISSUED CAPITAL R	HOLDING % 2005	HOLDING % 2004	COST 2005 R000	COST 2004 R000	OWING* 2005 R000	OWING* 2004 R000
Capital Media	Newspaper publisher	4	50	50	–	–		–
Carpe Diem (February)	Magazine publisher	120	30	30	3 000	3 000	3 000	–
FBC Properties	Property owning	100	50	50	1 350	1 350	407	732
Heraut Publiseerders	Newspaper publisher	100	49	49	189	189	225	225
Ince Holdings	Printer	1 000	16	26	787	1 279	1 644	4 280
Leo Kantoor Meubels	Property owning	100	50	50	(7)	(7)	–	–
Lincroft Book (March)	Newspaper publisher	100	40	40	85	85	–	–
Merpak	Envelope manufacturer	2 857	40	40	15 096	15 096	–	(3 020)
Mooivaal Media (March)	Newspaper publisher	25 000	50	50	1 565	1 565	–	–
Nachas Reproduction (February)	Typesetting	500	50	50	–	–	–	–
Rising Sun	Newspaper publisher	100	45	45	–	–	–	3 000
Ronain Investments (February)	Property owning	500	50	–	33		3 503	
Rowaga Properties (February)	Property owning	500	50	–	1 175		–	
Sentrale Makelaars	Dormant	25 000	50	50	56	56	–	–
Shumani Print Services	Printer	1 000	49	49	4 500	–	23	–
Tambuti Brits	Property owning	100	50	50	–	–	–	–
Tambuti Enterprise	Property owning	100	50	50	143	143	158	158
Tambuti Upington	Property owning	100	50	50	–	–	–	–
Tambuti Vryburg	Property owning	100	50	50	–	–	–	–
Threads & Craft	Magazine publisher	100	30	30	300	300	1 496	973
					28 272	23 056	10 456	6 348

All private companies unless otherwise stated and are all incorporated in the Republic of South Africa.

The financial year ends are June unless otherwise stated.

The group's proportional share of interest in associated companies and jointly controlled entities is as follows:

	ASSOCIATED COMPANIES R000		JOINTLY CONTROLLED R000	
BALANCE SHEET	2005	2004	2005	2004
Fixed assets	29 054	17 699	5 562	5 288
Investments and long-term receivables	5 113	16 297	–	–
Current assets	35 051	28 052	162 558	158 254
Total assets	69 218	62 048	168 120	163 542
Long-term liabilities	11 477	10 951	–	–
Deferred taxation	1 462	1 419	(2 348)	1 054
Current liabilities	21 088	23 176	88 671	88 744
Total liabilities	34 027	35 546	86 323	89 798
Attributable net asset value	35 191	26 502	81 797	73 744
INCOME STATEMENT				
Turnover	126 942	139 870	248 169	231 661
Income before taxation	12 140	11 199	42 046	46 036
Taxation	(4 565)	(3 709)	(16 127)	(18 220)
Income after taxation	7 575	7 490	25 919	27 816
Dividends	(4 610)	(4 141)	(20 000)	(17 500)
Net income for the year	2 965	3 349	5 919	10 316

Notice to members of Caxton and CTP Publishers and Printers Limited (“Caxton”)
Share code: CAT
ISIN: ZAE000043345

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the members will be held in the board room, Caxton House, 368 Jan Smuts Ave, Craighall Park, Johannesburg on Friday, 4 November 2005 commencing at 10:30am for the following purposes:

1. To receive and consider the annual financial statements for the year ended 30 June 2005.

2. To consider and if thought fit to pass with or without modification the following ordinary resolutions:

   2.1 "THAT in terms of section 221 of the Companies Act 1973, the company hereby extends, until the next Annual General Meeting, the directors’ authority to allot and issue, at their discretion and in terms of the regulations of the JSE Limited, the unissued shares of the company."

   2.2 "THAT the directors have the powers to allot and issue any shares of any class already in issue in the capital of the company for cash by way of a general authority, when the directors consider it appropriate in the circumstances, subject to the following:

   - this authority shall not endure beyond the earlier of the next annual general meeting of the company or beyond 15 months from the date of the meeting;
   - there will be no restrictions in regard to the persons to whom the shares may be issued, provided that such shares are to be issued to public shareholders (as defined by the JSE Limited in its Listings Requirements) and not to related parties;
   - upon any issue of shares which, together with prior issues during any financial year in terms of section 11.22 of the JSE Listings Requirements, will constitute 5% or more of the number of shares of the class in issue, the company shall, by way of a paid press announcement in terms of section 11.22 of the JSE Listings Requirements, give full details thereof, including the effect on the net asset value of the company and earnings per share, the number of securities issued and the average discount to the weighted average traded price of the securities over the 30 days prior to the date that the price of such issue was determined or agreed by the company’s directors;
   - that issues in the aggregate in any one financial year may not exceed 15% of the number of shares of that class of the company’s issued share capital (including instruments which are compulsorily convertible into shares of that class) at the date of application less any shares of that class issued, or to be issued in the future arising from options/convertible securities issued during the current financial year, plus any shares to be issued pursuant to an announced, irrevocable and fully underwritten rights offer or to be issued pursuant to any acquisition for which final terms have been announced and
   - the maximum discount at which securities may be issued is 10% of the weighted average traded price of those securities over the 30 business days prior to the date that the price of the issue is determined or agreed by the directors;

   a 75% majority is required of votes cast by the shareholders present or represented by proxy at the general meeting to approve the resolution.

3. To approve the payments of emoluments to directors as detailed on page 22 of the annual report.

4. To elect the following directors who are retiring and offer themselves for re-election:

   4.1 **Mr. Petrus G. Greyling (48)** (BCom, Hons BCompt, CA(SA)) **Deputy Managing Director**

   Mr Greyling first joined the group in August 1992 as Financial Director and later Group Managing Director of The Press Corporation of South Africa Limited (Perskor), the position he held at the time of the merger with Caxton in December 1998. Prior to joining Perskor he spent most of his career in the Accounting and Auditing profession of which the last seven years in the capacity as a partner.

   4.2 **Prakash C. Desai (50)** BCom, Hons BCompt, CA(SA)

   Mr Desai is the Deputy Group Chief Executive Officer of Johnnic Communications Limited and prior to that was Group Finance and Operations Director. Other major directorships include Electronic Media Network Limited, SuperSport International Holdings Limited and the Wits Health Consortium.

   4.3 **Paul M. Jenkins (45)** BCom, LLB

   Mr Jenkins is an Executive Director of Johnnic Communications Limited responsible for group business and corporate affairs. He was previously the Chief Executive Officer of Johnnic Entertainment Limited. Other major directorships include Electronic Media Network Limited and SuperSport International Holdings Limited.

5. To consider and if thought fit, to pass with or without modification, the following resolution as a special resolution:

"THAT the company or any of its subsidiaries, are hereby authorised as a general approval given in terms of section 85(2) and 89 of the Act, to acquire shares issued by the company upon such terms and conditions and in such amounts as the directors may from time to time decide, but subject to the provisions of the Act and the Listings Requirements of the JSE Limited ("the JSE") which currently stipulate that:

- the repurchase of securities being effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty (reported trades are prohibited);
- at any point in time the company may only appoint one agent to effect any repurchases on the company's behalf;
- the company may only undertake a repurchase of securities if after such repurchase it still complies with the shareholder spread requirements of the JSE;
- the company or any of its subsidiaries may not repurchase securities during a prohibited period as defined in the JSE Listings Requirements;
- this general authority shall only be valid until the company's next annual general meeting provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this Special Resolution;
- a paid press announcement will be published as soon as the company has acquired ordinary shares constituting, on a cumulative basis, 3% (three percent) of the number of ordinary shares in issue, at the time of passing of this Special Resolution, and any 3% (three percent) increments thereafter which announcements shall contain full details of such acquisitions;
- acquisitions of ordinary shares by the company in terms of this general authority in the aggregate in any one financial year may not exceed 20% (twenty percent) of the company's issued ordinary share capital nor may any subsidiary hold more than 10% (ten percent) of the company's issued shared capital at any one time;
- in determining the price at which ordinary shares issued by the company are acquired in terms of this general authority, the maximum price at which such ordinary shares may be acquired may not be greater than 10% (ten percent) above the weighted average of the market price at which such ordinary shares traded on the JSE over the 5 (five) business days immediately preceding the date on which the transaction is effected.

The general authority to repurchase the company's shares will be acted upon within the parameters laid down by the JSE, as and when the directors deem it to be appropriate. After considering the effect of a general repurchase within these parameters, the directors are of the view that for a period of at least 12 (twelve) months after the date of this notice:

- Caxton will be able in the ordinary course of business to pay its debts;
- the assets of Caxton, fairly valued in accordance with accounting policies used in the latest audited report, will be in excess of the liabilities of the company and the group for a period of 12 (twelve) months after the date of this notice of annual general meeting;
- the ordinary capital and reserves of Caxton will be adequate for the purposes of the company's and the group's businesses respectively; and
- the working capital of Caxton will be adequate for their requirements."

The Sponsor of the company has signed the appropriate working capital statement in terms of section 2.12 of the JSE Listings Requirements.

The reason for this Special Resolution is to grant a general approval in terms of the Act and the Listings Requirements of the JSE for the acquisition by the company or its subsidiaries of shares issued by the company, subject to statutory and regulatory limitations and controls.

The effect of this Special Resolution is to enable the company and/or a subsidiary, by way of a general approval, to repurchase up to a maximum of 20% (twenty percent) of its share capital in any one financial year; such authority to remain valid until the company's next annual general meeting but not beyond the period of 15 (fifteen) months after the date of this resolution.

As per section 11.26b of the Listings Requirements of the JSE Limited, shareholders are referred to the following sections in the annual report to which this notice of annual general meeting is attached:

- Details of directors on page 1;
- Directors' interest in securities on page 9 (which beneficial interests have not changed since 30 June 2005. There are no non-beneficial interests);
- Major shareholders on page 9;
- Material changes in the nature of the company's trading or financial position post 30 June 2005 on page 9;
- The Share Capital note on page 18.

The directors are not aware of any legal or arbitration proceedings active, pending or threatened against or being brought by the company, which may have a material effect on the group's financial position or which have had a material effect during the 12 months preceding the date of this notice of annual general meeting.

6. To transact such other business as may be transacted at an Annual General Meeting.

The directors, whose names have been given on page 1 of this annual report, 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 have been made and that the annual report contains all information required by the JSE Listings Requirements, have considered the general authority to repurchase securities resolution and are of the opinion that Caxton shareholders should vote in favour of the resolutions necessary to implement the resolution.

Shareholders who hold their shares in certificated form or who are own name registered dematerialised shareholders who are unable to attend the annual general meeting but who wish to be represented thereat, are required to complete and return the attached form of proxy so as to be received by the transfer secretaries, Computershare Investor Services 2004 (Pty) Limited (10 Marshall Street, Johannesburg, 2001/PO Box 61051, Marshalltown 2017) or the company at its registered address (16 Wright Street, Industria West, Johannesburg, 2093 or PO Box 43587, Industria, 2042) by not later than 10:30am on Wednesday, 2 November 2005.

Shareholders who have dematerialised their shares through a CSDP or broker, other than by own name registration who wish to attend the annual general meeting should instruct their CSDP or broker to issue them with the necessary authority to attend the meeting, in terms of the custody agreement entered into between such shareholders and their CSDP or broker. Shareholders who have dematerialised their shares through a CSDP or broker, other than by own name registration who wish to vote by way of proxy, should provide their CSDP or broker with their voting instructions, in terms of the custody agreement entered into between such shareholders and their CSDP or broker. These instructions must be provided to their CSDP or broker by the cut-off time or date advised by their CSDP or broker for instructions of this nature.

By order of the Board

N. Sooka
Secretary

Johannesburg
30 September 2005.

NOTES

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Printed by Ince (Pty) Ltd

Caxton and CTP Publishers and Printers Limited **Proxy Form**

Share code: CAT

ISIN: ZAE000043345

For use ONLY by certificated shareholders and own name dematerialised shareholders at the annual general meeting of Caxton shareholders to be held at 10:30am on Friday, 4 November 2005, or such later time that may be applicable ("the annual general meeting").

I/We

of appoint (see note 1)

1. or failing him,

2. or failing him,

3. the chairman of the meeting,

as my/our proxy to act for me/us at the aforementioned annual general meeting of members, which will be held at Caxton House, 368 Jan Smuts Avenue, Craighall Park, Johannesburg on Friday, 4 November 2005, commencing at 10:30am and at any adjournment thereof, for the purpose of considering and, if deemed fit, passing, with and/or without modification, the resolutions to be proposed thereat and to vote for and/or against the resolutions with and/or without modification and/or to abstain from voting thereon (see note 2).

		Number of votes	
Ordinary resolutions	For	Against	Abstain
1. To approve annual financial statements for the year ended 30 June 2005.			
2.1 Extend the authority of the directors to allot and issue the unissued shares of the company.			
2.2 To empower the directors to issue shares for cash.			
3. To approve the emoluments to directors.			
4.1 To re-elect Mr P.G. Greyling as director of the company.			
4.2 To re-elect Mr P.C. Desai as director of the company			
4.3 To re-elect Mr P.M. Jenkins as director of the company			
Special resolution			
5. To approve the general authority to acquire shares.			

On a poll, every member present in person or by proxy shall have one vote for every share held (see note 2).

Signed at on 2005

Signature

Assisted by me

(where applicable – see note 7)

Notes

1. A Caxton shareholder may insert the name of a proxy or the names of two alternative proxies of the Caxton shareholder's choice in the space/s provided, with or without deleting "the Chairperson of the general meeting", but any such deletion must be initialled by the Caxton shareholder concerned. The person whose name appears first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. Please insert an "X" in the relevant spaces according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than you own in Caxton, insert the number of ordinary shares held in respect of which you desire to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the general meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A Caxton shareholder or his/her proxy is not obliged to use all the votes exercisable by the Caxton shareholder or by 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 by his/her proxy.
3. The date must be filled in on this proxy form when it is signed.
4. The completion and lodging of this form of proxy will not preclude the relevant Caxton shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof. Where there are joint holders of shares, the vote of the senior joint holder who tenders a vote, as determined by the order in which the names stand in the register of members, will be accepted.
5. 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 transfer secretaries of Caxton or waived by the Chairperson of the general meeting of Caxton shareholders.
6. Any alterations or corrections made to this form of proxy must be initialled by the signatory/ies.
7. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of Caxton.
8. Forms of proxy must be received by the company at its registered office or the transfer secretaries, Computershare Limited at 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by not later than 10:30am on Wednesday, 2 November 2005.
9. The Chairperson of the general meeting may accept or reject any form of proxy, in his absolute discretion, which is completed other than in accordance with these notes.
10. If required, additional forms of proxy are available from the transfer secretaries of Caxton.
11. Dematerialised shareholders, other than those with own name registration, who wish to attend the annual general meeting should instruct their Central Securities Depository Participant ("CSDP") or broker to issue them with the necessary authority to attend the meeting in terms of the custody agreement between such shareholders and their CSDP or brokers. Such shareholders who wish to be represented by proxy at the annual general meeting should provide their CSDP or broker with their voting instructions in terms of the custody agreement between such shareholders and their CSDP or broker.

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