CAXTON & CTP publishers & printers LIMITED

Annual Report 2009

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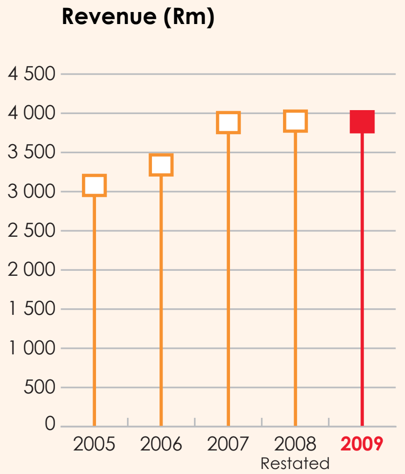
Contents

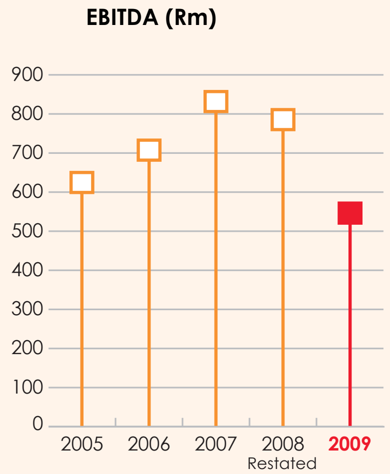
Caxton & CTP Publishers & Printers Limited is recognised as one of the largest publishers and printers of books, magazines and newspapers in South Africa.

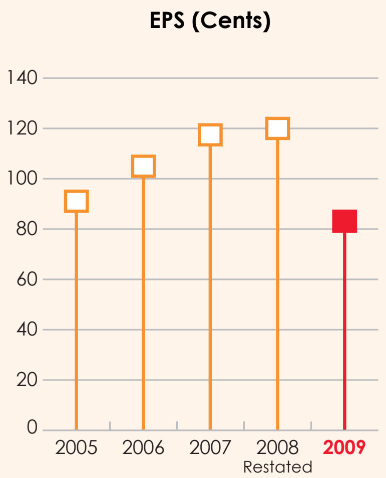
Caxton & CTP Publishers & Printers Limited is driven by the quest for excellence across all disciplines of publishing and printing, working with a team of committed, well trained and empowered employees. We aim to provide products of outstanding quality to our clients and superior returns to our shareholders, whilst contributing to the growth of a democratic and prosperous South Africa.

HIGHLIGHTS

- Turnover ***R4 028 million***
- Profit before tax ***R495 million***
- Cash generated by operations ***R686 million***
- Cash resources ***R1 532 million***







HIGHLIGHTS – FIVE YEARS TO 30 JUNE 2009

	2009 Rm	2008 Rm Restated	2007 Rm	2006 Rm	2005 Rm IFRS Restated
Income statement and cash flow					
Revenue	**4 028**	4 038	4 006	3 468	3 205
Operating profit before depreciation and amortisation	**572**	811	857	733	650
Finance income	**114**	200	149	109	80
Earnings attributable to equity holders of parent	**915**	655	611	520	442
Diluted headline earnings per share (cents)	**87**	124	122	109	95
Cash generated by operations	**686**	794	851	717	634
Balance sheet					
Shareholders' equity	**4 796**	3 841	3 783	3 296	2 643
Total assets	**5 733**	4 805	4 854	4 347	3 414
Cash and cash equivalents	**1 532**	937	988	859	1 119
Other information					
Weighted average number of shares in issue (000's)	**465 995**	470 990	480 328	464 733	453 450
Net asset value per share (cents)	**1 029**	815	787	683	588
Number of employees	**5 664**	5 874	5 959	5 776	5 291

DIRECTORATE

EXECUTIVE

TD Moolman (Chief Executive Officer)

GM Utian (Managing Director)

PG Greyling

TJW Holden

NON-EXECUTIVE

Dr F van Zyl Slabbert (Chairman)

FT Gatefield

PM Jenkins

ACG Molusi

AN Nemukula

P Vallet

SECRETARY

N Sooka

MANAGING DIRECTOR'S REPORT

GROUP PERFORMANCE

The negative trend which was evident at the time of reporting on the results for the six months ended 31 December 2008 intensified during the remainder of the year. Advertising spend throughout the world is down and South Africa is no exception. No area of media activity has been fortunate enough to be spared. There has also been a drop in consumer confidence which is evident in the fall in retail and wholesale sales and more significantly in the drop off in the sales of properties and vehicles.

In recent months there has been a welcome recovery in the value of the Rand which will assist in keeping import costs in line with inflation.

All major capital projects have been completed and successfully commissioned and are providing the increases in capacity and efficiency that were anticipated at the planning stages of these projects. As previously reported there are presently no plans for further major capital investments.

Earnings

The year under review was difficult and the results are lower than the previous year. The company however, remains in a very strong cash position with total cash and cash equivalents, including the anticipated proceeds of the sale of a portion of the shares in MML of R1 532,4 million.

It was announced on 23 October 2008 that the company and Pearson PLC, our erstwhile partners in MML for over 25 years, had agreed to form the Pearson Southern Africa Education Group in order to consolidate Pearson and MML's Southern African education businesses. This resulted in the company selling 70% of its 50% shareholding in MML to Pearson for £45 496 000 and retaining a 15% shareholding in the enlarged company which has been expanded to include the activities of Heinemann Publishers in South Africa, Heinemann Education, Botswana Publishers and Edexcel South Africa.

In terms of the agreements that were reached the company will provide printing services to the enlarged organisation.

All conditions precedent have been met and Pearson is currently in the process of implementing the merger.

All major capital projects have been completed and successfully commissioned and are providing the increases in capacity and efficiency that were anticipated at the planning stages of these projects.

This transaction resulted in a capital profit to the company of R522,5 million on which capital gains tax of R45,3 million is payable.

Accordingly and where appropriate, it has been necessary to restate the previous year's financial figures to give effect to the transaction. The company's turnover has reduced as a consequence of the sale as the previous financial results included the consolidation of the 50% then held in MML. The company's share of the after tax profits of MML for the year are separately reflected in the income statement. The effect on earnings and headline earnings per share is 15,2 cents in the current year and 11,5 cents in the prior year.

Depreciation remained relatively constant at R161,4 million. A further R41,8 million has been written off as impairment, in line with our policy of annually reviewing the value and useful life of plant and equipment compared with R75,1 million in the previous year.

Turnover was virtually unchanged at R4 028 million. Profit from operating activities, after depreciation, as a percentage of turnover declined to 10,2% from 14,1%.

Net finance income fell from R194,1 million to R107,1 million due to the absence of surpluses on realisation of investments which in the previous year had amounted to R82,9 million whereas in the current year a loss of R6,2 million was incurred.

Income from associates, operating in the identical field to that of the company, were also impacted on by the fall-off in media spend, and profits from this source slightly decreased from R22,8 million to R19,8 million.

Profit before taxation amounted to R495,2 million in the current year compared to R787,9 million in the previous year.

After providing for taxation at an effective rate of 24% amounting to R119,1 million and capital gains tax on the capital profit arising from the MML transaction of R45,4 million, profit after taxation amounted to R923,9 million.

The share of after tax profits of MML, which was disposed of, amounted to R70,7 million.

Minority shareholders absorbed R8,7 million and earnings attributable to ordinary shareholders were R915,2 million which includes the capital profit after taxation on the sale of the shares in MML of R477,1 million. The company's operating earnings after taxation declined from R664,3 million to R446,8 million.

During the year 5 523 740 shares in the company were repurchased at a cost of R66,5 million. These shares together with the shares already held as treasury shares now total 29 644 397.

A view of the new Lithoman Web Offset Press installed at CTP Web Printers Isando, Johannesburg during the year

The new pre-press facilities that support the new Lithoman Web Offset Press at CTP Web Printers in Isando, Johannesburg

Earnings per share including the MML capital profit net of tax amounted to 196,4 cents and excluding this capital profit, 95,9 cents.

Headline earnings per share were 102,6 cents compared to 135,2 cents in the previous year – a decline of 24,1%. Headline earnings per share excluding discontinued operations amounted to 87,4 cents compared to 123,7 cents in the previous year – a decline of 29,4%.

Capital expenditure

The completion of the two major projects and other expenditure on the purchase of capital items resulted in capital expenditure totalling R347,8 million.

All divisions are equipped with the most up to date and efficient equipment, more than able to cater for increased customer requirements should they arise, even during peak demand periods without incurring any additional capital costs, which would lead to a substantial increase in turnover.

Cash flow

Cash and cash equivalents at the year end amounted to R1 532,4 million notwithstanding the large investment in new assets and the purchase of shares in the company. This compares with cash and cash equivalents at the end of the previous year of R936,6 million.

Cash from operations generated R685,6 million and cash from working capital generated R20,4 million.

DIVISIONAL PERFORMANCE

Publishing, printing and distribution

Newspaper Publishing and Printing

It has not been an easy year for all media owners regardless of what sphere of the media landscape they operate in. Worldwide, newspaper companies have regretted giving away content free on the internet and are finding it almost impossible to now start charging for content.

The global trend of decreasing advertising revenues which has been in evidence in our country for some time, with the brunt having been felt by the paid daily and weekly newspapers, has also impacted on revenues. Additionally for a variety of reasons, circulations keep falling and publications are faced with lower circulation revenue and are printing less copies for sale with lower paginations. Simultaneously advertising revenues have substantially decreased in areas such as property, motoring, employment and classified.

In the light of these recessionary conditions the newspapers of the company, which are predominantly free community and paid regional newspapers, have held up relatively well.

In the light of recessionary conditions the newspapers of the company, which are predominantly free community and paid regional newspapers, have held up relatively well.

It is gratifying to report, that through the strength of our products and more importantly a competent and loyal staff, profitability in all areas of newspaper publishing has been maintained albeit at a slightly lower level.

The newspaper factory in Industria has benefited from the installation of the new plant which is one of the finest of its kind in the world. It has however had to contend with a serious reduction in volume particularly in respect of products printed for other publishers and profitability was reduced.

Progress in the creation of new digital platforms to support a number of publications through web based applications and mobile telephony has taken place.

The Citizen, which was a beam of light in a sea of darkness in a highly competitive environment, improved profitability despite circulations having decreased.

Magazine Publishing and Distribution

The year under review has been a testing time for all magazine publishers. Driven by unemployment, and the high cost of living, consumer purchasing is down which is evident in the fall in the circulations of magazines.

The launch of new titles appears to be slowing and there have been a number of closures. Too many magazines are all competing for the same share of the advertising spend in a market where retail shelf space is a major problem.

In these circumstances results below budget were recorded.

RNA – the magazine distribution arm continues to provide efficient and effective service to all of its customers nation wide with the emphasis on excellent service and merchandising.

Additional products, requiring the same distribution model utilised by RNA, were launched with excellent results.

The new Geoman Press built by MAN Roland in Germany and installed and commissioned at the newspaper factory in Industria Johannesburg

MANAGING DIRECTOR'S REPORT

continued

All large capital projects are completed which places the company in a good position for the future.

Commercial Printing

Web and Gravure Printing

The Johannesburg Web Offset factory successfully commissioned its large format press and post press equipment. This has been an extremely productive installation, resulting in a far higher level of efficiency. Facilities in Cape Town were updated and a new warehouse has been built.

This concluded the capital programmes that have been running for several years. Modern and well equipped factories are situated in Johannesburg, Cape Town and Durban which allows nation wide servicing of the customer base with maximum efficiencies, variety and savings.

Even before the economic downturn, there existed an excess in capacity. With a number of new press installations by the company and its competitors, the overhang of capacity has been accentuated.

Whilst in most instances, volumes have been maintained, this has been achieved at lower margins.

Large national retailers appear to be maintaining a reasonable spending pattern on advertising, but smaller retailers have cut back their spend quite significantly. Future volume growth and profitability will be entirely dependent on how quickly the economy recovers.

Book Printing

This section of the company's business had a relatively better year and was able to improve profitability despite adverse market conditions.

The production and site facilities were upgraded and place this highly efficient and modern facility in an excellent position to cope with increased demands as and when required.

OTHER

Packaging

The emphasis in the packaging division over the past few years has been on the improvement of efficiencies which also involved the installation of new plant. A new Gravure press has been installed with an uplift in throughput and efficiency and the other divisions have also benefited from the upgrading of machinery.

As this division predominantly services fast moving consumer goods clients, it has suffered from a reduction in volumes.

For years the packaging division has underperformed, but this division is now better placed to improve its contribution to the company's profits.

Stationery

Budgets were not met in this highly competitive market particularly insofar as the procurement of provincial tenders are concerned. This has led to a review of the joint venture in Ladysmith and a decision to terminate this venture was recently made. Discussions are currently underway to secure new partners.

DIVIDENDS

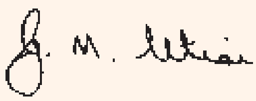
The Board has declared a dividend of 40 cents (2008: 52 cents) per share payable to ordinary shareholders and a preference dividend of 357 cents (2008: 464 cents) per preference share to preference shareholders.

PROSPECTS

Past predictions for future prospects have unfortunately been shown to be accurate and at this moment in time it is exceedingly difficult to contemplate the current trading environment changing for at least the next twelve months and unemployment improving in the short term.

All large capital projects are completed which places the company in a good position for the future. The company fortunately has large cash resources to assist it through this difficult period and all major divisions continue to trade profitably and are cash positive. It also has extremely loyal and long standing competent employees and an excellent array of products and services.

The company is dependent on advertising and consumer spending and until the trend evident at this moment in time reverses itself, profitability could decline before improving.



GM Utian

Managing Director

CORPORATE GOVERNANCE

Caxton complies with the listing requirements of the JSE Securities Exchange South Africa 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 ten directors of whom six, including the chairman, are non-executive directors. Procedures for appointments to the board are formal and transparent.

BOARD MEETINGS

The Board of Directors has a minimum of 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' written resolutions.

Board meeting attendance

	Aug 08	Nov 08	Feb 09	May 09	Aug 09
Dr F van Zyl Slabbert	√	A	√	√	√
TD Moolman	√	A	√	√	√
GM Utian	√	√	√	√	√
PG Greyling	√	√	A	√	√
TJW Holden	√	√	√	√	√
PM Jenkins	√	A	√	√	√
ACG Molusi	√	√	√	√	A
AN Nemukula	√	√	√	√	√
P Vallet	√	√	√	√	√
FT Gatefield	A	A	A	A	A

A: apology

The Board of Directors has the following subcommittees:

Audit and risk committee

The Chairman is a non-executive director.

In terms of section 270 A(f) of the Corporate Laws Amendment Act of 2006 (the Act), the audit committee has discharged all of those functions delegated to it in terms of its Charter and its terms of reference, and ascribed to it in terms of the Act.

During the period under review, the Caxton audit committee:

(a) met on three separate occasions to review, *inter alia*, the year end and interim results of the Caxton Group, as well as to consider regulatory and accounting standard compliance;

(b) considered and satisfied itself that the external auditors are independent auditors, determined the external auditors' fees for the 2007/8 financial year and nominated the external auditors for appointment for the following financial year;

(c) determined the non-audit-related services which the external auditors are permitted to provide the Group and revised the policy for the use of the external auditors for non-audit-related services. This included pre-approving all non-audit-related service agreements concluded between the Group and external auditors;

(d) confirmed the internal audit charter and the audit plan for the 2008/9 financial year;

(e) ensured that the audit committee complied with the membership criteria specified in the Act;

(f) held separate meetings with management and the external auditors to discuss any problems and reservations arising from the year-end audit and any related matters which management and the external auditors wished to discuss; and

(g) reviewed the effectiveness of internal control in the Group with reference to the findings of the internal and external auditors and reviewed and evaluated the risks facing the Group external auditors and reviewed and evaluated the risks facing the Group.

The audit committee members are: PM Jenkins (Chairman), PG Greyling, GM Utian and P Vallet.

Audit committee meeting attendance:

	Aug 08	Oct 08	Feb 09
PM Jenkins	√	√	√
PG Greyling	√	√	√
GM Utian	√	√	√
P Vallet	√	A	√

Remuneration committee

The remuneration committee comprises P Vallet (Chairman) and TD Moolman. They meet twice per year to review senior executive management salaries and performance incentives.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

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 2009.

CORPORATE GOVERNANCE

continued

The external auditors are responsible for carrying out an independent examination of the financial statements in accordance with International Standards on Auditing and reporting whether the financial statements are in accordance with International Financial Reporting Standards ("IFRS") and the Companies Act in South Africa. The auditors' report is set out on page 17 of these financial statements.

The annual financial statements set out on pages 18 to 47 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). 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.

In addition, the Group has established an Internal Audit department whose primary function is to ensure effectiveness of these controls.

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.

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

22 October 2009

SUSTAINABILITY REPORT

INTRODUCTION

This report is designed to provide comprehensive information to shareholders and other interested stakeholders in an accessible way, notably how the company is facilitating transformation within itself as well as its social and environmental performance.

REGULATORY OFFICIALS

The Board is the focal point of the company's corporate governance system and is ultimately accountable and responsible for the performance and affairs of the company.

The Internal Audit Department evaluates and examines various business activities and resultant risks, whilst maintaining independence to render impartial and unbiased judgements.

A dedicated Tax department deals directly with officials from the South African Revenue Services. The Group Financial Director is responsible for dealing with officials from the Reserve Bank and Financial Managers based at each division are responsible for dealing with regulatory officials affecting the different operations.

OUR EMPLOYEES

There is a strong commitment to the development of all our employees and we actively ensure that equal opportunity and economic empowerment forms the backbone of our human resource policies, procedures and practices. A disciplinary code and grievance procedure is in place, for employees to follow.

An internal magazine, *The Reporter*, focuses on employee news and company-wide information.

OUR CUSTOMERS

Our customers are our most important asset. We continuously expand our systems, experience, technology and skills, building business and brand equity for all our divisions, thereby providing our customers with reliable and consistent performance. We consistently update technology in all our production facilities. New media innovations are undertaken from time to time and an example of this is the expansion into digital media to further cater for our customers' needs and keep abreast of worldwide developments. Additionally, the ISO 9002 quality assurance system develops quality plans which effectively demonstrate our products, processes, projects and customer contracts.

OUR SUPPLIERS

Our suppliers and service providers are encouraged to support the company's vision and suppliers compliment our work ethic and stringent criteria and principles apply.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT POLICY

We have an established transformation committee which functions as a policy-making body to monitor the various elements of the BEE scorecard i.e. ownership, management control, employment equity, preferential procurement, skills training and development, enterprise development and socio-economic development.

This forum, chaired by the Managing Director, comprises senior management representatives from each business division. Over the past few years we have made great progress with our transformation objectives which are monitored using the BEE scorecard in terms of the Department of Trade and Industry's 'Code of Good Practice'.

The first accreditation study was launched in 2008 for all divisions and was based on the divisions' individual performance and key areas for improvement were identified. The targets for the divisions are based on the measurement areas identified by the code of best practice for Broad Based Black Economic Empowerment. An accredited external BEE rating agency assessed our status and we achieved a level 5 rating which was confirmed in October 2009. We also achieved value-added vendor status, giving all our clients 100% BEE Procurement recognition. Further targets will be put in place to ensure that our rating is maintained or improved upon where possible. Our level 5 rating has been as a result of a tremendous team effort, as each employee involved in the process made a valuable contribution.

We participated in the 2009 JSE SRI Index, research conducted by EIRIS Limited, a global leader in corporate sustainability and responsibility research. EIRIS Limited is a wholly owned subsidiary of the EIRIS Foundation, which is a registered charity based in London, United Kingdom. They are an independent organisation conducting research into corporate responsibility and sustainability issues. Our response to the survey contributes to our assessment as an eligible company for the JSE SRI Index.

MANAGEMENT CONTROL

The current members of the Caxton and CTP Publishers and Printers Limited Board are:

Dr F Van Zyl Slabbert * (Chairman)
TD Moolman (Chief Executive Officer)
GM Utian (Managing Director)
PG Greyling
TJW Holden
FT Gatefield *
PM Jenkins *
ACG Molusi *
AN Nemukula *
P Vallet*

The current members of the CTP Limited Board are:

TD Moolman (Chief Executive Officer)
GM Utian (Managing Director)
J Edwards
PG Greyling
TJW Holden
ACG Molusi *
AN Nemukula *
N Sooka
**Non-executive*

EMPLOYMENT EQUITY AND SKILLS DEVELOPMENT

For us, employment equity is seen as a strategic advantage. Each business unit has an employment equity plan and strategy with specific aims, especially in respect of the appointment of black (including Coloureds, Indians and Chinese as per the BEE code), women and middle and senior management employees. We continuously strive to identify, fast track, develop and mentor previously disadvantaged staff.

Currently black staff make up 62% of our total staff complement and we have a 20% black representation in the Management bands C – E.

Our Skills Development initiatives focus on providing further education opportunities for our black staff. Currently we have in excess of 143 registered Learnerships and approximately R8 million per annum is expended on training staff. Our medium-term objective is to reach the targets for Skills Development as set out by the BEE Codes.

The following initiatives are examples of our commitment to Employment Equity and Skills Development:

- **Management & Supervisory Development Programme (MSDP)**
  An example of one of our Learnership programmes is the Management & Supervisory Development Programme ("MSDP"). CTP Web, CTP Books and SA Litho divisions have partnered with The Production Management Institute of Southern Africa to offer the MSDP to existing supervisory and management personnel. Taking cognisance of the fact that not all supervisory and management personnel were offered the opportunity of education advancement in the past, we recognise the need to provide and equip our staff with the necessary skills to perform in an increasingly competitive environment.

  Furthermore we have implemented a structure of financial assistance and support, allowing interested employees the chance to further develop within our organisation.

- **Cadet School Bursaries**
  Our community newspaper division, Caxton Community Newspapers, has operated an extremely successful independent cadet school for journalists since 2006. The idea of training people who have a passion for journalism but could not afford to study developed out of a need to correct the racial imbalance in our newsrooms.

  In 2008, two cadets were awarded bursaries for tertiary education – one is at Rhodes and the other is at the University of Johannesburg. At any one time, 20 individuals are being trained.

- **Print Industry Training Programme**
  Due to the skills shortage in the industry, a comprehensive internal training programme, as well as a formal industry training programme has been developed, to ensure we always have access to qualified staff.

  Currently, Caxton Printers recruits ten apprentices at the beginning of each year. Requirements for applicants are a Matriculation Certificate with Maths and Science or a Mechanical N3 Level. Each apprentice receives pre-training and is given a basic introduction to the printing process. During their first six months of employment they are assessed and evaluated and five successful apprentices are then selected and attend College sponsored by Caxton Printers. Apprentices attend college for six months at a time for a total period of three years. Over the past five years more than 100 people have qualified as printers, fitters and electricians, due to this apprenticeship programme.

PREFERENTIAL PROCUREMENT

The company has a preferential procurement policy that ensures the quality and efficiency of goods and services to the Group and our customers. Suppliers' BEE performance is evaluated according to specific criteria and suppliers are expected to show compliance with BEE Codes.

We are committed to affirmative procurement as a valuable tool in developing sustainable black-owned business into the mainstream economy. To support this, the company focuses on ensuring, wherever possible, that Black-owned Exempted Micro Enterprises ("EMEs") and Qualifying Small Enterprises ("QSEs") are accorded preferred supplier status.

The procurement policy governs all purchasing and subcontracting of goods and services in the course of normal business. The policy is supported by the following measures to ensure implementation and to translate into meaningful and practical action:

- An internal empowerment status verification process of all current and potential suppliers to verify Black ownership and BEE status;
- Procurement targets that are monitored and reviewed on an annual basis; and
- Independent auditing of our verification processes by a SANAS-accredited verification agency to accurately reflect our progress with regard to the procurement targets.

BLACK ECONOMIC EMPOWERMENT PARTNERS

We strive to establish partnerships with wholly owned black enterprises where possible.

ENTERPRISE DEVELOPMENT

Facilitating entry for emerging black business into South Africa's mainstream has been identified as an important focus area for the company's BBBEE strategy going forward. All divisions contribute towards reaching at least 3% of net profit after tax in support of Enterprise Development initiatives. Currently our initiatives exceed this minimum target.

During the first phase of implementation, we facilitated entry through our procurement programme. We have also entered into various other initiatives that support the operational and financial sustainability of qualifying enterprise development beneficiaries such as shorter payment periods and other administrative support. In particular, we have outsourced many of our distribution services to black contractors, enabling them to employ over 300 previously unemployed black people. Through this we have provided various forms of training to these contractors and their employees.

We continue to investigate viable and sustainable opportunities to assist qualifying Enterprise Development beneficiaries.

An annual contribution to the Media Development and Diversity Agency ("MDDA") is made in order to assist in building an environment where a diverse, vibrant and creative media flourishes and reflects the needs of all South Africans in the print media. The beneficiaries of subsidies and facilitating capacity building are historically disadvantaged communities, historically diminished language and cultural groups and inadequately served communities. The MDDA has assisted 172 media projects as at March 2008.

SOCIO-ECONOMIC DEVELOPMENT AND CORPORATE SOCIAL INVESTMENT

As a company, we strive to improve and socially uplift the communities in which we operate, primarily through the investment of financial resources. Community initiatives visibly demonstrate our commitment to education, job creation, sport and community welfare.

Each year, approximately 2% of our after tax profits are made available for various SED programmes.

The following are examples of SED initiatives:

- **Free newspapers**
  In 2005, our community newspaper division produced the first free newspaper in Soweto. Ten urban community newspapers are now published under this initiative in urban areas. Reader response to these newspapers has highlighted the need for a community mouthpiece in historically disadvantaged communities.

  Evoke magazine is printed free of charge. *Evoke* was launched to bridge the divide between people in the communities as well as community based organisations and corporate South Africa. The magazine focuses on reporting on corporate social responsibility investment and the concomitant opportunities that exist around CSI spend and brings daily living in our poorer communities into the lives of people that do not have the same problems. *Evoke* was launched to be a voice for the socially vulnerable and to give exposure to the many that were never given the opportunity to tell their stories.

  We continue to seek areas where we can positively impact the plight of disadvantaged communities as demonstrated through the provision of free and discounted advertising and editorial space to black organisations and educational institutions in all our publications, both newspapers and magazines.

  In addition, donations are made to various charities that provide support to more than 75% of black beneficiaries.

- **ABET training programme**
  Caxton Community Newspapers provides Adult Basic Education and Training for non-employees. Through this programme they aim to increase literacy amongst the disadvantaged. In 2008, R77 584 was spent on Adult Basic Education and Training.

- **Dowling School**
  RNA, our magazine distribution company, has "adopted" Dowling School. They support the school financially and have donated R643,303 to date. These funds were used to build classrooms and for general maintenance and for the building of a food-hall.

- **Fund-raising**
  Our publications and business units initiate and participate in the following fund-raising projects throughout the year:

  CTP Web & Books and SA Litho sponsor the Place of Hope in Cape Town, a shelter for women and children. In 2008, R50 000 was donated to the shelter to assist with running costs.

  We make regular donations of stationery to black schools in the districts in which we operate; plastic to the homeless in the Western Cape; and damaged pallets to informal settlements in KwaZulu-Natal.

  The *Zululand Observer*, one of our Community newspapers, started its own CSI programme in 1973, entitled DICE. Today DICE has become a catalyst for a myriad of actions to improve the lot of numerous people in Zululand who face a life of disadvantage or poverty. The organisation is synonymous with child care and is deeply involved in the upliftment of the quality of life within the community, and in the rural areas.

  The North Coast Courier Orphan Fund is a registered Not for Profit Organisation run by *North Coast Courier* (Caxton Community Newspaper) and distributes funds to assist the local community.

  Rekord Hulpfonds is a registered Not for Profit Organisation which distributes funds to assist the local community.

  Caxton Printers' social responsibility programme focuses mainly in the area around the factory in Industria. It is actively involved in the nearby community together with African Divas. African Divas is a community project that aims to create jobs and provide skills and education. They help create and produce products for corporate and retail markets, using the skills and artistic expression of previously disadvantaged men and women. A percentage of all African Diva's sales are donated to Itshepeng, a Not for Profit Organisation.

  Itshepeng manages a feeding scheme feeding 500 people, five days a week and a maths and science programme at the Westbury Recreational Hall in Coronationville and Caxton Printers is the main sponsor of the feeding scheme and contributes towards the maths and science programme, helping to educate 200 children.

  African Divas and Itshepeng have also helped to recruit staff for Caxton Printers from the community. Twenty people were provided with employment in the last 12 months.

HEALTH AND SAFETY

Our employees benefit from a clean, safe working environment. Health and safety committees have been formed to ensure compliance with safety regulations.

The primary objective is to achieve and maintain the highest practicable level of health and safety standards in all areas of our operations. In the larger entities within the company, a senior person has been assigned to ensure the health and safety of our employees.

In our endeavours we ensure:
- Matters affecting health and safety are accorded a high level of priority;
- Adequate precautions are taken to prevent injuries, incidents and damage; and
- The provisions of all relevant legislation as well as our internal Health & Safety Management System are complied with.

To achieve our goals we:
- Train our employees in occupational health and safety issues in order to ensure competence in the workplace;
- Are aware of the potential hazards implicit in our work activities particularly the risk of fire;

- Are aware of our scope of authority in terms of Occupational Health and Safety control;
- Manage occupational health and safety to acceptable standards;
- Enforce health and safety measures with discipline in the workplace; and
- Protect the public and other persons from health and safety hazards associated with our work.

Health clinics
Several health clinics are operated by the company's divisions to provide occupational health care to employees.

The health clinics provide the following services:

Occupational Health Care
Medical surveillance programme: Audiogram, Spirometry, Vision Screening, Physical examination.

- Pre-employment medicals on new employees;
- Periodic medicals on existing employees;
- Employee medicals on interdepartmental relocations;
- Exit medicals on employees who are leaving the company;
- Biological monitoring of chemicals on employees who are exposed to hazardous chemicals i.e. Toluene;
- In-service training of "First Aiders" regarding checking of First Aid boxes and how to cope in emergencies;
- Weekly walkabout in plants to identify health hazards;
- Management of COID cases – injuries on duty;
- Management of Occupational Diseases;
- Organising External Occupational Health Service provider every two years to conduct a hygiene survey; and
- Regular hygiene inspections of ablution facilities.

Wellness programme

- Yearly flu vaccination and vitamin provision;
- Optometrist free vision screening on all employees when requested; and
- Blood donation service for employees who are interested in donating blood.

Primary health care

- Management of minor ailments;
- Management of chronic disease;
- Management of emergencies and referrals to hospital;
- Counselling of employees with health and social problems;
- Providing health education as the need arises; and
- Ordering of medication on a monthly basis.

HIV/AIDS
The company acknowledges the gravity of the HIV/AIDS epidemic and seeks to minimise the social, economic and developmental consequences to the company and its employees through our HIV//AIDS policy. We are dedicated to protecting our employees by providing a non-discriminatory environment within the workplace in respect of employees affected by HIV/AIDS. The purpose of our HIV/AIDS policy is to provide transparency with regard to our commitment to HIV/AIDS in the workplace and the well being of HIV positive employees and employees living with AIDS.

A risk assessment at divisional level was conducted and established that HIV/AIDS could have a moderate impact on our business. Risk assessments will be conducted on an ongoing basis to evaluate the potential of an increase of HIV/AIDS.

On World AIDS Day in 2008, our Cape Town based operations arranged for a local community clinic to come on site to do voluntary HIV/AIDS tests and to distribute information about the disease. Staff members were given HIV/AIDS ribbon T-shirts. Posters and large red ribbons were displayed in the various factories and the HR department encouraged testing throughout the week leading up to World AIDS Day by distributing booklets and information cards. During this period, SA Litho sponsored Ubuntu, a halfway house for HIV/AIDS affected babies.

At the larger divisions there is access to voluntary counselling and testing for HIV/AIDS.

ENVIRONMENT
We are committed to the importance of accelerating sustainable printing practices, thereby minimising the environmental impact for a greener future. We are learning that sensitivity to the environment need not be at the expense of our customers and that the long-term benefits of sound environmental practices outweigh any additional costs incurred.

A pilot study in our Parow divisions has been launched to ascertain the impact their operations might have on the environment and to help set targets for carbon emissions for the company.

The pilot study is headed up by a board member of CTP Parow in conjunction with a member of the main Board. They have established a small "Green team" to assist with the first phase. Once this initiative is complete, the findings and recommendations will be presented for consideration and approval.

It is envisaged that the responsibility for the company's strategy on climate change will reside at main Board level. Environmental risks are evaluated as part of the company's internal risk matrix where all risks to the business are identified and evaluated with respect to impact and likelihood of occurrence. In line with this, management commits to actions to minimise risk. The internal risk matrix is reviewed by both the audit committee and the main Board.

We participated in the 2009 Carbon Disclosure Project ("CDP"). This project's aim is to collect and distribute high quality information that motivates investors, corporations and governments to take action to prevent dangerous climate change. CDP plays a vital role in encouraging private and public sector organisations to measure, manage and reduce emissions and climate change impacts. The data collected by CDP provides valuable insight into the strategies deployed by many of the largest companies in the world in relation to climate change. It also provides a better understanding of how companies are positioned in relation to the risks and commercial opportunities associated with the transition to a low carbon economy.

The process of data collection has provided us with new insight into reducing carbon emissions. We now have a clear framework and a neutral forum within which to report and discuss the development of climate change strategies.

The collected data is available on the internet and will be of interest to policymakers and their advisers, investors, corporations, academics and the public. We are committed to continue monitoring the impact our operations have on the environment and to keep on striving to be more environmentally friendly.

Environmental policy

- Conserve energy and natural resource;
- Minimise waste and its impact on the environment;
- Use products from environmentally responsible sources and with minimal packaging repercussions;
- Continually assess the potential effects of the company's activities on the natural, social and economic environments;
- Ensure each employee is familiar with the environmental policy. All employees are trained and expected to work and act safely at all times. They accept responsibility for preventing pollution, conserving the use of resources such as water and energy and minimising of waste generation;
- Achievements in safeguarding the workplace and the environment against hazards resulting from our operations. We strive to attain the highest possible degree of physical, mental and social welfare of our employees;
- Involvement in sustainable community projects that contribute to social upliftment; and
- Conducting regular environmental external audits.

When we install new press technology, we are especially conscious of the environment. Equipment is climatically controlled and new presses are totally enclosed, ensuring a quiet working environment. Taking cognisance of green issues, all new machinery has after burners, which eliminate emissions.

We are driven by efficiency, which results in efforts to reduce waste in every aspect of production and distribution. The following processes have been implemented:

- New large-format presses reduce energy consumption per printed page.
- Inline trimming reduces paper waste.
- Prepress technologies eliminate the chemical and solid waste resulting from traditional photographic plate-making processes.
- Gravure presses allow direct colour printing using Toluene recovery technology, which is recovered and reused in the process.
- Good maintenance helps reduce energy, waste, cleaning materials and noise, and facilitates health and safety compliance.
- Clients can request inks and varnishes that will not contaminate the ability to recycle plastic.
- Alternative materials have been developed which have less impact on the environment. Prepress technologies, such as computer-to-print-plate systems, eliminate chemical and solid waste and all aluminium plates are recycled and in some instances sold to self-help schemes where they are used to manufacture solar cookers.
- A recycling chain has been established within the company, i.e. paper reel cores are reused by Plasticwrap on which to store plastic.

CTP Books & Web, SA Litho and CTP Web in Isando have been awarded the Forest Stewardship Council's ("FSC") Chain-of-Custody Certification. The remainder of the printing divisions within the company will soon achieve certification.

FSC certification is a guarantee to customers that products printed on house stocks come from well-managed forests adhering to strict environmental and socio-economic standards.

We also acquired a stake in Remade P & P Recycling as part of our commitment to the environment and to ensure a better future for the environment.

All unsold magazines are recycled.

CODE OF ETHICS

The company is loyal to the application, implementation and enforcement of our Code of Ethics. We willingly submit to the authorities, a code designed to uphold the integrity with which we conduct our business. We trust in the honesty of our people and our stakeholders, and in the standards and principles applied to those who interact with all our people.

The company will act in a way that will earn it and its subsidiaries the reputation of being:

- Open and honest in all dealings;
- Consistent in fulfilling its moral and legal obligations;
- Socially responsible;
- Environmentally responsible;
- Non-sectarian;
- Non-political;
- Supportive of loyalty and long-standing relationships; and
- Protective of the quality of its services and products.

As regards our people, we are committed to enlightened employment policies and practices whereby:

- Discrimination is eliminated;
- Training and skills development is emphasised; and
- Employees have an uncontested right to organise and negotiate their conditions of employment.

Our Code of Ethics deals with the following issues:

- Obligations of divisional managers and directors to behave ethically and to communicate this code to all employees and ensure enforcement of this code;
- Obligation of all employees to behave ethically;
- Policy with regard to declaration of outside interest and instruction to avoid a conflict of interest as well as instruction how to deal with a conflict of interest;
- Required ethical conduct in our dealings with all our stakeholders;
- Prohibited acceptance and giving bribes;
- Procedure for dealing in company shares; and
- Prohibition of insider trading.

Each divisional manager and director has a responsibility to ensure that this code is communicated to all employees within the company and is adhered to at all times.

Our internal audit department distributes quarterly newsletters dealing with industry fraud scams as well as contact details for employees to anonymously report suspected fraud, and regular seminars take place to disseminate up to date information.

TEN YEAR REVIEW – SALIENT FEATURES

	2009	*Re-stated 2008	2008	2007	2006	2005	2004	2003	2002	2001	2000
Gross turnover (Rm)	**4 747**	4 804	5 108	4 752	4 193	3 826	3 439	3 234	2 561	2 380	2 258
Income before taxation (Rm)	**495**	788	876	830	734	648	497	438	362	320	265
Earnings attributable to ordinary shareholders (Rm)	**915**	655	655	611	520	442	334	256	182	174	158
Weighted average number of shares in issue during the period (000's)	**465 995**	470 990	470 990	480 328	464 733	453 450	456 114	416 293	371 150	371 150	383 750
Earnings per ordinary share (cents)	**181**	128	139	127	112	98	73	61	49	47	43
Diluted earnings per share (cents)	**181**	128	139	127	112	97	72	60	47	45	41
Diluted headline earnings per share (cents)	**87**	124	135	122	109	95	74	64	47	48	42
Dividends/distribution per ordinary share (cents)	**40**	52	52	50	45	40	35	30	20	20	–
Dividend cover (times)	**4.9**	2.7	2.7	2.5	2.5	2.5	2.1	2.0	2.5	2.4	–
Ordinary shareholders' equity (Rm)	**4 774**	3 821	3 911	3 766	3 296	2 642	2 332	2 196	1 637	1 512	1 337
Net current assets (Rm)	**2 193**	1 582	1 662	1 500	1 120	1 381	1 300	1 355	1 271	1 097	925
Net asset value per share (cents)	**1 029**	815	835	787	683	588	513	478	441	408	366
Number of employees	**5 664**	5 874	6 033	5 959	5 776	5 255	5 239	5 258	5 380	5 235	5 605

IFRS compliant. GAAP compliant prior to 2005

**excluding discontinued operations*

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CAXTON AND CTP PUBLISHERS AND PRINTERS LIMITED

We have audited the annual financial statements and group annual financial statements of Caxton and CTP Publishers and Printers Limited, which comprise the directors' report, the balance sheet and the consolidated balance sheet as at 30 June 2009, the income statement and the consolidated income statement, the statement of changes in equity and the consolidated statement of changes in equity, the cash flow statement and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 18 to 47.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

OPINION

In our opinion, the annual financial statements and group annual financial statements present fairly, in all material respects, the financial position of the company and of the group as at 30 June 2009, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

PKF (JHB) Inc.
Director : RJ Lawson
Registration No: 1994/001166/21
Chartered Accountants (SA)
Registered Auditors

Sandton
22 October 2009

DIRECTORS' REPORT

NATURE OF BUSINESS
This is disclosed in the Managing Director's Report.

REVIEW OF BUSINESS OPERATIONS
The previous year's results have been restated to account for the change in shareholding in Maskew Miller Longman (MML). The comparison of the current year's amounts is against the restated figures.

Gross turnover for the year decreased by R56,6 million to R4 747 million (2008: R4 804 million). Profit from operating activities before impairment decreased by R239,1 million to R571,5 million (2008: R811,0 million). Net finance income received amounted to R107,1 million (2008: R194,1 million) with capital expenditure during the year totalling R348 million (2008: R405 million). Net cash resources amounted to R1 532 million (2008: R937 million).

ORDINARY DIVIDEND
A dividend of 40 cents (2008: 52 cents) per share was declared on 9 September 2009, payable on 30 November 2009 to shareholders registered on 20 November 2009.

PREFERENCE DIVIDEND
A preference dividend of 357 cents (2008: 476 cents) per share was declared on 9 September 2009, payable on 30 November 2009 to shareholders registered on 20 November 2009.

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 46. The aggregate attributable interest of the company in the after tax profits and losses of the subsidiaries were:

	2009 R000	2008 R000
Profits	**296 823**	617 673
Losses	**(1 111)**	(2 474)
	295 712	615 199

SHARE INCENTIVE SCHEMES
There are two employee share incentive schemes that have been closed and no further allocations of shares will be made from these 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.

SHARE OPTION SCHEME
The scheme is closed and there have been no movements during the year.

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

Details of shares movement during the year:

	Number of shares
Outstanding on 1 July 2008	62 500
Paid during the year	(62 500)
Lapsed during the year	–
Outstanding on 30 June 2009	–
– directors	–
– other employees	–
Number of participants	– (2008: 2)

DIRECTORATE AND SECRETARY

The names of the present directors and the secretary are set out on page 3 of this report. In terms of the Articles of Association Mr PG Greyling, Mr P Jenkins and Mr P Vallet retire as directors and, being eligible, offer themselves for re-election.

At the date of this report, based on the latest shareholder register, the directors' beneficial shareholding in the company amounted to:

Directors	2009 Direct	2008 Direct	2009 Indirect	2008 Indirect
PG Greyling	**1 325 000**	1 325 000	**–**	–
TJW Holden	**–**	–	**188 000**	138 000
TD Moolman	**–**	–	**13 093 804**	13 093 804
GM Utian	**200 000**	200 000	**1 350 000**	1 350 000
Total	**1 525 000**	1 525 000	**14 631 804**	14 581 804

The Moolman & Coburn Partnership, through various intermediate companies controlled by them, controls Caxton Limited, which holds 39,16% of the issued ordinary shares of Caxton and CTP Publishers and Printers Limited. Caxton Limited controls a further 8,58% of Caxton and CTP Publishers and Printers Limited through its control of Caxton Share Investments (Pty) Limited. The Moolman & Coburn Partnership and its intermediate companies control an additional 4,84% and its associates acting in concert hold a further 1,47 % of the issued ordinary shares of Caxton and CTP Publishers and Printers Limited. It therefore controls a total of 54,05% 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				
Directors of the holding and subsidiary companies	11	0,47	19 837 545	4,26
Caxton Share Investments (Pty) Limited	1	0,04	40 000 000	8,58
Shareholders holding more than 10% of the issued ordinary shares				
– Element One Limited	1	0,04	80 065 330	17,18
– Caxton Limited	1	0,04	182 479 476	39,16
	14	0,59	322 382 351	69,18
Public shareholders	2 337	99,36	143 612 880	30,82
Subtotal	2 351	99,95	465 995 231	100,00
Shares held by a subsidiary	1	0,05	29 644 397	–
Total	2 352	100,00	495 639 628	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 2009.

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 18 to 47, have been approved by the board and are signed on its behalf by:

GM Utian
Managing Director

TD Moolman
Chief Executive Officer

Johannesburg
22 October 2009

BALANCE SHEETS

as at 30 June 2009

COMPANY 2008 R000	COMPANY 2009 R000	Notes		GROUP 2009 R000	GROUP Restated Unaudited 2008 R000	GROUP 2008 R000
			ASSETS			
			NON-CURRENT ASSETS			
–	**–**	2	Property, plant and equipment	**2 064 458**	1 950 298	1 955 742
2 072 569	**2 062 451**	3	Interest in subsidiaries	**–**	–	–
54 509	**58 132**	4	Investments in associates	**108 555**	98 193	98 193
461 493	**755 821**	5	Investments	**755 821**	461 493	461 493
2 588 571	**2 876 404**			**2 928 834**	2 509 984	2 515 428
			CURRENT ASSETS			
–	**–**	6	Inventories	**543 509**	637 232	694 512
62 182	**66 777**	7	Accounts receivable	**709 066**	720 425	770 579
–	**–**		Taxation	**19 234**	1 215	1 215
302 538	**94 684**	8	Preference shares – listed	**94 684**	302 538	302 538
510 000	**–**	9	Other instruments – unlisted	**–**	510 000	510 000
–	**1 258 906**	10	Bank and cash resources	**1 437 765**	124 076	222 473
874 720	**1 420 367**			**2 804 258**	2 295 486	2 501 317
3 463 291	**4 296 771**		**TOTAL ASSETS**	**5 733 092**	4 805 470	5 016 745
			EQUITY AND LIABILITIES			
			CAPITAL AND RESERVES			
12 391	**12 391**	11	Ordinary share capital	**11 648**	11 786	11 786
1 152 846	**1 152 846**		Ordinary share premium	**759 194**	825 582	825 582
(11 798)	**244 108**	12	Non-distributable reserves	**414 386**	153 543	156 957
1 030 915	**1 537 194**	13	Distributable reserves	**3 588 430**	2 830 506	2 916 715
–	**–**	14	Minority interest	**22 083**	19 526	19 526
100	**100**	11	Preference share capital	**100**	100	100
2 184 454	**2 946 639**		**TOTAL EQUITY**	**4 795 841**	3 841 043	3 930 666
			NON-CURRENT LIABILITIES			
(2 649)	**39 011**	15	Deferred taxation	**326 080**	250 939	246 931
(2 649)	**39 011**			**326 080**	250 939	246 931
			CURRENT LIABILITIES			
8 729	**7 786**	16	Accounts payable	**492 877**	555 419	641 280
–	**–**	17	Provisions	**118 294**	100 617	122 557
1 165 015	**1 206 272**		Amounts owed to group companies	**–**	–	–
8 523	**7 728**		Taxation	**–**	57 452	75 311
99 219	**89 335**		Bank overdraft	**–**	–	–
1 281 486	**1 311 121**			**611 171**	713 488	839 148
3 463 291	**4 296 771**		**TOTAL EQUITY AND LIABILITIES**	**5 733 092**	4 805 470	5 016 745

INCOME STATEMENTS

for the year ended 30 June 2009

COMPANY 2008 R000	COMPANY 2009 R000	Notes		GROUP 2009 R000	GROUP Restated Unaudited 2008 R000	GROUP 2008 R000
–	**–**	18	Gross turnover	**4 747 431**	4 804 060	5 108 440
–	**–**		Less: Inter-group	**719 297**	765 708	765 708
–	**–**		Revenue	**4 028 134**	4 038 352	4 342 732
–	**–**		Other operating income	**44 076**	93 844	95 801
–	**–**		**Total operating income**	**4 072 210**	4 132 196	4 438 533
–	**–**		Changes in inventories of finished goods and work in progress	**(17 739)**	(10 129)	(23 106)
–	**–**		Raw materials and consumables used	**1 543 208**	1 402 648	1 508 192
–	**–**	19	Staff costs	**804 996**	769 373	809 340
(156)	**(118)**	20	Other net operating expenses	**1 170 223**	1 159 340	1 250 117
(156)	**(118)**		**Total operating expenses**	**3 500 688**	3 321 232	3 544 543
156	**118**		**Profit from operating activities**	**571 522**	810 964	893 990
–	**–**	21	Depreciation	**161 439**	164 762	167 012
156	**118**		**Profit from operating activities after depreciation**	**410 083**	646 202	726 978
–	**–**	21	Impairment expense	**41 772**	75 128	75 128
156	**118**		**Net profit from operating activities**	**368 311**	571 074	651 850
314 873	**227 272**	23	Finance income	**114 103**	199 628	207 207
(196)	**(6 223)**	24	Finance costs	**(6 986)**	(5 501)	(5 501)
–	**–**		Income from associates	**19 799**	22 798	22 798
314 833	**221 167**		**Profit before taxation**	**495 227**	787 999	876 354
(18 506)	**(9 108)**	25	Taxation	**119 142**	178 080	212 036
296 327	**212 059**		**Profit for the year from continuing operations**	**376 085**	609 919	664 318
–	**–**	26	Profit for the year from discontinued operations (Maskew Miller Longman)	**70 730**	54 399	–
296 327	**212 059**		**Profit for the year**	**446 815**	664 318	664 318
–	**552 185**		Surplus on disposal of Maskew Miller Longman	**477 081**	–	–
–	**597 575**		Gross surplus on disposal	**522 471**	–	–
–	**(45 390)**	25	Taxation thereon	**(45 390)**	–	–
296 327	**764 244**			**923 896**	664 318	664 318
–	–	14	Attributable to minority shareholders	**8 671**	9 330	9 330
296 327	**764 244**		Attributable to equity holders of parent	**915 225**	654 988	654 988
		27	Earnings per ordinary share (cents)	**196,4**	139,1	139,1
			Continuing operations	**181,2**	127,6	127,6
			Discontinued operations	**15,2**	11,5	11,5
		27	Headline earnings per share (cents)	**102,6**	135,2	135,2
			Continuing operations	**87,4**	123,7	123,7
			Discontinued operations	**15,2**	11,5	11,5
		28	Dividend paid per ordinary share (cents)	**52,0**	50,0	50,0
		29	Preference dividend paid per share (cents)	**476,0**	457,0	457,0
			– Fixed	**12,0**	12,0	12,0
			– Participating	**464,0**	445,0	445,0

CASH FLOW STATEMENTS

for the year ended 30 June 2009

COMPANY 2008 R000	COMPANY 2009 R000	Notes		GROUP 2009 R000	GROUP Restated Unaudited 2008 R000	GROUP 2008 R000
(71 867)	**(97 541)**		**CASH FLOW FROM OPERATING ACTIVITIES**	**369 952**	461 107	445 926
156	**(6 017)**	35.1	Cash generated by/(utilised in) operations	**685 645**	793 520	883 358
(36 239)	**(5 538)**	35.2	Changes in working capital	**20 358**	(129 409)	(125 664)
(36 083)	**(11 555)**		Cash generated by/(utilised in) operating activities	**706 003**	664 111	757 694
(19 853)	**(55 293)**	35.3	Taxation paid	**(199 543)**	(143 164)	(184 507)
12 443	**32 856**		Interest received	**51 287**	25 311	38 391
(196)	**–**		Interest paid	**(763)**	–	(5 501)
219 520	**194 416**		Dividends received	**62 816**	85 906	85 906
175 831	**160 424**		Net cash inflow from operating activities	**619 800**	632 164	691 983
(247 698)	**(257 965)**	35.4	Dividends paid	**(249 848)**	(171 057)	(246 057)
129 903	**588 976**		**CASH FLOW FROM INVESTING ACTIVITIES**	**274 165**	(231 699)	(233 875)
			Property, plant, equipment and intangibles			
–	**–**		– additions to expand operations	**(347 835)**	(405 342)	(407 737)
–	**–**		– proceeds from disposals	**24 022**	12 161	12 380
–	**–**			**(323 813)**	(393 181)	(395 357)
(13 854)	**(4 607)**	35.5	Investments – subsidiary businesses	**–**	–	–
143 757	**(14 553)**	35.6	– associates, other investments and loans	**(10 158)**	161 482	161 482
–	**608 136**		Proceeds on disposal of discontinued operations	**608 136**	–	–
129 903	**588 976**			**597 978**	161 482	161 482
188 393	**41 257**		**CASH FLOW FROM FINANCING ACTIVITIES**	**(66 526)**	(133 808)	(133 808)
3 507	**–**		Proceeds from issue of shares	**–**	3 507	3 507
184 886	**41 257**		Increase in amount owing to group companies	**–**	–	–
–	**–**		Own shares acquired	**(66 526)**	(137 315)	(137 315)
246 429	**532 692**		Net increase in cash and cash equivalents	**577 591**	95 600	78 243
246 429	**(75 444)**		Continuing operations	**(30 545)**	95 600	78 243
–	**608 136**		Proceeds on disposal of discontinued operations	**608 136**	–	–
494 387	**740 816**		Cash and cash equivalents at beginning of year	**964 111**	868 511	984 265
494 387	**740 816**		Continuing operations	**1 062 508**	868 511	984 265
–	**–**		Proceeds on disposal of discontinued operations	**(98 397)**	–	–
740 816	**1 273 508**	35.7	Cash and cash equivalents at end of year	**1 541 702**	964 111	1 062 508
(27 497)	**(9 253)**		Fair value adjustment of preference shares and other instruments	**(9 253)**	(27 497)	(27 497)
713 319	**1 264 255**		Fair value of cash and cash equivalents at end of year	**1 532 449**	936 614	1 035 011

STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 June 2009

Group **R000**	Note	Ordinary share capital	Share premium	Pre-ference share capital	Non-distri-butable reserves	Marked to market reserves	Distri-butable reserves	Minority Interest	Total
Balance at 1 July 2007		12 008	959 168	100	170 462	122 864	2 501 277	16 703	3 782 582
Attributable earnings for the year							654 988	9 330	664 318
Shares issued during the year		18	3 489						3 507
Ordinary dividends paid	28						(239 321)	(6 507)	(245 828)
Preference dividends paid	29						(229)		(229)
Realisation of land and buildings revaluation reserve					(652)				(652)
Foreign currency translation reserve					3 414				3 414
Fair value adjustments									
– investments						(112 711)			(112 711)
– preference shares						(26 420)			(26 420)
Own shares acquired by subsidiary		(240)	(137 075)						(137 315)
Balance at 30 June 2008		11 786	825 582	100	173 224	(16 267)	2 916 715	19 526	3 930 666
Attributable earnings for the year							915 225	8 671	923 896
Ordinary dividends paid	28						(245 349)	(4 267)	(249 616)
Preference dividends paid	29						(232)		(232)
Realisation of land and buildings revaluation reserve					(2 071)		2 071		–
Foreign currency translation reserve					3 414				3 414
Fair value adjustments									
– investments						245 902			245 902
– preference shares						10 007			10 007
Own shares acquired by subsidiary		(138)	(66 388)						(66 526)
Minority interest acquired								(1 847)	(1 847)
Loans acquired at a discount					177				177
Balance at 30 June 2009		**11 648**	**759 194**	**100**	**174 744**	**239 642**	**3 588 430**	**22 083**	**4 795 841**
Company **R000**									
Balance at 1 July 2007		12 373	1 149 357	100	4 469	122 864	982 286	–	2 271 449
Shares issued during the year		18	3 489						3 507
Attributable earnings for the year							296 327		296 327
Dividends paid – ordinary shareholders	28						(247 469)		(247 469)
Preference dividends paid	29						(229)		(229)
Fair value adjustments									
– investments						(112 711)			(112 711)
– preference shares						(26 420)			(26 420)
Balance at 30 June 2008		12 391	1 152 846	100	4 469	(16 267)	1 030 915	–	2 184 454
Attributable earnings for the year							764 244		764 244
Dividends paid – ordinary shareholders	28						(257 733)		(257 733)
Preference dividends paid	29						(232)		(232)
Fair value adjustments									
– investments						240 218			240 218
– preference shares						15 688			15 688
Balance at 30 June 2009		**12 391**	**1 152 846**	**100**	**4 469**	**239 639**	**1 537 194**	**–**	**2 946 639**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2009

1. ACCOUNTING POLICIES

Caxton and CTP Publishers and Printers Limited (the company) is a South African registered company. The consolidated financial statements of the company for the year ended 30 June 2009 comprise the company and its subsidiaries (together referred to as the group) and the group's interest in associates and jointly controlled entities.

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the interpretations adopted by the International Accounting Standards Board (IASB), the regulations of the JSE and the requirements of the South African Companies Act.

Adoption of new and revised international financial reporting standards

Circular 08/2007 – Headline earnings

During the current year, the group adopted the new circular on headline earnings in terms of circular 08/2007 issued by the South African Institute of Chartered Accountants.

Basis of preparation

The annual financial statements are prepared in thousands of South African Rands (R000) on the historical-cost basis, except for the following assets and liabilities which are stated at fair value:

Investments classified as available-for-sale

Non-current assets, liabilities and disposal groups held-for-sale are stated at the lower of carrying amount and fair value less cost-to-sell.

The accounting policies set out below have been applied consistently to the periods presented in these consolidated financial statements. The accounting policies have been applied consistently by all group entities.

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. Subsidiaries are those entities over which the group has the power to, directly or indirectly, exercise control over the financial and operating policies, so as to obtain benefits from their activities. The results of the controlled entities are incorporated over the period in which the group exercises control over them. Intragroup balances and transactions, and any unrealised gains or losses arising from these, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and joint ventures are eliminated to the extent of the group's interest in the investment in these enterprises. Unrealised losses on transactions with associates and joint ventures are eliminated in the same way except that they are only eliminated to the extent that there is no evidence of impairment.

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 and cash flows 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.

1. ACCOUNTING POLICIES (continued)

1.4 Property, plant and equipment (continued)

Plant and machinery is stated at acquisition cost and is depreciated on the straight line basis to its anticipated residual value over its 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%

The useful lives and residual values are re-assessed annually based on machine usage and industry standards.

1.5 Intangible assets

Publication titles

Newspaper and magazine publication titles arise on acquisition of newspapers and magazines and are considered to have an indefinite life. Active publication titles are initially and subsequently measured at cost. The useful lives of publication titles are reviewed on an annual basis to determine whether events and circumstances continue to support the indefinite useful life assessment. 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 at the higher of net selling price and value in use. An impairment loss is recognised in profit and loss whenever the carrying amount exceeds the recoverable amount and the assets are written down to their recoverable amount.

1.8 Share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, and the directly attributable costs, is recognised as a deduction from equity. Repurchased shares held by subsidiaries are classified as treasury shares and presented as a deduction from equity.

1.9 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.

1.10 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.

Where the effect of the time value of money is material, provisions are discounted to the present value using appropriate discount rates.

1.11 Financial instruments

Financial instruments recognised on the balance sheet include investments, accounts receivable, cash and cash equivalents and accounts payable. 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 fair value which includes directly attributable transaction costs, being the fair value of the consideration given.

1. ACCOUNTING POLICIES (continued)

1.11 Financial instruments (continued)

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 they are extinguished – that is, 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 fair value less a provision for impairment and the basis of valuation used is the discounted cash flow method.

Purchases and sales of investments are recognised on the trade date, which is the date that the group commits to purchase or sell the asset. 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 fair value 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. Fair value is determined by reference to the market value of listed and unlisted investments.

Accounts receivable

Accounts receivable are recognised at fair value and are subsequently measured on the amortised cost basis using the effective rate of interest. Accounts receivable which are of a long-term nature are discounted where the time value of money is significant and are classified as receivables.

Appropriate allowances for estimated irrecoverable amounts are recognised in profit and loss when objective evidence exists that the asset is impaired.

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 are recognised at fair value and are subsequently measured on the amortised cost basis using the effective rate of interest.

1.12 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.

1.13 Revenue

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and value-added tax. Revenue is recognised when the significant risks and rewards have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably.

Dividends are recognised when the group's right to receive the revenue is established. Interest revenue is recognised on a time apportionment basis that takes into account the effective yield on the investment.

1. ACCOUNTING POLICIES (continued)

1.14 Employee benefits

Contributions to the group's defined contribution plans are charged to the income statement in the periods when the services are rendered. Accruals for performance bonuses and annual leave are calculated on the basis of current salary levels.

1.15 Leases

Leases where the company assumes substantially all of the risks and rewards associated with ownership of assets are classified as financial leases. All other leases are classified as operating leases.

1.16 Financial risk management

The company's activities expose it to a variety of financial risks namely; currency risk, credit risk, liquidity risk and cash flow interest rate risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. Risk management is carried out by local management under policies approved by the Board of Directors.

(a) Currency risk

Exposure to currency 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 SA 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 31.

(b) Credit risk

The company has no significant concentrations of credit risk, due to the diversity of its customers. It has policies in place to ensure that sales of services are made to customers of appropriate credit history. Cash transactions are limited to high-credit-quality financial institutions.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the business the company aims to maintain flexibility in funding by keeping committed credit lines available.

(d) Cash flow and interest rate risk

The company's income and operating cash flows are substantially independent of changes in market interest rates. The company has significant interest bearing assets and interest is earned at competitive market related rates.

1.17 Key management assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that may affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

- **Key assumption:**
  Provision for bad debt
  Basis for determining value assigned to key assumption:
  The recoverability of debtors is reviewed by management on an ongoing basis and all amounts considered to be irrecoverable, based on management past experience, are provided for.

- **Key assumption:**
  Impairment of assets
  Basis for determining value assigned to key assumption:
  Where the group has an asset for which there is no operational use for the asset, it is impaired to its residual value.

1. **ACCOUNTING POLICIES (continued)**

1.17 Key management assumptions (continued)

- **Key assumption:**
  Revaluation of property
  Basis for determining value assigned to key assumption:
  The group revalues its properties every five years, using an independent professional valuer. The basis applied by the valuer is determined with reference to an open market value.

- **Key assumption:**
  Asset lives and residual values
  Basis for determining value assigned to key assumption:
  Property, plant and equipment is depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- **Key assumption:**
  Valuation of unlisted investments.
  Basis for determining value assigned to key assumption:
  The basis used for the valuation of unlisted investments is the present value of future cash flows discounted at an appropriate rate taking into account the risk factor.

1.18 Statements and interpretations not yet effective

At the date of authorisation of these statements, the following standards and interpretations were in issue but not yet effective:

		Annual periods beginning or after:
IFRS 1:	First-time Adoption of International Financial Reporting Standards	1 January 2009
IFRS 2:	Share-based Payment	1 January 2009
IFRS 3:	Business Combinations	1 July 2009
IFRS 5:	Non-current Assets Held for Sale and Discontinued Operations	1 July 2009
IFRS 7:	Financial Instruments: Disclosures	1 January 2009
IFRS 8:	Operating Segments	1 January 2009
IAS 1:	Presentation of Financial Statements	1 January 2009
IAS 8:	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2009
IAS 10:	Events after the Reporting Period	1 January 2009
IAS 16:	Property, Plant and Equipment	1 January 2009
IAS 18:	Revenue	1 January 2009
IAS 19:	Employee Benefits	1 January 2009
IAS 20:	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2009
IAS 23:	Borrowing Costs	1 January 2009
IAS 27:	Consolidated and Separate Financial Statements	1 January 2009
IAS 28:	Investments in Associates	1 January 2009
IAS 29:	Financial Reporting in Hyperinflationary Economies	1 January 2009
IAS 31:	Interests in Joint Ventures	1 January 2009
IAS 32:	Financial Instruments: Presentation	1 January 2009
IAS 34:	Interim Financial Reporting	1 January 2009
IAS 36:	Impairment of Assets	1 January 2009
IAS 38:	Intangible Assets	1 January 2009
IAS 39:	Financial Instruments: Recognition and Measurement	1 January 2009
IAS 40:	Investment Property	1 January 2009

1.19 Statements and interpretations effective in 2009 but not relevant

The following amendments were mandatory for accounting periods beginning on or after 1 July 2008 but are not relevant to the operations of the company:

IFRIC 12:	Service Concession Arrangements
IFRIC 14 (IAS 19):	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IFRIC 13:	Customer Loyalty Programmes.

2. PROPERTY, PLANT AND EQUIPMENT (GROUP)

Cost or valuation R000	Freehold land and buildings	Leasehold improvements	Plant and machinery	Vehicles	Furniture and equipment	Total
Year ended 30 June 2009						
Opening net book value	**502 354**	**3**	**1 398 638**	**19 955**	**34 792**	**1 955 742**
Purchases	**43 274**		**281 360**	**7 697**	**15 504**	**347 835**
Disposal	**(2 036)**		**(27 950)**	**(367)**	**(111)**	**(30 464)**
Reversal/(impairment)	**35**		**(41 807)**			**(41 772)**
Depreciation	**(4 359)**		**(131 041)**	**(7 045)**	**(18 994)**	**(161 439)**
Disposal of Joint Venture		**(3)**	**(1 529)**	**(1 871)**	**(2 041)**	**(5 444)**
Closing net book value	**539 268**	**–**	**1 477 671**	**18 369**	**29 150**	**2 064 458**
Summary						
Gross carrying amount	**60 057**	**1 831**	**2 413 791**	**52 616**	**158 544**	**2 686 839**
Valuation	**499 022**					**499 022**
	559 079	**1 831**	**2 413 791**	**52 616**	**158 544**	**3 185 861**
Accumulated depreciation and impairment	**(19 811)**	**(1 831)**	**(936 119)**	**(34 248)**	**(129 394)**	**(1 121 403)**
Net carrying amount	**539 268**	**–**	**1 477 672**	**18 368**	**29 150**	**2 064 458**
Year ended 30 June 2008						
Opening net book value	489 210	8	1 256 126	22 188	34 178	1 801 710
Purchases	18 819		361 969	6 320	20 629	407 737
Disposals	(947)		(8 565)	(1 001)	(400)	(10 913)
Impairment			(74 211)		(917)	(75 128)
Revaluation	(652)					(652)
Depreciation	(4 076)	(5)	(136 681)	(7 552)	(18 698)	(167 012)
Closing net book value	502 354	3	1 398 638	19 955	34 792	1 955 742
Summary						
Gross carrying amount	18 819	1 834	2 239 966	49 911	152 598	2 463 128
Valuation	499 022					499 022
	517 841	1 834	2 239 966	49 911	152 598	2 962 150
Accumulated depreciation and impairment	(15 487)	(1 831)	(841 328)	(29 956)	(117 806)	(1 006 408)
Net carrying amount	502 354	3	1 398 638	19 955	34 792	1 955 742

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 Balme van Wyk and Tugman (Pty) Limited, independent valuers, on 30 June 2008. The fair values of the properties were determined on an open market valuation basis.

2.3 The net carrying value of the properties would have been R413 506 000 had the asset been measured using the historic cost model.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2009 continued

COMPANY 2008 R000	COMPANY 2009 R000			GROUP 2009 R000	GROUP 2008 R000
		3.	**INTEREST IN SUBSIDIARIES**		
1 375 755	**1 363 694**		Shares at cost		
696 814	**698 757**		Amount owing by subsidiaries		
2 072 569	**2 062 451**			**–**	–
			The amounts owing by the subsidiaries are interest free and repayable on demand.		
		4.	**INVESTMENTS IN ASSOCIATES**		
			Associated companies–Unlisted		
47 007	**50 166**		Shares at cost	**49 760**	46 602
–	**–**		Share of post acquisition reserves	**45 455**	39 568
47 007	**50 166**		Total carrying value	**95 215**	86 170
7 502	**7 966**		Loans	**13 340**	12 023
54 509	**58 132**			**108 555**	98 193
			Associated company details are set out on page 47.		
54 509	**58 132**		Fair value of investments and loans	**108 555**	98 193
			Loans to associated companies Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group's exposure to credit risk with regard to loans are the maximum amounts reflected in the gross carrying value of the loan. Interest rate risk refers to the risk that the fair value of future cash flows of the loans will fluctuate because of changes in market interest rates which are charged on the loan accounts. Management assesses the recoverability of the loans on an ongoing basis. At 30 June 2009, if interest rates had been 1% higher with all other variables held constant, post-tax profit for the year would have increased by approximately R12 290 (2008: R9 626). If interest rates had been 1% lower post-tax profit would have decreased by approximately R12 290 (2008: R9 626).		
		5.	**INVESTMENTS**		
			Listed Investments – available for sale		
18 810	**15 620**		African Media Entertainment Limited	**15 620**	18 810
13 211	**21 603**		Element One Limited	**21 603**	13 211
18 569	**17 589**		Avusa Limited	**17 589**	18 569
50 590	**54 812**			**54 812**	50 590
			Unlisted investments – available for sale		
10 903	**10 912**		Long-term preference shares	**10 912**	10 903
400 000	**400 000**		Caxton Share Investments (Pty) Limited – preference shares	**400 000**	400 000
–	**290 097**		Maskew Miller Longman – ordinary shares	**290 097**	–
410 903	**701 009**			**701 009**	410 903
461 493	**755 821**		**Total investments**	**755 821**	461 493
461 493	**755 821**		Fair value of investments	**755 821**	461 493
			Investments listed – available for sale Equity price risk refers to the risk that the fair value of the future cash flows of the listed investments will fluctuate because of changes in the market prices. The group's available-for-sale financial assets are valued using the fair market value at 30 June 2009.		

COMPANY 2008 R000	COMPANY 2009 R000		GROUP 2009 R000	GROUP 2008 R000
		6. INVENTORIES		
		Raw materials	**409 288**	520 750
		Work in progress	**44 015**	46 447
		Finished goods	**90 206**	127 315
			543 509	694 512
		Comprising:		
		Inventory at cost	**356 546**	630 020
		Inventory at net realisable value	**186 963**	64 492
			543 509	694 512
		7. ACCOUNTS RECEIVABLE		
–	–	Trade accounts receivable	**579 496**	681 804
–	–	Allowance for impairment	**(28 507)**	(36 254)
–	–	Prepayment and deferred expenditure	**15 745**	17 216
62 182	**66 777**	Other accounts receivable	**142 332**	107 813
62 182	**66 777**		**709 066**	770 579
		Trade accounts receivable		
		Exposure to credit risk		
		Gross trade receivables represents the maximum credit exposure.		
		The maximum exposure to credit risk at the reporting date was:	**579 496**	681 804

The maximum exposure to credit risk for gross trade receivables at the reporting date by type of customer was:

	Average debtors terms (days)	GROUP 2009 R000	GROUP 2008 R000
Parastatals/government	60	**23 144**	40 111
Corporates	30	**396 989**	540 849
SMMEs	30	**143 684**	72 868
Individuals	30	**15 679**	27 976
		579 496	681 804

The Group has a relatively large diversity of customers and thus has a limited exposure to any one customer.

The maximum exposure to credit risk for gross trade receivables at the reporting date by geographical region was:

	Average debtors terms (days)	GROUP 2009 R000	GROUP 2008 R000
South Africa	30	**569 864**	659 217
Rest of Africa	60	**9 632**	22 587
		579 496	681 804

Management views the debtors days per geographic region as within expectations compared with the group's standard payment terms for that region.

Debtors days differ in Africa due to local economic and market conditions and risks involved in trading in that geographic region.

COMPANY 2008 R000	COMPANY 2009 R000		GROUP 2009 R000	GROUP 2008 R000
		7. ACCOUNTS RECEIVABLE (continued)		
		The decrease in debtors days is due to improved credit management that has been achieved during the financial year in order to maximise cash flow and minimise associated credit risk.		
		Credit risk is minimised through an initial new client acceptance procedure whereby potential customers are individually assessed before an appropriate credit limit is allocated to the new client. The Group uses credit vetting agencies who maintain current credit data on most companies in South Africa.		
		Trade Receivables		
		Within terms	**548 074**	639 557
		Current	**281 923**	307 354
		Due 30 days and less	**195 326**	200 624
		Due 30 to 60 days	**70 825**	131 579
		Past due	**31 422**	42 247
		Due 60 to 90 days	**15 948**	28 259
		Due 90 days +	**15 474**	13 988
			579 496	681 804
		Listings of overdue customer balances are reviewed monthly and reviewed against their credit terms/limits. Customers exceeding their credit terms/limits must settle their overdue balances before any further credit is extended.		
		Appropriate action is taken to recover long overdue debts.		
		Allowance for impairment of debtors:		
		Opening balance	**36 254**	31 611
		Disposal	**(6 599)**	–
		Impairment loss recognised	**2 554**	8 791
		Reversals of impairment loss	**(3 702)**	(4 148)
		Closing balance	**28 507**	36 254
		The following impairment losses were recognised:		
		Financial difficulties/bankruptcy	**227**	3 813
		Absconded	**(490)**	669
		Dispute	**(885)**	161
			(1 148)	4 643
		Prepayments and other receivables		
		The carrying amount of the following financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:		
–	**–**	Prepayment and deferred expenditure	**15 745**	17 216
62 182	**66 777**	Other accounts receivable	**142 332**	107 813
62 182	**66 777**		**158 077**	125 029

COMPANY 2008 R000	COMPANY 2009 R000			GROUP 2009 R000	GROUP 2008 R000
		8.	**PREFERENCE SHARES LISTED – available for sale**		
18 917	**18 577**		Preference shares earning a dividend, payable – semi-annually, of 72% of prime	**18 577**	18 917
133 417	**9 325**		Preference shares earning a dividend payable semi-annually, of 73% of prime	**9 325**	133 417
56 130	**–**		Preference shares earning a dividend payable semi-annually, of 70% of prime	**–**	56 130
94 074	**66 782**		Preference shares earning a dividend payable semi-annually, of 68% of prime	**66 782**	94 074
302 538	**94 684**			**94 684**	302 538

The group is exposed to interest rate risk as the dividend yield on the preference shares is linked to fixed percentages of the prime rate of interest, which is subject to fluctuations in the fair value of future cash flows.

The group is exposed to equity securities price risk as investments are held and classified on the balance sheet as available for sale.

Management does not consider there to be any liquidity risk associated with these investments in preference shares as the instruments are those of reputable counterparties that have a credit rating of at least A1 by Standard and Poor's.

COMPANY 2008 R000	COMPANY 2009 R000			GROUP 2009 R000	GROUP 2008 R000
		9.	**OTHER INSTRUMENTS UNLISTED – available for sale**		
410 000	**–**		Sanlam Dividend Income Fund	**–**	410 000
100 000	**–**		Prudential Dividend Income Fund	**–**	100 000
510 000	**–**			**–**	510 000

The group is exposed to equity securities price risk as investments are held and classified on the balance sheet as available for sale.

Management does not consider there to be any liquidity risk associated with these investments in dividend funds as the instruments are those of reputable counterparties that have a credit rating of at least A1 by Standard and Poor's.

COMPANY 2008 R000	COMPANY 2009 R000			GROUP 2009 R000	GROUP 2008 R000
		10.	**BANK AND CASH RESOURCES**		
–	**282**		Cash on hand	**139 758**	115 148
–	**1 258 624**		Cash on call and deposit	**1 298 007**	107 325
–	**1 258 906**			**1 437 765**	222 473

The Group's cash and cash equivalents and short-term deposits are placed with high credit quality financial institutions. As a result the group has no credit risk with respect to cash and cash equivalents on the balance sheet at year-end. Surplus funds are invested in such a manner as to achieve maximum returns and whilst minimising risk. The group's cash deposits are for short periods ranging from daily to monthly at fluctuating market related rates and exposure to interest rate risk therefore exists.

COMPANY 2008 R000	COMPANY 2009 R000		GROUP 2009 R000	GROUP 2008 R000
		10. BANK AND CASH RESOURCES (continued)		
		At 30 June 2009, if interest rates had been 1% higher with all other variables held constant, post-tax profit for the year would have increased by approximately R626 322 (2008: R522 899).		
		If interest rates had been 1% lower post-tax profit would have decreased by approximately R626 322 (2008: R522 899).		
		Refer to note 23 for the carrying amount of dividends and interest received.		
		11. SHARE CAPITAL		
		Authorised		
		Ordinary shares		
30 000	**30 000**	1 200 000 000 ordinary shares of 2,5 cents each	**30 000**	30 000
		Preference shares		
200	**200**	100 000 6% cumulative participating preference shares of R2 each	**200**	200
		Issued		
		Ordinary shares		
12 391	**12 391**	495 639 628 (2008: 495 639 628) ordinary shares of 2,5 cents each	**12 391**	12 391
–	**–**	Less: 29 644 397 (2008: 24 120 657) shares held by subsidiary	**(743)**	(603)
12 391	**12 391**	465 995 231 ordinary shares of 2,5 cents each	**11 648**	11 788
–	**–**	Less: Nil shares (2008: 62 500) held by Share Trust	**–**	(2)
12 391	**12 391**		**11 648**	11 786
		Preference shares		
		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.		
		12. NON–DISTRIBUTABLE RESERVES		
		Comprises:		
4 469	**4 469**	Realisation reserve	**38 534**	32 700
–	**–**	Foreign currency translation reserve	**–**	2 420
–	**–**	Loans acquired at a discount	**16 515**	16 338
–	**–**	Surplus on revaluation of land and buildings	**119 695**	121 766
(16 267)	**239 639**	Fair value adjustments – investments	**239 642**	(16 267)
(11 798)	**244 108**		**414 386**	156 957
		13. DISTRIBUTABLE RESERVES		
1 030 915	**1 537 194**	Accumulated profits	**3 588 430**	2 916 715
		The accumulated distributable reserves, if declared as a dividend, would be subject to secondary tax on companies of R358,8 million at 10% (2008: R291,7 million at 10%).		

COMPANY 2008 R000	COMPANY 2009 R000			GROUP 2009 R000	GROUP 2008 R000
		14.	**MINORITY INTEREST**		
			Balance at beginning of the year	**19 526**	16 703
			Share of earnings	**8 671**	9 330
			Dividends	**(4 267)**	(6 507)
			Acquired	**(1 847)**	–
–	**–**		Balance at end of the year	**22 083**	19 526
		15.	**DEFERRED TAXATION**		
20 836	**(2 649)**		Balance at beginning of the year	**246 931**	272 477
–	**–**		Income statement transfer	**34 503**	4 884
(23 485)	**41 660**		Non-distributable reserves transfer – fair valuations	**41 660**	(23 482)
–	**–**		Prior year adjustment	**(1 020)**	1 741
–	**–**		Rate adjustment	**–**	(8 689)
–	**–**		Disposal	**4 006**	–
(2 649)	**39 011**		Balance at end of the year	**326 080**	246 931
			Deferred taxation comprises temporary differences arising on:		
–	**–**		– property, plant and equipment	**328 378**	286 880
(2 649)	**39 011**		– investments	**39 011**	(2 648)
–	**–**		– accounts receivable	**2 082**	5 492
–	**–**		– accounts payable	**(42 651)**	(40 760)
–	**–**		– assessed losses	**(738)**	(2 033)
(2 649)	**39 011**			**326 082**	246 931
			The benefits of the tax losses in the group have been included in deferred tax.		
		16.	**ACCOUNTS PAYABLE**		
–	**–**		Trade accounts payable	**211 765**	343 294
8 729	**7 786**		Sundry accounts payable and accruals	**281 112**	297 986
8 729	**7 786**			**492 877**	641 280

Trade payables

Management of liquidity risk

The group has negotiated favourable credit terms with suppliers, which enables the group to utilise its operating cash flow to full effect. The suppliers' age-analysis is reviewed by management on a regular basis to ensure that credit terms are adhered to and suppliers are paid when due.

Currency risk

All amounts owed in foreign currency are covered by foreign exchange contracts (refer to note 31).

There are no further foreign currency risks.

Interest rate risk

The group has no material exposure to interest risk as there are no suppliers that charge interest.

COMPANY 2008 R000	COMPANY 2009 R000		GROUP 2009 R000	GROUP 2008 R000
		17. PROVISIONS		
		Bonus		
		Opening balance	**54 320**	46 379
		Disposal	**(1 602)**	–
		Additional provisions	**52 451**	45 762
		Utilised	**(50 842)**	(37 821)
		Closing balance	**54 327**	54 320
		Leave pay		
		Opening balance	**18 395**	16 970
		Disposal	**(1 620)**	–
		Additional provisions	**10 315**	10 911
		Utilised	**(10 583)**	(9 486)
		Closing balance	**16 507**	18 395
		Volume discount allowed		
		Opening balance	**19 283**	9 989
		Disposal	**–**	–
		Additional provisions	**22 123**	23 050
		Utilised	**(22 573)**	(13 756)
		Closing balance	**18 833**	19 283
		Retrenchments		
		Opening balance	**496**	3 202
		Disposal	**–**	–
		Additional provisions	**2 494**	–
		Utilised	**(1 362)**	(2 706)
		Closing balance	**1 628**	496
		Other		
		Opening balance	**30 063**	32 194
		Disposal	**(18 718)**	–
		Additional provisions	**16 834**	15 292
		Utilised	**(1 180)**	(17 423)
		Closing balance	**26 999**	30 063
		Total provisions		
		Opening balance	**122 557**	108 734
		Disposal	**(21 940)**	–
		Additional provisions	**104 217**	95 015
		Utilised	**(86 540)**	(81 192)
–	**–**	Closing balance	**118 294**	122 557

COMPANY 2008 R000	COMPANY 2009 R000		GROUP 2009 R000	GROUP Restated Unaudited 2008 R000	GROUP 2008 R000
		18. 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.

The group's turnover comprises invoiced sales and circulation revenue.

COMPANY 2008 R000	COMPANY 2009 R000		GROUP 2009 R000	GROUP Restated Unaudited 2008 R000	GROUP 2008 R000
		19. STAFF COSTS			
		– salaries, wages and bonuses	**768 561**	730 857	768 702
		– retirement benefit costs	**36 435**	38 516	40 638
–	**–**		**804 996**	769 373	809 340
		20. OTHER NET OPERATING EXPENSES			
		Income			
		Profit on sale of property, plant and equipment	**–**	1 403	1 466
		Foreign currency profits	**–**	25 159	27 053
–	**–**		**–**	26 562	28 519
		Expenditure			
		Auditors' remuneration :			
182	**205**	– audit fees	**4 635**	4 603	4 989
–	**–**	– under provision previous year	**22**	29	29
70	**–**	– fees for other services	**595**	4	85
–	**–**	– expenses	**126**	97	97
252	**205**		**5 378**	4 733	5 200
		Fees for:			
947	**–**	– administrative, managerial and secretarial services	**17 556**	15 515	15 523
–	**–**	– royalties	**2 406**	2 406	35 470
–	**–**	– technical services	**–**	1 449	1 449
947	**–**		**19 962**	19 370	52 442
		Loss on sale of property, plant and equipment	**6 442**	–	–
		Foreign currency losses	**21 993**	–	650
		Operating leases			
		– buildings	**7 538**	6 557	10 525
		– other	**–**	–	1 444
–	**–**		**7 538**	6 557	11 969
		21. DEPRECIATION AND IMPAIRMENT			
		Depreciation			
		– buildings and leasehold improvements	**4 359**	4 075	4 081
		– plant and machinery	**131 041**	136 224	136 681
		– motor vehicles	**7 045**	6 649	7 552
		– furniture and equipment	**18 994**	17 814	18 698
–	**–**		**161 439**	164 762	167 012
		Impairment			
		– buildings	**(35)**	–	–
		– plant and machinery	**41 807**	74 211	74 211
		– furniture and equipment	**–**	917	917
–	**–**		**41 772**	75 128	75 128
–	**–**		**203 211**	239 890	242 140
		Reversal of impairment loss previously recognised and measured based on estimates.			

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2009 (continued)

22. DIRECTORS' EMOLUMENTS

R000	Executive directors				Non-executive directors					
	TD Moolman	GM Utian	PG Greyling	TJW Holden	PM Jenkins	ACG Molusi	AN Nemukula	Dr F van Zyl Slabbert	P Vallet	Total
Directors' fees					80	80	80		80	320
Fees for services	2 500	2 200								4 700
Consulting fees					100			480	70	650
Basic salary			1 511	1 234						2 745
Bonuses		2 250	2 450	950						5 650
Medical funding			11	14						25
Retirement funding			110	80						190
Shares/options exercised				305						305
Total 2009	**2 500**	**4 450**	**4 082**	**2 583**	**180**	**80**	**80**	**480**	**150**	**14 585**
Total 2008	8 163	3 200	2 700	2 187	180	67	67	480	150	17 194

	2009 R000	2008 R000
Paid by subsidiaries	**14 585**	17 194

Mr T Gatefield did not receive any remuneration from the company or its subsidiaries.

Details of directors' participation in the share purchase scheme

	Opening balance	Options exercised	Closing balance	Exercise date	Subscription price	Market price	Vesting period
TJW Holden	50 000	(50 000)	–	4 Nov 2008	R5,40	R11,50	Fully vested
	50 000	(50 000)	–				

COMPANY 2008 R000	COMPANY 2009 R000		GROUP 2009 R000	GROUP Restated Unaudited 2008 R000	GROUP 2008 R000
		23. FINANCE INCOME			
12 443	**32 856**	– interest	**51 287**	30 812	38 391
33 777	**28 693**	– dividends: listed companies	**28 693**	33 778	33 778
72 150	**34 067**	– dividends: unlisted companies	**34 123**	52 128	52 128
113 593	**131 656**	– dividends: subsidiary companies	**–**	–	–
82 910	**–**	– net surplus on realisation of investments: available for sale	**–**	42 548	42 548
–	**–**	– dividend distribution on investments	**–**	40 362	40 362
314 873	**227 272**		**114 103**	199 628	207 207
		24. FINANCE COSTS			
–	**–**	– interest on bank overdraft	**168**	4	4
196	**–**	– other interest	**595**	5 497	5 497
–	**6 135**	– net loss on realisation of preference shares	**6 135**	–	–
–	**88**	– net loss on realisation of investments: available for sale	**88**	–	–
196	**6 223**		**6 986**	5 501	5 501

COMPANY			GROUP		
				Restated Unaudited	
2008 R000	2009 R000		2009 R000	2008 R000	2008 R000
		25. TAXATION			
		South African normal tax			
3 720	**9 602**	– current	**84 373**	163 637	183 381
9	**(5)**	– prior year	**(6 035)**	(7 707)	(7 702)
		Deferred tax			
–	**–**	– current	**34 503**	6 426	4 884
–	**–**	– prior year	**(1 020)**	1 746	1 741
–	**–**	– rate adjustment	**–**	(8 774)	(8 689)
9 415	**175**	Secondary tax on companies	**940**	10 775	18 275
5 362	**(664)**	Capital gains tax	**(598)**	5 442	5 442
–	**–**	Foreign tax	**–**	–	8 169
–	**–**	Associate companies	**6 979**	6 535	6 535
18 506	**9 108**		**119 142**	178 080	212 036
–	**45 390**	Capital gains tax on disposal of Maskew Miller Longman	**45 390**	–	–
18 506	**54 498**	**Total tax**	**164 532**	178 080	212 036
88 153	**61 927**	Tax at the standard rate of 28% on operating profit (2008: 28%)	**138 664**	220 640	245 379
69 647	**52 819**	Difference	**19 522**	42 560	33 343
		Reconciled as follows:			
84 681	**52 694**	– dividend and other non-taxable income	**18 468**	48 696	48 696
(247)	**(201)**	– disallowable expenses	**(3 521)**	(4 887)	(5 148)
(9)	**5**	– effect of prior year	**7 055**	6 556	6 556
(9 415)	**(175)**	– secondary tax on companies	**(940)**	(10 775)	(18 275)
(5 362)	**664**	– capital gains tax	**598**	(5 442)	(5 442)
–	**–**	– rate differential foreign tax	**–**	–	(1 457)
(1)	**(168)**	– other	**(2 138)**	8 412	8 413
69 647	**52 819**		**19 522**	42 560	33 343
		Estimated tax losses included in deferred tax:			
		– at beginning of year	**1 998**	3 832	3 832
		– incurred and acquired during year	**1 072**	3 119	3 119
		– utilised during year	**(303)**	(4 953)	(4 953)
		– at end of year	**2 767**	1 998	1 998
		26. DISCONTINUED OPERATIONS			
		The discontinued operations comprises an interest in Maskew Miller Longman which was sold at the end of June 2009.			
		Gross turnover	**335 789**	304 360	304 360
		Other operating income	**1 625**	1 894	1 894
		Total operating income	**337 414**	306 254	306 254
		Changes in inventories of finished goods and work in progress	**(28 216)**	(12 978)	(12 978)
		Raw materials and consumables used	**132 230**	105 545	105 545
		Staff costs	**40 378**	39 967	39 967
		Other net operating expenses	**85 144**	90 693	90 693
		Total operating expenses	**229 536**	223 227	223 227
		Profit from operating activities	**107 878**	83 027	83 027
		Depreciation	**2 341**	2 250	2 250
		Net profit from operating activities	**105 537**	80 777	80 777
		Finance income	**2 198**	7 579	7 579
		Profit before taxation	**107 735**	88 356	88 356
		Taxation	**37 005**	33 957	33 957
		Profit for the year	**70 730**	54 399	54 399

2008 R000	2009 R000			2009 R000	Restated Unaudited 2008 R000	2008 R000
		26.	**DISCONTINUED OPERATIONS (continued)**			
			Assets disposed			
			Property, plant and equipment	**6 949**	5 443	5 443
			Inventory	**81 032**	57 280	57 280
			Accounts receivable	**56 123**	50 154	50 154
			Bank balances	**62 583**	98 397	98 397
			Deferred tax	**5 422**	4 008	4 008
			Accounts payable	**(98 605)**	(85 862)	(85 862)
			Provisions	**(17 730)**	(21 940)	(21 940)
			Taxation	**(15 954)**	(17 858)	(17 858)
				79 820	89 622	89 622

27. EARNINGS PER SHARE

	2009 Gross R000	2009 Net of tax R000	2008 Gross R000	2008 Net of tax R000
Reconciliation between earnings and headline earnings				
Earnings attributable to equity holders		**915 225**		654 988
Adjustments for:				
Net gain on disposal of business (Maskew Miller Longman)	**(522 471)**	**(477 081)**	–	–
Impairment of property, plant and equipment	**41 772**	**30 076**	75 128	54 092
Net loss/(profit) on disposal of property, plant and equipment	**6 442**	**4 638**	(1 466)	(1 056)
Net loss/(profit) on disposal of investments	**6 223**	**5 352**	(82 910)	(71 302)
Headline earnings		**478 210**		636 722
Headline earnings per share (cents)		**102,6**		135,2

Reconciliation of weighted average number of shares	2009 Number of shares	2008 Number of shares
Issued shares at the beginning of the year	**495 639 628**	494 939 628
Effect of shares issued in March 2008	**–**	233 333
Treasury shares	**(29 644 397)**	(24 120 657)
Share Trust consolidation	**–**	(62 500)
Weighted average number of shares	**465 995 231**	470 989 804

Basic earnings per share is calculated by dividing the earnings attributable to the parent equity holders by the weighted average number of ordinary shares in issue during the year.

Basic headline earnings per share is calculated by dividing headline earnings by the weighted average number of ordinary shares in issue during the year.

2008 R000	2009 R000			2009 R000	2008 R000
		28.	**ORDINARY DIVIDENDS**		
247 469	**257 733**		Paid	**245 349**	239 321
		29.	**PREFERENCE DIVIDENDS**		
6	**6**		– 6% fixed portion	**6**	6
223	**232**		– participating preference dividend	**232**	223
229	**238**		**Paid**	**238**	229
6	**6**		– fixed portion	**6**	6
232	**172**		– participating portion declared, paid post year end	**172**	232
238	**178**		**Used in calculation of dividend per share**	**178**	238
			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.		
		30.	**COMMITMENTS**		
			Capital expenditure on plant and machinery – approved but not contracted	**40 000**	201 000
			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	**374**	4 166
			After one year, but not more than five years	**498**	4 918
				872	9 084

31. CONTINGENT LIABILITIES AND FOREIGN EXCHANGE EXPOSURE

31.1 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:

Foreign currency in respect of imports	Average rate	Foreign 000	R000
Euro	11.502	5 677	65 297
Pound sterling	14.463	2 301	33 273
US dollars	9.276	1 671	15 500
Australian dollars	7.004	135	946
Total			115 016

31.2 Currency risk

The group incurs currency risk as a result of transactions which are denominated in a currency other than the group entity's functional currency on purchases and sales.

The currencies, giving rise to currency risk, in which the group primarily deals are UK sterling, US dollars, Euros and Australian dollars.

The group entities hedge all foreign denominated trade creditors and trade debtors. The settlement of these transactions takes place within a normal business cycle.

COMPANY 2008 R000	COMPANY 2009 R000		GROUP 2009 R000	GROUP 2008 R000

31. CONTINGENT LIABILITIES AND FOREIGN EXCHANGE EXPOSURE (continued)

31.2 Currency risk (continued)

The group has clearly defined policies for the management of foreign currency risks. Transactions which create foreign currency cash flows are hedged with forward exchange contracts. No uncovered foreign exchange commitments exist at the balance sheet date. Speculative use of financial instruments or derivatives is not permitted and none has occurred during any of the periods presented.

The principal or contract amounts of foreign exchange contracts outstanding at balance sheet date were:

	Average rate of exchange	Foreign 000	R000
European Euro	11.693	16 830	196 790
Pound sterling	14.460	1 454	21 030
US Dollars	9.495	1 723	16 364
Australian dollars	7.004	194	1 362
Total			235 546

31.3 Foreign currency commitments

The group has entered into certain forward exchange contracts which do not relate to specific items appearing on the balance sheet, but which were entered into to cover foreign commitments not yet due. The contracts will be utilised for purposes of purchasing inventory and plant during 2009/2010.

32. BORROWING POWERS

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

33. RELATED PARTIES

During the year the company and its subsidiaries, in the ordinary course of business, entered into various sales and purchase transactions with fellow subsidiaries. These transactions occurred under terms that are no more or less favourable than those arranged with third parties.

Directors

Executive directors are defined as senior management. Details relating to directors' emoluments and shareholdings (including share options) in the company are disclosed in note 22 and the directors' report respectively.

Controlling shareholders

Messrs TD Moolman and GM Utian are members of the Moolman Coburn Partnership together with a number of other parties. In terms of an agreement concluded, the Partnership receives a commission on the group's advertising revenue which amounted to R41,9 million (2008: R42,8 million).

The balance owing to the partnership at the year end amounted to R3,3 million (2008: R3,2 million).

Subsidiaries

Details of investment in subsidiaries are disclosed in the annexure on page 46.

COMPANY 2008 R000	COMPANY 2009 R000			GROUP 2009 R000	GROUP 2008 R000
		33.	**RELATED PARTIES (continued)**		
			Associates		
			Details of income from associates and joint ventures are disclosed in the income statement, note 4 and in the annexure on page 47.		
			Shareholders		
			The principal shareholders of the company are detailed in the shareholders' analysis in the directors' report.		
		34.	**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. 4 984 (2008: 5 359) of the group's employees are covered by the plans.		
		35.	**NOTES TO THE CASH FLOW STATEMENT**		
		35.1	**Cash generated by/(utilised in) operations**		
314 833	**221 167**		Income before taxation	**495 227**	876 354
–	**–**		Associate income	**(19 799)**	(22 798)
(12 247)	**(32 856)**		Interest received (net)	**(50 524)**	(32 890)
(219 520)	**(194 416)**		Dividends received	**(62 816)**	(85 906)
			Adjustment for non-cash items:		
–	**–**		– depreciation of property, plant and equipment	**161 439**	167 012
–	**–**		– amortisation and impairment of intangibles	**41 772**	75 128
(82 910)	**88**		– (profit)/loss on disposal of investments	**88**	(82 910)
–	**–**		– profit for the year from discontinued operations	**70 730**	–
–	**–**		– movement in foreign currency translation reserve	**3 415**	3 414
–	**–**		– loss/(surplus) on disposal of property, plant and equipment	**6 442**	(1 466)
–	**–**		– loss/(profit) on forex	**21 993**	(26 403)
–	**–**		– movement in provisions	**(4 263)**	13 823
–	**–**		– movement in provisions – discontinued operations	**21 941**	–
156	**(6 017)**			**685 645**	883 358
		35.2	**Changes in working capital**		
–	**–**		Decrease/(increase) in inventories	**151 003**	(106 379)
(36 837)	**(4 595)**		Decrease/(increase) in accounts receivable	**61 513**	(49 152)
598	**(943)**		(Decrease)/increase in accounts payable	**(170 396)**	29 867
–	**–**		Changes in working capital – discontinued operations	**(21 762)**	–
(36 239)	**(5 538)**			**20 358**	(125 664)
		35.3	**Taxation paid**		
(9 870)	**(8 523)**		Opening tax payable	**(74 096)**	(51 038)
(18 506)	**(9 108)**		Charged in income statement	**(85 659)**	(214 100)
–	**–**		Less: Associates	**6 979**	6 535
–	**(45 390)**		Taxation on disposal of Maskew Miller Longman	**(45 390)**	–
–	**–**		Taxation – discontinued operations	**17 857**	–
8 523	**7 728**		Closing tax payable	**(19 234)**	74 096
(19 853)	**(55 293)**			**(199 543)**	(184 507)
		35.4	**Dividends paid**		
(247 698)	**(257 965)**		Charged to reserves	**(245 581)**	(239 550)
–	**–**		Dividends of minority shareholders	**(4 267)**	(6 507)
(247 698)	**(257 965)**			**(249 848)**	(246 057)
		35.5	**Investments – subsidiary businesses**		
–	**(2 664)**		Acquisitions	**–**	–
–	**–**		Proceeds from disposal of investments	**–**	–
(13 854)	**(1 943)**		Repayments from group companies	**–**	–
(13 854)	**(4 607)**			**–**	–

COMPANY 2008 R000	COMPANY 2009 R000		GROUP 2009 R000	GROUP 2008 R000
		35. NOTES TO THE CASH FLOW STATEMENT (continued)		
		35.6 Investments – associates and other investments		
(18 574)	**(14 427)**	Acquisitions	**(6 883)**	(14 905)
176 713	**338**	Proceeds from disposal of investments	**338**	176 713
(14 382)	**(464)**	Increase in loans	**(3 613)**	(326)
143 757	**(14 553)**		**(10 158)**	161 482
		35.7 Cash and cash equivalents		
(99 219)	**1 169 571**	Cash	**1 437 765**	222 473
302 538	**94 684**	Preference shares at fair value	**94 684**	302 538
510 000	**–**	Other instruments at fair value	**–**	510 000
713 319	**1 264 255**	Fair value of cash and cash equivalents	**1 532 449**	1 035 011
27 497	**9 253**	Fair value adjustment	**9 253**	27 497
740 816	**1 273 508**		**1 541 702**	1 062 508

36. BUSINESS AND GEOGRAPHIC SEGMENTS

The group has determined that its primary reporting format for segments is based on its method for internal reporting that disaggregates its business by service or product. The group's reportable business segments are: publishing, printing and distribution and other.

The group operates in South Africa.

	GROUP 2009 R000	2009 %	GROUP 2008 R000	2008 %
Revenue:				
Publishing, printing and distribution	**3 921 207**	**97**	4 002 034	92
Other	**826 224**	**21**	1 106 406	25
Inter-group sales	**(719 297)**	**(18)**	(765 708)	(17)
	4 028 134	**100**	4 342 732	100
Operating Income:				
Publishing, printing and distribution	**303 687**	**82**	471 373	72
Other	**64 624**	**18**	180 477	28
	368 311	**100**	651 850	100
Other Information				
Total assets				
Publishing, printing and distribution	**2 524 472**	**44**	2 574 782	51
Other	**3 208 620**	**56**	2 441 963	49
	5 733 092	**100**	5 016 745	100
Total liabilities				
Publishing, printing and distribution	**655 494**	**70**	776 596	72
Other	**281 757**	**30**	309 483	28
	937 251	**100**	1 086 079	100
Capital expenditure				
Publishing, printing and distribution	**273 930**	**79**	324 481	80
Other	**73 905**	**21**	83 256	20
	347 835	**100**	407 737	100
Depreciation and impairment				
Publishing, printing and distribution	**154 835**	**76**	193 343	80
Other	**48 376**	**24**	48 797	20
	203 211	**100**	242 140	100

37. CAPITAL MANAGEMENT

The primary objective of the company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 June 2009 and 30 June 2008. The company had no debt during the periods under review.

INFORMATION RELATING TO INTEREST IN SUBSIDIARIES AND JOINTLY CONTROLLED ENTITIES

Name of subsidiary	Activities	Issued capital R	Holding % 2009	Holding % 2008	Cost 2009 R000	Cost 2008 R000	Owing* 2009 R000	Owing* 2008 R000
Directly held								
Caxton Publishers and Printers	Holding company	28 234	**100**	100	**1 352 228**	1 352 228	**696 414**	696 814
Darwain Investments	Printing	300	**60**	60	**494**	494		
Highway Mail	Publishing	50 000	**67**	67	**471**	471		
Lumedia	Publishing	100	**100**	100	**3 148**	3 148		
Noordwes Koerante	Publishing	250	**90**	90	**–**	–		
Northwest Web Printers	Printing	100	**90**	90	**–**	–		
Raylene Designs	Repro designs	180	**100**	75	**4 344**	2 523		
Ridge Times	Publishing	4 000	**67**	67	**512**	512		
Royal Albatross Properties 2	Property owning	100	**100**	100	**–**	–		
Saxton Investments	Investments	100	**100**	100	**–**	–		
Zululand Observer	Publishing	47	**60**	60	**2 497**	2 497		
Indirectly held								
CTP Limited	Publishing and printing	2 500 718	**100**	100	**–**	–		
CTP Newspapers – Cape	Printing	100	**100**	100	**–**	–		
Direct Stationery UK	Stationery distributors	1 711	**100**	100	**–**	–		
Erfrad 13	Property owning	100	**100**	100	**–**	–		
Highway Printers	Printing	100	**100**	100	**–**	–		
Kagiso Publishers	Printing	700	**100**	100	**–**	–		
Pecanview Properties	Property owning	–	**100**	100	**–**	–		
Project Northwards	Property owning	166	**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	**–**	–		
					1 363 694	1 361 873	**696 414**	696 814

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

**The amounts owing are interest free and repayable on demand*

Jointly controlled entities	Activities	Issued capital R	Holding % 2009	Holding % 2008	Cost 2009 R000	Cost 2008 R000	Owing* 2009 R000	Owing* 2008 R000
Maskew Miller Longman Holdings	Publishing	50 000	**–@**	50	**–**	13 882	**–**	–
MCS Caxton International Press	Distribution	20 000	**50**	50	**–**	–	**–**	–
Mahareng Publishing	Publishing	100	**50**	50	**–**	–	**900**	–
Safeway Publishing	Publishing	100	**50**	50	**–**	–	**500**	–
Impala Vuwa Stationery Manufacturers	Stationery manufacturer	1 000	**50**	50	**–**	–	**–**	–
Remade Publishing	Recycling	100	**50**	–	**–**	–	**943**	–
					–	13 882	**2 343**	–
					1 363 694	1 375 755	**698 757**	696 814

@now 15% shareholding and disclosed under Investments

INFORMATION RELATING TO ASSOCIATED COMPANIES

Associate	Activities	Issued capital R	Holding % 2009	Holding % 2008	Cost 2009 R000	Cost 2008 R000	Owing* 2009 R000	Owing* 2008 R000
Capital Media (Feb)	Newspaper publisher	4	**50**	50	**–**	–	**–**	–
Carpe Diem	Magazine publisher	120	**30**	30	**4 729**	4 729	**12**	12
FBC Properties	Property owning	100	**50**	50	**1 352**	1 352		–
Heraut Publiseerders	Newspaper publisher	100	**50**	50	**189**	189	**1 719**	1 595
Hutton Trading	Advert delivery	120	**50**	50	**250**	250		–
Ince Holdings **	Printer	13 000	**16**	16	**787**	787		–
Leo Kantoor Meubels	Property owning	100	**50**	50	**(7)**	(7)		–
Lincroft Books (March)	Newspaper publisher	100	**40**	40	**85**	85		–
Lonehill Trading	Magazine publisher	120	**45**	45	**1 170**	1 170	**1 885**	1 278
Mooivaal Media (March)	Newspaper publisher	25 000	**50**	50	**1 565**	1 565		–
Overdrive Publishing	Magazine publisher	1 000	**25**	25	**1 250**	1 250	**3 640**	3 840
Ramsay Son & Parker (Feb)	Magazine publisher	12 000	**30**	30	**30 075**	30 075		–
Rising Sun	Newspaper publisher	100	**45**	45	**–**	–		(925)
Ronain Investments	Property owning	1 000	**50**	50	**33**	33	**3 642**	3 854
Rowaga Properties	Property owning	1 000	**50**	50	**1 175**	1 175		–
Sentrale Makelaars	Dormant	50 000	**50**	50	**56**	56		–
Shumani Print Services	Printer	1 000	**49**	49	**3 159**	–	**2 442**	2 369
Tambuti Brits	Property owning	100	**50**	50	**–**	–		–
Tambuti Enterprise	Property owning	100	**50**	50	**143**	143		–
Tambuti Upington	Property owning	100	**50**	50	**–**	–		–
Tambuti Vryburg	Property owning	100	**50**	50	**–**	–		–
Wordsmiths	Newspaper publisher	10 000	**50**	50	**3 750**	3 750	–	–
					49 761	46 602	**13 340**	12 023

All are private companies and are all incorporated in the Republic of South Africa.
The financial year ends are June unless otherwise stated.

***The existence of significant influence is evidenced by representation on the Board of Directors and participation in policy making*

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

	Associated companies R000 2009	Associated companies R000 2008	Jointly controlled R000 2009	Jointly controlled R000 2008
Balance sheet				
Fixed assets	**60 060**	62 088	**32 772**	35 277
Investments and long-term receivables	**905**	5 395	**–**	4 770
Current assets	**50 251**	60 779	**34 397**	259 507
Total assets	**111 216**	128 262	**67 169**	299 554
Long-term liabilities	**17 393**	18 908	**46 290**	52 440
Deferred taxation	**3 322**	8 346	**(492)**	(4 360)
Current liabilities	**32 221**	40 269	**13 358**	156 036
Total liabilities	**52 936**	67 523	**59 156**	204 116
Attributable net asset value	**58 280**	60 739	**8 013**	95 438
Income statement				
Turnover	**253 122**	214 968	**60 027**	373 914
Income before taxation	**19 799**	22 799	**7 567**	91 465
Taxation	**(6 979)**	(6 535)	**(2 060)**	(35 007)
Net income for the year	**12 820**	16 264	**5 507**	56 458

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 Avenue, Craighall Park, Johannesburg on Tuesday, 8 December 2009 commencing at 10:00 am for the following purposes:

1. To receive and consider the annual financial statements for the year ended 30 June 2009.

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

"**THAT** in terms of section 221 and 222 of the Companies Act 1973, as amended, 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 (JSE) Listings Requirements, the unissued shares in the share capital of the company".

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

"**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's Listing 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 (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.

4. To approve the payments of emoluments to directors as detailed on page 38 of the annual report.

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

5.1 Mr. Phillip Vallet (63) (BA LLB)
Mr. Vallet qualified at the University of Witwatersrand in 1971 and was admitted as an attorney in 1972. Phillip was appointed as senior partner of Raphaely-Weiner prior to its merger with Fluxmans in 1990. In 1997, he was appointed senior partner of the merged firm and on its incorporation in 2004 was appointed CEO.

Phillip is Deputy Chairman of Super Group Limited, Chairman of Andulela Investment Holdings Limited and non-executive director of Spescom Limited and Gold Reef Resorts Limited.

5.2 Mr Petrus G Greyling (52) (BCom, Hons BCompt)
Deputy Managing Director
Mr Greyling is a qualified Chartered Accountant. He spent most of his earlier career in the Accounting and Auditing profession. He joined the group in 1992 and is currently CEO of the group's Newspaper Division.

5.3 Mr Paul M Jenkins (45) (BCom, LLB)

Mr Jenkins attended Randse Afrikaanse Universiteit, where he graduated in 1981 with a BCom, and LLB degree. Paul was admitted as an attorney and notary in February 1986. He became a partner at Webber Wentzel in 1988 and left his position as senior commercial legal partner in 1999 to join the Johnnic group full-time. In this capacity he served as a director of numerous listed companies and was CEO of Johnnic Entertainment. He is currently self employed and provides business and legal advisory services to a select group of clients.

6. 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 JSE's Listings Requirements 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; and
- 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 and the group will be able in the ordinary course of business to pay its debts;
- the assets of Caxton and the group, 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 and the group will be adequate for the purposes of the company's and the group's businesses respectively; and
- the working capital of Caxton and the group will be adequate for their requirements."

The company will provide the sponsor and the JSE with all documentation as required in Schedule 25 of the JSE Listings Requirements and will not recommence any repurchase programme until the sponsor has signed off on the adequacy of its working capital, advised the JSE accordingly and the JSE has approved this documentation.

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.

NOTICE TO MEMBERS OF CAXTON AND CTP PUBLISHERS AND PRINTERS LIMITED (CAXTON) *continued*

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 3;
- Directors' interest in securities on page 19 (which beneficial interests have not changed since 30 June 2009. There are no non-beneficial interests);
- Major shareholders on page 19;
- Material changes in the nature of the company's trading or financial position post 30 June 2009 on page 19;
- The share capital note on page 34.

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.

The directors, whose names have been given on page 3 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.

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

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 (Pty) Limited (70 Marshall Street, Johannesburg, 2001/PO Box 61051, Marshalltown, 2017) or the company at its registered address (28 Wright Street, Industria West Johannesburg, 2093 or PO Box 43587, Industria, 2042) by not later than 10:00 am on Friday, 4 December 2009.

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
22 October 2009

PROXY FORM

CAXTON&CTP publishers & printers LIMITED

Share code: CAT
ISIN: ZAE000043345

For use ONLY by certified shareholders and own name dematerialised shareholders at the Annual General Meeting of Caxton shareholders to be held at 10:00 am on Tuesday, 8 December 2009, or such later time that may be applicable (the annual general meeting).

I/We

Print name in full

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 Tuesday, 8 December 2009 commencing at 10:00 am 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		
Resolution number	For	Against	Abstain
1. To approve annual financial statements for the year ended 30 June 2009			
2. To extend the authority of the directors to allot and issue the unissued shares of the company			
3. To empower the directors to issue shares for cash			
4. To approve the emoluments to directors			
5.1 To re-elect Mr P Vallet as director of the company			
5.2 To re-elect Mr PG Greyling as director of the company			
5.3 To re-elect Mr PM Jenkins as director of the company			
6. To approve the general authority to acquire own 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 2009

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 Chairman of the 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 Chairman 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 Investor Services Limited at 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by not later than 10:00 am on Friday, 4 December 2009.

9. The Chairman 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 letter of representation 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 custody agreement between such shareholders and their CSDP or broker.

ADMINISTRATION

Business address
28 Wright Street
Industria West
Johannesburg, 2093

Postal address
PO Box 43587
Industria, 2042

Registered office
28 Wright Street
Industria West,
Johannesburg, 2093

Auditors
PKF (JHB) Inc.
42 Wierda Road West
Wierda valley
Sandton
Johannesburg, 2196

Attorneys
Fluxmans Attorneys
11 Biermann Avenue
Rosebank
Johannesburg, 2196

Bankers
First National Bank
Bank City, Johannesburg. 2001

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

Company registration no.
1947/026616/06

CAXTON&CTP publishers & printers LIMITED