CAXTON

ANNUAL REPORT

2008

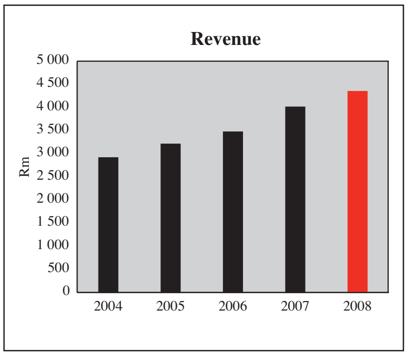
Caxton and CTP Publishers and Printers Limited

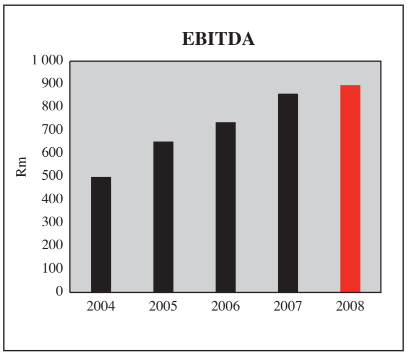
Turnover **R4 343 million**

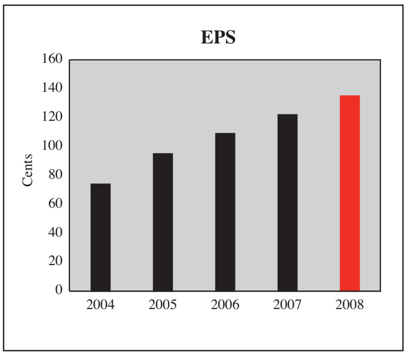
Profit before tax **R876 million**

Cash generated by operations **R883 million**

Cash resources **R1 035 million**







Highlights

	2008 Rm	2007 Rm	2006 Rm	2005 Rm	2004 Rm
				IFRS Restated	
Income statement and cash flow					
Revenue	**4 343**	4 006	3 468	3 205	2 911
Operating profit before depreciation and amortisation	**894**	857	733	650	498
Finance income	**207**	149	109	80	83
Earnings attributable to equity holders of parent	**655**	611	520	442	334
Diluted headline earnings per share (cents)	**135**	122	109	95	74
Cash generated by operations	**883**	851	717	634	529
Balance sheet					
Shareholders' equity	**3 931**	3 783	3 296	2 643	2 337
Total assets	**5 017**	4 854	4 347	3 414	3 119
Cash and cash equivalents	**1 035**	988	859	1 119	963
Other information					
Weighted average number of shares in issue (000's)	**470 990**	480 328	464 733	453 450	456 114
Net asset value per share (cents)	**835**	787	683	588	513
Number of employees	**6 033**	5 959	5 776	5 291	5 239

CAXTON AND CTP PUBLISHERS AND PRINTERS LIMITED

ANNUAL REPORT

FOR THE YEAR

ENDED 30 JUNE 2008

Directorate and administration

Directors

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

Secretary

N Sooka

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 number

1947/026616/06

Caxton and CTP Publishers and Printers Limited and its subsidiaries

Managing Director's Report

Group performance

The Group has produced satisfactory results during a period that has been one of the most turbulent and difficult, economically and politically, that has ever been experienced. So much has been written and discussed on these subjects that little purpose would be served by dwelling or expanding thereon. It is sufficient to state that this has been a testing time for management who has performed remarkably well.

Consumers, particularly in the middle to lower income groups, are literally "punch drunk" and continuing bad news appears to be the order of day. Inflation and interest rates are running at extremely high levels and this has had the effect of consumer spending being reduced in a major way. This has the knock-on effect of reducing advertising expenditure on which the company is heavily reliant.

What has been heartening over this period is to observe how wasteful expenditure on advertising has been minimised with advertisers relying more and more on trusted media products which work for them by delivering expectations. It is in this development that the company has achieved success due to the strength of its products and the loyal following that has been built up over many years.

A number of factors are appearing for the first time in quite a while which seem to indicate that the worst of the problems are waning and that conditions could start improving. It will however be a slow journey back and it is anticipated that difficult trading conditions could endure for the next 18 months.

Fortunately, the company is reaching the end of its substantial capital expenditure programme which has been in place for many years. With the exception of the completion of a new newspaper factory, which is being equipped with highly efficient equipment in Industria, and the installation of a modern and highly developed web offset press in Isando, the level of future capital investment over the foreseeable future will be minimal.

Earnings

Turnover has grown from R4 006,4 million to R4 342,7 million which is an increase of 8,4%. Margins have remained under pressure for the entire period which resulted in profit from operating activities increasing by the lower percentage of 4,3% from R856,9 million to R893,9 million.

Depreciation has risen in line with the investment in capital equipment from R151,6 million to R167 million. Resulting from the installation of new equipment and in line with our policy of reviewing the value and remaining life of installed equipment, R75,1 million has been written off by way of impairment which compares to R42,9 million in the previous year.

The pressure on margins has resulted in the profit from operating activities after depreciation, but before impairments, as a percentage of turnover having marginally decreased from 17,6% to 16,7% which is still considered a highly satisfactory result.

Net finance income which includes an R83 million surplus on the realisation of investments – last year R66 million – rose to R201,7 million, up on the R148,8 million earned in the previous year. This was primarily due to the increase in the rate of interest earned on the company's liquid cash investments.

The company's many associates all had a good year and the company's share of their profits improved from R19,1 million to R22,8 million.

Profit before taxation was R876,3 million, up 5,6% on that achieved last year of R830,3 million. Taxation was up from R210,8 million to R212,0 million which equated to an effective rate of 24,2%, down from last year of 25,3% primarily as a result of the decrease in the rate of company taxation in the latest budget.

After providing for profits attributable to minority shareholders, earnings were R654,9 million compared to R611,1 million, a satisfactory improvement of 7,2%.

During the year 9 634 516 additional shares in the company were repurchased at a cost of R137,3 million and are held as Treasury Shares, bringing the total number of Treasury Shares presently held to 24 183 157.

Earnings per share amounted to 139,1 cents compared to 127,2 cents, up by 9,3% and headline earnings per share rose from 121,7 cents to 135,2 cents, an increase of 11,1%.

Capital expenditure

This year saw the considerable sum of R407,7 million having been expended on a variety of new buildings and plant. As mentioned earlier the level of spending in future years will be considerably lower with the exception of the finalisation of the two major projects currently under construction, both of which will become operational in 2009 and where a further R201 million will still be spent. There is now more than sufficient efficient capacity in all of the company's operations throughout the majority of divisions to cope with expansion which will inevitably take place.

Cash flow

Cash and cash equivalents amounted to R1 035,0 million notwithstanding the investment in new capital assets and treasury shares during the year. This figure is very much in line with cash and cash equivalents at the end of the previous year of R987,5 million.

R883,3 million was generated in cash from operations and working capital increased by R125,6 million. The proceeds on the disposal of investments amounted to R176,7 million.

Divisional performance

In a tough trading environment, particularly during the latter part of the financial year, all divisions traded relatively well having regard to the change in circumstances which has occurred.

PUBLISHING, PRINTING AND DISTRIBUTION

Newspaper publishing and printing

The company remains in a fortunate position in that the majority of the revenue which it earns in this division is derived through investment in free community and regional newspapers. Whilst expenditure on advertising has decreased, the extent of the decrease has not been as noticeable as that which has taken place in daily and weekly sold newspapers.

Relevant editorial content coupled with effective distribution has enabled these newspapers to improve their standing and continue to provide good value to advertisers.

Despite the absence of growth, further progress has been made in new products and there are a number of exciting opportunities presently being investigated.

The property and motoring sections of the newspapers have borne a disproportionate brunt of the pull-back in advertising as these two areas have been massively and negatively influenced by the large rise in interest rates and inflation in general.

Further launches have taken place with good success in the Urban Newspaper division.

Get It, which is a monthly glossy magazine, has made good progress and has established itself as a firm favourite among readers and advertisers alike. There are now a total number of 27 editions with a circulation in excess of 400 000 and as this product is still in a development phase, further additions and circulation growth can be anticipated.

Progress is also being made in creating alternative platforms such as digital and internet initiatives, to support and leverage the newspapers in the communities in which they operate.

The major newspaper facility, located in Industria in Johannesburg, had a reasonable year and as alluded to earlier, is in the process of erecting a new building to house a state-of-the-art new press and ancillary equipment purchased to provide additional capacity for its customers. This facility will provide customers with new alternatives and will substantially improve efficiencies. It is estimated that the new press will be commissioned early in the new calendar year.

A number of new newspapers have been published and despite the present economic climate, opportunities for launching new products will continue into areas where such expansion is warranted.

The Citizen, the company's daily newspaper, has done well during the year and has established a firm niche position in what is an overtraded market. Despite the launch of new opposition products it traded well and increased its share of the advertising market.

A joint venture in Port Elizabeth has experienced a number of teething problems, mainly of a technical nature, which has resulted in a disappointing result well below budget.

Magazine publishing and distribution

Driven primarily by the pressure placed on the consumer in a highly inflationary environment and the massive increase in the price of fuel, it was inevitable that resistance would be encountered from readers who are unfortunately buying fewer magazines. As a direct result of the fall in the value of the Rand, coupled with the high level of local inflation which is now in excess of 10%, printing prices of magazines and other printed material have increased resulting in publishers having to increase their newsstand price to maintain viability. This has obviously been an aggravating factor in the reduction in magazine sales.

The company's share of the advertising market has been increased but advertising spend is anything but buoyant.

All this has impacted negatively on the profits of this division where budgeted expectations were not achieved.

Competition continues to be fierce but given the present position it is anticipated that the number of new entrants to this arena will reduce and in fact a number of opposition products have already closed down their operations and more could follow.

One of the major problems still facing the industry remains the effectiveness of the distribution channel. Over the past number of years retail supermarkets have been the main sellers of magazines and yet they still do not devote enough time and attention to understanding the importance of the sales of magazines for them. Consequently too little selling space is devoted to magazines within the individual stores and merchandising is poor. There continue to be far too many titles competing for an insufficient amount of retail selling space. Previous reference has been made to this problem, but it is urgent that the problem be addressed.

RNA, the magazine distribution arm, produced reasonable results in an environment of falling sales exacerbated by having to cope with increased costs. As a major distributor they have had to contend with the impact of higher fuel costs which affects their entire operation, which is heavily dependent on transport.

Nevertheless this well managed and efficient operation delivers consistent results, thereby benefiting its various publishing customers. The physical development phase of their branches is now complete and the new facilities are impressive. Further investments continue to be made on the management and administration front in an endeavour to assist customers in a challenging environment.

Commercial printing

Web and gravure printing

The year witnessed a period of consolidation with only the Cape Town web offset facility being substantially upgraded and modernised. At present an additional and very advanced large format press is being installed in the Johannesburg web factory and will be operational at the end of the calendar year together with new pre and post press equipment which is also being installed. This will bring to an end the major capital programme that this division had embarked upon some years ago.

Resulting from this expenditure, the company has superb web offset and gravure operations in all the major centres, namely Johannesburg, Cape Town and Durban and has the capacity to fulfil its customers' requirements especially during peak periods. Furthermore, with the network of facilities, transport costs, which have become more and more important as the cost of fuel increases, can be minimised for customers.

Whilst margins continue to be extremely competitive it is pleasing to report that this division improved its volumes and profitability to a more acceptable level albeit not at a level which would be commensurate with the investment which has been made.

Book printing

The major portion of the activities of this extremely efficient and well run division relates to the printing of books for academic education publishers and the printing of diaries. Now that the change in the curriculum for schools has been implemented, the requirements of educational publishers have somewhat altered. Whereas in the past there was a requirement for a substantial number of books to be printed, what now happens is that publishers only require small quantities to be printed. In anticipation and reaction to this change, major expenditure has been incurred on the upgrading and installation of more versatile presses and supporting equipment which was completed during the year under review. The vast and versatile array of equipment that is installed allows CTP Books, situated in Cape Town, to provide a unique service to its many clients coupled with excellent products. Additional warehouses are presently being built to alleviate congestion and provide for growth opportunities and should shortly be completed.

Good results were achieved and budgets were met. Future profitability will be very much dependent on the quantum of spend allocated by the provinces to educational books.

OTHER

Academic publishing

There was a significant reduction in the profits of Maskew Miller Longman due to the introduction of the final two grades of the curriculum compared to three grades that were introduced during the previous year which resulted in lower levels of spending by the various provincial education departments. The company nevertheless continues to make good strides into all other areas in which it operates and had a particularly successful year in its Southern African division which operates as "Longman". It remains the foremost educational publisher in Southern Africa.

Packaging

It is gratifying to be able to report that this previously troubled area of the company's overall operations has settled down and results are improving. During the year under review a number of competitors sold products at unrealistic prices which resulted in volumes decreasing in a number of business units. However, there is evidence of a more pragmatic view coming through from opposition companies as selling prices are now increasing, being driven by substantially higher input costs.

SA Litho, the label division situated in Cape Town, installed a number of new items of equipment and produced excellent results well in excess of budget.

Stationery

Competitive conditions in this area of operations have not altered during the year but despite the pressure on margins, the profits which were achieved were very much in line with budgets. Market share was again improved and the new joint venture in Ladysmith, Impala Vuwa Stationers, had a reasonable inaugural year.

Dividends

The board has declared a dividend of 52 cents (2007: 50 cents) per share payable to ordinary shareholders and a preference dividend of 476 cents (2007: 457 cents) per preference share to preference shareholders.

Prospects

The current economic environment is not conducive for consumers to increase their spending. In fact, the opposite is much more evident. This is also very much in line with the strategy being adopted by the Reserve Bank who are determined to dampen consumer demand, thereby taking pressure off inflation which is at an extremely high level. It is also not anticipated that interest rates, which may have peaked, will reduce much before the middle of 2009. Regrettably, it is not possible for the company to trade up to its level of capability when external economic conditions are so poor. The company has an extremely competent and loyal staff and excellent facilities which, together with its impressive titles, positions it well to improve profitability as and when conditions ease. It is however not anticipated that the present economic crunch will ease up much before the end of 2009.

In the circumstances it would be imprudent to attempt to make any projections for the future as there is a strong possibility that the company will be hard pressed to achieve similar results to those that have just been reported on.

Social responsibility

The company's policy continued unaltered during the year and a number of grants were made. The annual contribution of R250 000 to the Chair of Journalism at the University of the Witwatersrand was maintained.

Thanks

We once again take this opportunity to thank our various stakeholders for their ongoing support. Our customers, staff and suppliers are pivotal to the success that we have enjoyed and we sincerely express our gratitude.

G. M. Utian

GM Utian

Managing Director

Caxton and CTP Publishers and Printers Limited and the subsidiaries

Corporate governance

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

Board of Directors

The Board of Directors of Caxton comprises 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 07	Nov 07	Feb 08	May 08
Dr F van Zyl Slabbert	√	√	√	√
TD Moolman	√	√	√	√
GM Utian	√	√	√	√
PG Greyling	√	√	A	√
TJW Holden	√	√	√	√
PM Jenkins	√	A	√	√
P Vallet	√	√	√	√
FT Gatefield	A	A	A	A

A apology

The Board of Directors has the following subcommittees:

Audit committee

The chairman is a non-executive director. The external auditors have unrestricted access to this committee. The audit committee, is mandated in terms of its Charter to meet at least three times each year, reviews the effectiveness of internal control in the Group with reference to the findings of the internal and external auditors.

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

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

Audit committee meeting attendance

	Aug 07	Feb 08
PM Jenkins	√	√
PG Greyling	√	A
GM Utian	√	√
P Vallet	√	√

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 2008.

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 7 of these financial statements.

The annual financial statements set out on pages 8 to 36 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). They are based on appropriate accounting policies, which have been consistently applied, 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.

Employee equity

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

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

The employment policy remains unchanged:

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

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

The training division which has been established to improve the progress, continues to make excellent strides and 143 learners are now under training. Those whose training have been completed have been placed in a number of the company's operations. The Cadet School is also progressing according to plan and at any moment in time 20 individuals are being trained.

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

6 October 2008

Caxton and CTP Publishers and Printers Limited and its subsidiaries

TEN YEAR REVIEW – SALIENT FEATURES

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999*
Gross turnover (Rm)	5 108	4 752	4 193	3 826	3 439	3 234	2 561	2 380	2 258	2 598
Income before taxation (Rm)	876	830	734	648	497	438	362	320	265	465
Earnings attributable to ordinary shareholders (Rm)	655	611	520	442	334	256	182	174	158	321
Weighted average number of shares in issue during the period (000's)	470 990	480 328	464 733	453 450	456 114	416 293	371 150	371 150	383 750	379 020
Earnings per ordinary share (cents)	139	127	112	98	73	61	49	47	43	85
Diluted earnings per share (cents)	139	127	112	97	72	60	47	45	41	55
Diluted headline earnings per share (cents)	135	122	109	95	74	64	47	48	42	55
Dividends/distribution per ordinary share (cents)	52	50	45	40	35	30	20	20	–	10
Special dividend per ordinary share (cents)	–	–	–	–	–	–	–	–	–	10
Dividend cover (times)	2.7	2.5	2.5	2.5	2.1	2.0	2.5	2.4	–	8.5
Ordinary shareholders' equity (Rm)	3 911	3 766	3 296	2 642	2 332	2 196	1 637	1 512	1 337	1 323
Net current assets (Rm)	1 662	1 500	1 120	1 381	1 300	1 355	1 271	1 097	925	936
Net asset value per share (cents)	835	787	683	588	513	478	441	408	366	371
Number of employees	6 033	5 959	5 776	5 255	5 239	5 258	5 380	5 235	5 605	5 435

IFRS compliant. GAAP compliant prior to 2005

** 15 month reporting period*

INDEPENDENT AUDITORS' REPORT

To the members of Caxton and CTP Publishers and Printers Limited

We have audited the annual financial statement and Group annual financial statements of Caxton and CTP Publishers and Printers Limited, which comprise the directors' report, the balance sheets as at 30 June 2008, the income statements, the statements of changes in equity, the cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 36.

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.

Auditors' 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 statement 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 2008, 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.

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

Sandton
6 October 2008

Caxton and CTP Publishers and Printers Limited

Directors' report

Nature of business

This is disclosed in the Managing Director's Report.

Review of business operations

Gross turnover for the year increased by R356,8 million (2007: R558,9 million) to R5 108 million (2007: R4 752 million). Profit from operating activities before impairment increased by R21,6 million (2007: R56,4 million) to R727,0 million (2007: R705,3 million). Net finance income received amounted to R201,7 million (2007: R148,8 million) with capital expenditure during the year totalling R408 million (2007: R305 million). Net cash resources amounted to R1 035 million (2007: R988 million).

Ordinary dividend

A dividend of 52 cents (2007: 50 cents) per share has been declared on 27 August 2008, payable on 27 October 2008 to shareholders registered on 17 October 2008.

Preference dividend

A preference dividend of R4,76 (2007: R4,57) per preference share has been declared on 27 August 2008, payable on 27 October 2008 to shareholders registered on 17 October 2008.

Share capital

Particulars of the authorised and issued share capital of the company are set out in note 10 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 and joint ventures

Particulars of subsidiary companies and joint ventures are set out on page 35. The aggregate attributable interest of the company in the after tax profits and losses of the subsidiaries were:

	R000	
	2008	2007
Profits	**617 673**	519 642
Losses	**(2 474)**	(1 033)
	615 199	518 609

Share incentive schemes

There are two employee share incentive schemes that are being closed out 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 strike price of the option was the market price of the company's share of R4,20 and R5,01 on the grant dates. These share options are exercisable over 10 years at the company's closing share price on the JSE Limited on the exercise date.

The amount expensed in the income statement is the difference between the strike price and the closing share price on 28 February 2008 of R15,50 (June 2007: R18,75) multiplied by the share options outstanding.

Details of share options movement during the period:

	Number of options	Weighted average exercise price
Outstanding on 1 July 2007	700 000	
Exercised during the year	700 000	R5,01
Granted during the year	–	
Lapsed during the year	–	
Outstanding on 30 June 2008	–	
Number of participants	0 (2007: 1)	

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 period:

	Number of shares
Outstanding on 1 July 2007	125 000
Paid during the year	(62 500)
Lapsed during the year	–
Outstanding on 30 June 2008	62 500
– directors	50 000
– other employees	12 500
Number of participants	2 (2007: 2)

Directorate and secretary

The names of the present directors, the secretary and his addresses are set out on page 1 of this report. In terms of the Articles of Association Mr TJW Holden, Mr ACG Molusi and Mr AN Nemukula retire as directors and, being eligible, offer themselves for re-election.

At the date of this report and 30 June 2008 the directors' beneficial shareholding in the company amounted to:

Directors	2008 Direct	2007 Direct	2008 Indirect	2007 Indirect
PG Greyling	1 325 000	1 325 000	–	–
TJW Holden	–	–	138 000	88 000
TD Moolman	–	–	13 093 804	12 393 804
GM Utian	200 000	–	1 350 000	1 350 000
Total	1 525 000	1 325 000	14 581 804	13 831 804

The Moolman & Coburn Partnership, through various intermediate companies controlled by them, controls Caxton Limited, which holds 38,71% of the issued ordinary shares of Caxton and CTP Publishers and Printers Limited. Caxton Limited controls a further 8,48% 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 4,79% and its associates acting in concert, hold a further 3,17% of the issued ordinary shares of Caxton and CTP Publishers and Printers Limited. It therefore controls a total of 55,15% 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	7	0,31	17 799 529	3,78
Caxton Share Investments (Pty) Limited	1	0,05	40 000 000	8,48
Shareholders holding more than 10% of the issued ordinary shares				
– Element One Limited	1	0,05	80 065 330	16,98
– Caxton Limited	1	0,05	182 479 476	38,71
	10	0,46	320 344 335	67,95
Public shareholders	2 188	99,44	151 112 136	32,05
Subtotal	2 198	99,90	471 456 471	100,00
Shares held by a subsidiary	1	0,05	24 120 657	–
Trustees of employee share scheme	1	0,05	62 500	–
Total	2 200	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 2008. There has been no changes in the directors' shareholding since 30 June 2008 to the date of this report.

Subsequent events

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

Approval of the annual financial statements

The annual financial statements, which appear on pages 8 to 36, have been approved by the Board and are signed on its behalf by:

G. M. Utian

GM Utian
Managing Director

TD Moolman
Chief Executive Officer

Johannesburg
6 October 2008

Caxton and CTP Publishers and Printers Limited
Balance sheets as at 30 June 2008

COMPANY 2007 R000	COMPANY 2008 R000	Notes		GROUP 2008 R000	GROUP 2007 R000
			ASSETS		
			NON-CURRENT ASSETS		
–	–	2	Property, plant and equipment	1 955 742	1 801 710
–	–	3	Intangible assets	–	–
2 058 715	2 072 569	4	Interest in subsidiaries	–	–
38 546	54 509	5	Investments in associates	98 193	83 691
670 178	461 493	5	Investments	461 493	670 178
2 767 439	2 588 571			2 515 428	2 555 579
			CURRENT ASSETS		
–	–	6	Inventories	694 512	588 133
25 345	62 182	7	Accounts receivable	770 579	721 427
–	–		Taxation	1 215	1 732
333 279	302 538	8	Preference shares – listed	302 538	333 279
200 000	510 000		Other instruments – unlisted	510 000	200 000
–	–	9	Bank and cash resources	222 473	454 229
558 624	874 720			2 501 317	2 298 800
3 326 063	3 463 291		**TOTAL ASSETS**	5 016 745	4 854 379
			EQUITY AND LIABILITIES		
			CAPITAL AND RESERVES		
12 373	12 391	10	Ordinary share capital	11 786	12 008
1 149 357	1 152 846		Ordinary share premium	825 582	959 168
127 333	(11 798)	11	Non-distributable reserves	156 957	293 326
982 286	1 030 915		Distributable reserves	2 916 715	2 501 277
–	–	12	Minority interest	19 526	16 703
100	100	10	Preference share capital	100	100
2 271 449	2 184 454		**TOTAL EQUITY**	3 930 666	3 782 582
			NON CURRENT LIABILITIES		
20 836	(2 649)	13	Deferred taxation	246 931	272 477
20 836	(2 649)			246 931	272 477
			CURRENT LIABILITIES		
8 131	8 729	14	Accounts payable	641 280	637 816
–	–	15	Provisions	122 557	108 734
980 129	1 165 015	4	Amounts owed to Group companies	–	–
9 870	8 523		Taxation	75 311	52 770
35 648	99 219		Bank overdraft	–	–
1 033 778	1 281 486			839 148	799 320
3 326 063	3 463 291		**TOTAL EQUITY AND LIABILITIES**	5 016 745	4 854 379

Caxton and CTP Publishers and Printers Limited
Income statements for the year ended 30 June 2008

COMPANY 2007 R000	COMPANY 2008 R000	Notes		GROUP 2008 R000	GROUP 2007 R000
–	–	16	Gross turnover	5 108 440	4 751 633
–	–		Less: Inter-group	(765 708)	(745 217)
–	–		Revenue	4 342 732	4 006 416
–	–		Other operating income	95 801	80 205
–	–		**Total operating income**	4 438 533	4 086 621
–	–		Changes in inventories of finished goods and work in progress	(23 106)	(22 167)
–	–		Raw materials and consumables used	1 508 192	1 334 044
–	–	17	Staff costs	809 340	748 861
241	(156)	18	Other net operating expenses	1 250 117	1 168 949
241	(156)		**Total operating expenses**	3 544 543	3 229 687
(241)	156		**Profit/(Loss) from operating activities**	893 990	856 934
–	–	19	Depreciation	167 012	151 597
(241)	156		**Profit/(Loss) from operating activities after depreciation**	726 978	705 337
–	–		Impairment expense	75 128	42 989
(241)	156		**Net profit/(loss) from operating activities**	651 850	662 348
180 761	314 873	21	Finance income	207 207	149 299
(9)	(196)	22	Finance costs	(5 501)	(520)
–	–		Income from associates	22 798	19 123
180 511	314 833		**Profit before taxation**	876 354	830 250
(21 185)	(18 506)	23	Taxation	(212 036)	(210 837)
159 326	296 327		**Profit for the year**	664 318	619 413
–	–	12	Attributable to minority shareholders	9 330	8 325
159 326	296 327		Attributable to equity holders of parent	654 988	611 088
		26	Earnings per ordinary share (cents)	139,1	127,2
		26	Diluted earnings per share (cents)	139,1	127,0
		27	Headline earnings per share (cents)	135,2	121,7
		27	Diluted headline earnings per share (cents)	135,2	121,6
		24	Dividend per ordinary share (cents)	50,0	45,0
		25	Preference dividends per share (cents)	457,0	413,0
			– Fixed	12,0	12,0
			– Participating	445,0	401,0

Caxton and CTP Publishers and Printers Limited
Cash flow statements for the year ended 30 June 2008

COMPANY 2007 R000	COMPANY 2008 R000	Notes		GROUP 2008 R000	GROUP 2007 R000
(161 841)	(71 867)		**CASH FLOW FROM OPERATING ACTIVITIES**	445 926	302 102
(241)	156	33.1	Cash generated by/(utilised in) operations	883 358	850 786
(37 557)	(36 239)	33.2	Changes in working capital	(125 664)	(224 844)
(37 798)	(36 083)		Cash generated by/(utilised in) operating activities	757 694	625 942
(14 690)	(19 853)	33.3	Taxation paid	(184 507)	(186 583)
3 414	12 443		Interest received	38 391	31 718
(9)	(196)		Interest paid	(5 501)	(520)
110 166	219 520		Dividends received	85 906	51 655
61 083	175 831		Net cash inflow from operating activities	691 983	522 212
(222 924)	(247 698)	33.4	Dividends paid	(246 057)	(220 110)
168 014	129 903		**CASH FLOW FROM INVESTING ACTIVITIES**	(233 875)	(104 511)
			Property, plant, equipment and intangibles		
–	–		– additions to expand operations	(407 737)	(305 495)
–	–		– proceeds from disposals	12 380	29 429
–	–			(395 357)	(276 066)
561	(13 854)	33.5	Investments – subsidiary businesses	–	–
167 453	143 757	33.6	– associates, other investments and loans	161 482	171 555
168 014	129 903			161 482	171 555
(50 013)	188 393		**CASH FLOW FROM FINANCING ACTIVITIES**	(133 808)	(35 828)
–	3 507		Proceeds from issue of shares	3 507	–
(50 013)	184 886		(Decrease)/increase in amount owing to Group companies	–	–
–	–		Own shares acquired	(137 315)	(35 828)
(43 840)	246 429		Net increase/(decrease) in cash and cash equivalents	78 243	161 763
538 227	494 387		Cash and cash equivalents at beginning of year	984 265	822 502
494 387	740 816	33.7	Cash and cash equivalents at end of year	1 062 508	984 265
3 244	(27 497)		Fair value adjustment of preference shares and other instruments	(27 497)	3 243
497 631	713 319		Fair value of cash and cash equivalents at end of year	1 035 011	987 508

Caxton and CTP Publishers and Printers Limited
Statements of changes in equity for the year ended 30 June 2008

Group R000	Note	Ordinary share capital	Share premium	Preference share capital	Non–distributable reserves	Marked to market reserves	Distributable reserves	Minority interest	Total
Balance at 1 July 2006 – IFRS restated		12 063	994 941	100	78 065	91 842	2 107 470	11 526	3 296 007
Attributable earnings for the year							611 088	8 325	619 413
Minority interest acquired								(461)	(461)
Revaluation of land and building					92 539				92 539
Ordinary dividends paid	24						(217 222)	(2 687)	(219 909)
Preference dividends paid	25						(201)		(201)
Realisation of land and buildings revaluation reserve					(142)		142		–
Share trust consolidation		4	365						369
Fair value adjustments – investments						65 202			65 202
Fair value adjustments – preference shares						(34 180)			(34 180)
Own shares acquired by subsidiary		(59)	(36 138)						(36 197)
Balance at 30 June 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	24						(239 321)	(6 507)	(245 828)
Preference dividends paid	25						(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)
Fair value adjustments – 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
Company **R000**									
Balance at 1 July 2006 – IFRS restated		12 373	1 149 357	100	4 469	91 842	1 045 884	–	2 304 025
Attributable earnings for the year							159 326		159 326
Dividends paid – ordinary shareholders	24						(222 723)		(222 723)
Preference dividends paid	25						(201)		(201)
Fair value adjustments – investments						65 202			65 202
Fair value adjustments – preference shares						(34 180)			(34 180)
Balance at 30 June 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	24						(247 469)		(247 469)
Preference dividends paid	25						(229)		(229)
Fair value adjustments – investments						(112 711)			(112 711)
Fair value adjustments – 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

Caxton and CTP Publishers and Printers Limited
Notes to the annual financial statements
for the year ended 30 June 2008

1. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the financial statements for the year under review are in accordance with International Financial Reporting Standards ("IFRS") and the requirements of the South African Companies Act.

The principal accounting policies of the Group are set out below, save for the adoption of IFRS 7 Financial Instruments – Disclosure, have been consistently applied in all material respects with those of the previous year.

IFRS 7 disclosure standard has no impact on the recognition or measurement of financial instruments and consequently has no impact on profit or loss for the year.

1.1 Consolidation

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

1.2 Jointly controlled entities

Investments in jointly controlled entities are accounted for at cost in the holding company, and a proportionate share of the assets/liabilities/income and expenses 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.

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

The rates of depreciation used are:

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

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 publications' 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. ACCOUNTING POLICIES continued

1.7 Impairment of assets

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

1.8 Deferred taxation

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

1.9 Provisions

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

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

1.10 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.

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 investments 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 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.

1.11 Foreign currency transactions

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

1. ACCOUNTING POLICIES continued

1.12 Revenue

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

1.13 Employee benefits

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

1.14 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.

1.15 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 29.

(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.

(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.

1.16 Recently issued accounting standards

The International Accounting Standards Board ("IASB") issued a number of standards, amendments to standards and interpretations during the financial year ended 30 June 2008. These amendments and standards will therefore be implemented by the Group during the financial year commencing 1 July 2008.

- IFRS 3 – Business Combinations

  The amendments to the standard are effective for the Group for the year ending 30 June 2010.

  The principal amendments to IFRS 3 include:

  – the requirement to expense all acquisition related costs;

  – recognition of fair value gains and losses in the income statement on interests in an acquiree at the time at which control is lost;

  – recognition of all increases and decreases in ownership interests over an acquiree within equity while control is held; and

  – the option to recognise any non-controlling interest in the acquiree either at fair value or at the non-controlling interests proportionate share of the net identifiable assets of the entity acquired.

- IFRS 8 – Operating Segments

  Requires a management approach to reporting on financial performance of operating segments, but needs to be reconciled to IFRS amounts reported. IFRS 8 was published on 30 November 2006 and is only effective for the Group for its 30 June 2010 year-end.

- IAS 1 – Presentation of Financial Statements

  The revised IAS 1 supersedes the 2003 version of IAS 1 and is effective for the Group for the year ending 30 June 2010.

  The main change in the revised IAS 1 is the requirement to present all non-owner changes in equity in either:

  – a statement of comprehensive income which includes only an income statement line item; or

  – a statement of comprehensive income which includes only non-owner equity changes. In addition, an income statement is also disclosed.

  A statement of financial position, preferred term for "balance sheet", also has to be presented at the beginning of the comparative period when the entity restates the comparatives as a result of a change in accounting policy, the correction of an error, or the reclassification of items in the financial statements. The revised IAS 1 will not impact the results of the Group but will impact the format of the income statement and statement of changes in equity.

1. ACCOUNTING POLICIES continued

1.16 Recently issued accounting standards continued

- IAS 27 – Consolidated and Separate Financial Statements

  The amendments to the standard are effective for the Group for the year ending 30 June 2010.

  The amendments to IAS 27 require changes in a parent's ownership interest in a subsidiary that does not result in a loss of control to be accounted for within equity as transactions with owners in their capacity as owners. At the time at which control is lost, a parent shall derecognise all assets, liabilities and non-controlling interest at their carrying amounts. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. A gain or loss on the loss of control is recognised in profit or loss. The revised standard also requires an entity to attribute its share of total comprehensive income to the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

  The effect on the financial statements will be a function of the number and value of transactions that result in the loss of control over subsidiaries after the implementation of the new standard.

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 theses 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.

- **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.

2. PROPERTY, PLANT AND EQUIPMENT (GROUP)

Cost or valuation R000	Freehold land and buildings	Leasehold improve-ments	Plant and machinery	Vehicles	Furniture and equipment	Total
Year ended 30 June 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**
Disposal	**(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**
Year ended 30 June 2007						
Opening net book value	312 420	392	1 235 844	13 397	25 713	1 587 766
Purchases	56 929		206 571	15 154	24 613	303 267
Disposals	(3 725)		(24 718)	(391)	(77)	(28 911)
Reversal/(impairment)	881		(36 478)			(35 597)
Revaluation	125 764					125 764
Depreciation	(3 059)	(384)	(125 093)	(5 972)	(16 071)	(150 579)
Closing net book value	489 210	8	1 256 126	22 188	34 178	1 801 710
Summary						
Gross carrying amount	–	1 834	1 917 041	46 930	133 895	2 099 700
Valuation	500 622	–	–	–	–	500 622
	500 622	1 834	1 917 041	46 930	133 895	2 600 322
Accumulated depreciation and impairment	(11 412)	(1 826)	(660 915)	(24 742)	(99 717)	(798 612)
Net carrying amount	489 210	8	1 256 126	22 188	34 178	1 801 710

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 2007. 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 R376 590 000 had the asset been measured using the historic cost model.

Company 2007 R000	Company 2008 R000			Group 2008 R000	Group 2007 R000
		3.	**INTANGIBLE ASSETS**		
			Publication titles		
			Cost		
			Opening net book value	–	6 182
			Purchases	–	2 228
			Amortisation	–	(1 018)
			Impairment	–	(7 392)
			Closing net book value	–	–
		4.	**INTEREST IN SUBSIDIARIES**		
1 375 755	1 375 755		Shares at cost		
682 960	696 814		Amount owing by subsidiaries		
2 058 715	2 072 569				

Subsidiary company details are set out on page 35.

The amounts owing by and to the subsidiaries are interest free and repayable on demand.

Company 2007 R000	Company 2008 R000			Group 2008 R000	Group 2007 R000
		5.	**INVESTMENTS AND LOANS**		
		5.1	**Associated companies – Unlisted**		
45 426	47 007		Shares at cost	46 602	45 021
–	–		Share of post-acquisition reserves	39 568	26 974
45 426	47 007		Total carrying value	86 170	71 995
(6 880)	7 502		Loans	12 023	11 696
38 546	54 509			98 193	83 691

Associated company details are set out on page 36.

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 recoverabilty of the loans on an ongoing basis.

At 30 June 2008, if interest rates had been 1% higher with all other variables held constant, post-tax profit for the year would have increased by approximately R9 626 (2007: R12 348).

If interest rates had been 1% lower post-tax profit would have decreased by approximately R9 626 (2007: R12 348).

Company 2007 R000	Company 2008 R000		Group 2008 R000	Group 2007 R000
		5. INVESTMENTS AND LOANS continued		
		5.2 Investments		
		Listed investments – available for sale		
19 275	**18 810**	African Media Entertainment Limited	**18 810**	19 275
–	**13 211**	Element One Limited	**13 211**	–
240 000	**18 569**	Avusa Limited	**18 569**	240 000
259 275	**50 590**		**50 590**	259 275
		Unlisted investments – available for sale		
10 903	**10 903**	Long-term preference shares	**10 903**	10 903
		Caxton Share Investments (Pty) Limited		
400 000	**400 000**	– preference shares	**400 000**	400 000
410 903	**410 903**		**410 903**	410 903
670 178	**461 493**	**Total investments**	**461 493**	670 178
708 724	**516 002**	Fair value of investments and loans	**559 686**	753 869

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 2008.

Company 2007 R000	Company 2008 R000		Group 2008 R000	Group 2007 R000
		6. INVENTORIES		
		Raw materials	**520 750**	437 476
		Work in progress	**46 447**	56 364
		Finished goods	**127 315**	94 293
			694 512	588 133
		Comprising:		
		Inventory at cost	**630 020**	535 170
		Inventory at net realisable value	**64 492**	52 963
			694 512	588 133
		7. ACCOUNTS RECEIVABLE		
–	**–**	Trade accounts receivable	**681 804**	667 463
–	**–**	Allowance for doubtful debts	**(36 254)**	(31 611)
–	**–**	Prepayment and deferred expenditure	**17 216**	14 685
25 345	**62 182**	Other accounts receivable	**107 813**	70 890
25 345	**62 182**		**770 579**	721 427

Company			Group	
2007	2008		2008	2007
R000	R000		R000	R000

7. ACCOUNTS RECEIVABLE continued

Trade accounts receivable

Exposure to credit risk

Gross trade receivables represents the maximum credit exposure.

		2008 R000	2007 R000
The maximum exposure to credit risk at the reporting date was:		681 804	667 463

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

	Average debtors terms (days)	2008 R000	2007 R000
Parastatals/government	60	40 111	47 142
Corporates	60	540 849	519 873
SMMEs	60	72 868	75 212
Individuals	60	27 976	25 236
		681 804	667 463

The Caxton 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)	2008 R000	2007 R000
South Africa	60	659 217	663 457
Rest of Africa	60	22 587	4 006
		681 804	667 463

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.

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. Caxton makes use of credit vetting agencies who maintain current credit data on most companies in South Africa.

Company 2007 R000	Company 2008 R000		Group 2008 R000	Group 2007 R000
		7. ACCOUNTS RECEIVABLE continued		
		Trade receivables		
		Within terms	**639 557**	601 149
		Current	**307 354**	306 682
		Due 30 days and less	**200 624**	201 893
		Due 30 to 60 days	**131 579**	92 574
		Past due	**42 247**	66 314
		Due 60 to 90 days	**28 259**	35 011
		Due 90 days +	**13 988**	31 303
			681 804	667 463

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.

Company 2007 R000	Company 2008 R000		Group 2008 R000	Group 2007 R000
		Allowance for impairment of debtors:		
		Opening balance	**31 611**	27 196
		Impairment loss recognised	**8 791**	9 596
		Reversals of impairment loss	**(4 148)**	(5 181)
		Closing balance	**36 254**	31 611
		The following impairment losses were recognised:		
		Financial difficulties/bankruptcy	**3 813**	4 388
		Absconded	**669**	27
		Dispute	**161**	–
			4 643	4 415

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:

Company 2007 R000	Company 2008 R000		Group 2008 R000	Group 2007 R000
–	**–**	Prepayment and deferred expenditure	**17 216**	14 685
25 345	**62 182**	Other accounts receivable	**107 813**	70 890
25 345	**62 182**		**125 029**	85 575

Company 2007 R000	Company 2008 R000		Group 2008 R000	Group 2007 R000
		8. PREFERENCE SHARES LISTED – AVAILABLE FOR SALE		
24 240	**18 917**	Preference shares earning a dividend, payable semi-annually, of 72% of prime.	**18 917**	24 240
143 846	**133 417**	Preference shares earning a dividend payable semi-annually, of 73% of prime.	**133 417**	143 846
60 000	**56 130**	Preference shares earning a dividend payable semi-annually, of 70% of prime.	**56 130**	60 000
105 193	**94 074**	Preference shares earning a dividend payable semi-annually, of 68% of prime.	**94 074**	105 193
333 279	**302 538**		**302 538**	333 279

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 that there is 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 2007 R000	Company 2008 R000		Group 2008 R000	Group 2007 R000
		9. BANK AND CASH RESOURCES		
–	**–**	Cash on hand	**115 148**	309 262
–	**–**	Cash on call and deposit	**107 325**	144 967
–	**–**		**222 473**	454 229

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 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.

At 30 June 2008, if interest rates had been 1% higher with all other variables held constant, post-tax profit for the year would have increased by approximately R522 899 (2007: R397 401).

If interest rates had been 1% lower post-tax profit would have decreased by approximately R522 899 (2007: R397 401).

Refer to note 21 and note 22 for dividends and interest received.

Company 2007 R000	Company 2008 R000		Group 2008 R000	Group 2007 R000
		10. SHARE CAPITAL		
		ORDINARY SHARE CAPITAL		
		Authorised		
30 000	**30 000**	1 200 000 000 ordinary shares of 2,5 cents each	**30 000**	30 000
		PREFERENCE SHARE CAPITAL		
		Authorised		
200	**200**	100 000 6% cumulative participating preference shares of R2 each	**200**	200
		ORDINARY SHARE CAPITAL		
		Issued		
12 373	**12 391**	495 639 628 (2007: 494 939 628) ordinary shares of 2,5 cents each	**12 391**	12 373
–	**–**	*Less:* 24 120 657 (2007: 14 486 141) shares held by subsidiary	**(603)**	(362)
12 373	**12 391**	471 518 971 ordinary shares of 2,5 cents each	**11 788**	12 011
–	**–**	*Less:* 62 500 shares (2007: 125 000) held by share trust	**(2)**	(3)
12 373	**12 391**		**11 786**	12 008
		PREFERENCE SHARE CAPITAL		
		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.		
		11. NON-DISTRIBUTABLE RESERVES		
		Comprises:		
4 469	**4 469**	Realisation reserve	**32 700**	32 700
–	**–**	Foreign currency translation reserve	**2 420**	(994)
–	**–**	Loans acquired at a discount	**16 338**	16 338
–	**–**	Surplus on revaluation of land and buildings	**121 766**	122 418
122 864	**(16 267)**	Fair value adjustments – investments	**(16 267)**	122 864
127 333	**(11 798)**		**156 957**	293 326
		12. MINORITY INTEREST		
		Balance at beginning of the year	**16 703**	11 526
		Share of earnings	**9 330**	8 325
		Dividends	**(6 507)**	(2 687)
		Acquired	**–**	(461)
		Balance at end of the year	**19 526**	16 703

Company 2007 R000	Company 2008 R000		Group 2008 R000	Group 2007 R000
		13. DEFERRED TAXATION		
–	20 836	Balance at beginning of the year	272 477	178 349
–	–	Income statement transfer	4 884	29 055
20 836	(23 485)	Non-distributable reserves transfer – fair valuations	(23 482)	54 057
–	–	Prior year adjustment	1 741	11 016
–	–	Rate adjustment	(8 689)	–
20 836	(2 649)	Balance at end of the year	246 931	272 477
		Deferred taxation comprises temporary differences arising on:		
–	–	– property, plant and equipment	286 881	249 836
20 836	(2 649)	– investments	(2 649)	20 836
–	–	– accounts receivable	5 492	41 994
–	–	– accounts payable	(40 760)	(39 591)
–	–	– assessed losses	(2 033)	(598)
20 836	(2 649)		246 931	272 477

The benefits of the tax losses in the Group have been included in deferred tax.

Company 2007 R000	Company 2008 R000		Group 2008 R000	Group 2007 R000
		14. ACCOUNTS PAYABLE		
–	–	Trade accounts payable	343 294	335 604
8 131	8 729	Sundry accounts payable and accruals	297 986	302 212
8 131	8 729		641 280	637 816

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 29).

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 2007 R000	Company 2008 R000	Group 2008 R000	Group 2007 R000
15. PROVISIONS				
Bonus				
Opening balance			46 379	45 455
Additional provisions			45 762	37 418
Utilised			(37 821)	(36 494)
Closing balance			54 320	46 379
Leave pay				
Opening balance			16 970	15 830
Additional provisions			10 911	13 111
Utilised			(9 486)	(11 971)
Closing balance			18 395	16 970
Volume discount allowed				
Opening balance			9 989	11 639
Additional provisions			23 050	22 509
Utilised			(13 756)	(24 159)
Closing balance			19 283	9 989
Retrenchments				
Opening balance			3 202	2 000
Additional provisions			–	3 202
Utilised			(2 706)	(2 000)
Closing balance			496	3 202
Other				
Opening balance			32 194	31 214
Additional provisions			15 292	22 240
Utilised			(17 423)	(21 260)
Closing balance			30 063	32 194
Total provisions				
Opening balance			108 734	106 138
Additional provisions			95 015	98 480
Utilised			(81 192)	(95 884)
Closing balance			122 557	108 734

16. 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 2007 R000	Company 2008 R000	Group 2008 R000	Group 2007 R000
17. STAFF COSTS				
– salaries, wages and bonuses			768 702	716 050
– retirement benefit costs			40 638	32 811
			809 340	748 861

Company 2007 R000	Company 2008 R000		Group 2008 R000	Group 2007 R000
		18. OTHER NET OPERATING EXPENSES		
		Income		
–	–	Profit on sale of property, plant and equipment	1 466	518
–	–	Foreign currency profits	27 053	8 811
–	–	Profit on disposal of subsidiaries	–	3
–	–		28 519	9 332
		Expenditure		
		Auditors' remuneration:		
182	194	– audit fees	4 989	5 065
–	–	– under/(over) provision previous year	29	(14)
70	–	– fees for other services	182	326
252	194		5 200	5 377
		Fees for:		
947	–	– administrative, managerial and secretarial services	15 523	12 771
–	–	– royalties	35 470	41 837
–	–	– technical services	1 449	1 683
947	–		52 442	56 291
		Foreign currency losses	650	588
		Operating leases		
		– buildings	10 525	9 690
		– other	1 444	1 543
			11 969	11 233
		19. DEPRECIATION, AMORTISATION AND IMPAIRMENT EXPENSE		
		Depreciation		
		– buildings and leasehold improvements	4 081	3 443
		– plant and machinery	136 681	125 093
		– motor vehicles	7 552	5 972
		– furniture and equipment	18 698	16 071
		Amortisation		
		– publication titles	–	1 018
		Impairment		
		– buildings	–	(881)
		– plant and machinery	74 211	36 478
		– furniture and equipment	917	–
		– publication titles	–	7 392
			242 140	194 586

Reversal of impairment which was previously recognised and measured based on estimates.

20. DIRECTORS' EMOLUMENTS

R000	TD Moolman	GM Utian	PG Greyling	TJW Holden	PM Jenkins	ACG Molusi	AN Nemukula	Dr F van Zyl Slabbert	P Vallet	Total
	Executive directors				Non-executive directors					
Directors' fees	2 500	2 200			80	67	67		80	**4 994**
Fees for services					100				70	**170**
Consulting fees								480		**480**
Basic salary			1 398	1 144						**2 542**
Bonuses		1 000	1 200	450						**2 650**
Medical funding			11	14						**25**
Retirement funding			91	74						**165**
Shares/options exercised	5 663			505						**6 168**
Total 2008	**8 163**	**3 200**	**2 700**	**2 187**	**180**	**67**	**67**	**480**	**150**	**17 194**
Total 2007	2 100	1 920	2 240	2 016	600	–	–	480	150	9 506

	2008 R000	2007 R000
Paid by subsidiaries	**17 194**	9 506

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

Details of directors' participation in the share option scheme

	Opening balance	Options exercised	Closing balance	Exercise date	Subscription price	Market price	Vesting period
TD Moolman	700 000	(700 000)	–	28 Feb 2008	R5,01	R13,10	Fully vested
	700 000	(700 000)	–				

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	100 000	(50 000)	50 000	5 Sep 2007	R5,40	R15,50	2008
	100 000	(50 000)	50 000				

Company 2007 R000	Company **2008 R000**		Group **2008 R000**	Group 2007 R000
		21. FINANCE INCOME		
3 414	**12 442**	– interest	**38 391**	31 718
26 169	**33 778**	– dividends: listed companies	**33 778**	26 169
25 485	**72 150**	– dividends – unlisted companies	**52 128**	25 486
58 512	**113 593**	– dividends: subsidiary companies	**–**	–
67 181	**82 910**	– net surplus on realisation of investments: available for sale	**82 910**	65 926
180 761	**314 873**		**207 207**	149 299
		22. FINANCE COSTS		
–	**–**	– interest on bank overdraft	**4**	25
9	**196**	– other	**5 497**	495
9	**196**		**5 501**	520

Company 2007 R000	Company 2008 R000		Group 2008 R000	Group 2007 R000
		23. TAXATION		
		South African normal tax		
1 186	3 720	– current	183 381	168 880
(1 121)	9	– prior year	(7 702)	(35 717)
		Deferred tax		
–	–	– current	4 884	29 055
–	–	– prior year	1 741	11 016
–	–	– rate adjustment	(8 689)	–
10 784	9 415	Secondary tax on companies	18 275	18 113
10 336	5 362	Capital gains tax	5 442	10 336
–	–	Foreign tax	8 169	3 557
–	–	Associate companies	6 535	5 597
21 185	18 506		212 036	210 837
52 348	88 153	Tax at the standard rate of 28% (2007: 29%)	245 379	240 773
31 163	69 647	Difference	33 343	29 936
		Reconciled as follows:		
51 503	84 681	– dividend and other non-taxable income	48 696	36 162
(341)	(247)	– disallowable expenses	(5 148)	(7 240)
1 121	585	– effect of prior year	6 556	24 701
(10 784)	(9 415)	– secondary tax on companies	(18 275)	(18 113)
(10 336)	(5 362)	– capital gains tax	(5 442)	(10 336)
–	–	– rate differential foreign tax	(1 457)	(2 566)
–	(595)	– other	8 413	7 328
31 163	69 647		33 343	29 936
		Estimated tax losses included in deferred tax:		
		– at beginning of year	3 832	7 872
		– incurred and acquired during year	3 119	2 413
		– utilised during year	(4 953)	(6 453)
		– at end of year	1 998	3 832
		24. DIVIDENDS		
222 924	247 470	Paid – ordinary	239 321	217 222
		25. PREFERENCE DIVIDENDS		
6	6	– 6% fixed portion	6	6
201	223	– participating preference dividend	223	201
207	229	**Paid**	229	207
6	6	– fixed portion	6	6
229	232	– participating portion declared, paid post year-end	232	229
235	238	**Used in calculation of dividend per share**	238	235

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

Company			Group	
2007	2008		2008	2007
R000	R000		R000	R000
		26. EARNINGS PER SHARE		
		The calculation of earnings per share is based on earnings of	654 988	611 088
		and on the weighted number of shares of 470 989 804 (2007: 480 328 487).		
		Diluted earnings for 2007 is based on additional shares of 700 000 in respect of share options.		
		27. HEADLINE EARNINGS PER SHARE		
		Earnings attributable to ordinary shareholders	654 988	611 088
		Impairment in value of property, plant and equipment	75 128	42 989
		Profit on disposal of property, plant and equipment	(1 466)	(518)
		Surplus on disposal of investments	(82 910)	(65 926)
		Tax effect on above adjustments	(9 018)	(2 757)
		Headline earnings	636 722	584 876
		28. COMMITMENTS		
		Capital expenditure on plant and machinery		
		– approved but not contracted	201 000	250 000
		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	4 166	4 125
		After one year, but not more than five years	4 918	10 214
			9 084	14 339
		29. CONTINGENT LIABILITIES AND FOREIGN EXCHANGE EXPOSURE		
		29.1 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:		
		Rate of exchange		
		European euro 12,30	196 790	94 800
		US dollars 8,07	16 364	16 907
		British pounds 15,05	21 030	5 289
		Other –	1 362	–
			235 546	116 996

29. CONTINGENT LIABILITIES AND FOREIGN EXCHANGE EXPOSURE continued

29.2 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.

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:

Foreign exchange contracts:
– to pay

Foreign currency in respect of imports	Average rate	Foreign 000	R000
Euro	12,182	23 638	287 951
Pound sterling	15,667	3 547	55 570
US dollars	8,118	2 546	20 670
Australian dollars	7,112	120	853
Swiss franc	6,716	563	3 782
Total			368 826

30. BORROWING POWERS

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

31. 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.

Company 2007 R000	Company 2008 R000		Group 2008 R000	Group 2007 R000

31. RELATED PARTIES continued

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 20 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 in October 1977, the Partnership receives a commission on the Group's advertising revenue which amounted to R42,8 million (2007: R38,7 million).

The balance owing to the partnership at the year-end amounted to R3,2 million (2007: R3,3 million).

Subsidiaries

Details of income from and investment in subsidiaries are disclosed in the income statement, note 4 and in the annexure on page 35.

Associates

Details of income from associates and joint ventures are disclosed in the income statement, note 5 and in the annexure on page 36.

Shareholders

The principal shareholders of the company are detailed in the shareholders' analysis in the directors' report.

32. 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. 5 359 (2007: 5 466) of the Group's employees are covered by the plans.

33. NOTES TO THE CASH FLOW STATEMENT

33.1 Cash generated by/(utilised in) operations

Company 2007 R000	Company 2008 R000		Group 2008 R000	Group 2007 R000
180 511	314 833	Income before taxation	876 354	830 250
–	–	Associate income	(22 798)	(19 123)
(3 405)	(12 247)	Interest received (net)	(32 890)	(31 198)
(110 166)	(219 520)	Dividends received	(85 906)	(51 655)
		Adjustment for non-cash items:		
–	–	– depreciation of property, plant and equipment	167 012	150 579
–	–	– amortisation and impairment	75 128	44 007
(67 181)	(82 910)	– profit on disposal of investments	(82 910)	(65 926)
–	–	– loss on disposal of subsidiaries	–	(3)
–	–	– movement in foreign currency translation reserve	3 414	–
–	–	– net surplus on disposal of property, plant and equipment	(1 466)	(518)
–	–	– profit on forex	(26 403)	(8 223)
–	–	– movement in provisions	13 823	2 596
(241)	156		883 358	850 786

Company 2007 R000	Company 2008 R000		Group 2008 R000	Group 2007 R000
		33.2 Changes in working capital		
–	**–**	Increase in inventories	**(106 379)**	(126 197)
(15 016)	**(36 837)**	Increase in accounts receivable	**(49 152)**	(51 834)
(22 541)	**598**	Increase/(decrease) in accounts payable	**29 867**	(46 813)
(37 557)	**(36 239)**		**(125 664)**	(224 844)
		33.3 Taxation paid		
(3 375)	**(9 870)**	Opening tax payable	**(51 038)**	(72 452)
(21 185)	**(18 506)**	Charged in income statement	**(214 100)**	(170 766)
–	**–**	*Less:* Associates	**6 535**	5 597
9 870	**8 523**	Closing tax payable	**74 096**	51 038
(14 690)	**(19 853)**		**(184 507)**	(186 583)
		33.4 Dividends paid		
(222 924)	**(247 698)**	Charged to reserves	**(239 550)**	(217 423)
–	**–**	Dividends of minority shareholders	**(6 507)**	(2 687)
(222 924)	**(247 698)**		**(246 057)**	(220 110)
		33.5 Investments – subsidiary businesses		
(2 523)	**–**	Acquisitions	**–**	–
3 084	**(13 854)**	Advances to/(repayments from) Group companies	**–**	–
561	**(13 854)**		**–**	–
		33.6 Investments – associates and other investments		
(10 523)	**(18 574)**	Acquisitions	**(14 905)**	(10 984)
175 075	**176 713**	Proceeds from disposal of investments	**176 713**	178 534
2 901	**(14 382)**	(Increase)/decrease in loans	**(326)**	4 005
167 453	**143 757**		**161 482**	171 555
		33.7 Cash and cash equivalents		
(35 648)	**(99 219)**	Cash – per balance sheet	**222 473**	454 229
333 279	**302 538**	Preference shares at fair value	**302 538**	333 279
200 000	**510 000**	Other instruments at fair value	**510 000**	200 000
497 631	**713 319**	Fair value of cash and cash equivalents	**1 035 011**	987 508
(3 244)	**27 497**	Fair value adjustment	**27 497**	(3 243)
494 387	**740 816**		**1 062 508**	984 265

34. 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: printing, publishing and distribution and other.

The Group operates in South Africa.

	Group			
	2008		2007	
	R000	%	R000	%
Revenue				
Publishing, printing and distribution	**4 002 034**	**92**	3 604 023	90
Other	**1 106 406**	**25**	1 147 609	29
Inter-Group sales	**(765 708)**	**(17)**	(745 216)	(19)
	4 342 732	**100**	4 006 416	100
Operating income				
Publishing, printing and distribution	**471 373**	**72**	480 265	73
Other	**180 477**	**28**	182 083	27
	651 850	**100**	662 348	100
Other information				
Total assets				
Publishing, printing and distribution	**2 574 782**	**51**	2 450 660	50
Other	**2 441 963**	**49**	2 403 719	50
	5 016 745	**100**	4 854 379	100
Total liabilities				
Publishing, printing and distribution	**776 596**	**72**	738 001	69
Other	**309 483**	**28**	333 796	31
	1 086 079	**100**	1 071 797	100
Capital expenditure				
Publishing, printing and distribution	**324 481**	**80**	210 696	69
Other	**83 256**	**20**	94 799	31
	407 737	**100**	305 495	100
Depreciation and amortisation				
Publishing, printing and distribution	**193 343**	**80**	145 026	75
Other	**48 797**	**20**	49 560	25
	242 140	**100**	194 586	100

CAXTON AND CTP PUBLISHERS AND PRINTERS LIMITED

INFORMATION RELATING TO INTEREST IN SUBSIDIARIES

NAME OF SUBSIDIARY	ACTIVITIES	ISSUED CAPITAL R	HOLDING % 2008	HOLDING % 2007	COST 2008 R000	COST 2007 R000	OWING* 2008 R000	OWING* 2007 R000
DIRECTLY HELD								
Caxton Publishers and Printers	Holding company	28 234	**100**	100	**1 352 228**	1 352 228	**696 814**	682 960
Darwain Investments	Printing	300	**60**	60	**494**	494		
Highway Mail	Publishing	100 000	**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	**75**	75	**2 523**	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	Printing and publishing	2 500 718	**100**	100	**–**	–		
CTP Newspapers -Cape	Printing	100	**100**	100	**–**	–		
Direct Stationery U.K.	Stationery distributors	1 711	**100**	100	**–**	–		
Donau Designs	Stationery distributors	400	**100**	100	**–**	–		
Erfrad 13	Property owning	100	**100**	100	**–**	–		
Highway Printers	Printing	100	**100**	100	**–**	–		
Kagiso Publishers	Publishers	700	**100**	100	**–**	–		
Pecanview Properties	Property owning	–	**100**	100	**–**	–		
Project Northwards	Property owning	166	**100**	100	**–**	–		
Racing Network	Publishing	1 000	**–**	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	**–**	–		
					1 361 873	1 361 873	**696 814**	682 960

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

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

JOINTLY CONTROLLED ENTITIES								
Maskew Miller Longman Holdings	Publishing	50 000	**50**	50	**13 882**	13 882	**–**	–
MCS Caxton International Press	Distribution	20 000	**50**	50	**–**	–	**–**	–
Mahareng Publishing	Publishing	100	**50**	50	**–**	–	**–**	–
Safeway Publishing	Publishing	100	**50**	50	**–**	–	**–**	–
Impala Vuwa Stationery Manufacturers	Stationery manufacturer	1 000	**50**	–	**–**	–	**–**	–
					13 882	13 882	**–**	–
					1 375 755	1 375 755	**696 814**	682 960

CAXTON AND CTP PUBLISHERS AND PRINTERS LIMITED

INFORMATION RELATING TO ASSOCIATED COMPANIES

ASSOCIATE	ACTIVITIES	ISSUED CAPITAL R	HOLDING % 2008	HOLDING % 2007	COST 2008 R000	COST 2007 R000	OWING 2008 R000	OWING 2007 R000
Capital Media (Feb)	Newspaper publisher	4	50	50	–	–	–	–
Carpe Diem	Magazine publisher	120	30	30	4 729	3 900	12	11
FBC Properties	Property owning	100	50	50	1 352	1 350	–	2
Heraut Publiseerders	Newspaper publisher	100	49	49	189	189	1 595	–
Hutton Trading	Advert delivery	120	30	30	250	750	–	–
Ince Holdings **	Printer	1 000	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	1 278	829
Merpak	Envelope manufacturer	2 837	–	–	–	–	–	1 200
Mooivaal Media (March)	Newspaper publisher	25 000	50	50	1 565	1 565	–	–
Nachas reproduction	Typesetting	500	–	50	–	–	–	677
NXT Thing Now	Digital publishing	100	50	50	–	–	–	–
Overdrive Publishing	Magazine publisher	1 000	25	–	1 250	–	3 840	–
Ramsay Son & Parker (Feb)	Magazine publisher	24 000	30	30	30 075	30 075	–	–
Rising Sun	Newspaper publisher	100	50	50	–	–	(925)	1 875
Ronain Investments	Property owning	500	50	50	33	33	3 854	4 505
Rowaga Properties	Property owning	500	50	50	1 175	1 175	–	–
Sentrale Makelaars	Dormant	25 000	50	50	56	56	–	–
Shumani Print Services	Printer	1 000	49	49	–	–	2 369	2 439
Tambuti Brits	Property owning	100	50	50	–	–	–	158
Tambuti Enterprise	Property owning	100	50	50	143	143	–	–
Tambuti Upington	Property owning	100	50	50	–	–	–	–
Tambuti Vryburg	Property owning	100	50	50	–	–	–	–
Threads & Craft	Magazine publisher	100	30	30	–	–	–	–
Wordsmiths	Newspaper publisher	10 000	50	50	3 750	3 750	–	–
					46 602	45 021	12 023	11 696

All private companies unless otherwise stated 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		JOINTLY CONTROLLED R000	
BALANCE SHEET	2008	2007	2008	2007
Fixed assets	62 088	32 617	35 277	5 345
Investments and long-term receivables	5 395	12 857	4 770	–
Current assets	60 779	32 363	259 507	249 500
Total assets	128 262	77 837	299 554	254 845
Long-term liabilities	18 908	13 482	52 440	–
Deferred taxation	8 346	2 292	(4 360)	(2 552)
Current liabilities	40 269	28 004	156 036	144 541
Total liabilities	67 523	43 778	204 116	141 989
Attributable net asset value	60 739	34 059	95 438	112 856
INCOME STATEMENT				
Turnover	214 968	173 594	373 914	361 082
Income before taxation	22 798	19 132	91 465	111 031
Taxation	(6 535)	(5 597)	(35 007)	(40 286)
Net income for the year	16 263	13 535	56 458	70 745

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 Wednesday, 5 November 2008 commencing at 10:00 am for the following purposes:

1. To receive and consider the annual financial statements for the year ended 30 June 2008.

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

2.1 **"THAT** in terms of section 221 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."

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

- this authority shall not endure beyond the earlier of the next annual general meeting of the company or beyond 15 months from the date of the meeting;
- there will be no restrictions in regard to the persons to whom the shares may be issued, provided that such shares are to be issued to public shareholders (as defined by the JSE'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 Listing 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.

3. To approve the payments of emoluments to directors as detailed on page 28 of the annual report.

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

4.1 **Mr Timothy JW Holden** (44) (BComm; CA(SA))
Tim Holden joined the Group as Group General Manager: Finance in 2003 and was appointed as a director in 2006. He is a qualified Chartered Accountant and has previous experience in the retail and manufacturing industries. Tim has been the financial director of a number of companies. In addition, he has also held a number of senior and executive operational posts within these companies.

4.2 **Mr Andrew CG Molusi** (46) (B Journ; MA)
Connie Molusi is the Chief Executive Officer at Kabo Capital (Pty) Limited. Before that he was an executive director and Group Chief Executive Officer of Johnnic Communications (Johncom) for six years from 2000 to 2006.

Connie was a career journalist with various South African publications and news agencies. He was also Media Advisor for the Minister without Portfolio in the Office of the President, responsible for the Reconstruction and Development programme. Further, he was Media Advisor to the Minister of Communications as well as a General Manager in the Department of Communications.

He has served as past President of Print Media South Africa (PMSA); Chairman of Newspaper Association and Member of the Board of Directors of the World Association of Newspapers; past President of the South African Union of Journalists; Executive Member of the International Federation of Journalists; past Member of the Board of Media Development and Diversity Agency (MDDA) and past Member of the Board of MNet-Supersport. Connie is a Trustee of WWF (South Africa); Board of Governors of Rhodes University; Chairman of African Media and Entertainment Limited; Chairperson of the Johannesburg Tourism Company (JTC); Chairman of Telkom Media; as well as Member of the Board of Sishen Iron Corporation.

4.3 Mr Albert N Nemukula (53)

Albert is a teacher by qualification and has a marketing sales diploma.

He has taught at various high schools and was responsible for marketing and publishing at Juta & Co. He has several business interests in publishing and printing, jewellery and retail stores.

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

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

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

- Details of directors on page 1;
- Directors' interest in securities on page 9 (which beneficial interests have not changed since 30 June 2008. There are no non-beneficial interests);
- Major shareholders on page 9;
- Material changes in the nature of the company's trading or financial position post 30 June 2008 on page 9; and
- The share capital note on page 24.

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 1 of this annual report, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the annual report contains all information required by the JSE Listings Requirements, have considered the general authority to repurchase securities resolution and are of the opinion that Caxton shareholders should vote in favour of the resolutions necessary to implement the resolution.

6. 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 10:30am on Monday, 3 November 2008.

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
6 October 2008

NOTES

Designed by motiv
Printed by İNCE

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

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 Wednesday, 5 November 2008, 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 Wednesday, 5 November 2008 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 2008			
2.1 To extend the authority of the directors to allot and issue the unissued shares of the company			
2.2 To empower the directors to issue shares for cash			
3. To approve the emoluments to directors			
4.1 To re-elect Mr TJW Holden as director of the company			
4.2 To re-elect Mr ACG Molusi as director of the company			
4.3 To re-elect Mr AN Nemukula as director of the company			
5. 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 2008

Signature

Assisted by me

(where applicable – see note 7)

Notes

1. A Caxton shareholder may insert the name of a proxy or the names of two alternative proxies of the Caxton shareholder's choice in the space/s provided, with or without deleting "the Chairperson of the general meeting", but any such deletion must be initialled by the Caxton shareholder concerned. The person whose name appears first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. Please insert an "X" in the relevant spaces according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than you own in Caxton, insert the number of ordinary shares held in respect of which you desire to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the general meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A Caxton shareholder or his/her proxy is not obliged to use all the votes exercisable by the Caxton shareholder or by his/her proxy, but the total of the votes cast and in respect whereof abstentions are recorded may not exceed the total of the votes exercisable by the shareholder or by his/her proxy.
3. The date must be filled in on this proxy form when it is signed.
4. The completion and lodging of this form of proxy will not preclude the relevant Caxton shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof. Where there are joint holders of shares, the vote of the senior joint holder who tenders a vote, as determined by the order in which the names stand in the register of members, will be accepted.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries of Caxton or waived by the Chairperson of the general meeting of Caxton shareholders.
6. Any alterations or corrections made to this form of proxy must be initialled by the signatory/ies.
7. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of Caxton.
8. Forms of proxy must be received by the company at its registered office or the transfer secretaries, Computershare Limited at 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by not later than 10:00 am on Monday, 3 November 2008.
9. The Chairperson of the general meeting may accept or reject any form of proxy, in his absolute discretion, which is completed other than in accordance with these notes.
10. If required, additional forms of proxy are available from the transfer secretaries of Caxton.
11. Dematerialised shareholders, other than those with own name registration who wish to attend the annual general meeting should instruct their Central Securities Depository Participant ("CSDP") or broker to issue them with the necessary 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.