CAXTON AND CTP publishers and printers LIMITED

Integrated Annual Report 2012

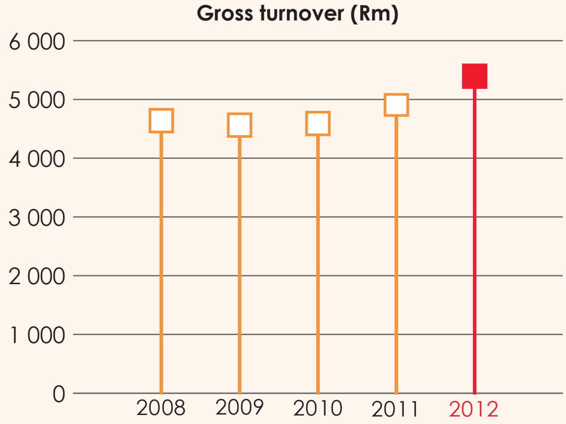
Caxton and CTP Publishers and Printers Limited is a major publisher and printer of books, magazines and newspapers in South Africa.

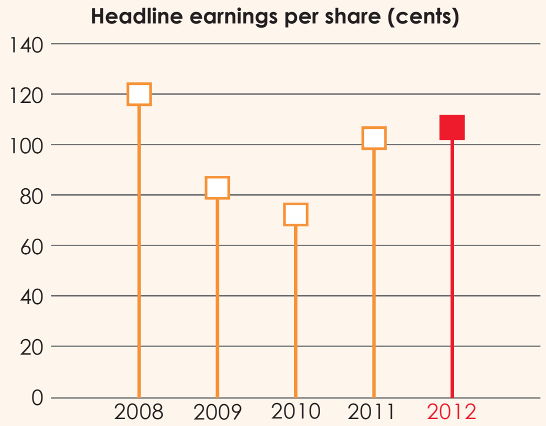
Caxton and CTP Publishers and Printers Limited is driven by the quest for excellence across all disciplines of publishing and printing, working with a team of committed, well-trained and empowered employees. We aim to provide products of outstanding quality to our clients and superior returns to our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

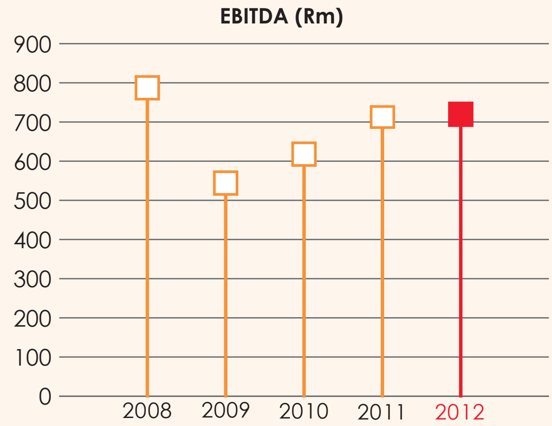
Contents

HIGHLIGHTS

- Turnover ***R5 569 million***
- Profit before tax ***R633 million***
- Cash generated by operations ***R788 million***
- Cash resources ***R1 809 million***







HIGHLIGHTS – FIVE YEARS TO 30 JUNE 2012

	2012 Rm	2011 Rm	2010 Rm	2009 Rm	2008 Rm
STATEMENT OF COMPREHENSIVE INCOME AND CASH FLOW					
Gross revenue	**5 569**	5 056	4 771	4 747	4 804
Operating profit before depreciation and amortisation	**747**	735	642	572	811
Finance income	**109**	134	154	114	200
Earnings attributable to owners of the company	**437**	463	354	915	655
Diluted headline earnings per share (cents)	**110**	106	76	87	124
Cash generated by operations	**788**	749	625	686	794
STATEMENT OF FINANCIAL POSITION					
Shareholders' equity	**4 899**	5 064	4 942	4 796	3 841
Total assets	**6 070**	6 142	6 177	5 733	4 805
Cash and cash equivalents	**1 809**	1 601	1 845	1 532	937
OTHER INFORMATION					
Weighted average number of shares in issue (000)	**416 999**	457 252	465 987	465 995	470 990
Net asset value per share (cents)	**1 175**	1 107	1 060	1 029	815
Number of employees	**5 910**	5 850	5 652	5 664	5 874

DIRECTORATE

EXECUTIVE

TD Moolman (68) (Chief Executive Officer)
Terry is the founder of Caxton and CTP Publishers and Printers Limited.

GM Utian (66) (Managing Director)
Gordon joined the group as managing director in 1996. He brings years of experience in the manufacturing and retail sectors in both the FMCG and printing and publishing industries. Gordon has held a number of senior executive positions as well as that of chairman.

PG Greyling (55) BCom, BCompt (Hons)
Piet is a former chartered accountant who spent most of his earlier career in the accounting and auditing profession. He joined the group in 1992 and is currently CEO of the group's newspaper division.

TJW Holden (48) BCom, CA(SA)
Tim joined the group as group general manager: finance in 2003 and was appointed as financial director in 2006. He is a qualified chartered accountant and has had a number of years' 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.

NON-EXECUTIVE

PM Jenkins* (53) (Chairman) BCom, LLB
Paul qualified at Randse Afrikaanse Universiteit in 1981 with a BCom and LLB degree and was admitted as an attorney and notary in February 1986. He became a partner of Webber Wentzel in 1988 and left his position as senior commercial legal partner in 1999 to join the Johnnic group full time. In this capacity he served as a director of numerous listed companies and was CEO of Johnnic Entertainment. He is currently self-employed and provides business and legal advisory services to a select group of clients.

ACG Molusi* (50) BJournalism, MA
Connie has been involved with the media industry for many years and holds a number of directorships.

NA Nemukula* (57)
Albert qualified as a teacher 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.

T Slabbert* (45) BA MBA
Tania joined WDB Investment Holdings in 1999 and has been the CEO for the past ten years, building up and managing a portfolio of investments to support the WDB Group's mission of economic development of rural women entrepreneurs in South Africa. Before joining WDB, Tania spent four years in the diplomatic corps, working in the political division of the South African embassy in Paris, France. Prior to this, she spent a number of years in West Africa working in the NGO sector where her focus was on economic development policies and their implementation. As well as being a director of WDB Investment Holdings, other directorships include BP South Africa, the Bidvest Group and Discovery Holdings.

P Vallet (66) BA, LLB
Phillip qualified at the University of the Witwatersrand in 1971 and was admitted as an attorney in 1972. He was appointed as senior partner of Raphaely-Weiner prior to its merger with Fluxmans in 1990. In 1997, he was appointed senior partner of the merged firm and on its incorporation in 2004 was appointed CEO. Phillip is CEO of Fluxmans Inc. and chairman of Super Group Limited.

** Independent non-executive*

MANAGING DIRECTOR'S REPORT

GROUP PERFORMANCE

Negative global financial and economic conditions continue to prevail. Against this background South Africa has nevertheless managed to achieve an increase in gross domestic product. This is partly reflected in a steady increase in both retail and wholesale sales. While total advertising spend has shown growth, print advertising's market share has deteriorated, not only from the migration to digital products but also to television. Inflation continues to be contained within the band of between 3% and 6% set by the Reserve Bank. Interest rates were unchanged for the financial year but recently the repo rate was reduced by 50 basis points to 5% in an endeavour to stimulate growth. Unemployment, especially of the unskilled youth, presents enormous challenges.

The company remains in a very strong financial position with cash and cash equivalents at the close of the financial year amounting to R1,809 billion, notwithstanding the outflow of funds during the year as reflected in the cash flow statement.

Earnings

Despite a difficult trading year it is pleasing to report that the company managed to achieve earnings of 104,8 cents per share which is better than that earned last year of 101,3 cents per share. Revenue grew 11% to R4,819 billion. Profit from operating activities rose to R746,6 million from R734,8 million. Resulting from the substantial capital expenditure over the past few years and an acceleration in the write-off of plant and equipment over its remaining useful life, depreciation increased substantially from R188,7 million to R226,5 million. Impairment of plant and goodwill amounted to R25,1 million compared to R23,5 million in the prior year.

Net finance income decreased from R131,1 million to R111,7 million, due to the lower interest rates prevailing throughout the year.

Income from associates increased from R17,9 million to R26,1 million with a number of the company's associates having achieved satisfactory earnings growth.

Taxation was at a similar rate of 30% to the previous year and amounted to R190,6 million.

Profit for the year amounted to R442,1 million which is slightly lower than that achieved last year, of R468 million. However, during the year the company acquired the entire issued share capital of Caxton Share Investments (Pty) Limited, which company held 40 million ordinary shares in the company, and which shares are now held as treasury shares. Accordingly, net of treasury shares, there are now only 416 998 752 shares in issue compared with 457 252 393 shares at 30 June 2011.

Calculated on the shares in issue at the close of the financial year, headline earnings per share amounted to 109,8 cents, an increase of 3,3% over the previous year, and earnings per share as previously stated were 104,8 cents.

Capital expenditure

New printing presses and vastly upgraded post-press equipment is currently being installed in the Johannesburg newspaper factory. In addition, extensions to storage and handling facilities are being made to accommodate the substantial increase in capacity to cater for the additional printing for customers which has been secured by long-term contracts.

CTP Gravure in Durban has purchased a technically-advanced new gravure printing press which is currently under construction and which will be installed in the forthcoming year. This new press replaces outdated and inefficient equipment.

DIVISIONAL PERFORMANCE

Publishing, printing and distribution

Newspaper publishing and printing

Local newspapers have remained buoyant, notwithstanding the inroads being made by digital products on print media. Circulations of the daily and Sunday broadsheet newspapers continue to fall as does their share of the advertising market. As time passes by it is becoming increasingly evident that the viability of these papers is being eroded.

The newspaper division predominantly publishes local newspapers which serve the communities to whom they are directed and where digital products can complement such publications, but not replace them.

By and large these newspapers improved profitability and increased market share.

A number of projects are in progress in an attempt to secure new advertisers who have not in the past advertised in local newspapers. These advertisers are beginning to realise the reach and importance of local newspapers, but have hitherto relied extensively on television advertising or have used alternative inefficient distribution methods for their printed catalogues. With the recognition of the importance of digital and social media, a new digital strategy is presently under development with a number of innovative products and methods under consideration.

Good progress has been made with the launch of the "Look Local" web-based sites and the roll out is almost complete. There has been an excellent acceptance of this product which forms the nucleus of the new strategy and which will focus on the development of communities of various description. This digital initiative is being undertaken to complement and add platforms to the large number of papers published by the division.

Easily accessible and speedier data transmission is vital for this development and it is fundamental that South Africa catches up with the developed world in having better electronic data transmission and easier and cheaper possibilities for users.

New products and publications have been developed with good success and partnerships, particularly in rural areas, where a large number of new shopping centres have either been erected or are in the planning stage, are underway.

Steady progress has again been made by "The Citizen", the company's regional daily newspaper which, against the trend, continues to hold circulation and has improved advertising revenues.

The Johannesburg newspaper factory has produced very good results and recently entered into long-term printing arrangements with the Independent and Avusa groups. In terms of these arrangements, all of the Gauteng newspaper publications of these two groups will in future be printed at this facility. Printing has already commenced for a number of their publications and, over a period of months, the remainder will be printed. This has necessitated the investment in the new equipment referred to under Capital Expenditure, and which will be in production by the end of the calendar year.

The readers of a number of the publications of the aforementioned groups are already benefiting from the substantial improvement in the quality of the printing.

The Cape Town factory has been in production for over a year and is operating efficiently and contributing to profits.

Magazine publishing and distribution

Time has now proven that printed magazines have not and should not be as badly affected as newspapers as a result of the migration to digital offerings. Circulations are continuing to reflect that magazines occupy a different role in the minds of readers compared to newspapers and have held up remarkably well. Similarly the revenue from advertising has remained stable.

The magazine division had a good year where it improved profitability and market share in a competitive environment. Further progress was made on the various digital offerings that are being introduced to complement the printed product. RNA, the company's distribution arm, also had a good year and continues to provide excellent service to its many and varied customers. As has been mentioned in the past, the intricacies and efficiencies of this type of distribution cannot be overestimated and it is gratifying to report that they have continued to improve their overall performance levels. This, notwithstanding the large number of additional outlets, many of them in country towns, that have been opened. Accordingly, additional routes have had to be operated and transport costs, which are tied to fuel costs, increased dramatically during the year and are becoming a major cost item for publishers.

COMMERCIAL PRINTING

Web, gravure and book printing

The many items of plant that have been installed in the past have resulted in a substantial improvement in the efficiencies of this division. This has enabled reasonable results to be achieved, notwithstanding the continuing pressure on margins. Market share has been maintained and good cost control has assisted in improving profitability.

Educational book publishers have had an exceedingly difficult year to contend with. Not only is the curriculum for education being changed, but in addition, most provinces have either not ordered their full requirements of text books or, in certain instances, no funds have been available to order books. This is having disastrous consequences for schools and learners alike and it is patently obvious that the entire system for the provision of learner support materials is in need of investigation and a thorough overhaul. The role that the recently introduced workbooks should play in education is also uncertain. All printers have experienced the pressure from the lack of volume and unrealistic deadlines being imposed as and when funds become available.

OTHER

Packaging

The activities of the company in this area remain focused on niche packaging. While wholesale and retail sales remained positive throughout the year, a large portion of these products is being imported, at competitive prices and in addition, packaging for products locally manufactured, is also being imported. This has had the effect of curtailing volume growth in an industry which is already overtraded. Profits nevertheless improved and the newly acquired business of CTP Digital Services added to its customer base and had a good year.

Stationery

It has unfortunately been an extremely difficult year for all the components of the stationery division and budgets were not achieved. Steps to rationalise certain production facilities have been taken which should improve the position. A joint venture for the direct supply of stationery products to schools has been entered into.

DIVIDEND

The board has declared a dividend of 50.0 cents (2011: 40.0 cents) per ordinary share (gross) (43.64482 cents net) and a preference dividend of 410.0 cents (2011: 357.0 cents) per share (gross) (349.64482 cents net) for the year ended 30 June 2012.

MANAGING DIRECTOR'S REPORT
continued

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

PROSPECTS
The uncertain direction of global economies will undoubtedly continue to affect South Africa. The investment being made into digital products, together with the new printing contracts entered into, presents the company with a number of opportunities and challenges. A modest improvement in earnings in the forthcoming year should nevertheless be achievable.

G. M. Utian

GM Utian
Managing Director

23 October 2012

TEN-YEAR REVIEW – SALIENT FEATURES

	2012	2011	2010	2009	2008*	Restated 2008	2007	2006	2005	2004	2003
Gross turnover (Rm)	**5 569**	5 056	4 771	4 747	4 804	5 108	4 752	4 193	3 826	3 439	3 234
Income before taxation (Rm)	**633**	672	510	495	788	876	830	734	648	497	438
Profit from operating activities after depreciation before impairments	**520**	546	471	410	646	727	705	614	556	419	326
Weighted average number of shares in issue during the period (000's)	**416 999**	457 252	465 987	465 995	470 990	470 990	480 328	464 733	453 450	456 114	416 293
Earnings per ordinary share (cents)	**105**	101	76	181	128	139	127	112	98	73	61
Diluted earnings per share (cents)	**110**	101	76	181	128	139	127	112	97	72	60
Diluted headline earnings per share (cents)	**110**	106	76	87	124	135	122	109	95	74	64
Dividends/distribution per ordinary share (cents)	**50**	40	40	40	52	52	50	45	40	35	30
Dividend cover (times)	**2,1**	2,5	1,9	4,9	2,7	2,7	2,5	2,5	2,5	2,1	2,0
Ordinary shareholders' equity (Rm)	**4 856**	5 031	4 917	4 774	3 821	3 911	3 766	3 296	2 642	2 332	2 196
Net current assets (Rm)	**2 371**	2 263	2 268	2 193	1 582	1 662	1 500	1 120	1 381	1 300	1 355
Net asset value per share (cents)	**1 175**	1 107	1 060	1 029	815	835	787	683	588	513	478
Number of employees	**5 910**	5 850	5 652	5 664	5 874	6 033	5 959	5 776	5 255	5 239	5 258

IFRS compliant. SA GAAP compliant prior to 2005

* *excluding discontinued operations*

SUSTAINABILITY REPORT

APPROACH TO SUSTAINABILITY

Caxton and CTP Publishers and Printers has, for a number of years, adhered to the precepts of socially responsible investment and has previously been recognised for its efforts in this regard. This is our second year of preparing an integrated annual report. We are pleased to reflect our progress in making a positive contribution to our shareholders, customers, suppliers, employees and local communities.

In addition to enhancing shareholder value, we use our resources to make a difference by financially assisting educational institutions, promoting health and wellness in our operations and continually training and supporting our employees by offering them access to new opportunities. These issues are only part of a holistic view that also extends to societal and environmental issues.

SCOPE OF REPORT

The sustainable development report has been published in accordance with the Sustainability Reporting Guidelines of the Global Reporting Initiative ("GRI"), and reviews the company's economic, social and environmental performance for the financial year under review.

The sustainable development report reflects the company's drive towards facilitating positive transformation in the company, as well as in South African society and its economy. This journey is one of continued improvement in addressing the sustainability issues facing the company and the transformation committee continues to review this progress and also the factors inhibiting this progress towards a more transformed workplace. The major focus areas continue to be around skills development and training to ensure the company can provide new talent that also contributes to the transformation of the workplace.

Sustainability performance in this report spans the 12 months from July 2011 to June 2012.

STANDARDS AND CERTIFICATION

CTP Printers Johannesburg, CTP Printers Cape Town and Kagiso BM Printing are FOGRA process standard offset ("PSO") certified. The Fogra PSO certification is achieved with consistent and predictable colour reproduction to ISO 12647-2 standards.

FOGRA works with, and is associated to, the German Print Federation ("GPF") and thus the standards that are set are endorsed by the European printing community. In order to attain the certification, 70% is required as a minimum standard from all aspects that are tested. CTP Printers Cape Town achieved 100% across all the elements that were tested during the prior financial year. CTP Printers Cape Town thus became the first print company in Africa to receive this prestigious printing certificate.

A number of our divisions have also been awarded the Forestry Stewardship Council (FSC) certification that guarantees that our raw material comes from well managed forests.

EMBEDDING SUSTAINABILITY

Our approach to sustainability has a direct impact on our profitability and we recognise that failure on our part to manage risks could have an adverse effect on results and our reputation.

Transformation committee

We have an established transformation committee which functions as a policy-making body to monitor the various elements of the BEE scorecard and other risks facing the company.

This forum, chaired by the managing director, comprises senior management representatives. The focus areas have revolved around skills development and training to ensure the group has a constant supply of new talent. The progress is reviewed later in this report. The company is committed to transformation in the workplace and to ensuring that all our employees are afforded the opportunity to advance and grow.

HEALTH, SAFETY AND ENVIRONMENT

We take precautions to ensure a safe environment for employees, customers and suppliers. Equally, we are committed to protecting and conserving the natural resources our business depends on by continuously improving our environmental performance.

It is a business imperative for the company to ensure that all employees as well as members of the public are able to work in and where appropriate visit our premises that comply with Health and Safety requirements. In addition, the Company has adopted a preventative and proactive approach to the healthcare of its employees.

Employee wellness

A number of employee wellness programmes have been designed to improve the health of staff members, which in turn enhances their productivity and well-being.

Most sites have a permanent occupational health care practitioner in addition to a medical doctor who is available on site for consultation. The wellness programmes include addressing issues pertaining to ill health, family planning, substance abuse and HIV/Aids educational programmes. Voluntary HIV testing is available on request to employees with referral assistance to clinics for treatment and counselling.

To coincide with events on the World Health Calendar, divisions also initiated a series of health awareness programmes. At the CTP Parow site, for example, the first initiative in April had a strong focus on general health awareness with employees receiving information on a number of lifestyle diseases such as diabetes and hypertension. A "Stop Smoking" campaign and cancer screening tests have also been introduced.
The company is currently reviewing a number of its policies and practices related to health and safety issues such as smoking, HIV/Aids, substance abuse and harassment in order to ensure that this aspect of the employment relationship remains paramount as a company strategy.

Employee benefits
Our employees are central to the success of our company and we are committed to recruiting and retaining high-calibre employees from diverse backgrounds. Ample opportunities for personal growth and development exist within the company and we are geared towards ensuring that our employees are well trained, involved and take pride in working for the company.

The company continues to provide employee benefits to its workforce as well as ample opportunities for employees to develop their skills to ensure they are well trained and geared to take advantage of opportunities as they arise.

Full-time employees are eligible for a range of benefits including:
- Pension and provident funds;
- Medical aid;
- Employee wellness programme;
- Leave (annual, ill health, maternity, compassionate and study);
- Learnership programmes;
- Bursaries for employees; and
- Training.

A new initiative is currently underway in which the company's policies and procedures are being comprehensively reviewed to ensure they are reflective of best practice and are relevant in the current environment.

Employee relations
The company continually strives to improve employee relations and engage employees in various forums. In the year under review the following initiatives were in place:
- An overall review of the current Policies and Procedures that impact on employee relations;
- Company roll-out of a training programme for supervisors and management to manage workplace discipline more effectively;
- The Company bursary scheme is in its second year of implementation and strives to identify internal talent for development;
- There are established employee equity committees to monitor workplace transformation; and
- A re-evaluation of all current positions is being done using the Peromnes Job Evaluation system and should improve employee relation processes such as identifying training and development requirements as well as performance issues.

We understand our responsibility extends beyond our factory floors and newsrooms and as such we are involved in many socially responsible activities and community development projects.

We approach employee relations inclusively, preferring to engage in constructive dialogue with both unions and employees on matters that have an impact on the workplace.

We support an equitable workforce adhering to the legislative rights of employees.

Employee safety
Ensuring the safety of our people is a core priority for the company, supported by safety training programmes and further development of systems and standards throughout our operations.

Appropriate precautions are taken to prevent injuries and incidents and emergency and recovery plans have been devised for all operations. Occupational health and safety risk committees have been established at all sites and we continue to conduct annual external audits of major sites to identify risk areas and required actions.

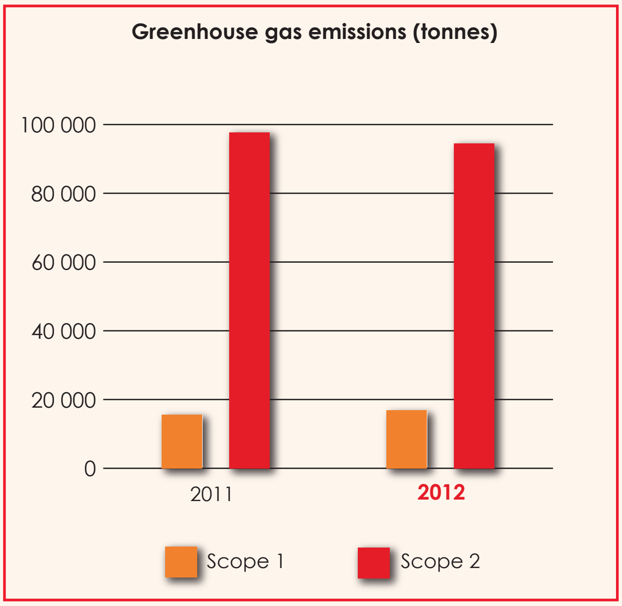
Environment
As a member of the printing and publishing industry we are aware of the environment and the need to reduce our carbon footprint.

Greenhouse gas emissions
The company acknowledges that the climate is changing and part of this change can be attributed to human activities. We recognise that our operations contribute to climate change and that we have a responsibility to minimise our own impact and to adapt to the risks of climate change upon our business.

Electricity is the biggest contributor to our Greenhouse gas emissions. We are constantly striving to reduce our electricity consumption by installing more energy efficient plant and machinery, conducting energy efficiency audits and being more conscious in our usage of energy. This has included installing after- burners and power saving switches.

We are proud to advise that we obtained a 1.63% decrease in overall emissions during the current financial year. This reduction is particularly pleasing taking into consideration that we had increased production throughput.

Our greenhouse gas emissions for 2011/2012 were:



These results have been verified by the company's internal audit department.

The energy efficiency pilot study conducted with Global Carbon Exchange has been concluded and the following initiatives are being considered:

- Switching to more energy efficient lighting;
- Compressed air leak detection programme;
- A longer-term project to install solar panels.

Over and above these new initiatives the company continues to invest in new technology to reduce energy consumption.

Since 2009 we have partnered with Remade P&P Recycling to assist in reducing our paper waste to landfill, thereby achieving 100% recycling of paper waste. In addition excess polythene used to postal-wrap magazines and brochures is being recycled to make garbage bags, fertiliser sacks and pallets. We continue to recover and recycle Toluene which is a key ingredient in the gravure printing process.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT

An accredited external BEE ratings agency assessed our status and we maintained a Level 5 rating. We also maintained our value-added vendor status giving all our clients 100% BEE procurement recognition.

We continue to concentrate on skills development and staff training and maintained a number of the previous years' initiatives in this regard including employee bursaries and graduate employment programmes. It is our belief that programmes like these will ensure that we have an adequate supply of talent that will contribute to an improving equity representation.

Transformation

The transformation committee was established in 2008 to address the introduction of the Broad-Based Black Economic Empowerment Codes. The committee functions as a policy-making body to monitor and introduce new initiatives that will assist the company with improving its BEE scorecard. It is chaired by the group managing director and has senior management representatives that meet on a monthly basis. The proposed changes to the Employment Equity Act, Basic Conditions of Employment Act, and the BEE Codes will have an impact on how the company needs to address these aspects of its business in future.

Despite the higher targets for elements of employment equity and preferential procurement since February 2012, the company aims to maintain its Level 5 BEE rating with Value-Adding Vendor status, thereby continuing to provide all clients with 100% Preferential Procurement spend recognition.

To enhance its leadership role within the printing, packaging and print media sectors, the company has representatives in the following industry organisations:

- Print and Digital Media South Africa Board (previously Print Media South Africa) and its sub-committees;
- Fibre Processing and Manufacturing ("FP & M") SETA Board;
- South African Typographical Union ("SATU") Pension Fund and Printing Industry Provident Fund Board;
- Printing Industries Federation of South Africa ("PIFSA") Training Council.

The focus of the transformation efforts are in the areas of employment equity and skills development as this is where the greatest advantage is for employees. Monthly progress with regard to employment equity and skills development is reported at divisional level at the monthly management meetings.

Employment equity

In order to ensure compliance with the Employment Equity Act, all the divisions have employment equity plans with targets set for each year. The Workplace committees, who are nominated by employees at each division, are responsible for monitoring progress towards these targets and meet on a quarterly basis with their divisional management. The company ensures employment equity reports are submitted to the Department of Labour on an annual basis.

The appointment of black females to managerial positions continues to be one of the areas of focus for the company. Due to low turnover rates in senior management positions, it is difficult to change the racial and gender profile in this specific occupational level.

	2012	2011	2010
Black staff	**67%**	66%	63%
Black management bands C-E	**52%**	52%	41%

As discussed earlier, the company has embarked on a re-evaluation of all current positions in the company, using the Peromnes Job Evaluation system of Deloittes. Each position in the company will be evaluated and provided with an accurate job description, which will further assist with the improving HR processes such as recruitment, training and development, disciplinary and performance issues and succession planning.

In order to address the employment equity challenges, new initiatives are being put in place to provide more opportunities for employees to apply for positions available within the company and not only within their division. This will prevent employees from stagnating or resigning when they may be working in a specific division where there may be fewer opportunities for promotion.

Skills development

We believe that a diverse and skilled workforce provides the quality and services that create a competitive advantage. Such diversity promotes both innovation and business success if allowed to prosper in the workplace.

To address the ongoing technological advances in our industries, the company will continue to focus on improving the skills levels of all its employees.

Specifically, the following programmes have been launched to address these requirements:

- CTP Bursary Programme, which is available to employees who have been earmarked for future middle and senior management positions. In 2011 we awarded nine bursaries to employees who are studying in fields such as business management, marketing management and HR.

  In 2012, 13 bursaries were awarded to employees who are studying management courses such as Masters in Business Administration ("MBA"), Advancement in Leadership ("AIM"), Post Graduate Diploma in Business Administration ("PDBA"), and Fundamental Management Programme ("FMP") at various academic institutions. Over 90% of the bursars are black employees and 30% are black females.
- CTP Graduate Programme, which is available to recent graduates to obtain work experience for one year in any division within the company. During the past year, nine graduates were provided with an opportunity in disciplines such as electrical, mechanical and industrial engineering, as well as information technology.

  100% of this first intake were black graduates of which 44% were black females. Of the six that completed their year, three have been offered permanent positions within the group. In the new year the focus of this programme will be around commerce, marketing and engineering graduates.
- In addition to the above, the company continues to support training initiatives in the following areas:
  - Adult education and training ("AET");
  - Various skills programmes for administrative employees;
  - Recognition for prior learning ("RPL") for employees in our printing and packaging divisions;
  - Learnerships in the fields of finance, business practice, operational management, generic management and wholesale and retail practice; and
  - Apprenticeship programmes for millwrights, rotary offset machine minding, lithography, electronic origination, rotary print and re-reeling flexography, printer's mechanic, printer's electrician, gravure machine minding, carton making, bag making, roll label machine minding and photo gravure cylinder processing.

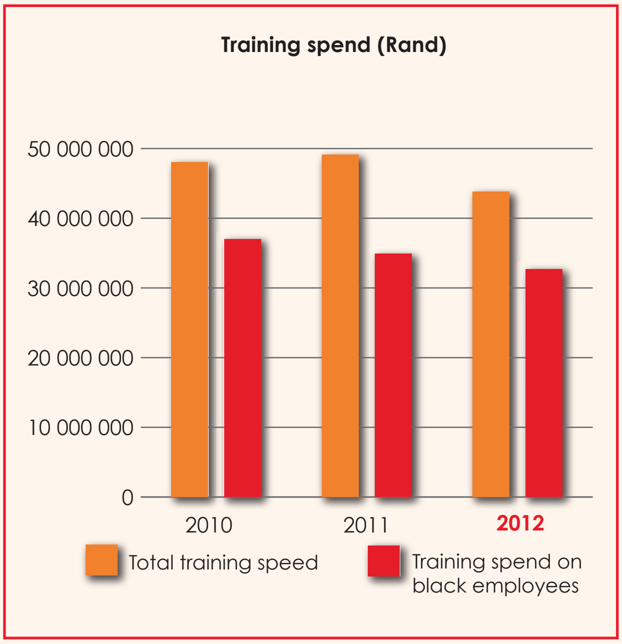
During the past year, 352 employees participated in Category B, C and D learning programmes. This is an increase from previous years, despite a marked decrease in the number of discretionary grants being awarded to the company by the Fibre Processing and Manufacturing ("FP & M") Seta.

The company will continue to invest in the training of its employees despite the FP & M Seta allocating a disproportionate number of discretionary grants to the other sub-sectors in the SETA, to the detriment of the printing, packaging and print media industry.

The newspaper division houses the Caxton Training Academy that provides internal training for employees on various aspects of the newsroom, such as media law, photography, ad design and layout, web writing, and selling techniques. The Cadet School has provided opportunities for 12 new aspiring journalists to obtain training and hands-on experience at the newspaper divisions. The intake for 2012 was 83% black.

Future focus will be on ensuring that all divisions and companies of the group increase their training spend to meet the 3% of Skills Development Levy ("SDL") target for Black employees as set by the BEE Codes. This will ensure that employees are equipped with the skills they need to be more productive and increase efficiency in the business.

The total training spend was less than in 2011 although overall spending on training of black females was higher than in any previous year.



	2012	2011
Total learnerships/ apprenticeships/RPL	**352**	287
Black learnerships/ apprenticeships/RPL	**299**	224

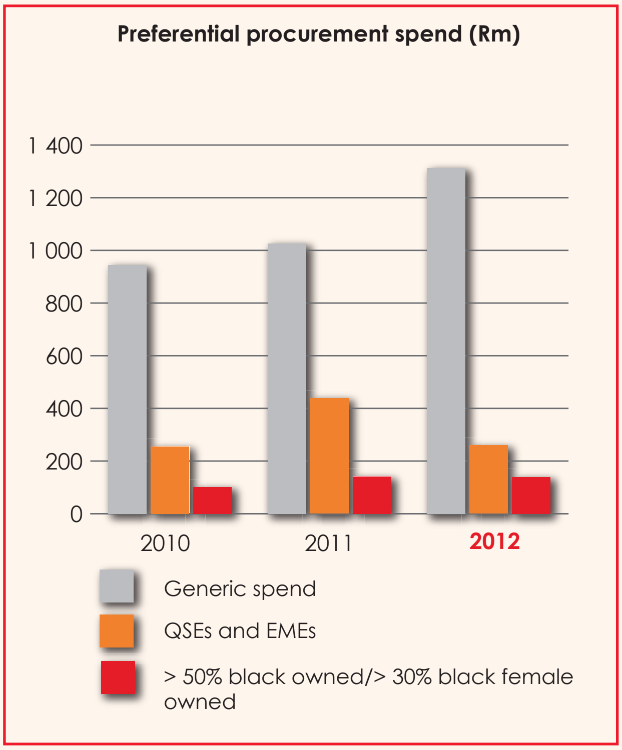
Preferential procurement
The company has continued with its policy of assisting smaller companies in its supply chain, and linking procurement with enterprise development.

The upward revision of targets for preferential procurement has led to many suppliers dropping a level, which has an impact on the company's overall preferential procurement score.

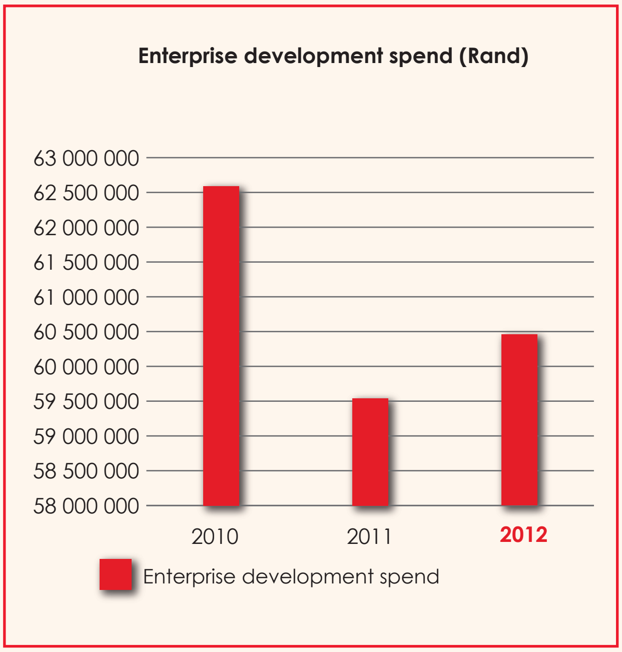
In addition, the increased cost of obtaining a BEE rating appears to have had an impact on, specifically, businesses in the R5 to R35 million range, as the number of compliant scorecards in this category have fallen.

In view of the proposed changes to the BEE Codes, which will see preferential procurement and enterprise development consolidated into one element called supplier development, it is difficult to implement a strategy that will increase the overall procurement until clarity has been provided on how these changes will affect procurement in future.

Overall procurement spend recognition has improved along with spend at black empowered suppliers.



Enterprise development
The company has kept its enterprise development initiatives in line with previous years. The focus is on supporting small and medium enterprises with early payment to improve their cash flow. Consolidated spend is nearly 19% of the NPAT for the group.



Socio-economic development

Every year, the various corporate social investment projects that have developed over the years increased in number and in importance. Involvement from management and staff is critical and often projects are initiated by staff through their own eagerness to bring the company closer to the communities in which we operate. The focus is on establishing an infrastructure that contributes to the upliftment of communities through the transfer of financial assistance, skills training and education with the ultimate aim of creating sustainable and viable projects. Each publication and branch of the company undertakes various charitable and community development projects, including the provision of free and discounted advertising to worthy causes.

The company has decided to focus some of its efforts on sustainable development and the conservation of South Africa's natural heritage, as well as the support of local communities in proximity to our country's national parks. Accordingly the company has committed the group resources and all of its publications to provide South African National Parks ("SANParks") with print and digital media support, publicity and exposure for all of the country's national parks. In addition, the company has undertaken to sponsor the writing, editing, production and publishing of a quality quarterly free newspaper, the SANParks Times, for circulation within all of our national parks, highlighting the valuable conservation work of SANParks, the attractions of our parks, tourism and the importance of supporting sustainable developments.

Some individual projects include the following:

- The Citizen's Winter Warmer Charity Drive;
- The Citizen's Citiclean and Caxton BeeGreen Look Local team initiatives;
- Look Local Joburg South Creative Writing Competition; and
- RNA's financial assistance to Dowling school to upgrade their facilities.

CORPORATE GOVERNANCE AND RISK MANAGEMENT

The Board of Directors supports the principles set out in the King III Report on Corporate Governance and, where appropriate to the company, is committed to the implementation of these principles. The company does not fully comply with the King III Report on Corporate Governance, in the following respects:

- the company does not have a formal framework for the delegation of authority levels. The company has well entrenched processes for major decisions that ensure that all decisions are taken at the appropriate level;
- where new directors are appointed, they are introduced to senior executives and are afforded training as requested;
- whilst the board undertakes self-assessment, this has not been undertaken at board committee level;
- only non-executive director fees are approved by the shareholders. The remuneration of the executives is not subject to shareholder approval, but is reviewed by the remuneration committee;
- This Integrated Report has not been externally assured.

The company is listed on the JSE and complies with its Listings Requirements.

BOARD OF DIRECTORS

The Board of Directors currently comprises nine directors. The majority of these directors is non-executive and in turn, a majority of the non-executive directors, including the chairman, is independent.

The appointment of directors will be undertaken by the Board in a manner which is formal and transparent. The Board does not consider that a nomination committee is appropriate. If a vacancy arises, the Board will develop the criteria for the required candidate. The Board will ensure that the composition of its members reflects the appropriate mix of skills and experience for the company.

The Board has adopted a formal charter in line with King III which has been implemented to:

- identify, define and record the responsibilities, functions and composition of the Board; and
- serve as a point of reference to new directors.

The Board believes that its members have the expertise and experience to fulfil their obligations to the company.

The directors perform a self-assessment which is then reviewed by the chairman.

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.

In terms of the Articles of Association, one-third of the directors must retire annually.

Attendance at Board meetings

	Oct 11	Feb 12	May 12	Aug 12
PM Jenkins	√	√	√	√
TD Moolman	√	√	√	√
GM Utian	√	√	√	√
PG Greyling	√	√	√	√
TJW Holden	√	√	√	√
ACG Molusi	A	A	√	√
NA Nemukula	√	√	√	√
T Slabbert	√	√	√	√
P Vallet	√	A	A	√

A: apology

The Board of Directors has the following sub-committees:

Audit and risk committee

The audit and risk committee, during the year under review, consisted of independent non-executive directors and was chaired by Ms T Slabbert. The audit and risk committee will be separately nominated for appointment by the shareholders in compliance with the Companies Act.

The audit and risk committee has discharged all of those functions delegated to it in terms of its charter and its terms of reference, and as envisaged in terms of the Companies Act.

During the period under review, the audit and risk committee:

- met on three separate occasions to review, *inter alia*, the year-end and interim results of the company as well as to consider regulatory and accounting standard compliance;
- considered and satisfied itself that the external auditors are independent auditors, satisfied itself that the fees payable to the external auditors were appropriate and approved the external auditors for appointment for the following financial year;
- determined the non-audit related services that the external auditors are permitted to provide to the company. This included pre-approving all non-audit related service agreements concluded between the company and external auditors;
- confirmed the audit plan for the 2011/2012 financial year;
- held separate meetings with management and the external auditors to discuss any problems and reservations arising from the year-end audit and any related matters which management and the external auditors wished to discuss;
- reviewed the effectiveness of internal control in the company with reference to the findings of the internal and external auditors; and

- reviewed and evaluated the risks facing the company and satisfied itself that management has put plans and steps in place for the mitigation of these risks across the company.

The audit and risk committee has recommended the integrated report to the Board for approval.

The audit and risk committee has considered and has satisfied itself of the appropriateness of the expertise and experience of the financial director, Mr TJW Holden.

The audit committee members are Ms T Slabbert (Chairman), Mr ACG Molusi and Mr NA Nemukula.

Audit committee meeting attendance

	Oct 11	Feb 12	Aug 12
T Slabbert	√	√	√
ACG Molusi	A	√	√
AN Nemukula	√	√	√

A: apology

Remuneration committee

The remuneration committee comprises Mr P Vallet (Chairman) and Mr TD Moolman. It reviews senior executive management salaries and performance incentives.

The director fees of non-executive directors and the Chief Executive Officer's remuneration is increased by the baseline percentage increase applicable to the company. The remuneration of the executive directors, is based on applicable industry benchmarking, and the financial performance of the company at operating profit level, and is subject to review by the remuneration committee. The remuneration committee has met once during the period under review.

SOCIAL AND ETHICS COMMITTEE

The committee is set up in accordance with section 72 of the Companies Act and its main function is to monitor the company's activities having regards to any relevant legislation, other legal requirements or prevailing Codes of Best Practice.

The committee comprises Mr PM Jenkins (Chairman), Mrs J Edwards, Mr T JW Holden and Mr N Sooka.

The Social and Ethics Committee being newly formed has met once during the period under review.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The positions of chairman and 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.

INTERNAL CONTROL AND INTERNAL AUDIT

The company 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 company and its stakeholders. These controls are based on established policies and procedures and are implemented by trained personnel with an appropriate segregation of duties. All employees are expected to maintain the highest ethical standards in a manner which, in all reasonable circumstances, is above reproach.

The company has an established internal audit department whose primary function is to ensure effectiveness of these controls. The audit and risk committee reviewed and approved the annual internal audit plans and evaluated the independence, effectiveness and performance of the internal audit department. It has also considered the reports of the internal and external auditors on the company's systems of internal control including financial controls, business risk management and maintenance of effective internal control systems.

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 abovementioned internal controls and systems has occurred during the year under review.

EMPLOYMENT EQUITY AND SKILLS DEVELOPMENT

Throughout the group, equitable employment policies are in place to ensure individuals from all demographic groupings are given the opportunity to be employed and trained by the group. The group places an increased emphasis on maintaining and training those members of staff who can provide excellent service in a small team environment.

GOING CONCERN

The going concern basis has been adopted in preparing the financial statements. The current strong financial position and the continued tight control on expenditures and cash flows, give the directors reason to believe that the business of the group will continue to function as a going concern for the foreseeable future.

COMPANY SECRETARIAL AND PROFESSIONAL ADVICE

All directors have unlimited access to the advice and services of the company secretary, who is responsible to the Board for ensuring that Board procedures are followed. All directors are entitled to seek independent professional advice, at the group's expense, concerning the affairs of the group, after obtaining the approval of the chairman.

The Board has satisfied itself with the competence, qualifications and experience of the Company Secretary, who is not a director and operates at arms length from the Board.

CODE OF CONDUCT

Ethics

A comprehensive ethics policy is in place and is applicable to all employees and directors of the company. The policy is enforced and requires adherence to the highest standards of ethical conduct.

Whistleblowing

All employees are encouraged to act honestly at all times and to report any harmful or illegal activity they may observe or come across. For this purpose a dedicated hotline has been set up and all incidents reported are investigated. The audit and risk committee is informed of all substantive matters reported on the hotline.

Conflict of interest

The company has appropriate policies in place to avoid conflicts of interest, from Board level down. These include divulging of confidential information, carrying on business for the employees' own account, dealing in the company's shares and the use of price-sensitive information.

Stakeholder engagement

The company is an active participant in the various industry bodies, which govern or affect the sectors in which it operates.

Where appropriate, the company engages formally and informally with the investment community.

Shareholders are notified of financial results and the annual general meeting of the company.

The company publishes its financial results in the press. The company's website is updated from time to time with relevant information.

Staff members receive regular company and divisional newsletters and communications.

RISKS MATRIX AND RISK MITIGATION

As part of the company's risk management processes, an annual review of the risks facing the company is undertaken and reviewed by the audit and risk committee which in turn provides assurances to the Board. The Board is ultimately accountable for the risk management process.

Risk identification is done by each operating unit, including the potential impact and the actions taken to mitigate such risk. This process is then consolidated and reviewed by the audit and risk committee to ensure that steps are taken to minimise risks or to ensure that compensating steps are implemented.
Some of the key risk areas are:

	RISK	RISK MITIGATION
1.	Foreign exchange purchasing and impact on cost of imported raw material	Treasury committee has been created and monthly meetings take place to review foreign exchange exposure.
2.	Loss of key staff including succession planning	Senior management remuneration is reviewed on an ongoing basis and adequate staff retention programmes are in place. Succession planning has been implemented via various schemes of employing graduates and training.
3.	Power outages	Generators have been installed at key sites.
4.	Information technology failure	An information technology review was undertaken and key actions identified to ensure business continuity plans are in place.
5.	Destruction of key production sites	Adequate insurance in place to mitigate loss. Key major operational sites undergo a third party review to ensure adequate steps in place to prevent loss. Contingency production sites are available where feasible.
6.	Disruption to major supplier of raw materials	Strategic stock is in place. Critical suppliers are insured against disruption of supply. The company has access to import replacement.
7.	Market changing to online content versus the print media.	A group digital strategy is being formulated.
8.	Pressure from Government on a media charter that could hamper performance.	Continued engagement with Government as a company and through various media organisations.
9.	Plant breakdowns adversely affecting deliveries to customers	Preventative scheduled maintenance in place which reduces the risk of breakdown. Other production sites are also available where feasible.

INFORMATION TECHNOLOGY

The company has undertaken a comprehensive review of all its critical information technology systems to accommodate King III requirements as well as to ensure the sustainability of the current systems. A formal document has been prepared and presented to the audit and risk committee for consideration. The proposed actions to mitigate the areas of risk have been delegated to the financial director and the company information technology manager for implementation.

In addition, the significant technology environments were audited by the external auditors and their recommendations are currently being reviewed by management.

MANAGEMENT REPORTING

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

N Sooka
Company Secretary

23 October 2012

CAXTON AND CTP publishers and printers LIMITED

Contents

STATEMENT OF RESPONSIBILITY AND APPROVAL BY THE BOARD OF DIRECTORS

The directors of Caxton and CTP Publishers and Printers Limited are responsible in terms of the Companies Act 2008 ("the Act") for the preparation of the annual financial statements in accordance with International Financial Reporting Standards ("IFRS") which fairly present the state of affairs of the company and the group, as at the end of the financial year, and the net income and cash flows for the year. In preparing the accompanying financial statements suitable accounting policies have been applied and reasonable estimates made.

The directors are required in terms of the Act to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company and the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards, IAS 34, the AC500 series of interpretation, the Act and the Listings Requirements of the Johannesburg Stock Exchange.

The external auditors are engaged to express an independent opinion on the annual financial statements.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group, and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group.

While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group's cash flow forecast for the year to 30 June 2013 and, in the light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors PFK (Jhb) Inc. are responsible for independently reviewing and reporting on the group's annual financial statements. The annual financial statements have been examined by the group's external auditors and their unqualified report is presented on page 21.

The annual financial statements set out on pages 22 to 57, which have been prepared on the going concern basis, were approved by the Board of Directors and are signed on its behalf by:

G. M. Utian

GM Utian
Managing Director

T. D. Moolman

TD Moolman
Chief Executive Officer

The preparation of the group's consolidated results was supervised by the Financial Director, Mr TJW Holden, BCom, CA(SA).

23 October 2012

DECLARATION BY COMPANY SECRETARY

I certify that, to the best of my knowledge and belief, the company has lodged with the Companies and Intellectual Property Commission in Pretoria, all returns required by the Commission to be submitted and such returns are true and correct and reflect the latest information applicable to the company.

N Sooka
Company Secretary

23 October 2012

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF CAXTON AND CTP PUBLISHERS AND PRINTERS LIMITED

We have audited the consolidated and separate financial statements of Caxton and CTP Publishers and Printers Limited set out on pages 22 to 57, which comprise the statements of financial position as at 30 June 2012, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The company's directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatements, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated and separate 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 consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, 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 auditors consider 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 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 consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Caxton and CTP Publishers and Printers Limited as at 30 June 2012, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

OTHER REPORTS REQUIRED BY THE COMPANIES ACT

As part of our audit of the consolidated and separate financial statements for the year ended 30 June 2012, we have read the directors' report, the audit committee's report and the company secretary's certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

PKF (Jhb) Inc.

PKF (Jhb) Inc
Registered Auditors
Chartered Accountants (SA)
Registration number 1994/001166/21

Director: Paul Badrick

Sandton
23 October 2012

DIRECTORS' REPORT

NATURE OF BUSINESS
The group is involved in the publishing and printing of newspapers and magazines, manufacturing and distribution of stationery, packaging and labels and the manufacture and marketing of printing inks. Further information is provided in the managing director's report.

REVIEW OF BUSINESS OPERATIONS
Gross turnover for the year increased by R512,5 million to R5 568 million (2011: R5 056 million). Profit from operating activities before depreciation and impairment increased by R11,8 million to R746,6 million (2011: R734,8 million). Net finance income received amounted to R111,7 million (2011: R131,1 million) with capital expenditure during the year totalling R255 million (2011: R343 million). Net cash resources amounted to R1 809 million (2011: R1 601 million).

ORDINARY DIVIDEND
An ordinary dividend of 50 cents (gross) (43.64482 cents net) (2011: 40 cents) per share was declared on 28 August 2012, payable on 29 October 2012 to shareholders registered on 19 October 2012.

PREFERENCE DIVIDEND
A preference dividend of 410 cents (gross) (349.64482 cents net) (2011: 357 cents) per share was declared on 28 August 2012, payable on 29 October 2012 to shareholders registered on 19 October 2012.

SHARE CAPITAL
Particulars of the authorised and issued share capital of the company are set out in note 12 of the financial statements.

SUBSIDIARY COMPANIES
Particulars of subsidiary companies are set out on page 58. The aggregate attributable interests of the company in the after tax profits and losses of the subsidiaries were:

	2012 R000	2011 R000
Profits	**407 172**	411 133
Losses	**(28 078)**	(16 520)
	379 094	394 613

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

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

Directors	2012 Direct	2011 Direct	2012 Indirect	2011 Indirect
PG Greyling	**1 325 000**	1 325 000	**–**	–
TJW Holden	**–**	–	**170 225**	170 225
TD Moolman	**–**	–	**13 093 804**	13 093 804
GM Utian	**200 000**	200 000	**1 350 000**	1 350 000
Total	**1 525 000**	1 525 000	**14 614 029**	14 614 029

The Moolman & Coburn Partnership, through various intermediate companies controlled by it, controls Caxton Limited, which holds 43,76% of the issued ordinary shares of Caxton and CTP Publishers and Printers Limited. The Moolman & Coburn Partnership and its intermediate companies control an additional 5,41% and its associates acting in concert hold a further 2,97 % of the issued ordinary shares of Caxton and CTP Publishers and Printers Limited. It therefore controls a total of 52,14% 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	Percentage of shareholders	Number of shares held	Percentage of shares held
Non-public shareholders				
Directors of the holding and subsidiary companies	7	0,33	17 788 481	4,27
Shareholders holding more than 10% of the issued ordinary shares				
– ElementOne Limited	1	0,05	80 065 330	19,20
– Caxton Limited	1	0,05	182 479 476	43,76
	9	0,43	280 333 287	67,23
Public shareholders	2 116	99,43	136 665 465	32,77
Sub total	2 125	99,86	416 998 752	100,00
Shares held by the company	1	0,05	253 641	–
Shares held by subsidiaries	2	0,09	44 395 861	–
Total	2 128	100,00	461 648 254	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 2012.

Subsequent to the year end 6 360 000 shares were issued by the company in consideration for the acquisition of 5 300 000 ElementOne Limited shares.

SUBSEQUENT EVENTS

The directors are not aware of any other 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 22 to 57, have been approved by the Board and are signed on its behalf by:

GM Utian
Managing Director

TD Moolman
Chief Executive Officer

Johannesburg
23 October 2012

STATEMENTS OF FINANCIAL POSITION

as at 30 June 2012

COMPANY				GROUP	
2011 R000	**2012 R000**	Notes		**2012 R000**	2011 R000
			ASSETS		
			Non-current assets		
–	**–**	2	Property, plant and equipment	**2 385 337**	2 287 722
–	**–**	3	Goodwill	**–**	–
1 360 654	**1 934 050**	4	Interest in subsidiaries	**–**	–
99 993	**72 241**	5	Interests in associates	**138 986**	159 628
743 974	**425 273**	6	Investments	**443 400**	743 974
2 204 621	**2 431 564**			**2 967 723**	3 191 324
			Current assets		
–	**–**	7	Inventories	**529 531**	633 863
5 354	**10 621**	8	Accounts receivable	**738 432**	707 954
80 128	**78 171**	4	Amounts owed by group companies	**–**	–
–	**1 694**		Taxation	**24 675**	7 965
81 371	**78 736**	9	Preference shares – listed	**78 736**	81 371
–	**600 000**	10	Preference shares – unlisted	**600 000**	–
1 391 397	**865 245**	11	Bank and cash resources	**1 130 471**	1 519 332
1 558 250	**1 634 467**			**3 101 845**	2 950 485
3 762 871	**4 066 031**		**TOTAL ASSETS**	**6 069 568**	6 141 809
			EQUITY AND LIABILITIES		
			Capital and reserves		
12 266	**11 535**	12	Ordinary share capital	**10 425**	11 431
1 077 827	**638 722**		Ordinary share premium	**81 943**	627 900
194 026	**241 979**	13	Non-distributable reserves	**454 755**	354 559
1 451 974	**1 542 182**	14	Distributable reserves	**4 308 500**	4 036 652
–	**–**	15	Non-controlling interest	**43 317**	33 237
100	**100**	12	Preference share capital	**100**	100
2 736 193	**2 434 518**		**TOTAL EQUITY**	**4 899 040**	5 063 879
			Non-current liabilities		
30 858	**54 272**	16	Deferred taxation	**439 801**	390 145
30 858	**54 272**			**439 801**	390 145
			Current liabilities		
83 164	**7 871**	17	Accounts payable	**572 907**	561 902
–	**–**	18	Provisions	**157 820**	125 883
789 608	**1 485 425**	19	Amounts owed to group companies	**–**	–
278	**–**		Taxation	**–**	–
122 770	**83 945**		Bank overdraft	**–**	–
995 820	**1 577 241**			**730 727**	687 785
3 762 871	**4 066 031**		**TOTAL EQUITY AND LIABILITIES**	**6 069 568**	6 141 809

STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 30 June 2012

COMPANY 2011 R000	COMPANY 2012 R000	Notes		GROUP 2012 R000	GROUP 2011 R000
–	**–**	22	Gross turnover	**5 568 784**	5 056 268
–	**–**		Less: inter-group	**749 681**	715 846
–	**–**		Revenue	**4 819 103**	4 340 422
–	**–**		Other operating income	**85 075**	81 390
–	**–**		**Total operating income**	**4 904 178**	4 421 812
–	**–**		Changes in inventories of finished goods and work in progress	**35 260**	14 091
–	**–**		Raw materials and consumables used	**1 743 398**	1 530 826
–	**–**	23	Staff costs	**1 022 402**	897 599
1 284	**775**	24	Other net operating expenses	**1 356 490**	1 244 464
1 284	**775**		**Total operating expenses**	**4 157 550**	3 686 980
(1 284)	**(775)**		**Profit/(loss) from operating activities before depreciation**	**746 628**	734 832
–	**–**	25	Depreciation	**226 516**	188 724
(1 284)	**(775)**		**Profit/(loss) from operating activities after depreciation**	**520 112**	546 108
–	**–**	25	Impairment expense	**25 072**	23 462
(1 284)	**(775)**		**Net profit/(loss) from operating activities**	**495 040**	522 646
180 194	**292 293**	27	Finance income	**109 150**	134 470
(3 306)	**(15)**	28	Finance costs	**(882)**	(1 190)
–	**–**	29	Fair value movement on currency hedge	**3 384**	(2 171)
22 006	**–**	30	Gain on reclassification of associate	**–**	–
–	**–**		Income from associates	**26 073**	17 957
197 610	**291 503**		**Profit before taxation**	**632 765**	671 712
41 140	**16 464**	31	Taxation	**190 640**	203 669
156 470	**275 039**		**Profit for the year**	**442 125**	468 043
(31 972)	**47 953**		**Other comprehensive income:**	**102 247**	(31 972)
(37 176)	**71 367**		Fair value adjustment – investments and preference shares: gross	**149 385**	(37 176)
5 204	**(23 414)**		Tax thereon	**(47 138)**	5 204
124 498	**322 992**		**Total comprehensive income for the year**	**544 372**	436 071
			Profit attributable to:		
–	**–**		Non-controlling interests	**5 249**	5 042
156 470	**275 039**		Owners of the company	**436 876**	463 001
156 470	**275 039**			**442 125**	468 043
			Total comprehensive income attributable to:		
–	**–**		Non-controlling interests	**5 249**	5 042
124 498	**322 992**		Owners of the company	**539 123**	431 029
124 498	**322 992**			**544 372**	436 071
		32	Earnings per ordinary share (cents)	**104,8**	101,3
		32	Adjusted earnings per ordinary share (cents)	**104,8**	101,6
		32	Headline earnings per share (cents)	**109,8**	106,2
		32	Adjusted headline earnings per share (cents)	**109,8**	106,6
		33	Ordinary dividend paid per share (cents)	**40,0**	40,0
		34	Preference dividend paid per share (cents)	**357,0**	357,0
			– Fixed	**12,0**	12,0
			– Participating	**345,0**	345,0

STATEMENTS OF CASH FLOW

for the year ended 30 June 2012

COMPANY 2011 R000	COMPANY 2012 R000	Notes		GROUP 2012 R000	GROUP 2011 R000
54 831	**7 676**		**CASH FLOW FROM OPERATING ACTIVITIES**	**603 425**	275 751
(1 448)	**(784)**	40.1	Cash generated by/(utilised in) operations	**787 712**	748 941
113 343	**(80 560)**	40.2	Changes in working capital	**75 541**	(256 388)
111 895	**(81 344)**		Cash generated by operating activities	**863 253**	492 553
(38 830)	**(18 436)**	40.3	Taxation paid	**(194 606)**	(158 079)
97 715	**58 136**		Interest received	**68 786**	107 026
–	**(6)**		Interest paid	**(873)**	(1 026)
82 479	**234 157**		Dividends received	**40 364**	27 437
253 259	**192 507**		Net cash inflow from operating activities	**776 924**	467 911
(198 428)	**(184 831)**	40.4	Dividends paid	**(173 499)**	(192 160)
(70 585)	**(153 046)**		**CASH FLOW FROM INVESTING ACTIVITIES**	**(256 583)**	(395 505)
			Property, plant, equipment and intangibles		
–	**–**	2	– additions to expand operations	**(255 026)**	(342 793)
–	**–**		– proceeds from disposals	**8 514**	27 011
–	**–**			**(246 512)**	(315 782)
(20 041)	**(136 901)**	40.5	Investments – subsidiary businesses	**(2 604)**	(36 242)
(50 544)	**(16 145)**	40.6	– associates, other investments and loans	**(7 467)**	(43 481)
(70 585)	**(153 046)**			**(10 071)**	(79 723)
(257 464)	**255 981**		**CASH FLOW FROM FINANCING ACTIVITIES**	**(146 962)**	(131 392)
(182 320)	**695 817**		Decrease in amount owing to group companies	**–**	–
(75 144)	**(439 836)**		Own shares acquired	**(146 962)**	(131 392)
(273 218)	**110 611**		Net increase/(decrease) in cash and cash equivalents	**199 880**	(251 146)
–	**–**		Subsidiary companies cash acquired	**9 197**	6 129
1 628 692	**1 355 474**		Cash and cash equivalents at beginning of year	**1 606 179**	1 851 196
1 355 474	**1 466 085**	40.8	Cash and cash equivalents at end of year	**1 815 256**	1 606 179
(5 476)	**(6 049)**		Fair value adjustment of preference shares and other instruments	**(6 049)**	(5 476)
1 349 998	**1 460 036**		Fair value of cash and cash equivalents at end of year	**1 809 207**	1 600 703

STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 June 2012

R000	Notes	Ordinary share capital	Ordinary share premium	Preference share capital	Non-distributable reserves	Marked to market reserves	Distributable reserves	Non-controlling interest	Total
Group									
Balance at 1 July 2010		11 648	759 074	100	167 052	221 536	3 758 074	24 052	4 941 536
Total comprehensive income for the year						(31 972)	463 001	5 042	436 071
Ordinary dividends paid	33						(186 308)	(5 680)	(191 988)
Preference dividends paid	34						(172)		(172)
Realisation of land and buildings revaluation reserve					(2 057)		2 057		–
Own shares acquired		(217)	(131 174)						(131 391)
Minority interest acquired								9 823	9 823
Balance at 30 June 2011		11 431	627 900	100	164 995	189 564	4 036 652	33 237	5 063 879
Total comprehensive income for the year					54 059	48 188	436 876	5 249	544 372
Ordinary dividends paid	33						(166 907)	(6 420)	(173 327)
Preference dividends paid	34						(172)		(172)
Realisation of land and buildings revaluation reserve					(2 051)		2 051		–
Own shares acquired		(1 006)	(545 957)						(546 963)
Minority interest acquired								11 251	11 251
Balance at 30 June 2012		**10 425**	**81 943**	**100**	**217 003**	**237 752**	**4 308 500**	**43 317**	**4 899 040**
Company									
Balance at 1 July 2010		12 391	1 152 846	100	4 469	221 529	1 493 932		2 885 267
Total comprehensive income for the year						(31 972)	156 470		124 498
Own shares acquired		(125)	(75 019)						(75 144)
Dividends paid – ordinary shareholders	33						(198 256)		(198 256)
Preference dividends paid	34						(172)		(172)
Balance at 30 June 2011		12 266	1 077 827	100	4 469	189 557	1 451 974		2 736 193
Total comprehensive income for the year						47 953	275 039		322 992
Own shares acquired		(731)	(439 105)						(439 836)
Dividends paid – ordinary shareholders	33						(184 659)		(184 659)
Preference dividends paid	34						(172)		(172)
Balance at 30 June 2012		**11 535**	**638 722**	**100**	**4 469**	**237 510**	**1 542 182**	**–**	**2 434 518**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2012

1. ACCOUNTING POLICIES

1.1 Basis of preparation

Caxton and CTP Publishers and Printers Limited ("the company") is a South African registered company.
The consolidated financial statements of the company for the year ended 30 June 2012 comprise the company and its subsidiaries (together referred to as "the group") and the group's interest in associates and jointly controlled entities.

These annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), the AC500 standards as issued by the Accounting Practices Board , the Companies Act No 71 of 2008, which came into effect on 1 May 2011 and the Listings Requirements of the Johannesburg Stock Exchange.

The financial statements are prepared in thousands of South African Rands (R000) under the historical cost convention except for investments classified as available-for-sale, which are stated at fair value.

The accounting policies applied are consistent with those of the prior year.

1.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company ("its subsidiaries"). Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statements of comprehensive income, from the effective date of acquisition or up to the effective date of disposal, as appropriate. The purchase method of accounting is used to account for the acquisition of subsidiaries by the group. Identifiable assets, liabilities and contingent liabilities acquired or assumed are initially measured at their respective fair values at acquisition date.

All intra-group transactions, balances, income and expenses and unrealised gains and losses, are eliminated in full on consolidation.

Non-controlling interest holders' interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interest holders' interests consist of the amount of those interests at the date of the original business combination and the non-controlling interest holders' share of changes in equity since the date of the combination.

1.3 Significant judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. Judgements made by management in applying the accounting policies are:

Asset lives and residual values

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 at each reporting date and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, machine usage and maintenance programmes are taken into account. Residual value assessments consider issues such as market conditions, the remaining life of the asset and projected disposal values.

Deferred tax assets

Deferred tax assets are recognised to the extent it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Future taxable profits are estimated based on business plans which include estimates and assumptions regarding economic growth, inflation, taxation rates and competitive forces. Deferred tax assets are recognised on secondary tax on companies credits only to the extent it is probable that future dividends will utilise these credits.

Impairment of assets

Property, plant and equipment as well as financial and non-financial assets are assessed at each reporting date for indications that impairment might exist. These assets are tested for impairment if there is reason to believe that an impairment may be necessary. The future cash flows expected to be generated by the assets are projected taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current carrying value and, if lower, the assets are impaired to the present value.

1. ACCOUNTING POLICIES (continued)

1.4 Impairment of assets

The group assesses at each reporting date whether there is any indication that objective evidence exists that might indicate that a financial asset or group of financial assets is impaired irrespective of whether there is any indication of impairment. The group also tests goodwill acquired in a business combination for impairment annually.

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.

1.5 Property, plant and equipment

Plant and equipment is initially recorded at cost. Impairment losses and reversal of impairment losses are recognised in the statement of comprehensive income. Costs include costs incurred initially to acquire an item of property, plant and equipment and costs incurred subsequently to add to, or replace part of it. Costs are only capitalised to the extent that the cost can be measured reliably and it is probable that the cost will result in the inflow of future economic benefits to the group.

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 when there is an indicator that the fair value is materially different from the carrying value but at least every 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.

The usefull lives are as follows:

Buildings	50 years
Plant and machinery	2 to 20 years
Vehicles	5 years
Furniture and equipment	3 to 6 years

1.6 Goodwill

Goodwill is initially measured as the excess of the cost of the business combination over the group's interest of the fair value of the net identifiable assets, liabilities and contingent liabilities.

Subsequently goodwill is carried at cost less any accumulated impairment. Goodwill is tested at least annually for impairment.

The excess of the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the business combination is immediately recognised in the statement of comprehensive income.

1.7 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.

1.8 Investments in subsidiaries

In the company's separate financial statements, investments in subsidiaries are carried at cost less impairment. The cost of an investment in a subsidiary is measured at the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company.

1.9 Investments in associates

Associates are entities over which the group has significant influence but no control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are recognised at cost, less amounts written off and accumulated impairment losses, at a stand-alone level.

1. ACCOUNTING POLICIES (continued)

1.9 Investments in associates (continued)

The group's investment in associates includes goodwill identified on acquisition (net of any accumulated impairment loss). The group's share of the associates' post-acquisition profits or losses is recognised in the statement of comprehensive income and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

1.10 Investments in 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 is 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.

1.11 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; and
- 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.

1.12 Share capital

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

1.13 Deferred taxation

Deferred taxation is provided using a statement of financial position liability method on all temporary differences between the carrying amounts for financial reporting purposes and the amount used for taxation purposes, except for differences relating to goodwill, which are not deductible for taxation purposes and the initial recognition of assets or liabilities in a transaction other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised.

1.14 Provisions

Provisions are recognised when:

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

Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations is minimal. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the increases specific to the liability. The increase in the provision due to the passage of time is recognised as a finance expense.

1. ACCOUNTING POLICIES (continued)

1.15 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, unlisted investments 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 (except for held for trading investments). 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.

1.16 Foreign currency transactions

Foreign currency transactions are recorded on initial recognition in Rand, by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the transaction.

At each reporting date:

- foreign currency monetary items are reported using the closing rate;
- non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction; and
- non-monetary items, which are carried at fair value denominated in a foreign currency, are reported using the exchange rates that existed when the values were determined.

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or expenses in the period in which they arise.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2012 continued

1. ACCOUNTING POLICIES (continued)

1.17 Derivative financial instruments

The group has entered into foreign option contracts, which are defined as derivatives. Upon initial recognition, these are measured at fair value and subsequent measurement is at fair value through profit or loss with gains or losses on fair value measurements recorded in profit or loss.

Upon derecognition the difference between the carrying amount of the financial liability and the consideration paid will be recognised in profit or loss.

1.18 Revenue

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

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

1.19 Employee benefits

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

1.20 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.

1.21 Determination and presentation of operating segments

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components. An operating segment's operating results are reviewed regularly by the senior management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Segment results that are reported to the senior management include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the group's headquarters and the sub-group's headquarters). Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill. Operating segments' disclosure is based on the information that internally is provided to the Board of Directors.

1.22 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.

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 Rand. 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 36.

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 with appropriate credit history. Transactions are limited to high-credit-quality financial institutions.

1. ACCOUNTING POLICIES (continued)

1.22 Financial risk management (continued)

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.

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.

1.23 Key management assumptions

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

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

- **Key assumption:**
  Allowances for impairment of debtors
  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 any risk factors.

1. ACCOUNTING POLICIES (continued)

1.24 Statements and interpretations not yet effective

The following standards and interpretations have been applied by the company from 1 July 2011:

Details of amendment			Effective from
IFRS 1:	First Time Adoption of International Financial Reporting Standards	Amendment clarifies that changes in accounting policies in the year of adoption fall outside the scope of IAS 8	1 January 2011
		Amendment permits the use of revaluation carried out after the date of transaction as a basis for deemed cost	
		Amendment permits the use of carrying amount under previous GAAP as deemed cost for operations subject to rate of regulation	
		Standard amended to remove the fixed date of 1 January 2004 relating to the retrospective application of the derecognition requirements of IAS 39 and relief for first-time adopters from calculating day 1 gains on transactions that occurred before the date of adoption	1 July 2011
IFRS 3:	Business Combinations	Amendments to transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised IFRS	1 January 2011
		Clarification of the measurement of non-controlling interests	
		Additional guidance provided on un-replaced and voluntarily replaced share-based payment awards	
IFRS 7:	Financial Instruments: Disclosures	Amendment clarifies the intended interaction between qualitative and quantitative disclosure of the nature and extent of risk arising from financial instruments and remove some disclosure items which were seen to be superfluous or misleading	1 January 2011
		Amendments require additional disclosure on transfer transactions of financial assets, including the possible effects of any residual risks that the transferring entity retains. The amendments also require additional disclosure if a disproportionate amount of transfer transactions are undertaken around the end of the reporting period	1 July 2011
IAS 1:	Presentation of Financial Statements	Clarification of statement of changes in equity	1 January 2011
IAS 24:	Related Party Disclosure	Simplification of the disclosure requirements for government related entities	1 January 2011
		Clarification of the definition of a related party	
IAS 34:	Interim Financial Reporting	Clarification of disclosure requirements around significant events and transactions including financial instruments	1 January 2011

The following standards and interpretations became effective from 1 July 2011 but were not relevant

Details of amendment			Effective from
IFRS 1:	First Time Adoption of International Financial Reporting Standards	Standard amended to provide guidance for entities emerging from severe hyperinflation and resuming presentation of IFRS compliant financial statements, or presenting IFRS compliant financial statements for the first time	1 July 2011
IFRIC 13:	Customer Loyalty Programmes	Clarification on the intended meaning of the terms "Fair value" in respect of award credits	1 January 2011

1. ACCOUNTING POLICIES (continued)

1.24 Statements and interpretations not yet effective (continued)

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

Details of amendment			Effective from
IFRS 1:	First Time Adoption of International Financial Reporting Standards	Annual Improvements 2009 to 2011 Cycle amendments clarify the options available to users when repeated application of IFRS 1 is required and to add relevant disclosure requirements	1 January 2013
		Annual Improvements 2009 to 2011 Cycle amendments to borrowing costs	1 January 2013
IFRS 7:	Financial Instrument Disclosures	Amendments require entities to disclose gross amounts subject to rights of set-off, amounts set off in accordance with accounting standards followed, and the related net credit exposure. This information will help investors understand the extend to which an entity has set off in its balance sheet and the effect of rights of set-off on the entity's rights and obligations	1 January 2013
IFRS 9:	Financial Instruments	New standard that forms the first part of a three part project to replace IAS 39 Financial Instruments: Recognition and Measurement	1 January 2015
IFRS 10:	Consolidated Financial Statements	New standard that replaces the consolidation requirements in SIC-12 Consolidation – Special Purpose Entities and IAS 27 Consolidated and Separate Financial Statements. Standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company and provides additional guidance to assist in the determination of control where this is difficult to assess	1 January 2013
IFRS 11:	Joint Arrangements	New standard that deals with the accounting for joint arrangements and focuses on the rights and obligations of the arrangement, rather than its legal form. Standard requires a single method of accounting for interests in jointly controlled entities	1 January 2013
IFRS 12:	Disclosure of Interests in Other Entities	New and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles	1 January 2013
IFRS 13:	Fair Value Measurement	New guidance on fair value measurement and disclosure requirements	1 January 2013
IAS 1:	Presentation of Financial Statements	New requirements to group together items within OCI that may be reclassified to the profit or loss section of the income statement in order to facilitate the assessment of their impact on the overall performance of an entity	1 July 2012
		Annual improvements 2009 to 2011 Cycle: Amendments clarifying the requirements for comparative information including minimum and additional comparative information required	1 January 2013
IAS 12:	Income Taxes	Rebuttable presumption introduced that an investment property will be recovered in its entirety through sale	1 July 2012
IAS 16:	Property, Plant and Equipment	Annual Improvements 2009 to 2011 Cycle: amendments to the recognition and classification of servicing equipment	1 January 2013
IAS 19:	Employee Benefits	Amendments to the accounting for current and future obligations resulting from the provision of defined benefit plans	1 January 2013
IAS 27:	Consolidated and Separate Financial Statements	Consequential amendments resulting from the issue of IFRS 10,11 and 12	1 January 2013

1. ACCOUNTING POLICIES (continued)

1.24 Statements and interpretations not yet effective (continued)

Details of amendment			Effective from
IAS 28:	Investments in Associates	Consequential amendments from the issue of IFRS 10,11 and 12	1 January 2013
IAS 32:	Financial Instruments: Presentation	Amendments require entities to disclose gross amounts subject to rights of set-off, amounts set off in accordance with accounting standards followed and the net related credit exposure. This information will help investors understand the extent to which an entity has set off in its balance sheet and the effects of rights of set-off on the entity's rights and obligations	1 January 2013
		Annual Improvements 2009 to 2011 Cycle: amendments to clarify the tax effect of distribution to holders of equity instruments	1 January 2013
IAS 34:	Interim Financial Reporting	Annual Improvements 2009 to 2011 Cycle: amendments to improve the disclosure for interim financial reporting and segmental information for total assets and liabilities	1 January 2013
IFRIC 20:	Stripping Costs in the Production Phase of a Surface Mine	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

The directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the group and of the company.

2 PROPERTY, PLANT AND EQUIPMENT (GROUP)

Cost or valuation R000	Freehold land and buildings	Lease–hold improve–ments	Plant and machinery	Vehicles	Furniture and equip–ment	Total
Year ended 30 June 2012						
Opening net book value	**554 330**		**1 687 247**	**18 716**	**27 429**	**2 287 722**
Purchases	**16 726**		**204 738**	**11 392**	**22 170**	**255 026**
Disposals	**(306)**		**(3 500)**	**(362)**	**(1 057)**	**(5 225)**
Impairment			**(6 851)**			**(6 851)**
Acquisition of subsidiaries		**815**	**2 704**		**1 260**	**4 779**
Revaluation	**76 402**					**76 402**
Depreciation	**(5 045)**	**(207)**	**(194 824)**	**(9 067)**	**(17 373)**	**(226 516)**
Closing net book value	**642 107**	**608**	**1 689 514**	**20 679**	**32 429**	**2 385 337**
Summary						
Cost		**2 666**	**3 097 956**	**72 482**	**226 748**	**3 399 852**
Valuation	**658 603**					**658 603**
	658 603	**2 666**	**3 097 956**	**72 482**	**226 748**	**4 058 455**
Accumulated depreciation and impairment	**(16 496)**	**(2 058)**	**(1 408 442)**	**(51 803)**	**(194 319)**	**(1 673 118)**
Net carrying amount	**642 107**	**608**	**1 689 514**	**20 679**	**32 429**	**2 385 337**
Year ended 30 June 2011						
Opening net book value	549 398		1 554 339	18 509	24 996	2 147 242
Purchases	15 536		303 973	7 510	15 774	342 793
Disposals	(5 832)		(23 255)	(11)	(276)	(29 374)
Impairment			(9 171)		(38)	(9 209)
Acquisition of subsidiaries			22 260	1 074	1 660	24 994
Depreciation	(4 772)		(160 899)	(8 366)	(14 687)	(188 724)
Closing net book value	554 330	–	1 687 247	18 716	27 429	2 287 722
Summary						
Cost	106 920	1 852	2 924 034	64 197	183 356	3 280 359
Valuation	476 165					476 165
	583 085	1 852	2 924 034	64 197	183 356	3 756 524
Accumulated depreciation and impairment	(28 755)	(1 852)	(1 236 787)	(45 481)	(155 927)	(1 468 802)
Net carrying amount	554 330	–	1 687 247	18 716	27 429	2 287 722

2.1 The impairment of assets relates to impairment of plant due to obsolescence and redundancy.

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

2.3 The fixed properties were revalued by Balme, van Wyk and Tugman (Pty) Limited, independent valuers, on 30 June 2012. The fair values of the properties were determined on an open market valuation basis.

2.4 The net carrying value of the properties would have been R431 219 657 had the assets been measured using the historic cost model.

COMPANY 2011 R000	COMPANY 2012 R000			GROUP 2012 R000	GROUP 2011 R000
		3	**GOODWILL**		
			Opening net book value	–	–
			Acquisition of subsidiaries	**18 221**	14 253
			Impairment	**(18 221)**	(14 253)
–	**–**		Closing net book value	**–**	–
			Summary		
			Gross carrying amount	**32 474**	14 253
			Impairment	**(32 474)**	(14 253)
			Net carrying amount	**–**	–

In accordance with IAS 36 impairments of assets, goodwill and intangible assets are reviewed annually for impairment.

Cash flows used in impairment testing of goodwill were projected using five-year periods and estimated growth rates discounted by the group's cost of capital.

The Board believes that this forecast was justified due to the long-term nature of each business.

The values assigned to key assumptions represent management's assessment of the business and are based on both external and internal sources of historical data. At the time of this report the Board believes that changes in any of theses key assumptions would not cause any significant additional impairment losses.

COMPANY 2011 R000	COMPANY 2012 R000			GROUP 2012 R000	GROUP 2011 R000
		4	**INTEREST IN SUBSIDIARIES**		
1 360 654	**1 934 050**		Shares at cost	**–**	–
80 128	**78 171**		Amount owing by subsidiaries	**–**	–
1 440 782	**2 012 221**			**–**	–
1 360 654	**1 934 050**		Shown as non-current assets	**–**	–
80 128	**78 171**		Shown as current assets	**–**	–

The amounts owing by the subsidiaries are unsecured, bear interest at rates determined from time to time and are repayable on demand.

COMPANY 2011 R000	COMPANY 2012 R000			GROUP 2012 R000	GROUP 2011 R000
		5	**INTEREST IN ASSOCIATES**		
			Associated companies		
62 369	**50 173**		Shares at cost	**49 767**	61 964
22 254	**–**		Shares at valuation	**–**	22 254
–	**–**		Share of post acquisition reserves	**59 375**	50 695
84 623	**50 173**		Total carrying value	**109 142**	134 913
15 370	**22 068**		Loans	**29 844**	24 715
99 993	**72 241**			**138 986**	159 628
			Associated company details are set out on page 59.		
99 993	**72 241**		Fair value of investments and loans	**138 986**	159 628

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 is the maximum amount reflected in the gross carrying value of the loan.

Interest rate risk refers to the risk that the fair value of future cash flows of the loans will fluctuate because of changes in market interest rates which are charged on the loan accounts.

Management assesses the recoverability of the loans on an ongoing basis.

At 30 June 2012, if interest rates had been 1% higher with all other variables held constant, post-tax profit for the year would have increased by approximately R0,1 million (2011: R0,1 million).

If interest rates had been 1% lower post-tax profit would have decreased by approximately R0,1 million (2011: R0,1 million).

COMPANY 2011 R000	COMPANY 2012 R000			GROUP 2012 R000	GROUP 2011 R000
		6	**INVESTMENTS**		
			Listed investments – available for sale		
6 651	**9 117**		Avusa Limited	**9 117**	6 651
–	**–**		Old Mutual PLC	**20**	–
6 651	**9 117**			**9 137**	6 651
			Unlisted investments – available for sale		
9 312	**9 312**		Long-term preference shares	**9 312**	9 312
400 000	**–**		Caxton Share Investments (Pty) Limited – preference shares	**–**	400 000
75 119	**114 363**		Element One Limited	**114 362**	75 119
252 892	**292 481**		Pearsons Southern Africa (Pty) Limited – ordinary shares	**292 481**	252 892
–	**–**		Stanlib Income Fund	**16 533**	–
–	**–**		Mikro Ad (Pty) Limited – ordinary shares	**1 575**	–
737 323	**416 156**			**434 263**	737 323
743 974	**425 273**		**Total investments**	**443 400**	743 974
743 974	**425 273**		Fair value of investments	**443 400**	743 974

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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COMPANY 2011 R000	COMPANY 2012 R000			GROUP 2012 R000	GROUP 2011 R000
		6	**INVESTMENTS (continued)**		
			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 2012.		
			The interest in Pearson Holdings Southern Africa is valued based on the put option related to the investment at the spot rate on 30 June 2012. The put option is designated in pounds sterling.		
			Fair value estimation		
			IFRS 7 requires disclosures of fair value measurements by level of the following fair value measurement hierachy:		
			Level 1 – quoted prices available in active markets for identical assets or liabilities.		
			Level 2 – inputs used, other than quoted prices included within Level 1, that are observable for the asset or liability,either directly or indirectly.		
			Level 3 – fair value determined by valuation that uses inputs that are not based on observable market data.		
			The level of each investment is determined as follows: – Avusa and Old Mutual are Level 1. – The long-term preference shares, Caxton Share Investment (2011), ElementOne and Stanlib are Level 2. – Pearson Holdings Southern Africa and Mikro Ad (Pty) Limited are Level 3.		
		7	**INVENTORIES**		
			Raw materials	**407 073**	476 146
			Work in progress	**38 916**	51 237
			Finished goods	**83 542**	106 480
				529 531	633 863
			Comprising:		
			Inventory at cost	**501 218**	605 817
			Inventory at net realisable value	**28 313**	28 046
				529 531	633 863
			Write down of Inventories to fair values as an expense	**587**	826

COMPANY 2011 R000	COMPANY 2012 R000		GROUP 2012 R000	GROUP 2011 R000
		8 ACCOUNTS RECEIVABLE		
–	–	Trade accounts receivable	**707 163**	659 960
–	–	Allowance for impairments	**(39 156)**	(27 585)
–	–	Prepayment and deferred expenditure	**12 399**	12 138
5 354	**10 621**	Other accounts receivable	**58 026**	63 441
5 354	**10 621**		**738 432**	707 954

Trade accounts receivable

Exposure to credit risk

Gross trade receivables represents the maximum credit exposure.

	GROUP 2012 R000	GROUP 2011 R000
The maximum exposure to credit risk at the reporting date was:	**707 163**	659 960

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

	Average debtors terms (days)	GROUP 2012 R000	GROUP 2011 R000
Parastatals/Government	60	**12 203**	20 063
Corporates	30	**533 839**	514 781
SMMEs	30	**152 526**	113 482
Individuals	30	**8 595**	11 634
		707 163	659 960

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

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

	Average debtors terms (days)	GROUP 2012 R000	GROUP 2011 R000
South Africa	30	**694 983**	652 167
Rest of Africa	60	**12 180**	7 793
		707 163	659 960

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. The group uses credit vetting agencies who maintain current credit data on most companies in South Africa.

COMPANY 2011 R000	COMPANY 2012 R000		GROUP 2012 R000	GROUP 2011 R000
		8 ACCOUNTS RECEIVABLE (continued)		
		Trade receivables		
		Within terms	**660 176**	613 646
		Current	**328 468**	355 545
		Due 30 days and less	**263 373**	189 128
		Due 30 to 60 days	**68 335**	68 973
		Past due	**46 987**	46 314
		Due 60 to 90 days	**19 900**	23 372
		Due 90 days +	**27 087**	22 942
			707 163	659 960
		Listings of overdue customer balances are reviewed monthly and reviewed against their credit terms/limits. Customers exceeding their credit terms/limits must settle their overdue balances before any further credit is extended.		
		Appropriate action is taken to recover long overdue debts.		
		Allowance for impairment of debtors:		
		Opening balance	**27 585**	22 508
		Impairment loss recognised /(reversed)	**3 244**	(4 968)
		Additional impairment loss	**8 327**	10 045
			39 156	27 585
		The following impairment losses were recognised:		
		Financial difficulties/bankruptcy	**10 911**	5 381
		Absconded	**91**	4
		Dispute	**569**	(308)
			11 571	5 077
		Prepayments and other receivables		
		The carrying amount of the following financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:		
–	**–**	Prepayment and deferred expenditure	**12 399**	12 138
5 354	**–**	Other accounts receivable	**58 026**	63 441
5 354	**–**		**70 425**	75 579
		9 PREFERENCE SHARES LISTED – AVAILABLE FOR SALE		
20 462	**17 827**	Preference shares earning a dividend, payable semi-annually, of 72% of prime	**17 827**	20 462
60 909	**60 909**	Preference shares earning, a dividend payable semi-annually, of 68% of prime	**60 909**	60 909
81 371	**78 736**		**78 736**	81 371

COMPANY 2011 R000	COMPANY 2012 R000		GROUP 2012 R000	GROUP 2011 R000
		10 PREFERENCE SHARES UNLISTED – AVAILABLE FOR SALE		
–	**600 000**	Preference shares earning a dividend, payable semi-annually, of 52,4% of prime	**600 000**	–
–	**600 000**		**600 000**	–

The group is exposed to interest rate risk as the dividend yield on the preference shares are 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 on the listed preference shares as investments are held and classified on the statements of financial position as available for sale.

Management does not consider to have 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.

At 30 June 2012, if interest rates had been 1% higher with all other variables held constant, post-tax profit for the year would have increased by approximately R4,0 million (2011: R0,6 million).

If interest rates had been 1% lower post-tax profit would have decreased by approximately R4,0 million (2011: R0,6 million).

Refer to note 27 for the amount of dividends and interest received.

COMPANY 2011 R000	COMPANY 2012 R000		GROUP 2012 R000	GROUP 2011 R000
		11 BANK AND CASH RESOURCES		
128	**–**	Cash on hand	**218 615**	120 004
1 391 269	**865 245**	Cash on call and deposit	**911 856**	1 399 328
1 391 397	**865 245**		**1 130 471**	1 519 332

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 statement of finacial position at year-end. Surplus funds are invested in such a manner as to achieve maximum returns and whilst minimising risk. The group's cash deposits are for short periods ranging from daily to monthly at fluctuating market related rates and exposure to interest rate risk therefore exists.

At 30 June 2012, if interest rates had been 1% higher with all other variables held constant, post-tax profit for the year would have increased by approximately R8,8 million (2011: R13,8 million).

If interest rates had been 1% lower post-tax profit would have decreased by approximately R8,8 million (2011: R13,8 million).

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for the year ended 30 June 2012 continued

COMPANY 2011 R000	COMPANY 2012 R000		GROUP 2012 R000	GROUP 2011 R000
		12 SHARE CAPITAL		
		AUTHORISED		
		Ordinary shares		
30 000	**30 000**	1 200 000 000 ordinary shares of 2,5 cents each	**30 000**	30 000
		Preference shares		
200	**200**	100 000 6% cumulative participating preference shares of R2 each	**200**	200
		ISSUED		
		Ordinary shares		
12 266	**11 541**	461 648 254 (2011: 495 639 628) ordinary shares of 2,5 cents each	**11 541**	12 266
–	**(6)**	Less: 253 641 (2011: 4 991 374) treasury shares	**(6)**	–
–	**–**	Less: 44 395 861 (2011: 33 395 861) shares held by subsidiary	**(1 110)**	(835)
12 266	**11 535**	416 998 772 ordinary shares of 2,5 cents each	**10 425**	11 431
		Preference shares		
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.		
		13 NON-DISTRIBUTABLE RESERVES		
		Comprises:		
4 469	**4 469**	Realisation reserve	**32 975**	32 975
–	**–**	Loans acquired at a discount	**16 515**	16 515
–	**–**	Surplus on revaluation of land and buildings	**167 748**	115 505
189 557	**237 510**	Fair value adjustments – investments	**237 517**	189 564
194 026	**241 979**		**454 755**	354 559
		14 DISTRIBUTABLE RESERVES		
1 451 974	**1 542 182**	Accumulated profits	**4 308 500**	4 036 652
		The accumulated distributable reserves, if declared as a dividend in 2011, would have been be subject to secondary tax on companies of R367 million at 10%.		
		Secondary tax on companies has been replaced with withholding tax on dividends with effect from 1 April 2012.		
		15 NON-CONTROLLING INTEREST		
		Balance at beginning of the year	**33 237**	24 052
		Share of earnings	**5 249**	5 042
		Dividends	**(6 420)**	(5 680)
		Acquired	**11 251**	9 823
		Balance at end of year	**43 317**	33 237

COMPANY 2011 R000	COMPANY 2012 R000		GROUP 2012 R000	GROUP 2011 R000
		16 DEFERRED TAXATION		
36 062	**30 858**	Balance at beginning of year	**390 145**	359 946
–	**–**	Income statement transfer	**4 035**	25 217
(5 204)	**23 414**	Non-distributable reserves transfer – revaluations	**45 757**	(5 204)
–	**–**	Prior year adjustment	**–**	5 213
–	**–**	Acquisition/(disposal)	**(136)**	4 973
30 858	**54 272**	Balance at end of year	**439 801**	390 145
		Deferred taxation comprises temporary differences arising on:		
–	**–**	– property, plant and equipment	**442 440**	404 582
30 858	**54 272**	– investments	**54 272**	30 858
–	**–**	– accounts receivable	**(4 878)**	(4 064)
–	**–**	– accounts payable	**(44 855)**	(39 798)
–	**–**	– assessed losses	**(3 958)**	(1 433)
–	**–**	– other	**(3 220)**	–
30 858	**54 272**		**439 801**	390 145
		The benefits of the tax losses in the group have been included in deferred tax.		
		17 ACCOUNTS PAYABLE		
–	**–**	Trade accounts payable	**277 743**	268 202
83 164	**7 871**	Sundry accounts payable and accruals	**295 164**	293 700
83 164	**7 871**		**572 907**	561 902

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

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 and currency hedge contracts.

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.

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for the year ended 30 June 2012 continued

COMPANY 2011 R000	COMPANY 2012 R000			GROUP 2012 R000	GROUP 2011 R000
		18	**PROVISIONS**		
			Bonus		
			Opening balance	**59 040**	58 149
			Additional provisions	**56 800**	48 153
			Utilised	**(53 283)**	(47 262)
			Closing balance	**62 557**	59 040
			Leave pay		
			Opening balance	**16 946**	16 884
			Additional provisions	**12 650**	13 425
			Utilised	**(10 735)**	(13 363)
			Closing balance	**18 861**	16 946
			Volume discount allowed		
			Opening balance	**11 674**	13 875
			Additional provisions	**34 593**	24 445
			Utilised	**(28 896)**	(26 646)
			Closing balance	**17 371**	11 674
			Retrenchments		
			Opening balance	**17 256**	8 958
			Additional provisions	**9 748**	10 091
			Utilised	**(5 805)**	(1 793)
			Closing balance	**21 199**	17 256
			Other		
			Opening balance	**20 967**	15 556
			Additional provisions	**44 451**	19 804
			Utilised	**(27 586)**	(14 393)
			Closing balance	**37 832**	20 967
			Total provisions		
			Opening balance	**125 883**	113 422
			Additional provisions	**158 242**	115 918
			Utilised	**(126 305)**	(103 457)
			Closing balance	**157 820**	125 883
		19	**AMOUNTS OWED TO GROUP COMPANIES**		
789 608	**1 485 425**		The amounts owed are unsecured , interest free and repayable on demand	**–**	–

20 FINANCIAL ASSETS BY CATEGORY

	Loans and receivables R000	Fair value through profit or loss or held for trading R000	Non-financial instruments R000	Available for sale R000	Total R000
Group					
2012					
Property, plant and equipment	**–**	**–**	**2 385 337**	**–**	**2 385 337**
Interests in associates	**–**	**–**	**138 986**	**–**	**138 986**
Investments	**–**	**–**	**–**	**443 400**	**443 400**
Inventories	**–**	**–**	**529 531**	**–**	**529 531**
Accounts receivables	**726 033**	**–**	**12 399**	**–**	**738 432**
Taxation	**–**	**–**	**24 675**	**–**	**24 675**
Preference shares – listed	**–**	**–**	**–**	**78 736**	**78 736**
Preference shares – unlisted	**–**	**–**	**–**	**600 000**	**600 000**
Bank and cash resources	**1 130 471**	**–**	**–**	**–**	**1 130 471**
	1 856 504	**–**	**3 090 928**	**1 122 136**	**6 069 568**
2011					
Property, plant and equipment	–	–	2 287 722	–	2 287 722
Interests in associates	–	–	159 628	–	159 628
Investments	–	–	–	743 974	743 974
Inventories	–	–	633 863	–	633 863
Accounts receivables	695 816	–	12 138	–	707 954
Taxation	–	–	7 965	–	7 965
Preference shares – listed	–	–	–	81 371	81 371
Preference shares – unlisted	–	–	–	–	–
Bank and cash resources	1 519 332	–	–	–	1 519 332
	2 215 148	–	3 101 316	825 345	6 141 809
Company					
2012					
Interest in subsidiaries	**–**	**–**	**1 934 050**	**–**	**1 934 050**
Interest in associates	**–**	**–**	**72 241**	**–**	**72 241**
Investments	**–**	**–**	**–**	**425 273**	**425 273**
Accounts receivables	**10 621**	**–**	**–**	**–**	**10 621**
Amounts owed by group companies	**–**	**–**	**78 171**	**–**	**78 171**
Taxation	**–**	**–**	**1 694**	**–**	**1 694**
Preference shares – listed	**–**	**–**	**–**	**78 736**	**78 736**
Preference shares – unlisted	**–**	**–**	**–**	**600 000**	**600 000**
Bank and cash resources	**865 245**	**–**	**–**	**–**	**865 245**
	875 866	**–**	**2 086 156**	**1 104 009**	**4 066 031**
2011					
Interest in subsidiaries	–	–	1 360 654	–	1 360 654
Interest in associates	–	–	99 993	–	99 993
Investments	–	–	–	743 974	743 974
Accounts receivables	5 354	–	–	–	5 354
Amounts owed by group companies	–	–	80 128	–	80 128
Taxation	–	–	–	–	–
Preference shares – listed	–	–	–	81 371	81 371
Preference shares – unlisted	–	–	–	–	–
Bank and cash resources	1 391 397	–	–	–	1 391 397
	1 396 751	–	1 540 775	825 345	3 762 871

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21 FINANCIAL LIABILITIES BY CATEGORY

	Loans and payables R000	Non financial instruments R000	Amortised cost R000	Total R000
Group				
2012				
Deferred taxation	**–**	**439 801**	**–**	**439 801**
Accounts payable	**–**	**–**	**572 907**	**572 907**
Provisions	**–**	**157 820**	**–**	**157 820**
	–	**597 621**	**572 907**	**1 170 528**
2011				
Deferred taxation	–	390 145	–	390 145
Accounts payable	–	–	561 902	561 902
Provisions	–	125 883	–	125 883
	–	516 028	561 902	1 077 930
Company				
2012				
Deferred taxation	**–**	**54 272**	**–**	**54 272**
Accounts payable	**–**	**–**	**7 871**	**7 871**
Amounts owed to group companies	**–**	**–**	**1 485 425**	**1 485 425**
Taxation	**–**	**–**	**–**	**–**
Bank overdraft	**83 945**	**–**	**–**	**83 945**
	83 945	**54 272**	**1 493 296**	**1 631 513**
2011				
Deferred taxation	–	30 858	–	30 858
Accounts payable	–	–	83 164	83 164
Amounts owed to group companies	–	–	789 608	789 608
Taxation	–	278	–	278
Bank overdraft	122 770	–	–	122 770
	122 770	31 136	872 772	1 026 678

COMPANY 2011 R000	COMPANY 2012 R000		GROUP 2012 R000	GROUP 2011 R000
		22 TURNOVER		
		The group's gross turnover has been reflected in order to provide a measure of the return generated by the group's assets and personnel.		
		The group's turnover comprises invoiced sales and circulation revenue.		
		23 STAFF COSTS		
		– Salaries, wages and bonuses	**979 875**	858 124
		– Retirement benefit costs	**42 527**	39 475
			1 022 402	897 599

COMPANY 2011 R000	COMPANY 2012 R000		GROUP 2012 R000	GROUP 2011 R000
		24 OTHER NET OPERATING EXPENSES		
		Income		
–	–	Profit on sale of property, plant and equipment	**3 289**	–
–	–	Foreign currency profits	**605**	738
–	–		**3 894**	738
		Expenditure		
		Auditors' remuneration:		
342	**342**	– audit fees	**5 998**	5 738
–	–	– (over)/under provision previous year	**(3 092)**	49
16	**171**	– fees for other services	**296**	600
–	–	– expenses	**237**	38
358	**513**		**3 439**	6 425
		Fees for:		
–	–	– administrative, managerial and secretarial services	**17 714**	14 098
–	–	– royalties	**3 608**	3 487
–	–		**21 322**	17 585
		Loss on sale of property, plant and equipment	**–**	2 365
		Foreign currency losses realised	**614**	21
		Operating leases		
		– buildings	**13 744**	10 284
		25 DEPRECIATION AND IMPAIRMENT		
		Depreciation		
		– buildings and leasehold improvements	**5 252**	4 772
		– plant and machinery	**194 824**	160 899
		– motor vehicles	**9 067**	8 366
		– furniture and equipment	**17 373**	14 687
			226 516	188 724
		Impairment		
		– plant and machinery	**6 851**	9 171
		– furniture and equipment	**–**	38
		– goodwill	**18 221**	14 253
			25 072	23 462
			251 588	212 186

26 DIRECTORS EMOLUMENTS

	Executive directors				Non-executive directors					
R000	TD Moolman	GM Utian	PG Greyling	TJW Holden	PM Jenkins	ACG Molusi	NA Nemukula	T Slabbert	P Vallet	Total
Directors' fees					960	120	120	150	170	590
Fees for services	3 000	2 680								5 680
Consulting fees										930
Salary			2 214	1 608						3 822
Bonuses		1 800	1 800	750						4 350
Medical funding			12	16						28
Retirement funding			161	96						257
Total 2012	**3 000**	**4 480**	**4 187**	**2 470**	**960**	**120**	**120**	**150**	**170**	**15 657**
Total 2011	3 126	2 751	3 816	2 251	960	100	100	–	170	13 274

	2 012 R000	2 011 R000
Paid by subsidiaries	**15 657**	13 374

COMPANY 2011 R000	COMPANY 2012 R000		GROUP 2012 R000	GROUP 2011 R000
		27 FINANCE INCOME		
97 715	**58 136**	– interest	**68 786**	107 026
6 128	**5 594**	– dividends: listed companies	**5 594**	19 937
13 809	**34 769**	– dividends: unlisted companies	**34 770**	7 500
62 542	**193 794**	– dividends: subsidiary companies	**–**	–
–	**–**	– net surplus on realisation of investments; available for sale	**–**	7
180 194	**292 293**		**109 150**	134 470
		28 FINANCE COSTS		
–	**–**	– interest on bank overdraft	**5**	79
–	**6**	– other interest	**868**	947
164	**9**	– net loss on realisation of preference shares	**9**	164
3 142	**–**	– net loss on realisation of investments: available for sale	**–**	–
3 306	**15**		**882**	1 190
		29 FAIR VALUE MOVEMENTS ON CURRENCY HEDGES		
–	**–**	Resulting from the fair value of foreign exchange option contracts outstanding at year end.	**3 384**	(2 171)
22 006	**–**	**30 GAIN ON RECLASSIFICATION OF ASSOCIATE**	**–**	–
		(2011: the company no longer participates in and or has a say in the manner in which the Pearson Southern Africa Group of Companies is managed. As the company holds only 15% of the equity of Pearson, it was necessary, that with effect from 1 July 2011, the shareholding in that company be reflected as an investment and not an associate. This reclassification has given rise to a gain as a result of the remeasurement of the fair value of the investment at the date of loss of control).		

COMPANY 2011 R000	COMPANY 2012 R000		GROUP 2012 R000	GROUP 2011 R000
		31 TAXATION		
		South African normal tax		
27 439	**16 464**	– current	**166 964**	156 336
(245)	**–**	– prior year	**(3 454)**	(4 054)
–	**–**	– associates	**8 442**	5 856
–	**–**	– foreign	**36**	–
		Deferred tax		
–	**–**	– current	**136**	25 217
–	**–**	– prior year	**3 899**	5 212
–	**–**	– associates	**21**	(72)
13 946	**–**	Secondary tax on companies	**14 371**	15 039
–	**–**	Secondary tax on companies: Associates	**225**	135
41 140	**16 464**	Total tax	**190 640**	203 669
55 331	**81 621**	Tax at the standard rate of 28% on income before tax (2011: 28%)	**177 174**	188 079
14 191	**65 157**	Difference	**(13 466)**	(15 590)
		Reconciled as follows:		
29 256	**65 560**	– dividend and other non-taxable income	**11 912**	7 683
(1 119)	**(403)**	– disallowable expenses	**(9 869)**	(6 889)
–	**–**	– effect of prior year	**(445)**	(1 158)
(13 946)	**–**	– secondary tax on companies	**(14 596)**	(15 174)
–	**–**	– other	**(468)**	(52)
14 191	**65 157**		**(13 466)**	(15 590)
		Estimated tax losses included in deferred tax:		
		– at beginning of year	**1 433**	1 276
		– incurred and acquired during the year	**3 051**	759
		– utilised during year	**(526)**	(602)
		– at end of year	**3 958**	1 433
		The estimated secondary tax on companies payable on dividends declared but not raised at year end amounts to	**–**	18 307
		Secondary tax on companies is no longer applicable from 1 April 2012. Withholding tax on dividends will now be the liability of the shareholder.		

32 EARNINGS PER SHARE

Reconciliation between earnings, adjusted earnings and headline earnings

	2012 R000 Gross	2012 R000 Net of Tax	2011 R000 Gross	2011 R000 Net of Tax
Earnings attributable to owners of the company	–	436 876	–	463 001
Adjustments for:				
impairment of goodwill	18 221	18 221	14 253	14 253
impairment of property, plant and equipment	6 852	4 933	9 209	6 630
net loss/(profit) on disposal of property, plant and equipment	(3 288)	(2 367)	2 365	1 703
net loss/(profit) on disposal of investments	9	9	157	135
Headline earnings		457 672		485 722
Earnings attributable to owners of the company		436 876		463 001
Adjustments for:				
– loss on currency hedge	–	–	2 171	1 513
Adjusted earnings		436 876		464 514
Headline earnings adjustment	21 794	20 796	25 984	22 721
Adjusted headline earnings		457 672		487 235
Earnings per share (cents)		104,8		101,3
Adjusted earnings per share (cents)		104,8		101,6
Headline earnings per share (cents)		109,8		106,2
Adjusted headline earnings per share (cents)		109,8		106,6

Reconciliation of weighted average number of shares	2012 Number of shares	2011 Number of shares
Shares in issue	461 648 254	495 639 628
Treasury shares	(44 649 502)	(38 387 235)
Weighted average number of shares	416 998 752	457 252 393

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

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

COMPANY 2011 R000	COMPANY 2012 R000		GROUP 2012 R000	GROUP 2011 R000
		33 ORDINARY DIVIDENDS		
198 256	184 659	Paid	166 901	186 308
		34 PREFERENCE DIVIDENDS		
6	6	– 6% fixed portion	6	6
172	172	– participating preference dividend	172	172
178	178	**Paid**	178	178
6	6	– fixed portion	6	6
172	172	– participating portion declared, paid post year end	172	172
178	178	**Used in calculation of dividend per share**	178	178

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 2011 R000	COMPANY 2012 R000			GROUP 2012 R000	GROUP 2011 R000
		35	**COMMITMENTS**		
			Capital expenditure on plant and machinery – approved but not contracted	**320 000**	120 000
			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	**8 967**	1 185
			After one year, but not more than five years	**9 635**	968
				18 602	2 153
			The lease committements relates substantially to land and buildings with escalations clauses that are generally inflation linked. Options to renew the leases are on similar conditions to the current leases.		

36 CONTINGENT LIABILITIES AND FOREIGN EXCHANGE EXPOSURE

36.1 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 and currency hedge contracts.
No uncovered foreign exchange commitments exist at the statement of financial position date. Speculative use of financial instruments or derivatives is not permitted and none has occurred during any of the periods presented.

COMPANY 2011 R000	COMPANY 2012 R000				GROUP 2012 R000	GROUP 2011 R000
		36	**CONTINGENT LIABILITIES AND FOREIGN EXCHANGE EXPOSURE (continued)**			
		36.2	**Foreign currency contracts**			
			The principal or contract amounts of foreign exchange and currency hedge contracts outstanding at balance sheet date were:			
				Average rate of exchange		
			Euro	10,132	**34 515**	77 830
			Pound Sterling	13,110	**752**	2 337
			Australian Dollars	–	**–**	638
			US Dollars	8,417	**655**	15 050
			Swiss Francs	8,460	**3 537**	–
			Total		**39 459**	95 855

37 BORROWING POWERS

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

38 RELATED PARTIES

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

Directors

Certain members of senior management are executive directors. Details relating to directors emoluments and shareholdings (including share options) in the company are disclosed in note 26 and the directors' report respectively.

Controlling shareholders

Messrs TD Moolman and GM Utian are members of The Moolman and Coburn Partnership together with a number of other parties. In terms of an agreement concluded in 1985, the partnership receives a commission on the group's advertising revenue which in 2012 amounted to R46,1 million (2011: R44,7 million).

The balance owing to the partnership at the year-end amounted to R3,8 million (2011: R4,5 million).

Subsidiaries

Details of investments in subsidiaries and joint ventures are disclosed in in the annexure on page 58.

Associates

Details of income from associates are disclosed in the statement of comprehensive income, note 5 and in the annexure on page 59.

Shareholders

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

39 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: 5 209 (2011: 5 091) of the group's employees are covered by the plans.

Company 2011 R000	Company 2012 R000		Group 2012 R000	Group 2011 R000
		40 NOTES TO THE CASH FLOW STATEMENT		
		40.1 Cash generated by/(utilised in) operations		
197 610	**291 503**	Profit before taxation	**632 765**	671 712
–	**–**	Associate income	**(26 073)**	(17 957)
(97 715)	**(58 130)**	Interest received (net)	**(67 913)**	(106 000)
(82 479)	**(234 157)**	Dividends received	**(40 364)**	(27 437)
		Adjustment for non-cash items:		
–	**–**	– depreciation of property, plant and equipment	**226 516**	188 724
–	**–**	– impairment of plant	**25 072**	23 462
3 142	**–**	– loss on disposal of investments	**9**	157
(22 006)	**–**	Gain on reclassification of associate	**–**	–
–	**–**	– loss/(surplus) on disposal of property, plant and equipment	**(3 289)**	2 365
–	**–**	– foreign currency difference on revaluation of inventory	**12 436**	(717)
–	**–**	– (profit)/loss on currency hedge	**(3 384)**	2 171
–	**–**	– movement in provisions	**31 937**	12 461
(1 448)	**(784)**		**787 712**	748 941
		40.2 Changes in working capital		
–	**–**	Decrease/(increase) in inventories	**104 332**	(117 567)
38 017	**(5 267)**	(Increase)/decrease in accounts receivable	**(30 478)**	75 874
75 326	**(75 293)**	Increase/(decrease) in accounts payable	**1 953**	(214 695)
–	**–**	Subsidiary's working capital acquired	**(266)**	–
113 343	**(80 560)**		**75 541**	(256 388)
		40.3 Taxation paid		
2 032	**(278)**	Opening tax overpaid/(payable)	**7 965**	17 207
(41 140)	**(16 464)**	Charged in income statement	**(186 563)**	(173 312)
–	**–**	Less: associates	**8 667**	5 991
278	**(1 694)**	Closing tax payable/(overpaid)	**(24 675)**	(7 965)
(38 830)	**(18 436)**		**(194 606)**	(158 079)
		40.4 Dividends paid		
(198 428)	**(184 831)**	Charged to reserves	**(167 079)**	(186 480)
–	**–**	Dividends of minority shareholders	**(6 420)**	(5 680)
(198 428)	**(184 831)**		**(173 499)**	(192 160)
		40.5 Investments – subsidiary businesses		
–	**(138 858)**	Acquisitions	**(2 604)**	(36 242)
(20 041)	**1 957**	Advances to group companies	**–**	–
(20 041)	**(136 901)**		**(2 604)**	(36 242)
		40.6 Investments – associates and other investments		
(50 981)	**(9 447)**	Acquisitions	**(11 042)**	(50 981)
1 600	**–**	Proceeds from disposal of investments	**–**	1 600
(1 163)	**(6 698)**	Increase in loans	**3 575**	5 900
(50 544)	**(16 145)**		**(7 467)**	(43 481)

COMPANY 2011 R000	COMPANY 2012 R000			GROUP 2012 R000	GROUP 2011 R000
		40	NOTES TO THE CASH FLOW STATEMENT (continued)		
		40,7	**Cash and cash equivalents**		
1 268 627	**781 300**		Cash	**1 130 471**	1 519 332
86 847	**684 785**		Preference shares at cost	**684 785**	86 847
(5 476)	**(6 049)**		Fair value adjustment	**(6 049)**	(5 476)
1 349 998	**1 460 036**		Fair value of cash and cash equivalents	**1 809 207**	1 600 703
		40,8	**Business combination**		
			Property, plant and equipment	**4 779**	24 993
			Other financial assets	**11 704**	–
			Inventories	**–**	5 003
			Accounts receivable	**8 005**	13 331
			Bank and cash resources	**9 127**	6 129
			Accounts payable	**(8 271)**	(12 670)
			Non-controlling interest	**(11 251)**	(9 824)
			Deferred taxation	**136**	(4 973)
				14 229	21 989
			Goodwill	**18 221**	14 253
			Consideration	**32 450**	36 242
			Less: acquired in the previous year	**(32 450)**	–
			Cash and cash equivalents in subsidiary acquired	**9 127**	6 219
			Cash flow on acquisition	**9 127**	42 461

The company obtained management and operational control of Moneyweb on 1 July 2011. Previously the group owned 47,3% of Moneyweb and accounted for the investment as an associate. Susequently the group has acquired an additional 3,3% for R2,6 million. The acquired business contributed revenues of R32,3 million and net loss after tax of R2,8 million to the group for the year 1 July 2011 to 30 June 2012. These amounts have been calculated using the group's accounting policies.

During 2011 the company acquired: 100% of CTP Digital Services and 67% of The House of Print.

Goodwill that arose on the business combination is as a result of the expected synergies that will occur. These benefits cannot be recognised separately from goodwill as the future economic benefits arising from them cannot be reliably measured.

41 SEGMENTMENTAL ANALYSIS

	GROUP			
	2012 R000	%	2011 R000	%
Revenue				
Publishing, printing and distribution	**4 587 597**	**95**	4 132 146	95
Other	**981 187**	**20**	924 122	21
Inter-group sales – Publishing, printing and distribution	**(694 717)**	**(14)**	(695 192)	(16)
Inter-group sales – Other	**(54 964)**	**(1)**	(20 654)	–
	4 819 103	**100**	4 340 422	100
Net profit from operating activities				
Publishing, printing and distribution	**418 591**	**85**	392 620	75
Other	**76 449**	**15**	130 026	25
	495 040	**100**	522 646	100
Other information				
Total assets				
Publishing, printing and distribution	**2 872 284**	**47**	2 775 549	45
Other	**3 197 284**	**53**	3 366 260	55
	6 069 568	**100**	6 141 809	100
Total liabilities				
Publishing, printing and distribution	**785 405**	**67**	751 949	70
Other	**385 123**	**33**	325 981	30
	1 170 528	**100**	1 077 930	100
Capital expenditure				
Publishing, printing and distribution	**223 464**	**88**	271 237	79
Other	**31 562**	**12**	71 556	21
	255 026	**100**	342 793	100
Depreciation and impairment				
Publishing, printing and distribution	**206 072**	**82**	142 197	67
Other	**45 516**	**18**	69 989	33
	251 588	**100**	212 186	100

The group operates in South Africa.

42 CAPITAL MANAGEMENT

The primary objective of the company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 June 2012 and 30 June 2011. The company had no debt during the years under review.

INFORMATION RELATING TO INTEREST IN SUBSIDIARIES AND JOINTLY CONTROLLED ENTITIES

Subsidiaries	Activities	Issued capital R	Holding 2012 %	Holding 2011 %	Cost 2012 R000	Cost 2011 R000	Owing* 2012 R000	Owing* 2011 R000
Directly held								
Caxton Publishers and Printers	Holding company	29 083	**100**	100	**1 352 228**	1 352 228	**74 863**	76 162
Caxton Share Investments	Investments	41 000	**100**	–	**536 341**	–		
Darwain Investments	Printing	300	**60**	60	**494**	494		
Highway Mail	Publishing	50 000	**67**	67	**471**	471		
Impala Stationery Manufacturers	Stationery Manufacturer	1 000	**100**	100				
Moneyweb Holdings	Intergrated media	107 000	**50**	–	**37 055**	–		
Noordwes Koerante	Publishing	250	**90**	90				
Northwest Web Printers	Printing	100	**90**	90				
Raylene Designs	Repro Designs	180	**100**	100	**4 452**	4 452		
Ridge Times	Publishing	4 000	**67**	67	**512**	512		
Saxton Investments	Investments	100	**100**	100				
Zululand Observer	Publishing	47	**60**	60	**2 497**	2 497		
Indirectly held								
CTP Limited	Publishing and printing	2 500 718	**100**	100				
CTP Digital Services	CD and DVD Replication	100	**100**	100				
CTP Newspapers – Cape	Printing	100	**100**	100				
Direct Stationery UK	Stationery distributors	1 711	**100**	100				
Erfrad 13	Property owning	100	**100**	100				
Highway Printers	Printing	100	**100**	100				
Kagiso Publishers	Printing	700	**100**	100				
Pecanview Properties	Property owning	1	**100**	100				
Project Northwards	Property owning	166	**100**	100				
The Citizen Limited	Holding company	3 195 161	**100**	100				
The Citizen (1978)	Publishing	3	**100**	100				
Tight Lines	Publishing	180	**100**	100				
Thornbird Trade & Invest 100	Printing	564	**67**	67				
					1 934 050	1 360 654	**74 863**	76 162

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

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

Jointly controlled entities	Activities	Issued capital R	Holding 2012 %	Holding 2011 %	Cost 2012 R000	Cost 2011 R000	Owing* 2012 R000	Owing* 2011 R000
MCS Caxton International Press	Distribution	20 000	**50**	50	**–**	–	**283**	725
Mahareng Publishing	Publishing	100	**50**	50	**–**	–	**2 525**	2 450
Safeway Publishing	Publishing	100	**50**	50	**–**	–	**500**	588
Remade Publishing	Recycling	100	**50**	50	**–**	–	**–**	203
					–	–	**3 308**	3 966
					1 934 050	1 360 654	**78 171**	80 128

INFORMATION RELATING TO ASSOCIATED COMPANIES

Associate	Activities	Issued Capital R	Holding 2012 %	Holding 2011 %	Cost/valuation 2012 R000	Cost/valuation 2011 R000	Owing 2012 R000	Owing 2011 R000
Capital Media (Feb)	Newspaper publisher	4	**50**	50	**–**	–		
Carpe Diem	Magazine publisher	120	**30**	30	**5 134**	5 134		
FBC Properties	Property owning	15 700	**50**	50	**1 352**	1 352		
Rising Sun Fordsburg	Newspaper publisher	1 000	**40**	40	**–**	–		
Green Willow Properties 177	Property owning	120	**50**	50	**–**	–		
Heraut Publiseerders	Newspaper publisher	100	**50**	50	**189**	189		
Hutton Trading	Advert delivery	120	**50**	50	**250**	250	**2 650**	
Ince Holdings**	Printer	13 000	**16**	16	**787**	787	**4 000**	
Leo Kantoor Meubels	Property owning	100	**50**	50	**–**	–		
Lincroft Books (March)	Newspaper publisher	100	**40**	40	**85**	85		
Lonehill Trading(March)	Magazine publisher	120	**50**	50	**1 170**	1 170	**1 882**	1 882
Moneyweb Holdings	Intergrated media	107 000	**–**	47	**–**	34 450		
Mooivaal Media (March)	Newspaper publisher	25 000	**50**	50	**1 565**	1 565		
Overdrive Publishing	Magazine publisher	1 000	**25**	25	**1 250**	1 250		
Ramsay Media (Feb)	Magazine publisher	12 000	**30**	30	**30 075**	30 075		
Rising Sun Community Newspapers	Newspaper publisher	100	**45**	45	**–**	–		
Ronain Investments	Property owning	1 000	**50**	50	**33**	33	**9 744**	10 636
Rowaga Properties	Property owning	1 000	**50**	50	**1 175**	1 175		
Sentrale Makelaars	Dormant	50 000	**50**	50	**56**	56		
Shumani Print Services	Printer	1 000	**49**	49	**3 159**	3 159	**3 792**	2 852
Tambuti Brits	Property owning	100	**50**	50	**–**	–		
Tambuti Enterprise	Property owning	100	**50**	50	**143**	143		
Tambuti Upington	Property owning	100	**50**	50	**–**	–		
Tambuti Vryburg	Property owning	100	**50**	50	**–**	–		
Wordsmiths	Newspaper publisher	10 000	**50**	50	**3 750**	3 750		
					50 173	84 623	**22 068**	15 370

All are private companies except Moneyweb Holdings, and all are incorporated in the Republic of South Africa.
The financial year ends are June unless otherwise stated.
*** re-classified as an investment as the company does not have any significant influence.*

Investments of 50% are accounted for as associates where the company does not have significant influence over the entity.
Moneyweb Holdings is a listed company and has been valued at the closing market price at the year end.

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

STATEMENT OF FINANCIAL POSITION	Associated companies 2012 R000	Associated companies 2011 R000	Jointly controlled entities 2012 R000	Jointly controlled entities 2011 R000
Fixed assets	**77 448**	78 474	**1 509**	1 405
Investments and long-term receivables	**3 948**	3 836	**1 575**	1 750
Current assets	**60 804**	84 098	**14 338**	14 401
Total assets	**142 200**	166 408	**17 422**	17 556
Long-term liabilities	**28 505**	36 957	**3 308**	3 110
Deferred taxation	**2 900**	1 570	**(518)**	(540)
Current liabilities	**34 072**	43 029	**10 022**	10 956
Total liabilities	**65 477**	81 556	**12 812**	13 526
Attributable net asset value	**76 723**	84 852	**4 610**	4 030
STATEMENT OF COMPREHENSIVE INCOME				
Turnover	**258 578**	234 651	**24 110**	21 471
Income before taxation	**26 073**	17 957	**3 120**	3 009
Taxation	**(8 688)**	(5 919)	**(1 022)**	(951)
Net income for the year	**17 385**	12 038	**2 098**	2 058

NOTICE TO MEMBERS OF CAXTON AND CTP PUBLISHERS AND PRINTERS LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1947/026616/06)
Share code: CAT ISIN: ZAE000043345
Preference share code: CATP ISIN: ZAE000043352
("Caxton" or "the company")

NOTICE OF MEETING

Notice is hereby given that the annual general meeting of shareholders of the company ("the meeting") will be held in the boardroom, Caxton House, 368 Jan Smuts Ave, Craighall Park, Johannesburg, on Tuesday, 4 December 2012 at 10:00 am.

RECORD DATE, ATTENDANCE AND VOTING

The record date for determining which shareholders are entitled to notice of the meeting is Thursday, 1 November 2012 and the record date for determining which shareholders are entitled to participate in and vote at the meeting is Friday, 23 November 2012. The last day to trade in order to be eligible to vote at the meeting is accordingly Friday, 16 November 2012.

If you hold dematerialised shares which are registered in your name or if you are the registered holder of certificated shares:

- you may attend the meeting in person; or
- alternatively, you may appoint a proxy to represent you at the meeting by completing the attached form of proxy in accordance with the instructions it contains and returning it to Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) ("transfer secretaries") to be received not later than 48 (forty-eight) hours (excluding Saturdays, Sundays and public holidays) prior to the meeting.

If you hold dematerialised shares which are not registered in your name:

- and wish to attend the meeting, you must obtain the necessary letter of representation from your Central Securities Depository Participant ("CSDP") or broker; and do not wish to attend the meeting but would like your vote to be recorded at the meeting, you should contact your CSDP or broker and furnish them with your voting instructions; or
- you must not complete the attached form of proxy.

A shareholder who is entitled to attend and vote at the meeting is entitled, by completing the attached proxy form and delivering it to the company in accordance with the instructions on that proxy form, to appoint a proxy to attend, participate in and vote at the meeting in that shareholder's place. A proxy need not be a shareholder of the company.

All meeting participants (including shareholders and proxies) will be required to provide satisfactory identification to the chairman of the meeting. Forms of identification include valid identity documents, passports and driver's licences.

PURPOSE OF MEETING

The purpose of this meeting is to consider and, if deemed fit, to pass, with or without modification, the resolutions set out below.

Ordinary resolutions

To consider, and, if deemed fit, approve the following ordinary resolutions with or without modification.

Voting: In order to be adopted, all ordinary resolutions require the support of a majority of the votes cast by shareholders present or represented by proxy at this meeting and the quorum for the meeting is 25% of the issued share capital of the company.

1. ***Ordinary resolution number 1: adoption of annual financial statements***

   "Resolved that:
   The annual financial statements of the company and the group for the year ended 30 June 2012 be and are hereby adopted."

   Explanation: The reason for and effect of the ordinary resolution number 1 is to receive and adopt the annual financial statements for the company and the group for the year ended 30 June 2012.

2. ***Ordinary resolution number 2: to place the unissued shares of the company under the control of the directors***

"Resolved that:

All the unissued shares in the capital of the company be placed under the control of the directors as a general authority in terms of the Companies Act (Act 71 of 2008), as amended ("the Act"), who are hereby authorised to allot and issue shares in the capital of the company to those persons, upon such terms and conditions, as the directors in their sole discretion deem fit, until the next annual general meeting subject to the provisions of the Act and the Listings Requirements of the Johannesburg Stock Exchange ("the JSE")."

Explanation: In terms of the general authority of the Companies Act, the authority given at the annual general meeting needs to be renewed.

3. ***Ordinary resolution number 3: re-election of directors***

"Resolved that:

3.1 Mr PG Greyling, who retires by rotation in terms of the Articles of Association of the company and who is eligible and available for re-election, be and is hereby re-elected as a director of the company.

3.2 Mr PM Jenkins, who retires by rotation in terms of the Articles of Association of the company and who is eligible and available for re-election, be and is hereby re-elected as a director of the company.

3.3 Mr P Vallet, who retires by rotation in terms of the Articles of Association of the company and who is eligible and available for re-election, be and is hereby re-elected as a director of the company."

Explanation: The reason for this ordinary resolution is that the Articles of Association require that a third of the company's directors retire at the annual general meeting. A retiring director, if eligible, may be re-elected.

Brief biographies of these directors appear on page 3 of the annual report.

The ordinary resolutions number 3.1, 3.2 and 3.3 will be considered separately.

4. ***Ordinary resolution 4: re-appointment of independent auditors***

"Resolved that:

PKF (Jhb) Inc. be and is hereby re-appointed as independent auditors of the company from the conclusion of this annual general meeting until the conclusion of the next annual general meeting of the company."

Explanation: The reason for this ordinary resolution is that the company, being a listed public company, must appoint an independent auditor and have its annual financial statements audited.

5. ***Ordinary resolution number 5: re-election of the audit and risk committee members and chairman***

"Resolved that:

5.1 Ms T Slabbert be and is hereby re-elected as a member and chairman of the audit and risk committee until the conclusion of the next annual general meeting.

5.2 Mr ACG Molusi be and is hereby re-elected as a member of the audit and risk committee until the conclusion of the next annual general meeting.

5.3 Mr NA Nemukula be and is hereby re-elected as a member of the audit and risk committee until the conclusion of the next annual general meeting.

Explanation: To elect Ms T Slabbert, Mr ACG Molusi and Mr NA Nemukula who are recommended by the Board and whose appointment automatically terminates on the day of the annual general meeting. The reason for this ordinary resolution is that at each annual general meeting, a public company must elect an audit and risk committee comprising of at least three members.

Brief biographies of these directors appear on page 3.

The ordinary resolutions number 5.1, 5.2 and 5.3 will be considered separately.

6. ***Ordinary resolution number 6: authority to sign documentation***

   "Resolved that:

   Any director of the company or the company secretary be and is hereby authorised to take all actions necessary and sign all documentation required to give effect to the ordinary and special resolutions which have been passed at the annual general meeting."

   Special resolutions:

   To consider and, if deemed fit, approve the following special resolutions with or without modifications.

   Voting: In order to be adopted, all special resolutions required the support of 75% or more of the votes cast by shareholders present or represented by proxy at this meeting and the quorum for the meeting is 25% of the issued capital of the company.

7. ***Special resolution number 1: general authority for company and/or subsidiary to acquire the company's own shares***

   "Resolved that:

   The company and/or a subsidiary of the company be and is hereby authorised to re-purchase or purchase, as the case may be, ordinary shares issued by the company on such terms and conditions and in such amounts as the directors of the company may decide, but subject always to the provisions of section 48 of the Act and the Listings Requirements of the JSE, which currently stipulate that:

   - the repurchase of securities being effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty (reported trades are prohibited);
   - at any point in time the company may only appoint one agent to effect any repurchases on the company's behalf;
   - the company or any of its subsidiaries may not repurchase securities during a prohibited period as defined in paragraph 3.67 in the Listings Requirements of the JSE;
   - 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 share 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; and
   - 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 Listings Requirements of the JSE 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.

Additional disclosure requirements in terms of the Listings Requirements of the JSE

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

- Details of directors on page 3;
- Directors' interests in securities on page 22 (which beneficial interests have not changed since 30 June 2012, there are no non-beneficial interests);
- Major shareholders on page 23;
- Material changes in the nature of the company's trading or financial position post 30 June 2012 on page 23; and
- The share capital note on page 44.

Litigation statement

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.

Directors' responsibility statement

The directors, whose names appear on page 3 of the annual report, collectively and individually, accept full responsibility for the accuracy of the information pertaining to special resolution number 1 and certify that, to the best of their knowledge and belief, there are no facts which 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 resolution contains all information relevant to special resolution number 1.

Material changes

Other than the facts and developments reported on in the annual financial statements, there have been no material changes in the affairs or financial position of the company and its subsidiaries since the date of signature of the audit report and up to the date of this notice.

Explanation: The reason for and effect of special resolution number 1 is to give a mandate to the directors to re-purchase or purchase ordinary shares issued by the company.

8. ***Special resolution number 2: approval of non-executive directors' fees***

"Resolved that:

The remuneration of the non-executive directors for the year 1 January 2013 to 31 December 2013 be as follows:

PM Jenkins	R1 008 000
T Slabbert	R210 000
P Vallet	R180 000
ACG Molusi	R150 000
NA Nemukula	R150 000"

Explanation: The reason for and effect of special resolution number 2 is to grant the company the authority to pay fees to its non-executive directors for their services as directors.

9. ***Special resolution number 3: Financial assistance to related or inter-related entities to the company***

"Resolved that:

The Board of Directors is authorised, in terms of and subject to the provisions of section 45 of the Act, to enable the company to provide financial assistance to any company or corporation that is related or inter-related to Caxton."

Explanation: The reason for and effect of this resolution is to grant the directors of the company the authority to enable the company to provide financial assistance to any entity which is related or inter-related to the company. This special resolution does not authorise the provision of financial assistance to a director or prescribed officer of the company.

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

10. Special resolution number 4: financial assistance for subscription for or purchase of securities by related or inter-related entities to the company

"Resolved that:

The Board of Directors is authorised, in terms of and subject to the provisions of section 44 of the Act, to enable the company to provide financial assistance to any company or corporation that is related or inter-related to Caxton for the subscription for or purchase of securities in the company or in any company or corporation that is related or inter-related to the company."

Explanation: The reason for and effect of this resolution is to grant the directors of the company the authority to enable the company to provide financial assistance for the subscription for or purchase of securities to any entity which is related or inter-related to the company. This special resolution does not authorise the provision of financial assistance to a director or prescribed officer of the company.

11. Special resolution number 5: adoption of Memorandum of Incorporation

"Resolved that:

The existing Memorandum and Articles of Association of the company, adopted in accordance with the provisions of the Companies Act, No 61 of 1973, be and hereby are deleted in their entirety and substituted by a new Memorandum of Incorporation ("MOI") approved by the JSE (a copy of which has been tabled at this meeting and initialled by the chairman of the meeting for purposes of identification) in accordance with the provisions of the Companies Act, No 71 of 2008 and with effect from the date of registration of the MOI by the Companies and Intellectual Property Commission."

The new MOI so initialled will be available for inspection at the company's registered address from 12 November 2012 to 30 November 2012.

Explanation: The reason for and effect of this resolution is required in terms of the Companies Act, No 71 of 2008, to replace the Memorandum and Articles of Association with a Memorandum of Incorporation and it will have this effect.

By order of the Board

N Sooka
Company Secretary

23 October 2012

Registered office
28 Wright Street
Industria West
Johannesburg 2093

PO Box 43587
Industria, 2042

Transfer secretaries
Computershare Investor Services (Pty) Limited
70 Marshall Street
Johannesburg, 2001

PO Box 61051, Marshalltown, 2107

SUMMARY OF RIGHTS ESTABLISHED BY SECTION 58 OF THE COMPANIES ACT, 71 OF 2008 ("COMPANIES ACT"), AS REQUIRED IN TERMS OF SUBSECTION 58(8)(b)(i)

1. A shareholder may at any time appoint any individual, including a non-shareholder of the Company, as a proxy to participate in, speak and vote at a shareholders' meeting on his or her behalf (section 58(1)(a)), or to give or withhold consent on behalf of the shareholder to a decision in terms of section 60 (shareholders acting other than at a meeting) (section 58(1)(b)).

2. A proxy appointment must be in writing, dated and signed by the shareholder, and remains valid for one year after the date on which it was signed or any longer or shorter period expressly set out in the appointment, unless it is revoked in terms of paragraph 6.3 or expires earlier in terms of paragraph 10.4 below (section 58(2)).

3. A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder (section 58(3)(a)).

4. A proxy may delegate his or her authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy ("proxy instrument") (section 58(3)(b)).

5. A copy of the proxy instrument must be delivered to the Company, or to any other person acting on behalf of the Company, before the proxy exercises any rights of the shareholder at a shareholders' meeting (section 58(3)(c)) and in terms of the Memorandum of Incorporation ("MOI") of the Company at least 48 hours before the meeting commences.

6. Irrespective of the form of instrument used to appoint a proxy:

   6.1 the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder (section 58)4)(a));

   6.2 the appointment is revocable unless the proxy appointment expressly states otherwise (section 58(4)(b)); and

   6.3 if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or by making a later, inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company (section 58(4)(c)).

7. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered as contemplated in paragraph 6.3 above (section 58(5)).

8. If the proxy instrument has been delivered to a Company, as long as that appointment remains in effect, any notice required by the Companies Act or the Company's MOI to be delivered by the Company to the shareholder must be delivered by the Company to the shareholder (section 58(6)(a)), or the proxy or proxies, if the shareholder has directed the Company to do so in writing and paid any reasonable fee charged by the Company for doing so (section 58(6)(b)).

9. A proxy is entitled to exercise, or abstain from exercIsing, any voting right of the shareholder without direction, except to the extent that the MOI or proxy instrument provides otherwise (section 58(7)).

SUMMARY OF RIGHTS ESTABLISHED BY SECTION 58 OF THE COMPANIES ACT, 71 OF 2008 ("COMPANIES ACT"), AS REQUIRED IN TERMS OF SUBSECTION 58(8)(b)(i) *continued*

10. If a Company issues an invitation to shareholders to appoint one or more persons named by the Company as a proxy, or supplies a form of proxy instrument:

    10.1 the invitation must be sent to every shareholder entitled to notice of the meeting at which the proxy is intended to be exercised (section 58(8)(a));

    10.2 the invitation or form of proxy instrument supplied by the Company must:

        10.2.1 bear a reasonably prominent summary of the rights established in section 58 of the Companies Act (section 58(8)(b)(i));

        10.2.2 contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name, and if desired, an alternative name of a proxy chosen by the shareholder (section 58(8)(b) (ii)); and

        10.2.3 provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the meeting, or is to abstain from voting (section 58(8)(b)(iii));

    10.3 the Company must not require that the proxy appointment be made irrevocable (section 58(8)(c)); and

    10.4 the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to paragraph 7 above (section 58(8)(d)).

PROXY FORM

CAXTON AND CTP publishers and printers LIMITED

Incorporated in the Republic of South Africa
(Registration number 1947/026616/06)
Share code: CAT ISIN: ZAE000043345
Preference share code: CATP ISIN: ZAE000043352
("Caxton" or "the company")

For use by certificated shareholders and dematerialised shareholders with own name registration at the annual general meeting of the holders of ordinary shares in the company ("Caxton shareholders") to be held in the boardroom, Caxton House, 368 Jan Smuts Ave, Craighall Park, Johannesburg at 10:00 am on Tuesday, 4 December 2012.

I/We (full names) ______________________________

of (address) ______________________________

being the registered holder/s of ordinary shares in the capital of the company hereby appoint (see note 1):

1. ______________________________ or failing him/her,

2. ______________________________ or failing him/her,

the chairman of the annual general meeting, as my/our proxy to act for me/us at the annual general meeting for the purposes of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat, and at each adjournment thereof, and to vote for or against the resolutions or abstain from voting in respect of the ordinary shares registered in my/our name/s in accordance with the following instructions (see note 2).

		For	Against	Abstain
	Ordinary resolutions			
1.	To adopt the annual financial statements for the year ended 30 June 2012			
2	To place unissued ordinary shares of the company under the control of the directors			
3.1	To re-elect Mr PG Greyling as director of the company			
3.2	To re-elect Mr PM Jenkins as director of the company			
3.3	To re-elect Mr P Vallet as director of the company			
4.	To re-appoint PKF (Jhb) Inc as the independent auditors			
5.1	To elect Ms T Slabbert as member and chairman of the audit and risk committee			
5.2	To elect Mr ACG Molusi as member of the audit and risk committee			
5.3	To elect Mr NA Nemukula as member of the audit and risk committee			
6.	To authorise the directors or company secretary to sign documentation to effect resolutions passed			
	Special resolutions			
1.	To approve the general authority for the company and/or the subsidiary to acquire the company's own shares			
2.	To approve the remuneration of the non-executive directors			
3.	To approve financial assistance to related or inter-related companies			
4.	To approve financial assistance for subscription for or purchase of securities			
5.	To approve the adoption on the Memorandum of Incorporation			

Signed at ______________________________ on ______________ 2012

Signature ______________________________

Assisted by (where applicable) ______________________________

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

NOTES

1. A Caxton shareholder may insert the name of a proxy or the names of two alternative proxies of his/her choice in the space/s provided, with or without deleting "the chairman of the annual general meeting", but any such deletion must be initialled by the shareholder concerned. The person whose name appears first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those names that follow.

2. The shareholder's instruction to the proxy must be shown by indicating in the appropriate boxes provided the manner in which that shareholder wishes to vote by inserting an "X" in the relevant box unless a shareholder wishes to split his/her votes. In this case, the relevant number of shares to be so voted must be indicated in the relevant box. Failure to comply with the above will be deemed to authorise the proxy to vote, or abstain from voting, at the annual general meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat.

3. A Caxton shareholder or his/her proxy is not obliged to use all the votes exercisable by the member or to cast all these votes exercised in the same way, but the total of the votes cast, and in respect whereof abstention is recorded, may not exceed the total of the votes exercisable by the member. Failure to comply with the above will be deemed to be authority to the chairman of the annual general meeting, if he is the authorised proxy, to vote in favour of the resolutions proposed at the annual general meeting or any other proxy to vote or abstain from voting, at the annual general meeting as he/she deems fit, in respect of the shares concerned.

4. Forms of proxy and any power of attorney by virtue of which such proxy is signed (or a notarially certified copy of such power of attorney) must be lodged at or posted to the transfer secretaries of the company, Computershare Investor Services (Pty) Limited (70 Marshall Street, Johannesburg, 2001 or PO Box 61051, Marshalltown, 2107), to be received by not later than 10:00 am on Friday, 30 November 2012.

5. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.

6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company's secretary or waived by the chairman of the annual general meeting.

7. If you are a dematerialised shareholder, other than by own name registration, you must inform your appointed Central Securities Depository Participant ("CSDP") or broker of the manner in which you wish to vote in order for them to notify the secretary by not later than 10:00 am on Friday, 30 November 2012. Only registered certificated shareholders recorded in the main register of members of the company or under own names in the dematerialised register, may complete a proxy form or alternatively attend the annual general meeting.

8. Dematerialised shareholders who are not registered under their own names who wish to attend the annual general meeting or vote by proxy must contact their CSDP or broker who will provide them with the necessary authority to do so, or carry out their instructions.

9. The chairman of the annual general meeting may reject or accept any proxy form which is completed and/or received, other than in compliance with the Articles of Association of the company or these notes.

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DIRECTORATE AND ADMINISTRATION

Business address
28 Wright Street
Industria West
Johannesburg, 2093

Postal address
PO Box 43587
Industria, 2042

Registered office
28 Wright Street
Industria West,
Johannesburg, 2093

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

Attorneys
Fluxmans Inc.
11 Biermann Avenue
Rosebank
Johannesburg, 2196

Bankers
First National Bank
Bank City, Johannesburg, 2001

Sponsors
Arcay Moela Sponsors (Pty) Limited
Arcay House
3 Anerley Road
Parktown
2193
(PO Box 62397, Marshalltown, 2107)

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