

COMPANY VISION

New Africa Investments Limited (“NAIL”) manages a portfolio of significant assets to the benefit of its shareholders and other stakeholders.

The company will ensure that control remains in the hands of those committed to black economic advancement in order to assist with the process of transformation in a democratic South Africa.

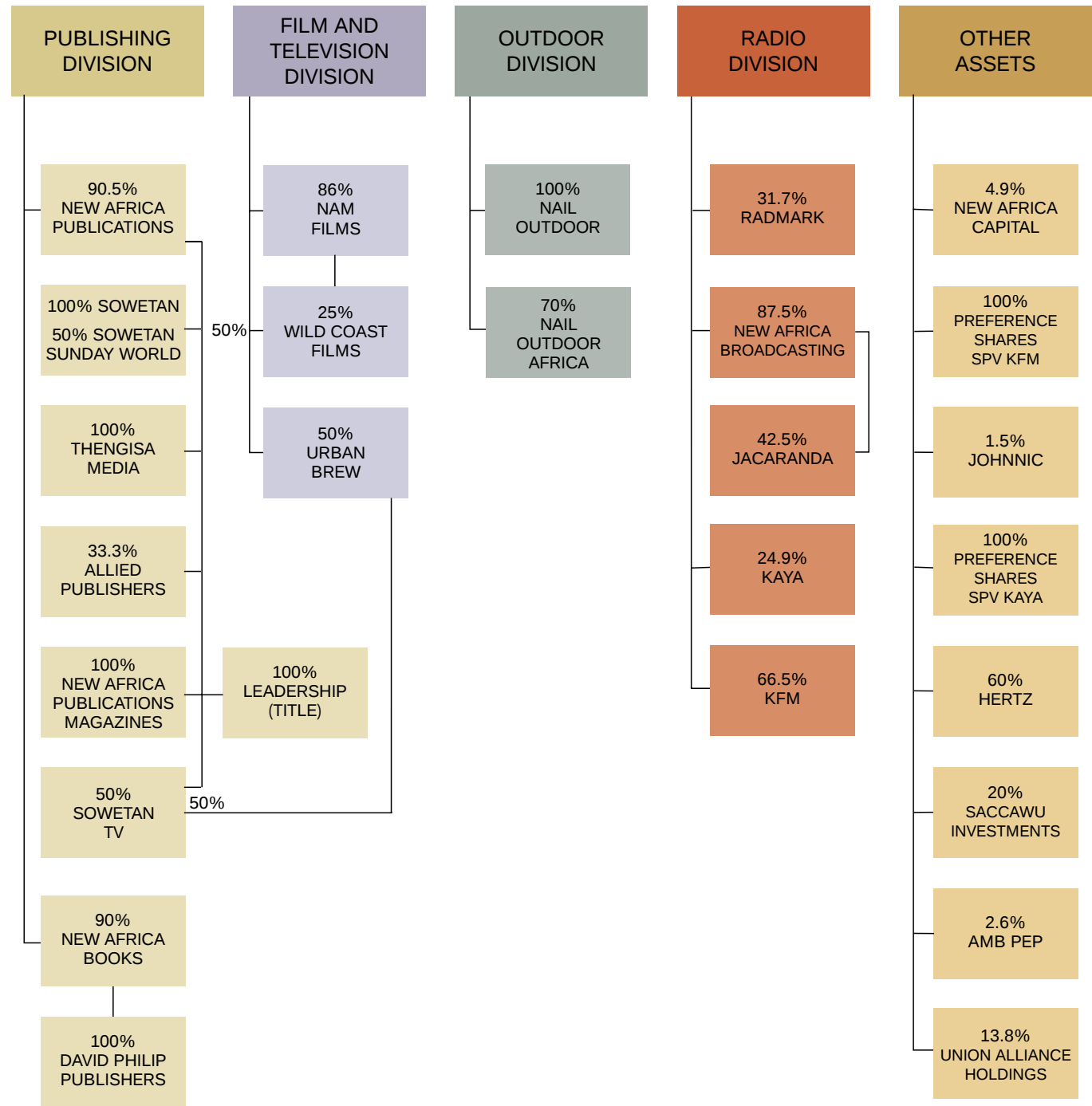
In addition to striving for a future in which the fruits of enterprise and the prosperity of the country’s private sector benefit all South Africans, NAIL is conscious of its social responsibility. In discharging its duties as a responsible corporate citizen, the company aims to set a standard for social responsibility, corporate governance and defining and contributing to real economic empowerment.

Its long-term goal is to become a significant economic force on the African continent.



GROUP STRUCTURE

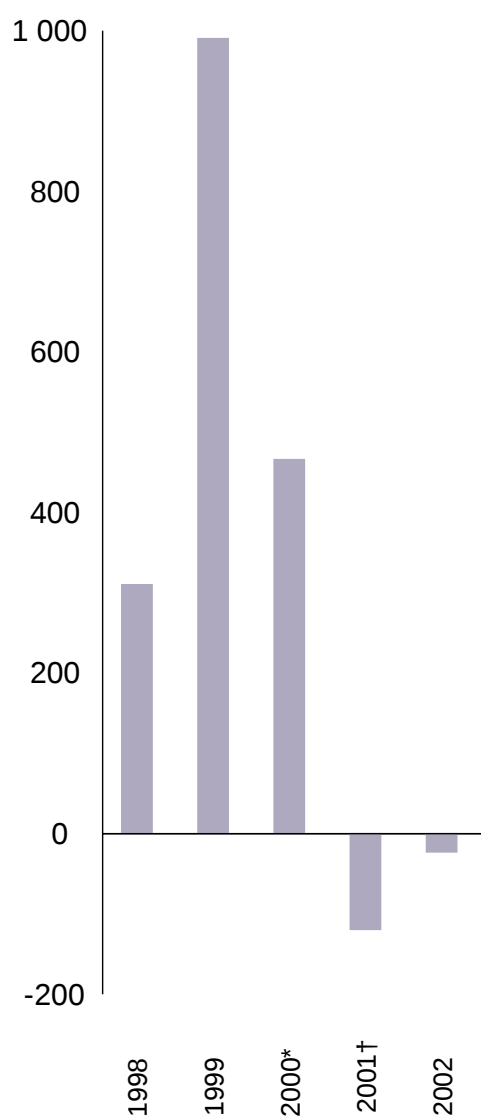
NEW AFRICA INVESTMENTS LIMITED



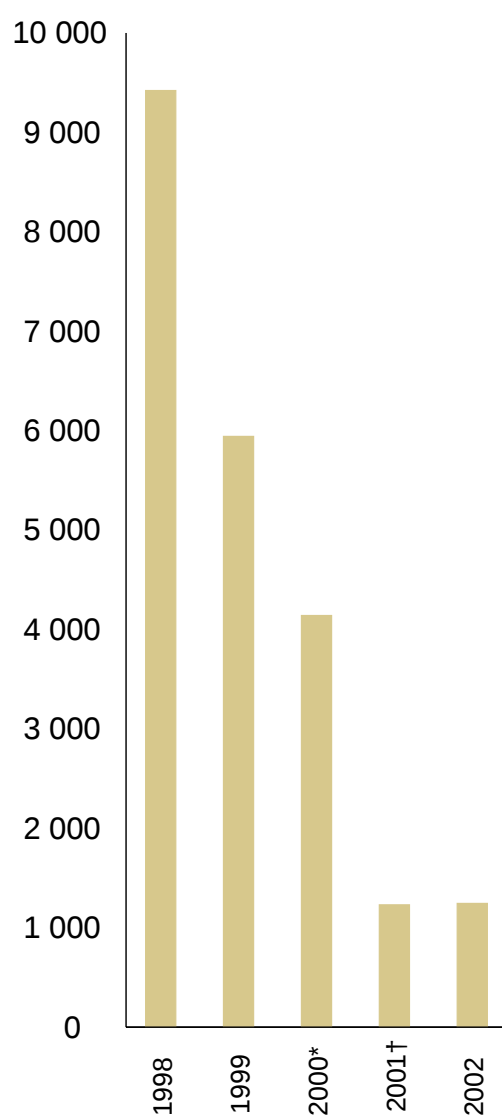
FINANCIAL HIGHLIGHTS

- GROUP CASH R640 MILLION
- RADIO ASSETS STAR PERFORMERS
- MEDIA SHARE OF EARNINGS INCREASES SIGNIFICANTLY

HEADLINE EARNINGS
R million



NET ASSET VALUE
Cents per share @



*15 months unbundled AMB and ABIL (effective 3 360 cents per share)

†Unbundled NAC (effective 2 210 cents per share)

@Calculated as if the share consolidation had been effective since 1998

SEGMENTAL REPORT

	Revenue		EBITDA	
	31-Dec 2002 R'000	31-Dec 2001 R'000	31-Dec 2002 R'000	31-Dec 2001 R'000
Radio	71 473	61 882	23 139	19 756
Publishing	231 845	221 266	10 853	7 217
Film and television	59 434	34 410	13 957	8 330
Outdoor	51 673	0	8 150	0
Car rental	166 216	131 318	243	5 296
Financial services	0	0	13 426	5 635
African Bank Debtors Book	0	0	(4 450)	0
Other	0	2 815	(14 694)	(21 461)
	580 641	451 691	50 624	24 773
	Depreciation		Amortisation of titles and trademarks	
	31-Dec 2002 R'000	31-Dec 2001 R'000	31-Dec 2002 R'000	31-Dec 2001 R'000
Radio	1 502	1 427	7 500	10 000
Publishing	3 246	2 384	3 158	3 284
Film and television	4 875	4 073	106	219
Outdoor	2 032	0	0	0
Car rental	14 044	14 556	138	176
Other	1 272	1 307	0	0
	26 971	23 747	10 902	13 679
	Profit/(loss) before exceptional items, associates, interest and taxation		Headline earnings (including associates)	
	31-Dec 2002 R'000	31-Dec 2001 R'000	31-Dec 2002 R'000	31-Dec 2001 R'000
Radio	14 137	8 328	19 534	14 136
Publishing	4 449	1 549	2 314	2 884
Film and television	8 976	4 038	1 544	96
Outdoor	6 118	0	3 432	0
Car rental	(13 939)	(9 436)	(6 070)	(11 072)
Financial services	13 426	5 635	13 426	5 635
African Bank Debtors Book	(4 450)	0	(3 115)	0
Other	(15 966)	(22 768)	(53 803)	(130 856)
	12 751	(12 653)	(22 738)	(119 177)
	Operating assets		Operating liabilities	
	31-Dec 2002 R'000	31-Dec 2001 R'000	31-Dec 2002 R'000	31-Dec 2001 R'000
Radio	146 094	162 651	16 196	15 425
Publishing	102 306	94 024	26 407	22 499
Film and television	58 342	53 313	21 148	18 744
Outdoor	56 200	0	31 093	0
Car rental	137 393	139 953	89 744	79 825
Other	932 355	1 013 220	9 868	17 425
	1 432 690	1 463 161	194 456	153 918
	31-Dec 2002 R million	31-Dec 2001 R million		
NET ASSET VALUE				
Radio	314	283		
Publishing	123	96		
Film and television	50	33		
Outdoor	65	0		
Car rental	65	38		
Financial services	222	291		
Other investments	103	131		
Head Office	569	622		
Total net assets	1 511	1 494		
Cents per share	1 244	1 230		

FIVE-YEAR REVIEW

	12 months 31-Dec 2002 R'000	12 months† 31-Dec 2001 R'000	15 months* 31-Dec 2000 R'000	12 months 30-Sept 1999 R'000	12 months 30-Sept 1998 R'000
INCOME STATEMENT					
Profit before exceptional items	74 845	553 362	1 469 959	1 506 580	815 674
Exceptional items	(97 088)	(385 083)	(206 154)	(161 938)	(201 460)
Profit after exceptional items	(22 243)	168 279	1 263 805	1 344 642	614 214
Taxation	(23 469)	(168 133)	(493 759)	(351 014)	(165 880)
Profit after taxation	(45 712)	146	770 046	993 628	448 334
Income from associates	14 504	11 061	25 690	12 551	918
Minority interests	(2 537)	(162 377)	(450 030)	(490 460)	(342 357)
(Loss)/earnings attributable to ordinary shareholders	(33 745)	(151 170)	345 706	515 719	106 895
Headline (loss)/earnings	(22 738)	(119 177)	465 820	990 062	310 010
Headline (loss)/earnings per share (cents)#	(19)	(98)	383	816	463
BALANCE SHEET					
Fixed and intangible assets	345 616	323 972	3 392 643	10 314 009	8 973 028
Insurance investments	0	0	27 662 000	20 863 616	11 506 297
Investments	460 868	549 309	160 050	993 135	966 366
Net current assets	767 188	690 499	740 092	4 327 000	2 841 154
	1 573 672	1 563 780	31 954 785	36 497 760	24 286 845
Capital and reserves	1 485 291	1 519 391	4 883 980	11 669 183	9 692 681
Minority interest	77 151	42 077	1 269 607	3 302 187	2 411 363
Non-current liabilities	11 230	2 312	38 198	2 482 390	1 618 801
Long-term insurance fund	0	0	25 763 000	19 044 000	10 564 000
	1 573 672	1 563 780	31 954 785	36 497 760	24 286 845

Notes

† NAC partially unbundled on 21 September 2001

* ABIL and AMB were unbundled on 6 March 2000

#adjusted retrospectively for share consolidation 1 for 20

Chief Executive's Report

2002 proved to be an eventful and challenging year for NAIL. While the economy maintained a solid though moderate growth rate, consumers were hard hit by the rocketing inflation rate, with interest rates rising from 13% to 17%. For the period January to December 2002, the media industry advertising expenditure increased by 19% compared to 2001. The increased adspend proved beneficial to NAIL's media interests, with print, television and radio maintaining or marginally increasing their market share.

The media area in which NAIL operates is particularly sensitive to economic trends, so it is pleasing to note that headline earnings from our media assets alone increased by 61%. This increase is offset by the marking to market of listed investments which NAIL holds, resulting in a loss for the year.

NAIL's intention to acquire Kagiso Media in 2002 was frustrated by the refusal of the Independent Communications Authority of South Africa (ICASA) to grant exemption from the regulation stating that no company may have control of more than two FM radio stations. In our view the present regulatory environment is not conducive to growth; and growth is imperative if we are to persuade investors of our ability to provide good returns on their investment.

Consequently it is encouraging to note that on 27 September 2002 ICASA issued a discussion paper on the review of ownership and control of broadcasting services and existing commercial sound broadcasting licences. NAIL has made a written representation to ICASA calling for greater relaxation of the current legislation in the interests of increasing investment opportunities, stimulating growth and advancing black economic empowerment in the sound broadcasting sector.

Our star performers were again our radio interests, where advertising revenues remained strong, lifting headline earnings by 38%. Jacaranda 94.2 FM, the largest regional radio station by audience, showed phenomenal audience growth, drawing two million listeners over a seven-day period. Kfm 94.5 is the largest radio station in the Western Cape and Kaya FM 95.9, a 'greenfields' station, moved into a profitable position during the year, as anticipated, and is projected to make a healthy profit going forward.

Radmark, our radio sales house, performed impressively, with its net revenue growing by 22% compared with the industry average of 17%.

In an increasingly competitive environment, the publishing business performed satisfactorily. Predictably, in view of its repositioning in order to gain a higher Living Standard Measurement readership, the circulation of The Sowetan declined during the year. However, in the face of stiffening competition, the paper increased its net income by 38.5% over last year.

The circulation of Sowetan Sunday World continues to increase in the highly competitive Sunday market, and this should boost advertising revenue. We will continue to focus on the repositioning of The Sowetan and on bringing Sowetan Sunday World to profitability. Positive developments are the appointment of Mr John Dludlu as editor of The Sowetan and Mr Thabo Leshilo as editor of Sowetan Sunday World.

CHIEF EXECUTIVE'S REPORT (CONTINUED)

New Africa Books has published several new titles for South Africa's outcomes-based education curriculum and looks set to become a significant educational publisher. During the year under review, one of the notable books published by the company was "Walter and Albertina Sisulu In Our Life Time".

Urban Brew remains the country's leading independent television production house outside the SABC. It maintained its successes through the year with the live Lotto draw. The YoTV youth show was expanded and overall performance was also boosted through strict cost controls.

On the film front, New Africa Media Films completed its first full-length feature film, *Slash*, which premiered at the Cannes Film Festival. The film met with a favourable reception, with distribution agreements being signed with Universal and First Look. The company and our partners in the project, IDC, are confident of acceptable returns.

NAIL Outdoor contributed to the results for the first time in this financial year. NAIL acquired 100% of Natanya Outdoor and 70% of Natanya Outdoor Africa effective 1 January 2002. These companies have been rebranded NAIL Outdoor and NAIL Outdoor Africa. During the year the businesses of Randata and Significant Signs were acquired, which brings critical mass to the existing business and an increase number of landmark sites. The next phase of expansion will be organic, having secured sites on the national roads and the Airports Company of South Africa. NAIL Outdoor Africa has driven expansion into Africa, covering countries such as Democratic Republic of Congo, Nigeria, Botswana and Ghana, through joint ventures.

Hertz achieved an increase in revenues of 27% over the previous year, but this was partly negated by aggressive selling at low margins and high inflation in the motor industry. The company is increasingly focusing on the lucrative international leisure market, which generates higher priced inbound tourism.

The interest income received has reduced due to cash outflows during the previous year. The outflows were the payment of a special dividend in May 2001 of R243 million and the close out of the Johnnic put options of R240 million in December 2001. NAIL starts the year in an enviable position, with cash reserves of more than R600 million and a solid stable of assets.

Mr A S Mabogoane was appointed non-executive Chairman of the Group with effect from 1 March 2002. His guidance and wise counsel have proved invaluable.

Although the media assets are performing well the board is of the view that they lack critical mass in key strategic areas. Thus organic growth will not be sufficient to take the group to new heights. The acquisition route that has been followed in the past year has not been successful due to the regulatory constraints on the radio side and the absence of appropriately priced assets on the print side. The board is reviewing the situation and has short-listed a number of possible alternatives to unlock shareholder value. Upon completion of this exercise, the board will advise shareholders accordingly.



S Macozoma

Chief executive officer

Johannesburg
26 March 2003

BOARD OF DIRECTORS



1 A Mabogoane

Chairman

Ashley Mabogoane joined the board of NAIL on 1 July 1999. He is the chief executive officer of Fabvest Investment Holdings Limited and formerly held numerous positions in sales and marketing. He is also the non-executive chairman of African Bank Investments Limited, Tsogo Sun Holdings and National Cereals Holdings (Premier Foods).



2 S Macozoma

Chief executive officer

Sakumzi (Saki) Macozoma joined NAIL as a non-executive director on 19 March 1997 and became an executive director on 1 August 2001. He is the deputy chairman of Standard Bank South Africa Limited and serves on the board of directors of the black-owned financial investment house Safika Holdings. In 1996 he was appointed as Transnet's first black managing director and transformed it into a profitable organisation within four years. Over the years he has served on, and chaired, a number of boards and committees, in both the political and business spheres. He is a member of several company boards, co-chairman of the Business Trust and deputy chairman of the council of the University of the Witwatersrand. He is also a member of the national executive committee of the ANC and served as a Member of Parliament from 1994 to 1996.



3 K Setzin

Executive director

Kenny Setzin, who was appointed an executive director of NAIL on 1 October 2000, is responsible for NAIL's electronic media assets and outdoor advertising interests. Prior to his current role, Setzin was in charge of NAIL's restructuring. Aside from occupying other senior management positions at Nedbank and Telkom SA, Setzin was an executive at The Miami Herald Publishing Company in the USA. Setzin is a member of several NAIL company boards.



4 R Kevan

Executive director

Raymond Kevan joined NAIL on its listing in August 1994. He was appointed executive director on 1 October 2000. He is the group's financial director.

5 G Chadwick

Non-executive director

Gavin Chadwick became a non-executive director of NAIL on 6 August 2001. He is a director at Hollard Holdings. Prior to joining Hollard, he was responsible for the Johannesburg office of Braxton Associates, the strategic consulting arm of Deloitte Consulting, which he opened in February 1994. He worked for Braxton Associates in London as an international strategy consultant after leaving Deloitte & Touche in South Africa. He has worked in a broad range of industries in southern Africa and Europe.

6 L M Mojela

Non-executive director

Louisa Mojela was appointed to the board of NAIL on 6 August 2001. She is chief executive officer of Women Investment Portfolio Holdings Limited. Mojela was a founder member, serving as executive director of Wiphold from 1995 until 1998 when she became executive chairman. She was appointed chief executive in March 2000. Mojela has managed the emerging markets division of Standard Corporate and Merchant Bank and before that was project leader – Business and Entrepreneurial Development Division – for the Development Bank of Southern Africa. In the late 1980s she worked for the Lesotho National Development Corporation as project officer, operations division. Mojela holds directorships on several boards including Financial Services Board, Ericsson South Africa and Mintek.

7 M Katz

Non-executive director

Professor Michael Katz was appointed a non-executive director of NAIL on 29 August 1994. He is senior partner of Edward Nathan & Friedland Inc. Katz is also the chairman of the Tax Advisory Committee to the Minister of Finance and headed the commission of inquiry to investigate the taxation system of South Africa. He is a member of the Securities Regulation Panel and also serves on the board of a number of prominent corporations.

BOARD OF DIRECTORS (CONTINUED)



8 J Mdlalose

Non-executive director

James Mdlalose became a non-executive director of NAIL on 29 August 1994. He is past president of the National Council of Trade Unions (NACTU) and the National Union of Food, Beverage, Wine, Spirits and Allied Workers. He is chairman of Willow Park Property Trust and of the Workers Investment Corporation, and serves on the boards of Union Alliance Holdings, Hlano Financial Services and Alpha-Abacus.



9 T Curtis

Non-executive director

Tim Curtis became a non-executive director of NAIL on 1 July 1999. He was chairman of Deloitte & Touche in South Africa and served on Deloitte & Touche International's executive committee for 10 years until his retirement from public practice in 1992. He also serves on the boards of Barloworld, Reunert and other prominent corporations and acts as trustee for a number of educational and charitable organisations.



10 M Ngoasheng

Non-executive director

Moses Ngoasheng joined the board of NAIL on 6 August 2001. He is executive chairman of Safika Holdings. In 1999 and 2000 he acted as economic advisor in the office of President Thabo Mbeki. He had spent four years as economic advisor to Mbeki, while Mbeki was executive deputy president of South Africa. From 1994 to 1995 Ngoasheng was group manager, labour relations strategy at Gencor SA Limited, and from 1993 to 1999 he worked as economics and business strategy consultant for ITISA. Ngoasheng has consulted to major South African corporations on business strategy. He also acted as principal consultant to the National Housing Forum on the construction and building materials industries. He has lectured and acted as a consultant to several South African universities.

11



11 G T Serobe

Non-executive director

Gloria Serobe was appointed as a non-executive director of NAIL on 1 July 1999. Serobe was Transnet's executive director of finance. She is a founder member of Wiphold and was appointed as chief executive officer of Wipcapital, a subsidiary of Wiphold, in September 2001. She also serves on the board of a number of prominent corporations.

12



12 G Snelgar

Non-executive director

Geoff Snelgar joined the board of NAIL on 1 July 1999. He is chief executive officer of Hollard Holdings and deputy chairman of Hollard Insurance Company and Hollard Life Insurance. He acted as chairman of African Bank Investments Limited (ABIL), formerly Thetha Group Limited, until Hollard's 40% stake in ABIL was sold to NAIL. He was the former executive chairman of Deloitte & Touche Management Consulting and a senior member of both the board and the executive committee of Deloitte & Touche (SA).

13



13 Professor G Williams

Non-executive director

George Williams, a professor of Applied Accounting at the University of South Africa (UNISA) is executive director, finance, of Unisa. He is also a member of the Standing Advisory Committee on Company Law. He was appointed a non-executive director of NAIL on 1 July 1999.

Social Responsibility Review



Since NAIL had initiated the rebuilding of two high schools in the Limpopo province for R10 million, it seemed appropriate to base the company's Social Responsibility Programme on two pillars: EDUCATION and HEALTH.

EDUCATION

The focus of the education element is the two high schools, Tshivhase and Mphephu, which were nearing completion at the inception of the Programme in 2002. Both schools were officially opened by the guest of honour, former President Nelson Mandela.

As the schools were badly lacking in management systems, NAIL has assisted in setting up proper management programmes to turn them into centres for integrated development in their respective villages. The process has been initiated with designated persons to help manage the schools and launch community outreach projects.

SOCIAL RESPONSIBILITY REVIEW (CONTINUED)

HEALTH

Recognising the enormous impact that HIV/AIDS has had on South Africans NAIL has committed to a major HIV/AIDS project, starting with the launch of an AIDS orphan house in Zuurbekom. The house, donated by Mr Jomo Sono, will be called the NAIL-Somo Home. NAIL has also established a relationship with a priest in Eldorado Park, Pastor Desmond Peterson, whose church has received a donation of 25 cottages. These cottages, formerly owned by the Rand Water Board, will be linked with the NAIL-Somo Home.

The ultimate objective is to have NAIL's AIDS programme team up with the SOS village project, the Sparrow Ministries home and hospice for AIDS orphans and the home for AIDS orphans near Heidelberg run by the Topsy Foundaton.

OTHER

In the course of the year the company has made various monetary and/or in-kind donations to a number of charity organisations involved in community development.



CORPORATE GOVERNANCE REVIEW

NAIL abides by the principles and practices set out in the King II Report, which was produced in March 2002. NAIL, being a listed company, complies with the JSE Securities Exchange SA Listings Requirements. The mechanisms, structures and systems that ensure good governance within NAIL are set out below.

BOARD OF DIRECTORS

Chairman

In accordance with the recommendations of the King II Report, NAIL's board of directors has separated the role of the chairman and the chief executive officer. Mr Ashley Mabogoane, an independent board member, is the chairman and Mr Sakumzi Macozoma is the chief executive officer.

Composition

The board comprises 13 directors, of whom three are executive directors. In accordance with the recommendations of the King II Report, the board has four independent non-executive directors. The profiles of the directors are published on pages 8 to 11 of this report. The non-executive directors come from diverse backgrounds and have the necessary skills and experience, which enables them to bring independent judgement to board decisions.

Executive directors:

S Macozoma (Chief Executive Officer)

R Kevan

K Setzin

Non-executive directors:

G Chadwick

M Katz

L Mojela

M Ngoasheng

G Serobe

G Snelgar

Independent non-executive directors:

A Mabogoane (Chairman)

J Mdlalose

G Williams

T Curtis

All directors have access to the advice and services of the company secretary and, in appropriate circumstances and with prior approval of the board, the directors may, at the expense of the company, seek independent professional advice on company related matters.

Shareholder representation

Messrs. S Macozoma and M Ngoasheng represent Safika, Ms G Serobe and Ms L Mojela represent Wiphold and Messrs. G Snelgar and G Chadwick represent Hollard.

CORPORATE GOVERNANCE REVIEW (CONTINUED)

Frequency of meetings

The board meets once a quarter. Extraordinary meetings are convened if and when major issues require board resolutions in between scheduled meetings. At its meetings, the board monitors the performance of the executive directors and discusses a range of key issues of policy and strategy. At each scheduled board meeting the executive directors report on quarterly results and business developments. The board met six times during the financial year ending 31 December 2002.

BOARD COMMITTEES.

Executive committee

The executive committee consists exclusively of executive directors and is responsible for the day-to-day operations of the company. The committee meets regularly to discuss operational issues such as investments and capital expenditure proposals, the performance of subsidiaries, associate companies and other strategic issues. Matters arising from these meetings are reported to the board. In terms of approved level of authority, the executive committee is authorised to make investment decisions of up to R50 million per transaction or series of related transactions. Investment proposals in excess of R50 million require board approval.

Audit committee

T Curtis (Chairman)
G Chadwick
M Ngoasheng
G Williams

The audit committee meets at least twice annually with the external auditors in attendance. The chairman of the audit committee is an independent non-executive director. The chief executive officer and the financial director attend these meetings. The primary role of the audit committee is to assist the board in discharging its responsibilities to safeguard the company's assets, maintain adequate accounting records and to develop and maintain an effective system of internal control. The audit committee met three times during the financial year ending 31 December 2002.

Investment committee

M Ngoasheng (Chairman)
T Curtis
A Mabogoane
S Macozoma
G Serobe
G Snelgar
G Williams

The investment committee meets as and when required to assess investment proposals and projects. The investment committee has met once during 2002.

CORPORATE GOVERNANCE REVIEW (CONTINUED)

Remuneration committee

G Serobe (Chairman)

A Mabogoane

G Snelgar

The committee has specific responsibilities to the company to formulate remuneration policies for the executive directors, which has the objective of attracting and retaining executives of the highest calibre. Remuneration includes salaries, bonuses and share options. The committee met three times during 2002.

DIRECTORS' REMUNERATION

Service contracts

There are no service contracts with executive directors.

Salary

The executive directors' salaries are total cost to company.

Pension

The executive directors are responsible for the provision of their own pension and other benefit funds.

Annual bonus

The remuneration committee recognises the importance of rewarding good performance and that the executive directors should be rewarded to continually strive for excellence.

The key performance criteria used to determine the bonus for the year ended 31 December 2002, which combined meeting stated objectives and maximising shareholder value, were containment of head office costs, growth in headline earnings, share price performance, sale of non-core assets and reduction of discount to net asset value. The company traded under a cautionary announcement for part of the year, which hampered the meeting of these objectives.

The bonus, as disclosed below, was approved by the board and included a retention bonus, to the executives who remained with the company after the separation of the financial services and the media interests, and a bonus for the year ending 2001, in order to align the bonuses for that year of the executive directors with the bonuses of the executive director and management who left the company at that time.

Executive directors' remuneration

	Notes	Salary R	Bonus R	Total R	2001 R
S Macozoma	1	1 700 000	566 667	2 266 667	708 333
R Kevan		820 260	617 652	1 437 912	1 137 041
K Setzin		820 260	617 652	1 437 912	1 137 041
D Moseneke	2				882 000
Z Sisulu	3				882 000
S Zungu	4				1 896 730
Total		3 340 520	1 801 971	5 142 491	6 643 145

CORPORATE GOVERNANCE REVIEW (CONTINUED)

Notes

1. Appointed chief executive officer 1 August 2001
2. Resigned as chief executive officer 30 July 2001
3. Resigned as executive director 31 July 2001, served as non-executive chairman until 31 December 2001
4. Resigned as executive director 30 November 2001

Share options

The remuneration committee has determined that the executive directors are issued share options based on a factor of eight times annual salary.

Last date to exercise	Strike price R	S Macozoma	R Kevan	K Setzin
12 December 2006	4,30		13 200	
6 December 2007	34,30		2 640	
22 September 2008	0,30		11 375	
1 December 2008	8,30		32 500	
9 December 2009	3,10			46 835
9 April 2011	7,50		144 610	157 490
11 September 2012	6,30	2 158 700	837 275	837 275
Total		2 158 700	1 041 600	1 041 600

Executive directors' share ownership

	Note	Ordinary shares Indirect
S Macozoma	1	76 392

Note 1: Indirect via shareholding in Safika Holdings

Non-executive directors' remuneration

The fees payable to the non-executive chairman with effect from 1 March 2002 are a retainer of R7 500 per month and an attendance fee of R6 500 per meeting. The fees payable, with effect from 1 October 2002, to a non-executive director who chairs a board committee are a retainer of R3 000 per month and an attendance fee of R6 000 per meeting. The fees payable, with effect from 1 October 2002, to the remaining non-executive directors are a retainer of R2 000 per month and an attendance fee of R4 000 per meeting. Prior to the new rates the fees were a retainer of R1 250 per month and an attendance fee of R3 000 per meeting.

	Note	Retainer R	Attendance R	Total R	2001 R
G Chadwick		17 250	32 000	49 250	21 250
P Curtis		20 250	27 000	47 250	54 000
N Gobodo		0	0	0	15 750
M Katz		17 250	11 000	28 250	51 000
A Mabogoane		77 500	45 500	123 000	45 000
S Macozoma		0	0	0	29 750
L Mojela		17 250	16 000	33 250	12 250

CORPORATE GOVERNANCE REVIEW (CONTINUED)

	Note	Retainer R	Attendance R	Total R	2001 R
J Mdlalose		17 250	20 000	37 250	42 000
M Ngoasheng		20 250	30 000	50 250	15 250
G Serobe		17 250	12 000	29 250	42 000
G Snelgar		17 250	15 000	32 250	63 000
G Williams		17 250	27 000	44 250	69 000
Total		238 750	235 500	474 250	460 250
Z Sisulu	1				630 000
Total				474 250	1 090 250

Note 1: Fees paid by subsidiary for services to the group.

Relations with shareholders

NAIL's board and the executive management team are committed to upholding open and transparent communication with shareholders. NAIL's management continues to meet with institutional shareholders to ensure that the strategy of the company is communicated and understood. A number of shareholders, among them Hollard Insurance and Phaphama Holdings, are represented on the board. Regular contact is maintained with leading analysts regarding the publication of research relating to NAIL and its subsidiaries. NAIL maintains a relationship with private investors mainly through the annual general meeting, at which communication and participation is encouraged. Private investors are also reached through the national media.

Accountability and audit

The directors are responsible for the preparation of the annual financial statements that fairly present the state of affairs of the company and of the group, and of the results of their operations. The external auditors are responsible for independently reviewing and reporting on these financial statements. The financial statements are prepared by management in accordance with generally accepted accounting practices and are based on appropriate accounting policies which have been consistently applied and which are supported by reasonable and prudent judgment and estimates. The directors are of the opinion that the financial statements fairly represent the position of the company and the group as at 31 December 2002.

NAIL maintains controls and systems designed to provide reasonable assurance of the integrity and reliability of the financial statements and adequately to safeguard, verify and maintain accountability for their assets. Such controls are based on established policies and procedures and are implemented by trained personnel with an appropriate segregation of duties, where cost effective. Management monitors the effectiveness of these internal controls and systems.

No material breakdown of the functioning of the above-mentioned internal controls and systems occurred during the year under review.

Quarterly results and the financial status of the group are reported against approved budgets and compared to the prior year. Profit projections and cash flow forecasts are updated monthly and borrowing levels are monitored on an ongoing basis.

CORPORATE GOVERNANCE REVIEW (CONTINUED)

The company has sufficient resources to continue in operational existence for the year ahead. Accordingly, the directors have adopted the going-concern basis in preparing the financial accounts.

Directors and employees are required to observe the highest ethical standards to ensure that business practices are conducted in a manner which, in all reasonable circumstances, is beyond reproach.

The company operates a closed period prior to the announcement of its interim and final results in which period the directors and employees of the company may not deal in the company's shares.

The company relies on the commitment of its employees to ensure the highest levels of service delivery. This commitment is reinforced through the continued development of innovative reward and incentive programmes that focus on long-term and short-term strategic and operational goals. To this end, and subject to their individual performance and the recommendations of the executive directors, the employees are awarded share options.



Review of Operations



NEW AFRICA PUBLICATIONS (NAP)

NAIL's interest: 90,5%

NAP publishes newspapers and magazines and is a joint venture partner with Urban Brew in Sowetan Television. NAP is also a one-third partner with Johnnic Publishing and Independent News and Media in Allied Publishing, a newspaper and magazine distribution company.



SOWETAN

NAIL's interest: 90,5%

Sowetan is South Africa's most widely read daily newspaper with a daily readership of more than 1 927 million, making it South Africa's top marketing brand according to Markinor's bi-annual survey. Its focus is on the Living Standards Measurement (LSM) 5 to 8 target market, with the biggest single group of readers (470 000) in LSM 6 and more readers in LSM 7 (177 000) and LSM 8 (87 000) than any other South African daily newspaper. Its repositioning in 2002 to focus on the more affluent black South Africans has resulted in a narrower target market with a consequent decline in circulation. It has, however, become more profitable, with its financial performance increasing 38,5% year on year.



SOWETAN SUNDAY WORLD (SSW)

NAIL's interest: 45%

SSW is a weekly Sunday tabloid published jointly by NAP and Johnnic Publishing. Its dramatic growth in circulation has placed SSW under financial pressure because of the related printing and distribution costs. The key challenge remains to grow advertising to keep pace with the growth in circulation.

REVIEW OF OPERATIONS (CONTINUED)



NEW AFRICA PUBLICATIONS MAGAZINES (Leadership)

NAIL's interest: 90,5%

Leadership is a premier magazine aimed at the top end of South Africa's business community. As a stand-alone title it absorbs its own overhead costs and is consequently not yet profitable. Discussions with a magazine company are currently under way to house Leadership in order to achieve economies of scale in terms of costs and to leverage greater advertising revenue.



THENGISA MEDIA

NAIL's interest: 90,5%

Thengisa Media is an advertising sales house whose focus is on selling advertising space for Sowetan and Sowetan Sunday World. The objective is to grow Thengisa Media to service other titles in order to grow its revenue.



ALLIED

NAIL's interest: 30%

Allied is a distribution company for newspapers and magazines. Newspaper distribution is undertaken on a cost-throughput model to reduce costs for the three partners, NAP, Johnnic Publishing and Independent News and Media. Allied services Caxton for the Citizen and Media24 for the Daily Sun on selected routes. The company distributes in the Free State, Mpumalanga, Limpopo, North West and Gauteng, handling, among other publications, Sowetan, Sowetan Sunday World, The Star, Pretoria News, Business Day, the Sunday Times, Sunday Independent and Saturday Star. NAP Managing Director Mike Tissing is the chairman of Allied.

REVIEW OF OPERATIONS (CONTINUED)



NEW AFRICA BOOKS (NAB)

NAIL's interest: 90%

NAB publishes books across the reading spectrum through its three focused imprints: New Africa Education (NAE) publishes general education and textbooks; David Philip Publications (DPP) critical and serious books and Spearhead (SH) easy reading books on current affairs and contemporary lifestyle.

The merger of DPP and NAE in 2002 resulted in the departure of a number of senior staff members. NAB has attracted top professionals to fill the positions left vacant and has put together a full programme for the revised educational curriculum to be launched in 2003. This would position NAE to be the main revenue generator for the company. The company has also won the contract to supply the print material for the educational television programme Takalani Sesame in 2003.

DPP is to be relaunched as a new imprint after a troubled 2002. Sales are expected to grow significantly, resulting in a respectable market share.



RADMARK

NAIL's interest: 31,7%

RadMark is an independent radio sales house. During the year under review the company handled the sales function for Classic FM, East Coast Radio, Jacaranda, KFM, Kaya FM, YFM and Yarona FM, a Botswana based station.

RadMark is a significant player in the radio advertising field, commanding a 27% market share and consistently outperforming the market average in terms of radio advertising growth. During the year under review, RadMark showed a net revenue growth of 22,2% compared with an industry average of 17% and significantly increased the market share of revenue across all the South African radio stations which it represents.

Radio's ability to capitalise on relative inefficiencies of other advertising media, the licensing of new stations and the potential relaxing of ownership restrictions augur well for RadMark and investor confidence in the sector.





JACARANDA 94.2FM

NAIL's interest: 37,2%

Jacaranda is an adult contemporary station broadcasting in Gauteng, Mpumalanga, Limpopo and North West, playing mainly soft classics interspersed with news and information.

The station has been successfully repositioned from a generic statement "more music more stars" into "your soothing companion", the clear softer alternative on the airwaves.

In 2002 Jacaranda established itself as South Africa's biggest independent regional radio station, drawing more than 2 million listeners a week and featuring in the top five most listened to stations in the highly competitive Gauteng market. The station has over 60% of black listeners across the four provinces. The station grew its turnover by 11%, the NPBIT rose by 19% and the market share of radio revenue now stands at 9,5%.

The annual Jacaranda Pops in 2002 drew more than 12 000 people over three days. This event is aimed at encouraging and showcasing South African music as part of Jacaranda's contribution to the development of South African culture and music in particular.



KAYA FM 95.9

NAIL's interest: 24,9%

Kaya FM is an Afrocentric adult contemporary station broadcasting 60% music and 40% talk. Its focus is on developing the adult music market, especially in the genres of jazz and Afro-pop, giving it a unique and distinctive local flavour.

Over the last two years the station has concentrated on stabilising and consolidating its status. A drop in listenership in 2002 has been countered by the implementation of a realigned programming strategy and the audience currently stands at 782 000, Kaya currently has 4% of the market share of listenership for Gauteng.

High points in 2002 included the Birthday Concert in August, which drew a capacity crowd of 25 000 jazz lovers, and the Heart and Soul of Jozi Vol 2 CD, which went gold (sold 25 000 copies). Kaya received the Business Arts of South Africa Award for media sponsorship; and our studios were graced by the presence of Madiba in December!



REVIEW OF OPERATIONS (CONTINUED)



KFM 94.5

NAIL's interest: 66,5%

KFM is a regional radio station with an adult contemporary focus. It provides a music-formatted service with music interspersed with information which is community-focused and of regional significance. It has developed into the leading radio station in the Western Cape, successfully renewing its broadcasting licence in 2002 and, for the first time, breaking the one million barrier in listenership.

During 2002 revenue increased by 15% and listenership growth during the last Radio Audience Measurement Survey period was 31%; the past seven day listenership figure being over 1 million with an average day listenership of 628 000. Sixty three per cent of KFM's audience is within the targeted age demographic of 25 to 49, with an almost even split between male and female. For the second consecutive year the station is market leader, with its market share at 26,3%. The listenership development over the past two years is in line with the objective to grow the urban audience to reflect the provincial demographics.

KFM has established itself as the media partner of choice for the advertiser targeting Western Cape consumers in LSM categories 7 to 10.



URBAN BREW STUDIOS

NAIL's interest: 50,1%

Urban Brew Studios is one of South Africa's foremost television production houses, specifically in the area of live-to-air broadcasting. The company prides itself on reflecting a unique combination of African vibrancy and international capacity, producing for both local and international consumption.

In 2002 Urban Brew contributed to national programming through a wide variety of programmes, including game shows, talk shows, weekly magazine, entertainment programmes, education, actuality and commercials.

In addition to the performance of the Urban Brew stalwarts, Road2Riches, Live Lotto Draw, Woza Weekend and YoTV, mention should be made of Dube on Monday and SABC3 Talk. Dube on Monday is a shining example of Urban Brew's Urban Access model, saw its second highly successful season taking the show to second place on SABC2's ratings, while SABC 3 Talk introduced an innovative and engaging live-to-air, interactive talk show platform to SABC3's programming mix.

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KAYA
FM95.9
The Heart & Soul of Jozi

www.kayafm.co.za

REVIEW OF OPERATIONS (CONTINUED)

Urban Brew's joint venture, Urban Rhythm Factory, is a sound design and audio facility with specialist music composers and arrangers. It specialises in radio commercials, coming complete with in-house production coordinators and producers, and produces extensively for RadMark.

2002 showed a significant improvement on the prior year's results, a noteworthy achievement in the face of increased market pressures and challenges. Revenue increased 49,2% on prior year and profit after tax 89%, based on the company's ability to retain existing contracts into new periods as well as to generate new business.

In spite of increasing pressure to cut costs and higher staff expenses, Urban Brew succeeded in delivering cutting-edge quality while still managing its profit margins. The result is a solid if not exceptional performance for 2002.



SOWETAN TELEVISION

Joint venture: NAP 50%, Urban Brew 50%

NAIL's effective interest: 70,25%

Sowetan Television was revamped during 2002 and a general manager, Morgan Naidu, appointed. It produced the Catch Cricket programme for the SABC and is also involved in corporate video projects and nation building activities with Sowetan newspaper.



NEW AFRICA MEDIA FILMS (NAM FILMS)

NAIL's effective interest: 86%

2002 proved to be an exciting year for NAM Films and its distribution arm, Wild Coast Releasing, with Wild Coast marketing and selling NAM Films' first movie, *Slash*, at the Cannes Film Festival in May. In a move unprecedented in South African film making, *Slash* sold at Cannes to Universal Studios worldwide and to First Look Studios in the United States.

NAM Films initiated a joint venture with Sasani Studios to bring new production to South Africa through a facilitation division to 'service' international producers. An American production, *Beat the Drum*, was completed in 2002 and two further facilitation projects have been booked with the BBC. Contacts have also been made with co-producers in London, New York and Los Angeles.

REVIEW OF OPERATIONS (CONTINUED)



HERTZ RENT A CAR (HERTZ)

NAIL's interest: 60%

2002 has been a challenging year for Hertz in the highly competitive car rental industry. Car rental rates is the key factor used by competitors to maintain market share, and it has been difficult for Hertz to achieve a significant increase in yield (revenue per rental day) as the benchmarks have been established by the market leaders. Penetration into the local market, however, has been successful, showing a turnover growth of 27% year on year. This is due mainly to the gain of major new corporate pan-European accounts with which Hertz has global agreements (e.g. IBM, Coca-Cola, ABB, Afrox) as well as local 'blue chip' accounts such as Standard Bank, SAB, Vodacom, BP, SABC, PetroSA, Distell, SAA and Eskom. The more lucrative international leisure and corporate market has also been successfully exploited.

The strength of the Hertz brand, as the world's largest car rental company, combined with the fact that Hertz South Africa is the only majority 'black owned' car rental company, has allowed Hertz to increase its market share. The challenge will be to increase the yield per rental day in an environment where supply exceeds demand. However, the substantial increases in motor vehicle prices of the past 18 months, interest rate hikes and devalued currency should influence strategic decisions to raise rates to more realistic levels.



NAIL OUTDOOR

NAIL's interest: 100%

NAIL Outdoor is an outdoor media and signage company comprising Natanya Outdoor and the assets of Randata Outdoor and Significant Signs, all acquired during the financial year ended 2002. The focus during 2002 was on integrating these companies.

Through the acquisitions NAIL has established a strategic national portfolio with key super prime sites including

- the Vodacom site at Ponte City
- the Vodacom super sign on the R24
- the FNB Soweto cooling towers; and
- the 'Blue IQ' silos in Johannesburg city centre.

The company plans to grow organically in 2003 by identifying key high profile sites for acquisition and development, thus ensuring a portfolio comprising prime sites.

NAIL Outdoor has also developed a portfolio of sites in Botswana, DRC, Ghana and Nigeria, which it will grow as opportunities arise, as well as a number of strategic alliances in other territories.

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DIRECTORS' RESPONSIBILITY STATEMENT

The directors of the company are required by the Companies Act to maintain adequate accounting records. The directors are responsible for the integrity of the financial statements of the company and consolidated subsidiaries and the objectivity of the other information contained in the annual report. The fulfilment of this responsibility is discharged through the establishment and maintenance of sound management and accounting systems, board committees and the maintenance of the organisation's structure, which provides clear delegations of authority and responsibilities. In addition, the board maintains constant communication with management and auditors (through the audit committee) and reviews the performance of the company against approved budgets and plans.

The financial statements prepared in terms of South African Statements of Generally Accepted Accounting Practice have been examined by our external auditors, PricewaterhouseCoopers Inc. and SizweNtsaluba vSP Inc., in accordance with statements of South African Auditing Standards. Their unqualified report appears on page 33.

The directors have reviewed the company's budget, flow of funds, liabilities and financial statements in general for the financial year under review. On the basis of this review and in light of the current financial position, the directors have no reason to believe that the company will not be a going concern for the foreseeable future. The going concern basis has therefore been adopted in the preparation of the financial statements.

The consolidated financial statements of the company for the financial year ended 31 December 2002 were approved by the board of directors on 26 March 2003 and are signed on its behalf by:



A Mabogoane
Chairman

Johannesburg
26 March 2003



S Macozoma
Chief Executive Officer

Johannesburg
26 March 2003

to the members of New Africa Investments Limited

We have audited the annual financial statements and the group annual financial statements of New Africa Investments Limited (NAIL) set out on pages 34 to 66 for the year ended 31 December 2002. These financial statements are the responsibility of the company's directors. Our responsibility is to report on these financial statements based on our audit.

Scope

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

An audit includes:

- Examination, on a test basis, of the evidence supporting the amounts and disclosures included in the annual financial statements;
- Assessing the accounting principles used and significant estimates made by management;
- Evaluating the overall financial statement presentation.

We consider our audit procedures were appropriate in the circumstances to express our opinion below.

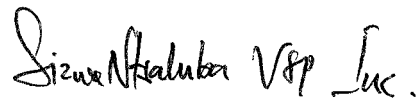
Audit opinion

In our opinion, the financial statements fairly present, in all material respects, the financial position of the company and the group at 31 December 2002 and the results of their operations and cash flow information for the year then ended, in conformity with South African Statements of Generally Accepted Accounting Practice and in the manner required by the South African Companies Act.



PricewaterhouseCoopers Inc
Chartered Accountants (SA)
Registered Accountants
and Auditors

Pretoria
26 March 2003



SizweNtsaluba vsp Inc
Chartered Accountants (SA)
Registered Accountants
and Auditors

Johannesburg
26 March 2003

COMPANY SECRETARY'S CERTIFICATE

Declaration by the Company Secretary in terms of Section 268(D) of the Companies Act:

I, the undersigned, hereby declare that, to the best of my knowledge, the company has lodged with the Registrar all such returns as are required of a public company in terms of the Companies Act and all such returns are true, correct and up to date.



D Qwelane
Company Secretary

26 March 2003

DIRECTORS' REPORT

for the year ended 31 December 2002

Your directors have pleasure in presenting the tenth annual financial statements of the company and the group for the year ended 31 December 2002.

Nature of the business and basis of accounting

New Africa Investments Limited ("NAIL") is an investment holding company.

Its major subsidiaries, associates and investments and the group's effective interest therein and accounting treatment are:

Media publishing

- New Africa Publications Limited ("NAP") (90,5%) – publication of the *Sowetan* newspaper, *Sowetan Sunday World* and *Leadership* magazine – consolidated
- New Africa Books (Proprietary) Limited ("NAB") (90%) – educational and general book publishing – consolidated

Film and TV

- Urban Brew Studios (Proprietary) Limited ("Urban Brew") (50%) – TV production house – consolidated
- New Africa Media Films (Proprietary) Limited ("Nam Films") (86%) – film production – consolidated

Radio

- KFM Radio (Proprietary) Limited ("KFM") (66,5%) – radio broadcaster - consolidated
- Jacaranda FM (Proprietary) Limited ("Jacaranda") (37,2%) – radio broadcaster – equity accounted
- RadMark (Proprietary) Limited ("Radmark") (31,7%) – radio sales house – equity accounted
- Kaya FM (Proprietary) Limited ("Kaya FM") (24,9%) – radio broadcaster – equity accounted

Outdoor

- NAIL Outdoor (Proprietary) Limited ("NAIL Outdoor") (100%) – out of home advertising – consolidated

Financial services

- New Africa Capital Limited ("NAC") (4,9%) – long-term insurance – investment accounted

Services and other

- Alisa Holdings (Proprietary) Limited ("Hertz") (60%) – Hertz car rental franchise holder – consolidated
- Johnnic Holdings Limited ("Johnnic") (1,5%) – Telecommunications and media – investment accounted

Intermediate holding companies are consolidated.

Financial results

Continuing operations

	Year ended 31 December 2002	Year ended 31 December 2001	% growth
Headline loss (R'000)	(22 738)	(119 177)	
Headline loss per share (cents)	(18,7)	(98,1)	
Net asset value (R million)*	1 511	1 494	1,1
Net asset value per share (cents)*	1 244	1 230	1,1

*with listed investments at market value

Acquisitions

- Effective 1 January 2002 NAIL acquired 100% of Natanya Outdoor and 70% of Natanya Africa for a consideration of R20,2 million. Loan funding of R45 million has been injected to fund organic and acquisitive growth. These companies have been rebranded NAIL Outdoor and NAIL Outdoor Africa. During the year Nail Outdoor acquired the businesses of Randata Signs and Significant Signs.
- Nam Films was incorporated and acquired the assets and liabilities of Nam Films Partnership on its dissolution.

Disposals

- New Africa Exhibitions was closed down during the year.
- The Nam Films Partnership was dissolved on 31 December 2002.

Special resolutions

The following special resolutions were passed during the financial year under review:

- At the annual general meeting held on 22 July 2002, a general authority was given to directors to acquire NAIL ordinary and "N" ordinary shares, which are in issue from time to time, subject to certain limitations.

Share capital

Full details of the authorised and issued share capital of the company and the changes during the year are contained in note 14 to the financial statements on page 54.

The remaining 1 713 426 unissued ordinary shares and 82 689 627 unissued "N" ordinary shares are subject of a general authority granted to the directors in terms of the Companies Act, which authority remains valid only until the forthcoming annual general meeting.

NAIL share incentive scheme

Reconciliation of share options:

Unexercised at the beginning of the year	618 410
Granted during the year	4 682 350
Unexercised at the end of the year	5 300 760

The unexercised share options:

Number of shares	Exercise price	Expiry date
13 580	R4,30	12 December 2006
4 635	R34,30	6 December 2007
13 075	R0,30	22 September 2008
41 250	R8,30	1 December 2008
112 145	R3,10	9 December 2009
433 725	R7,50	9 April 2011
4 682 350	R6,30	11 September 2012
5 300 760		

DIRECTORS' REPORT (CONTINUED)

for the year ended 31 December 2002

Dividends

The directors decided that no dividend would be declared for the current financial year. A dividend will be considered once the comprehensive strategy is announced.

Events occurring post year end

No material events have occurred post the year end.

Directorate

The names of the directors of the company in office at the date of this report appear on the inside back cover.

Mr A Mabogoane has been appointed non-executive chairman with effect from 1 March 2002. There have been no changes to the composition of the board during the year under review.

In terms of the company's articles of association Messrs A Mabogoane, S Macozoma, J Mdlalose, and G Snelgar retire by rotation at the forthcoming annual general meeting. All retiring directors are eligible and available for re-election.

Directors' interest

At 31 December 2002 the directors of the company beneficially held directly 0% (2001: 0%) of the ordinary shares and 0% (2001: 0%) of the "N" ordinary shares and indirectly 7,4% (2001: 8,7%) of the ordinary shares and 0,2% (2001: 0%) of the "N" ordinary shares. There have been no material changes in these interests at the date of this report.

Significant shareholders

The following shareholders beneficially held more than 3% of the ordinary or "N" ordinary shares of the company as at 31 December 2002:

Ordinary shares

Name of shareholder	Number of shares	% interest
Phaphama Holdings	2 188 900	52,5
UBS AG London Equities	733 291	17,6
Sanlam Investment Managers	219 908	5,3
Transnet Pension Fund	166 651	4,0

"N" ordinary shares

Name of shareholder	Number of shares	% interest
Sanlam Investment Managers	23 307 776	19,8
Hollard	15 158 918	12,9
Metropolitan Asset Managers	7 954 356	6,8
Investment Solutions	5 600 978	4,8
UBS AG London Equities	5 329 000	4,5
Transnet Pension Fund	4 419 380	3,8
Coronation	3 565 793	3,5

Shareholder spread

The number of registered public shareholders, as defined by the JSE listing requirements, in respect of the shares of the company as at 31 December 2002 was as follows:

	Number of shareholders	% of shares
Ordinary shares	4 779	47,5
"N" ordinary shares	23 359	86,1
Total	28 138	84,8

Borrowing powers

The borrowing powers of the company are unlimited.

Secretary

The secretary of the company is Mr D Qwelane. His business and postal addresses are given on the inside back cover under Corporate Information.

INCOME STATEMENTS

for the year ended 31 December 2002

		GROUP			COMPANY	
Notes		Continuing operations		Unbundled operations	Enterprise as whole	
		31-Dec 2002 R'000	31-Dec 2001 R'000	31-Dec 2001 R'000	31-Dec 2001 R'000	31-Dec 2001 R'000
Profit before associates and exceptional items	2	74 845	66 562	486 800	553 362	130 449
Income from associates	3	23 827	16 407	0	16 407	0
Profit before exceptional items		98 672	82 969	486 800	569 769	130 449
Exceptional items	4	(97 088)	(241 783)	(143 425)	(385 208)	(282 690)
Profit/(loss) before taxation		1 584	(158 814)	343 375	184 561	(152 241)
Taxation	5	(32 792)	(28 354)	(145 000)	(173 354)	(23 287)
Profit after taxation		(31 208)	(187 168)	198 375	11 207	(175 528)
Minority interest		(2 537)	3 409	(165 786)	(162 377)	0
(Loss)/earnings attributable to ordinary shareholders		(33 745)	(183 759)	32 589	(151 170)	(175 528)
HEADLINE (LOSS)/EARNINGS						
Earnings attributable to ordinary shareholders		(33 745)	(183 759)	32 589	(151 170)	(175 528)
Restructuring costs		(2 354)	53 957	0	53 957	47 894
Loss/(profit) on sale of fixed assets	11		(63)	0	(63)	0
Loss/(profit) on write down or sale of business		(348)	(1 300)	0	(1 300)	0
Amortisation of goodwill		13 691	11 964	143 425	155 389	0
Minority portion and tax effect	7		24	(15 808)	(15 784)	0
HEADLINE (LOSS)/EARNINGS		(22 738)	(119 177)	160 206	41 029	(127 634)
Headline (loss)/earnings per share – cents	7	(18,7)	(98,1)	131,9	33,8	(105,1)
(Loss)/earnings per share – cents	7	(27,8)	(151,3)	26,8	(124,4)	(144,5)

BALANCE SHEETS

at 31 December 2002

		GROUP		COMPANY	
	Notes	31-Dec 2002 R'000	31-Dec 2001 R'000	31-Dec 2002 R'000	31-Dec 2001 R'000
ASSETS					
Non-current assets					
Property, plant and equipment	8	105 894	103 260	0	0
Intangible assets	9	239 722	220 712	0	0
Investments	10	460 868	549 309	930 632	1 069 690
Advances and long-term loans	11	17 016	40 340	0	0
Deferred taxation	12.1	28 884	21 151	0	0
Current assets					
Inventory	13	35 994	23 335	0	0
Accounts receivable		151 706	111 496	1 975	2 154
Cash at bank and on deposit		639 998	603 436	559 829	500 704
Taxation		3 543	0	3 543	0
TOTAL ASSETS		1 683 625	1 673 039	1 495 979	1 572 548
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES		1 485 291	1 519 391	1 485 693	1 557 729
Issued capital and share premium	14	841 049	841 049	841 049	841 049
Non-distributable reserves	15	7 054	7 409	1 342	1 342
Retained earnings	16	637 188	670 933	643 302	715 338
MINORITY INTEREST		77 151	42 077	0	0
Non-current liabilities					
Loans and debentures	18	8 459	1 221	0	0
Deferred taxation	12.2	908	775	108	108
Post-retirement benefit obligations	19	1 863	316	0	0
Current liabilities					
Accounts payable	20	98 514	61 497	10 178	13 500
Bank overdraft		71	38 118	0	0
Taxation		11 368	9 644	0	1 211
TOTAL EQUITY AND LIABILITIES		1 683 625	1 673 039	1 495 979	1 572 548

CASH FLOW STATEMENTS

for the year ended 31 December 2002

		GROUP		COMPANY	
Notes		31-Dec 2002 R'000	31-Dec 2001 R'000	31-Dec 2002 R'000	31-Dec 2001 R'000
CASH RETAINED FROM/(UTILISED IN) OPERATING ACTIVITIES		85 347	(183 750)	51 423	(211 460)
Cash generated/(utilised) by operations	21.1	59 330	164 583	(572)	(57 249)
(Increase)/decrease in working capital	21.2	(21 616)	14 618	(3 143)	(344)
Dividend income		0	0	13 452	55 166
Dividend income from associates		17 508	476	0	0
Interest received		66 310	87 369	63 633	84 639
		121 532	267 046	73 370	82 212
Interest paid		(4 216)	(8 154)	0	0
Taxation paid	21.3	(31 339)	(199 684)	(21 947)	(50 714)
Dividend paid	21.4	(630)	(242 958)	0	(242 958)
CASH EFFECTS OF INVESTING ACTIVITIES		(75 012)	(248 969)	(26 039)	(233 810)
Purchase of investments		(7 332)	(257 796)	(5 766)	(240 110)
Purchase of associates		0	(1 172)	0	0
Purchase of subsidiaries	21.5	(22 665)	0	(20 273)	0
Minorities payment from capital reduction		0	(7 494)	0	0
Purchase of fixed and intangible assets		(107 695)	(134 826)	0	0
Proceeds on disposal of fixed assets		62 326	143 277	0	0
Proceeds on sale of subsidiaries	21.6	(554)	2 742	0	0
Proceeds on sale of investments		908	6 300	0	6 300
CASH EFFECTS OF FINANCING ACTIVITIES		64 274	(41 717)	33 741	(33 943)
Increase in minority loans		31 902	15 069	0	0
Decrease/(increase) in loans receivable		23 324	(30 323)	0	0
Increase/(decrease) in loans and debentures		738	(38 150)	0	0
Decrease in loans to associates		7 437	11 687	0	0
Decrease/(increase) in loans to subsidiaries		0	0	33 741	(33 943)
Decrease in loans to investments		1 949	0	0	0
Foreign currency translation		(1 076)	0	0	0
Net increase/(decrease) in cash equivalents		74 609	(474 436)	59 125	(479 213)
Cash held by unbundled companies		0	(197 000)	0	0
Cash and cash equivalents at beginning of year		565 318	1 236 754	500 704	979 917
Cash and cash equivalents at end of year		639 927	565 318	559 829	500 704
Cash at bank and on deposit		639 998	603 436	559 829	500 704
Bank overdraft		(71)	(38 118)	0	0
Cash and cash equivalents at end of year		639 927	565 318	559 829	500 704

for the year ended 31 December 2002

[41]

ACCOUNTING POLICIES

for the year ended 31 December 2002

The summary of the principal accounting policies is presented to assist in the evaluation and appreciation of the annual financial statements. These policies have been consistently applied except where specifically indicated.

Basis of presentation

The financial statements have been prepared on a going concern basis, using the historical cost basis of accounting except for investments which are stated at fair value, in accordance with the Generally Accepted South African Statements of Accounting Practice and the Companies Act, 1973.

Basis of consolidation

The group financial statements comprise the financial statements of New Africa Investments Limited and its subsidiaries. Subsidiary companies are those companies in which the group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has the power to exercise control over the board of directors. The results of subsidiaries are included from the effective dates of acquisition of control to the effective dates of loss of control. Material inter-group transactions are excluded.

Associated companies

Associated companies are those long-term investments in which the group holds a significant influence and which are neither joint ventures nor subsidiary companies. Associate companies are accounted for using the equity method in the group annual financial statements from the date that significant influence is exercised. Under the equity method, investments are initially recorded at cost. Any excess of cost of acquisition over the group's interest in the fair value of the net assets is recognised and treated according to the policy on goodwill. The group's post acquisition share in the associate's retained earnings or accumulated losses, after adjusting for any unrealised profits, are recognised in the income statement. Movements in the group's share of the net assets of the associate are added to the carrying value of the investment.

Joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Ventures which involve the establishment of a separate entity in which each joint venture party has an interest, are accounted for in the group annual financial statements using the proportionate consolidation method, in terms of which the group's share of assets, income, expenses and cash flows of each jointly controlled entity are included on a line by line basis. Material inter-group transactions are excluded.

Property, plant and equipment

Freehold property and additions thereto is shown initially at cost and subsequently at market value based on valuations by external independent valuers. Valuations are conducted at least every three years. Plant and equipment is shown at cost and is depreciated using the straight-line method to reduce the carrying values of the assets to their estimated realisable values over their estimated useful lives.

The rates used:

Electronic equipment	10 – 33%
Leasehold improvements	20%
Furniture and fittings	10 – 17%
Motor vehicles	20%
Hoardings	10%

Intangible assets

Publication titles are amortised on a straight-line basis between seven and fifteen years. Trademarks are amortised on a straight-line basis over six years.

Goodwill

Goodwill, being the excess of the purchase consideration over the attributable fair value of the net assets of each subsidiary and associate at the date of acquisition, is capitalised and amortised on a straight-line basis over 20 years.

Investment assets

Investment assets are stated at market values in the balance sheet. Market values are regarded as fair value, are calculated as follows: listed equities the closing price ruling on the JSE Securities Exchange as at the financial year end, whilst unlisted shares are valued by directors using appropriate valuation bases. Movements on the valuations are recognised in the income statement.

Inventories

Inventories are stated at the lower of cost or net realisable value on the first in first out method (FIFO). The cost of finished goods comprises raw materials, direct labour and related production overheads. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Trade receivables

Trade receivables are carried at anticipated net realisable value. An estimate is made for doubtful receivables based on a review of all the amounts outstanding at the year-end. Bad debts are written off as they occur.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held with banking institutions.

Deferred taxation

Deferred taxation is provided for at current rates of taxation on the comprehensive basis on all material temporary differences.

Provisions

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

Pension and provident fund obligations

Certain subsidiaries within the group provide retirement benefits to employees through defined contribution retirement and provident funds, the assets of which are held in separate trustee administered funds. The retirement plans are funded by payments from employees and the relevant group companies, taking into account the recommendations of the valuator of the funds.

The group makes regular contributions to the defined contribution funds, which are accounted for in the income statement as incurred.

ACCOUNTING POLICIES (CONTINUED)

for the year ended 31 December 2002

Post-retirement obligations

Certain subsidiaries within the group make medical contributions on behalf of employees who have retired. The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age. The expected costs of these benefits are accrued over the period of employment. The past service liability for in service members is being accrued for using the straight-line method over five years. These provisions are calculated using actuarial methodologies and is the discounted value of these contributions using the best estimate of the expected long-term investment returns and taking into account the estimated medical aid contribution increases. Unrealised actuarial gains or losses are accounted for over the remaining working life of active employees.

Revenue

Group revenue comprises the value of sale of media services and the invoiced value of goods and services sold or provided in the ordinary course of business, net of advertising agencies' commissions (excluding value added taxation and inter-group transactions).

Revenue recognition

Revenue from the sales of media services is recognised when the service has been rendered. Interest is recognised on a time proportion basis recognising the effective yield on the underlying assets. Dividends are recognised when the last date to register for the dividend has passed.

Foreign currencies

Income statements of foreign entities are translated into the group's reporting currency at average exchange rates for the year and the balance sheets are translated at the year-end exchange rates. Differences arising on translation are transferred to the foreign currency translation reserve in equity.

Foreign currency transactions in group companies are accounted for at exchange rates prevailing on the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. These balances are translated at year end exchange rates.

Exceptional items

Exceptional items are income and expenses which are material and arise from events or transactions outside the normal course of activities of the group and are not expected to recur frequently.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2002

	GROUP		COMPANY	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
1. REVENUE				
Revenues for the continuing operations are:				
Print	231 845	221 266		
Radio	71 473	61 882		
TV and film production	59 434	34 410		
Exhibitions	0	2 815		
Outdoor	51 673	0		
Car rental	166 216	131 318		
Total	580 641	451 691		
2. INCOME BEFORE TAX AND EXCEPTIONAL ITEMS				
Is stated after crediting:				
Dividends received – subsidiaries	0	0	13 452	55 166
Foreign exchange gain	114	0	0	0
Surplus on disposal of fixed assets	58	143	0	0
and after charging:				
Auditors' remuneration				
– audit fee	1 868	1 370	394	407
– under/(over) provision	223	600	0	(31)
– other services	171	188	5	51
Depreciation	26 971	23 747	0	0
Amortisation of intangible assets	10 902	13 679	0	0
Directors' remuneration paid				
– by the company: fees			474	460
– by subsidiaries: fees			0	630
– by subsidiaries: severance package			0	966
– by subsidiaries: services			5 142	5 677
Foreign exchange loss	300	0	0	0
Loss on disposal and scrapping of assets	69	80	0	0
2.1 Finance income/cost				
Interest received	66 310	87 369	63 633	84 639
Interest paid	(4 216)	(8 154)	0	0
Net finance income	62 094	79 215	63 633	84 639

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2002

	GROUP		COMPANY	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
3. SHARE OF RETAINED EQUITY INCOME OF ASSOCIATED COMPANIES				
Share of earnings before taxation	23 827	16 599		
Share of losses before taxation	0	(192)		
Taxation	(9 323)	(5 221)		
	14 504	11 186		
4. EXCEPTIONAL ITEMS				
Net profit on sale of investments	348	1 300	0	1 300
Loss on sale of investments	0	(66)	0	0
Provision for write down of AMB PEP	(2 320)	0	(2 320)	0
Provision for write down of Johnnic	(3 046)	(91 283)	(3 046)	(91 283)
Provision for write down of UAH investment and loan	0	(24 592)	0	(24 592)
Provision for write down of New Africa Capital	(69 077)	(60 221)	(89 000)	(60 221)
Provision for write down of Alisa Holdings	0	0	(27 540)	(60 000)
Provision for write down of Saccawu Investments	(5 000)	0	(5 000)	0
Provision for write down of P4 Loans	(7 000)	0	0	0
Restraint of trade payments	0	(1 000)	0	0
Investments written off recovered	344	0	0	0
Restructuring costs	2 354	(53 957)	2 354	(47 894)
Amortisation of goodwill – subsidiaries	(12 996)	(154 731)	0	0
Amortisation of goodwill – associates	(695)	(658)	0	0
	(97 088)	(385 208)	(124 552)	(282 690)
Restraint of trade payments arise from the following source:				
Urban Brew	0	1 000		
5. TAXATION				
5.1 South African normal tax				
– Current	29 336	28 225	17 193	24 657
– Current associates	6 943	5 033	0	0
– Overprovided prior year	0	(1 340)	0	(1 339)
	36 279	31 918	17 193	23 318
5.2 Additional Insurance company taxation burden				
	0	145 000	0	0

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2002

	GROUP		COMPANY	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
5. TAXATION (continued)				
5.3 Deferred taxation				
– Current	(5 867)	(496)	0	(31)
– Current associates	192	0	0	0
– Overprovided prior year	0	(3 256)	0	0
	(5 675)	(3 752)	0	(31)
Secondary taxation on companies				
– associates	2 188	188	0	0
	32 792	173 354	17 193	23 318
Tax rate reconciliation:	%	%	%	%
Standard rate of tax	30,0	30,0	30,0	30,0
Exempt income	(246,9)	(1,0)	9,5	11,1
Allowance	(116,8)	(0,1)	0,0	0,1
Non-deductible expenses	2 014,1	66,0	(74,0)	(57,3)
Insurance taxation adjustment	0,0	(1,5)	0,0	0,0
Deferred taxation – assets not recognised for subsidiaries	251,5	3,3	0,0	0,0
Overprovision	0,0	(0,7)	0,0	0,0
Deferred taxation adjustment	0,0	(2,0)	0,0	0,0
STC	138,2	0,0	0,0	0,0
Effective rate of tax	2 070,1	94,0	(34,5)	(16,1)
Additional insurance company taxation burden comprises tax on retirement funds, transitional council levies, value added taxation and stamp duties within the insurance business.				
There are tax losses amounting to R160,3 million (2001: R96,5 million) in various subsidiaries. The holding company has a credits on secondary tax on companies (STC) of R202 million (2001: R186,7 million).				
6. DIVIDENDS				
Final dividend 0 cents (2001: 0 cents) per share				

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2002

	GROUP		COMPANY	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
7. EARNINGS PER SHARE				
Loss per share is based on losses attributable to ordinary and "N" ordinary shareholders of the group of (R33 745 000) (2001: (R151 170 000)) for the enterprise as a whole and (R33 745 000) (2001: (R183 759 000)) for continuing operations and of the company of (R72 036 000) (2001: (R175 528 000)) and 121 478 788 (2001: 121 478 788) weighted average number of ordinary and "N" ordinary shares in issue. Headline (loss)/earnings per share is based on headline (loss)/earnings attributable to ordinary and "N" ordinary shareholders of the group of (R22 738 000) (2001: R41 029 000) for the enterprise as a whole and (R22 738 000) (2001: (R119 177 000)) for continuing operations and of the company of (R74 390 000) (2001: (R127 634 000)) and 121 478 788 (2001: 121 478 788) weighted average number of ordinary and "N" ordinary shares in issue. The share options granted to directors and staff will not have a material dilutionary effect. The employee share incentive scheme options in underlying subsidiaries will not have a material dilutionary impact.				
8. PROPERTY, PLANT AND EQUIPMENT				
Land and buildings	6 000	5 202		
Plant, vehicles and equipment	99 894	98 058		
	105 894	103 260		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2002

Group	Valuation R'000	Additions R'000	Disposals R'000	Total R'000	2001 R'000
8. PROPERTY, PLANT AND EQUIPMENT (continued)					
8.1 Land and buildings	6 000	0	0	6 000	5 202
Movements during the year					
Balance at the beginning of the year				5 202	5 202
Revaluation				798	0
Balance at the end of the year				6 000	5 202
Freehold land and industrial buildings comprise erven 128, 129, 130 and 131 Industria, Extension 2, 61 Commando Road, Industria, and were acquired in February 1994. The most recent independent valuation of the property was completed on 13 February 2003 and amounted to R6,6 million.					
		Cost	Accumulated depreciation	Net book value	Net book value
		R'000	R'000	2002	2001
				R'000	R'000
8.2 Plant, vehicles and equipment					
Electronic equipment		58 511	38 340	20 171	22 069
Motor vehicles		54 025	5 137	48 888	65 718
Furniture and fittings		14 933	8 583	6 350	7 314
Improvements to leasehold property		5 947	3 667	2 280	2 957
Hoardings		28 629	6 424	22 205	0
		162 045	62 151	99 894	98 058

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2002

	Electronic equipment R'000	Motor vehicle R'000	Furniture and fittings R'000	Lease hold R'000	Hoardings R'000	Total R'000
8. PROPERTY, PLANT AND EQUIPMENT (continued)						
8.3 Reconciliation of the carrying amount of each asset						
Net book value						
31 December 2001	22 069	65 718	7 314	2 957	0	98 058
Acquisitions	7 194	58 079	801	448	21 869	88 391
On acquisition of subsidiaries	160	368	82	0	2 143	2 753
Disposals (net book value)	(175)	(62 143)	(19)	0	0	(62 337)
Depreciation	(9 077)	(13 134)	(1 828)	(1 125)	(1 807)	(26 971)
Net book value						
31 December 2002	20 171	48 888	6 350	2 280	22 205	99 894
8.4 Reconciliation of the carrying amount of each asset						
Net book value						
31 December 2000	80 573	96 267	81 047	2 607	0	260 494
Acquisitions	7 245	126 466	773	1 337	0	135 821
On disposal or unbundling of subsidiaries	(58 256)	(590)	(72 510)	0	0	(131 356)
Disposals (Net book value)	(242)	(142 767)	(145)	0	0	(143 154)
Depreciation	(7 251)	(13 658)	(1 851)	(987)	0	(23 747)
Net book value						
31 December 2001	22 069	65 718	7 314	2 957	0	98 058
8.5	No assets are temporarily idle.					
	No assets are currently being held for disposal.					

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2002

	Cost R'000	Amorti- sation R'000	Net book value 2002 R'000	Net book value 2001 R'000
9. INTANGIBLE ASSETS				
GROUP				
9.1 Titles, intellectual property and rights				
Publication titles	56 024	36 726	19 298	22 488
Trademark and rights	60 743	58 823	1 920	9 497
	116 767	95 549	21 218	31 985
9.2 Goodwill	268 928	50 424	218 504	188 727
	385 695	145 973	239 722	220 712
	GROUP		COMPANY	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
9.3 Titles, intellectual property and rights movements for the year				
Balance at the beginning of the year	31 985	96 228	0	0
On disposal or unbundling of subsidiaries	0	(50 730)	0	0
Acquisitions	135	226	0	0
Amortisation	(10 902)	(13 679)	0	0
Disposal	0	(60)	0	0
Balance at the end of the year	21 218	31 985	0	0
9.4 Goodwill movements for the year				
Balance at the beginning of the year	188 727	3 028 767		
Amortisation	(12 996)	(154 731)		
On unbundling of subsidiaries	0	(2 680 138)		
On acquisition of subsidiaries	42 773	0		
On disposal of subsidiaries	0	(5 171)		
Balance at the end of the year	218 504	188 727		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2002

	GROUP		COMPANY	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
10. INVESTMENTS				
10.1 Listed and unlisted investments				
Listed	350 999	419 677	129 227	128 827
Unlisted – associated companies	36 132	47 984	0	0
Cost of investment and loans	18 385	26 536	0	0
Amortisation of goodwill	(2 188)	(1 491)	0	0
Share of retained equity income	19 935	22 939	0	0
Unlisted – other	73 737	81 648	(4 450)	5 000
	460 868	549 309	124 777	133 827
10.2 Subsidiary companies				
Shares at cost less write downs			277 859	1 276 658
Loans less write downs			527 996	(340 795)
			805 855	935 863
	460 868	549 309	930 632	1 069 690
The market value of listed investments is R351 million (2001: R416,7 million) for the group and R129,2 million (2001: R125,8 million) for the company. Unlisted associated companies have been valued by directors at R141,1 million (2001: R112,6 million). Unlisted investments have been valued by directors at R78,7 million (2001: R81,6 million) for the group and (R4,45) million (2001: R5 million) for the company. A detailed list of investments is maintained at the company's registered office. See Annexure A for details of subsidiary companies. See Annexure B for details of associated companies. See Annexure C for details of listed and unlisted investments.				

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2002

	GROUP		COMPANY	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
11. ADVANCES AND LONG-TERM LOANS				
Geographic and maturity analysis				
South African exposure				
Term loans over 1 year	17 016	40 340	0	0
	17 016	40 340	0	0
Counterparty analysis				
Employee share schemes	16 857	16 637	0	0
Financial institutions	0	23 618	0	0
Other	159	85	0	0
	17 016	40 340	0	0
12. DEFERRED TAXATION				
12.1 Deferred taxation asset				
Movement				
Balance at the beginning of the year	21 151	20 811	0	0
Current year movement	7 733	340	0	0
Current timing differences	6 099	422	0	0
Written off	0	(76)	0	0
On acquisition of subsidiary	1 634	(6)	0	0
Balance at the end of the year	28 884	21 151	0	0
12.2 Deferred taxation liability				
Movement				
Balance at the beginning of the year	775	99 105	108	139
Current year movement	133	(98 330)	0	(31)
Current timing differences	133	(74)	0	(31)
Overprovided prior years	0	(3 256)	0	0
On unbundling or sale of subsidiary	0	(95 000)	0	0
Balance at the end of the year	908	775	108	108
13. INVENTORY				
Finished goods – signage	94	0	0	0
Finished goods – movie	20 982	0	0	0
Finished goods – books	6 894	5 960	0	0
Work in progress – signage	5 629	0	0	0
Work in progress – movie	0	16 937	0	0
Work in progress – books	2 218	328	0	0
Consumables	177	110	0	0
	35 994	23 335	0	0

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2002

	GROUP		COMPANY	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
14. SHARE CAPITAL AND PREMIUM				
14.1 Authorised				
<i>Ordinary share capital</i>				
5 881 841 (2001: 5 881 841) ordinary shares of 102,008864 cents each (2001: 102,008864 cents)	6 000	6 000	6 000	6 000
200 000 000 (2001: 200 000 000) "N" ordinary shares of 0,204017728 cents each (2001: 0,204017728 cents)	408	408	408	408
	6 408	6 408	6 408	6 408
<i>Preference share capital</i>				
200 000 000 (2001: 200 000 000) preference shares of 1 cent each	2 000	2 000	2 000	2 000
TOTAL AUTHORISED SHARE CAPITAL	8 408	8 408	8 408	8 408
14.2 Issued				
<i>Ordinary share capital</i>				
4 168 415 (2001: 4 163 415) ordinary shares of 102,008864 cents each (2001: 102,008864 cents)	4 252	4 252	4 252	4 252
117 310 373 (2001: 117 310 373) "N" ordinary shares of 0,204017728 cents each (2001: 0,204017728)	239	239	239	239
TOTAL ISSUED SHARE CAPITAL	4 491	4 491	4 491	4 491
<i>Ordinary share premium</i>				
Raised on issue of shares	10 424 832	10 424 832	10 424 832	10 424 832
Share issue expenses	(119 551)	(119 551)	(119 551)	(119 551)
Capitalisation issue of "N" ordinary shares	(35)	(35)	(35)	(35)
Net write off on redemption and conversion of preference shares	(70 290)	(70 290)	(70 290)	(70 290)
Unbundling of African Bank Investments Limited	(6 116 884)	(6 116 884)	(6 116 884)	(6 116 884)
Unbundling of AMB Holdings Limited	(563 960)	(563 960)	(563 960)	(563 960)
Unbundling of New Africa Capital Limited	(2 717 554)	(2 717 554)	(2 717 554)	(2 717 554)
TOTAL SHARE PREMIUM	836 558	836 558	836 558	836 558
TOTAL ISSUED SHARE CAPITAL AND PREMIUM	841 049	841 049	841 049	841 049

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2002

		No of shares	Capital R'000	Share premium R'000
14. SHARE CAPITAL AND PREMIUM (continued)				
14.2 Issued (continued)				
No shares were issued during the year				
Ordinary share capital at the beginning and end of the year		4 168 415	4 252	77 201
"N" ordinary share capital at the beginning and end of the year		117 310 373	239	759 357
Total ordinary and "N" ordinary shares in issue at the end of the period		121 478 788	4 491	836 558
	GROUP		COMPANY	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
15. NON-DISTRIBUTABLE RESERVES				
Balance at the beginning of the year	7 409	666 710	1 342	411 429
Transfer to income statement	0	(41 891)	0	(41 891)
Land and buildings revaluation reserve	721	0	0	0
Foreign currency translation reserve	(1 076)	0	0	0
Unbundling of New Africa Capital	0	(617 410)	0	(368 196)
	7 054	7 409	1 342	1 342
Consisting of:				
Capital redemption reserve	1 342	1 342	1 342	1 342
Distribution of AMB shares	5 782	5 782	0	0
Increase in equity of associated companies	285	285	0	0
Land and buildings revaluation reserve	721	0	0	0
Foreign currency translation reserve	(1 076)	0	0	0
	7 054	7 409	1 342	1 342
16. RETAINED EARNINGS				
Company	643 302	715 338	643 302	715 338
Goodwill amortised	(52 611)	(38 920)	0	0
Consolidated subsidiaries	46 497	(5 485)	0	0
	637 188	670 933	643 302	715 338

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2002

	GROUP		COMPANY	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
17. MINORITY INTEREST				
Share capital and reserves	(8 398)	(10 453)		
Minority shareholders' loans:				
Unsecured with no fixed interest rate	84 432	52 530		
Minority shareholders for dividend	1 117	0		
	77 151	42 077		
There are no fixed terms of repayment for the minority shareholders' loans.				
A loan of R2 800 000 (2001: R2 800 000) bears interest at 5% below prime overdraft rate subject to a minimum of 10% per annum.				
A loan of R35 846 912 (2001: R0) carries interest at 9% per annum.				
18. LOANS AND DEBENTURES				
18.1 Secured				
Standard Bank of South Africa Limited	6 500	0	0	0
A loan of R3 000 000 bears interest at 16,28% and is repayable on 1 November 2004 and a loan of R3 500 000 bears interest at 14,64% and is repayable on 31 March 2005.				
The loans are secured by unlisted investments valued at R3 532 000.				
18.2 Instalment sale creditors				
Capital outstanding	2 705	2 163	0	0
Less: short-term portion	(746)	(942)	0	0
	1 959	1 221	0	0
Obligations under finance leases				
Not later than one year	1 130	1 212	0	0
Later than one year but not more than five	2 446	1 487	0	0
More than five years	30	0	0	0
	3 606	2 699	0	0
Future finance charges	(901)	(536)	0	0
Present value	2 705	2 163	0	0

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2002

	GROUP		COMPANY	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
18. LOANS AND DEBENTURES (continued)				
18.2 Instalment sale creditors (continued)				
The present value of finance lease liabilities may be analysed as follows:				
Not later than one year	746	942	0	0
Later than one year but not more than five	1 930	1 221	0	0
More than five years	29	0	0	0
Present value	2 705	2 163	0	0
Total	8 459	1 224		
19. POST-RETIREMENT BENEFIT OBLIGATIONS				
A company in the group provides post-retirement medical aid benefits to employees. The post-retirement subsidy policy applies to all employees employed prior to 1 October 2001 who qualify for a post-retirement subsidy of 50% plus 2% for each completed year of service, up to a maximum of 80% of the medical aid scheme of which they are members at the time of retirement. Employees who joined that company on or after 1 October 2001 are not eligible for a post-retirement subsidy. The company's liability was estimated during the current year by an independent actuary.				
Present value of unfunded obligations	5 816	6 476		
Unrecognised prior service cost	(4 620)	(6 160)		
Unrecognised actuarial gains	667	0		
Liability at end of the year	1 863	316		
The amount recognised in the income statement:				
Current service cost	404	259		
Interest cost	710	0		
Transitional liability cost	1 540	57		
Profit on curtailment	(1 063)	0		
Employer benefit costs	(44)	0		
	1 547	316		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2002

	GROUP		COMPANY	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
20. ACCOUNTS PAYABLE				
Trade creditors and accruals	71 403	51 105	9 771	13 093
Provisions	12 216	9 060	407	407
Deferred income	2 302	0	0	0
Short-term loans	11 847	390	0	0
Current portion of long-term liabilities	746	942	0	0
	98 514	61 497	10 178	13 500
21. CASH FLOW INFORMATION				
21.1 Cash generated/(utilised) in operations				
Net (loss)/income before associates and tax	(22 243)	168 154	(54 843)	(152 241)
Add: Depreciation and amortisation	51 564	192 690	0	0
Interest paid	4 216	8 154	0	0
Loss on disposal of fixed assets	69	80	0	0
Loss on African Bank Debtors Book	4 450	0	4 450	0
Provision against investments	86 443	176 162	121 906	236 097
Increase in retirement benefit	1 547	316	0	0
Less: Interest received	(66 310)	(87 369)	(63 633)	(84 639)
Dividend received	0	0	(13 452)	(55 166)
Profit attributable to unbundled operations	0	(292 286)	0	0
Profit on disposal of subsidiaries	(348)	0	0	0
Profit on disposal of investments	0	(1 300)	0	(1 300)
Profit on disposal of fixed assets	(58)	(143)	0	0
	59 330	164 583	(572)	(57 249)
21.2 Changes in working capital				
(Increase)/decrease in current assets	(55 857)	(29 199)	179	491
(Decrease)/increase in current liabilities	34 241	43 817	(3 322)	(835)
	(21 616)	14 618	(3 143)	(344)
21.3 Taxation paid				
Balance owing at beginning of the year	9 644	164 969	1 211	28 607
Charged current year	29 336	171 885	17 193	23 318
Liability of subsidiary disposed or unbundled	0	(127 526)	0	0
Liability of subsidiary acquired	184	0	0	0
Balance owing at end of the year	(7 825)	(9 644)	3 543	(1 211)
	31 339	199 684	21 947	50 714

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2002

	GROUP		COMPANY	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
21. CASH FLOW INFORMATION (continued)				
21.4 Dividends paid				
By the company:				
Balance owing at beginning of the year	0	242 958	0	242 958
Dividend declared	0	0	0	0
Balance owing at end of the year	0	0	0	0
	0	242 958	0	242 958
Dividends paid				
By subsidiary:				
Balance owing at beginning of the year	0	0	0	0
Dividend declared	1 747	0	0	0
Balance owing at end of the year	(1 117)	0	0	0
	630	0	0	0
21.5 Purchase of subsidiaries				
Net assets acquired	(3 331)	0	0	0
Minority shareholders	0	0	0	0
Group interest	(3 331)	0	0	0
Goodwill	23 604	0	0	0
Purchase price	20 273	0	0	0
Settled by issue of shares	0	0	0	0
Amount paid in cash	20 273	0	0	0
Cash purchased	(2 392)	0	0	0
Net cash flow on acquisition	22 665	0	0	0
21.6 Proceeds on sale of subsidiaries				
Net assets sold	2 091	2 206	0	0
Minority shareholders	(1 189)	(145)	0	0
Group interest	902	2 061	0	0
Goodwill	0	(5 171)	0	0
	902	(3 110)	0	0
Profit on sale	348	(66)	0	0
Proceeds from sale	554	(3 044)	0	0
Cash sold	0	(302)	0	0
Net cash flow on disposal	554	(2 742)	0	0

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2002

22. RETIREMENT BENEFIT INFORMATION

Retirement benefits are provided for employees of subsidiary companies through pension funds which are defined benefit and defined contribution plans registered under the Pension Funds Act, 1956. From the latest actuarial valuations of the assets and liabilities of the funds, it was determined that they are financially sound.

	GROUP		COMPANY	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
23. CAPITAL COMMITMENTS				
22.1 Authorised and contracted	0	0	0	0
22.2 Authorised but not contracted	0	0	0	0

24. SEGMENTAL ANALYSIS

Business segments

The group is organised into financial services and media assets.

The performance of these business segments is shown on page 4.

Geographical segments

The group is mainly operational in South Africa. NAIL Outdoor has joint ventures in Botswana, Nigeria, Democratic Republic of Congo and Ghana.

25. RELATED PARTY TRANSACTIONS

The company is controlled by Phaphama Holdings (Pty) Limited which owns 52,5% of the ordinary shares and 49,7% of the total voting rights.

Remuneration is paid to directors in the form of fees to non-executive directors and remuneration to executive directors of the company. All these transactions are disclosed in the Report of the Remuneration Committee and note 2.

Loans were advanced to and repaid by subsidiaries of the company. Loan amounts outstanding at the end of the period are reflected in Annexure A.

26. GUARANTEES AND CONTINGENCIES

26.1 Pursuant to the sale of The African Bank Limited ("Afbank") to African Bank Investment Limited, NAIL, New Africa Capital Limited and BoE, the parties have entered into an agreement whereby they have assumed all responsibility for the management, collection and funding of the Afbank debtors book. NAIL's contingent liability at 31 December 2002 for its portion of the additional funding required in the event that the total book was uncollectable amounts to R109,8 million (2001: R125,7 million).

Adequate bad debt provisions have been raised against the debtors book and no loss is anticipated.

	31-Dec-02 R'000	31-Dec-01 R'000
The status of the loan book:		
Mortgage loans	362 636	421 445
Properties in possession	44 943	60 194
Hire purchase and loans	101 531	194 405
Provisions	(113 891)	(199 463)
Net loan book	395 219	476 581

26. GUARANTEES AND CONTINGENCIES (continued)

26.2 The South African Revenue Services (SARS) has made a query into the taxation treatment of the KFM trademark. SARS disputes the valuation and amortisation of the trademark. Should the amortisation deduction be disallowed, the contingency is estimated at R9,3 million. KFM is currently responding and objecting to the inquiry made.

26.3 The purchase price of NAIL Outdoor will be increased by amounts of R666 667 if the audited accounts for the financial years ending 31 December 2003 and 2004 reflect earnings before interest, taxation and depreciation of R10,9 million and R13,7 million respectively.

27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The more important financial risks to which the group is exposed and the manner in which they are managed are described below:

Credit risk

Credit risk is the risk that the counter party to a financial instrument will fail to discharge an obligation and cause the group to incur a financial loss.

The group's cash equivalents and short-term deposits are placed with major financial institutions. Trade receivables are presented net of the allowance for doubtful receivables. In most companies in the group credit risk is mitigated by a large number of customers and a wide dispersion across industries and geographical areas. Where there is a concentration of customers in a specific industry credit insurance is carried on the book.

Currency risk

Currency risk is the risk that the rand value of a financial instrument, as in the case of investment assets, will fluctuate due to changes in foreign exchange rates.

Where appropriate foreign currency translations are shielded by forward contracts.

Equity risk

Equity risk is the risk that the value of the financial instrument will fluctuate as a result of changes in the market price.

Equity investments are as a result of past equity relationships. They are not long-term holdings and will be monetarised when appropriate.

Fair values

At 31 December 2002 and 31 December 2001 the carrying values of financial assets and liabilities approximated their fair values.

28. COMPARATIVE FIGURES

Comparative figures are restated to conform with the current year's presentation.

INFORMATION IN RESPECT OF INTEREST IN MAJOR SUBSIDIARIES
ANNEXURE A

	Issued capital R'000	Effective holding %	Shares at cost R'000	Indeb- tedness R'000	Amounts provided R'000	Total investment R'000
Consolidated subsidiaries – 2002						
New Africa Finance Holdings Limited	106 483	100,0	370 296	1 343	(149 222)	222 417
Prosper Africa Limited	1 050	100,0	13 595	417 037	0	430 632
New Africa Media Holdings (Pty) Limited	1 500	100,0	22 917	0	0	22 917
Alisa Holdings (Pty) Limited	25 002	60,0	60 072	91 979	(87 540)	64 511
NAIL Outdoor (Pty) Limited	100	100,0	20 273	45 105	0	65 378
			487 153	555 464	(236 762)	805 855
	Issued capital R'000	Effective holding %	Shares at cost R'000	Indeb- tedness R'000	Amounts provided R'000	Total investment R'000
Consolidated subsidiaries – 2001						
New Africa Finance Holdings Limited	1 036 483	100,0	1 300 296	(873 641)	(60 222)	366 433
Prosper Africa Limited	1 050	100,0	13 595	437 160	0	450 755
New Africa Media Holdings (Pty) Limited	1 500	100,0	22 917	0	0	22 917
Alisia Holdings (Pty) Limited	25 002	60,0	60 072	95 686	(60 000)	95 758
			1 396 880	(340 795)	(120 222)	935 863

The loans are all unsecured with no fixed interest or repayment terms.

All the above companies are incorporated in the Republic of South Africa.

A full list of subsidiaries is available from the registered office.

INFORMATION IN RESPECT OF ASSOCIATED COMPANIES
ANNEXURE B

	Effective holding			
	2002 %	2001 %	2002 R'000	2001 R'000
Allied Publishing Limited (Newspaper and magazine distribution)				
Net asset value			3 243	3 374
Goodwill			2 520	2 520
Investment at cost	33,3	33,3	5 763	5 894
Amortisation of goodwill			(662)	(536)
Attributable share of accumulated loss			(987)	(1 104)
			4 114	4 254
Jacaranda FM (Pty) Limited (Radio broadcaster)				
Investment at cost	42,5	42,5	7 437	7 437
Capital reduction			(7 437)	0
Attributable share of retained income			18 021	21 434
Attributable share of post acquisition profits			32 046	21 434
Dividend received			(14 025)	0
			18 021	28 871
Kaya FM (Pty) Limited (Radio broadcaster)				
Net asset value at acquisition			(4 772)	(4 772)
Reduction in cost of investment			(583)	0
Goodwill			10 226	10 226
Investment at cost	24,92	24,92	4 871	5 454
Loan			6 260	6 260
Amortisation of goodwill			(1 259)	(748)
Attributable share of accumulated profit/(loss)			761	(482)
			10 633	10 484
RadMark (Pty) Limited (Radio advertising sales house)				
Net asset value at acquisition			306	306
Goodwill			1 185	1 185
Investment at cost	31,7	31,7	1 491	1 491
Amortisation of goodwill			(267)	(207)
Attributable share of retained income			2 140	3 091
Attributable share of post acquisition profits			8 634	6 102
Dividend received			(6 494)	(3 011)
			3 364	4 375
Total			36 132	47 984

INFORMATION IN RESPECT OF ASSOCIATED COMPANIES
ANNEXURE B (CONTINUED)

PROPORTIONATE AGGREGATE FINANCIAL INFORMATION OF ASSOCIATED COMPANIES

BALANCE SHEET

	2002 R'000	2001 R'000
Assets		
Fixed and intangible assets	14 436	17 037
Investments	1 443	1 220
Deferred taxation	878	671
Net current assets	5 976	10 998
	22 733	29 926
Liabilities		
Share capital and reserves	11 871	19 501
Deferred taxation	147	43
Long-term liabilities	10 715	10 382
	22 733	29 926

INFORMATION ON LISTED AND UNLISTED INVESTMENTS
ANNEXURE C

			GROUP		COMPANY	
	2002 % holding	2001 % holding	2002 R'000	2001 R'000	2002 R'000	2001 R'000
LISTED INVESTMENTS						
AMB PEP Limited	2,6	2,6	17 680	20 000	17 680	20 000
Johnnic Holdings Limited	1,5	1,5	111 547	108 827	111 547	108 827
New Africa Capital Limited	4,9	5,2	221 772	290 850	0	0
			350 999	419 677	129 227	128 827
UNLISTED INVESTMENTS						
Union Investments						
SACCAWU Investments						
Holdings (Pty) Limited	20	20	0	5 000	0	5 000
Union Alliance Holdings Limited	13,8	13,8	0	0	0	0
Other						
African Bank Ring Fenced Debtors Book			(4 450)	0	(4 450)	0
Special purpose vehicles (Preference shares and loans)						
Holding an interest in the following companies						
		Note				
Kaya FM (Pty) Limited		1	22 926	22 926	0	0
KFM Radio (Pty) Limited		2	51 579	53 528	0	0
Charter Life sinking fund investment			3 532	0	0	0
Other minor investments			150	194	0	0
			73 737	81 648	(4 450)	5 000
Total			424 736	501 325	124 777	133 827

Note:

1. Underlying security is over 47,7% (2001: 47,7%) of Kaya FM (Pty) Limited
2. Underlying security is over 28,5% (2001: 28,5%) of KFM Radio (Pty) Limited

INVESTMENT IN JOINT VENTURES
ANNEXURE D

	GROUP	
	2002 R'000	2001 R'000
PUBLISHING		
Sowetan Sunday World (Newspaper publishing – 50% partnership between New Africa Publications and Johnnic Publishing)		
Non-current assets	70	90
Current assets	1 801	1 456
Current liabilities	(1 562)	(2 223)
Net assets/(liabilities)	309	(677)
Revenue	13 811	10 876
Net loss before taxation	(5 918)	(6 990)
Taxation	0	0
Net loss after taxation	(5 918)	(6 990)
FILM AND TV		
Urban Rhythm Factory (Pty) Limited (Audio production and distribution – partnership between Urban Brew and N Labuschagne)		
Non-current assets	889	409
Current assets	2 520	1 528
Current liabilities	(2 167)	(911)
Net assets	1 242	1 026
Revenue	6 263	4 387
Net profit before taxation	988	650
Taxation	(331)	(243)
Net profit after taxation	657	407

OUTDOOR ADVERTISING JOINT VENTURES

Trading name	Outdoor Africa SPRL	NAIL (Nigeria) Limited	Babapsi Natanya Outdoor Botswana	DDP/NAIL
Joint venture partners	Dispramalt & S Lette	Optimum Exposures Limited	D Tau	Design and Display Publicity
Country	Democratic Republic of Congo	Nigeria	Botswana	Ghana
	2002 R'000	2002 R'000	2002 R'000	2002 R'000
Non-current assets	8 235	542	406	761
Current assets	917	3 753	3	69
Current liabilities	(1 092)	(2 256)	0	(15)
Net assets	8 060	2 039	409	815
Revenue	3 814	155	17	182
Net profit/(loss) before taxation	101	25	(27)	(85)
Taxation	(40)	0	0	0
Net profit/(loss) after taxation	61	25	(27)	(85)

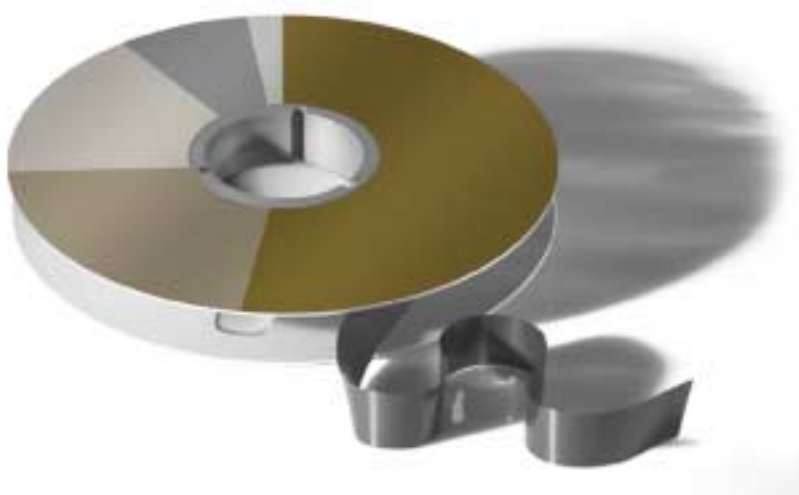
Notes

1. Outdoor joint ventures are in their first year of operation thus no comparatives are shown
2. Line items are proportionately consolidated net of eliminations

SHAREHOLDERS' PROFILE

as at 31 December 2002

ORDINARY SHARES				
Shareholder	% of shareholders	Number of shareholders	Percentage shareholding	Number of shares held
Phaphama Holdings (Pty) Limited	0,0	1	52,5	2 188 900
Banks and nominee companies	0,5	26	21,7	903 913
Pension, provident funds, life companies	0,4	20	15,9	664 848
Individuals	97,2	4 647	7,8	326 258
Other corporates	1,9	86	2,1	84 496
Total ordinary shareholders	100,0	4 780	100,0	4 168 415
Size of shareholding				
1 – 500	98,9	4 726	2,1	86 428
501 – 1 000	0,3	12	0,2	9 681
1 001 – 5 000	0,5	23	1,3	52 736
5 001 – 10 000	0,0	2	0,5	19 383
10 001 – 50 000	0,2	8	4,9	206 096
50 001 – 100 000	0,0	3	5,5	230 852
100 001 – 1 000 000	0,1	5	33,0	1 374 339
1 000 001 – and above	0,0	1	52,5	2 188 900
Total ordinary shareholders	100,0	4 780	100,0	4 168 415



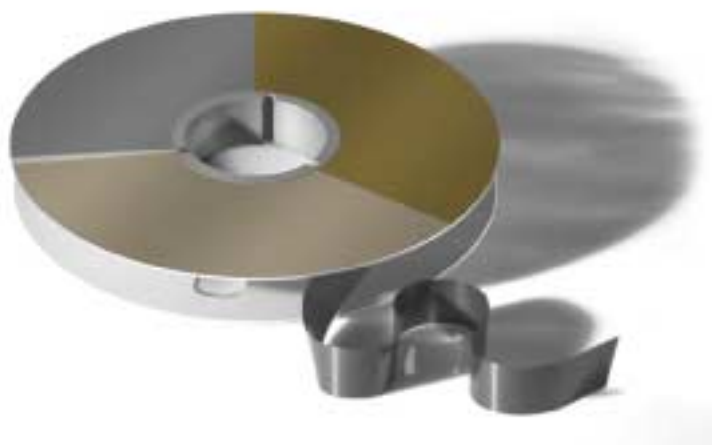
Phaphama Holdings (Pty) Limited	52,5%
Banks and nominee companies	21,7%
Pension, provident funds, life companies	15,9%
Individuals	7,8%
Other corporates	2,1%

SHAREHOLDERS' PROFILE (CONTINUED)

as at 31 December 2002

"N" ORDINARY SHARES

Shareholder	% of shareholders	Number of shareholders	Percentage shareholding	Number of shares held
Banks and nominee companies	0,4	87	35,2	41 307 643
Pension, provident funds, life companies	0,5	122	37,5	44 031 224
Individuals	98,5	23 012	0,8	890 048
Other corporates	0,6	144	26,5	31 081 458
Total "N" ordinary shareholders	100,0	23 365	100,0	117 310 373
Size of shareholding				
1 – 500	98,5	23 004	0,3	334 501
501 – 1 000	0,4	82	0,1	58 924
1 001 – 5 000	0,3	70	0,1	152 028
5 001 – 10 000	0,1	34	0,2	247 608
10 001 – 50 000	0,3	59	1,2	1 421 013
50 001 – 100 000	0,0	16	1,0	1 183 801
100 001 – 1 000 000	0,3	75	20,7	24 229 309
1 000 001 – and above	0,1	25	76,4	89 683 189
Total "N" ordinary shareholders	100,0	23 365	100,0	117 310 373



■ Banks and nominee companies	35,2%
■ Pension, provident funds, life companies	37,5%
■ Individuals	0,8%
■ Other corporates	26,5%

SHARE PRICE INFORMATION/SHAREHOLDERS' CALENDAR

for the year ended 31 December 2002

	12 month 31-Dec 2002	12 month 31-Dec 2001#	15 month 31-Dec 2000*	12 month 30-Sep 1999	12 month 30-Sep 1998
ORDINARY SHARES					
Market value per share (cents)					
– at year-end	525	675	180	260	360
– highest	675	900	400	570	875
– lowest	460	145	120	220	330
Number of shares traded (000)	227	788	37 986	20 986	22 940
'N' ORDINARY SHARES					
Market value per share (cents)					
– at year-end	575	700	184	240	275
– highest	690	745	405	460	800
– lowest	480	144	100	219	225
Number of shares traded (000)	36 612	46 030	1 803 981	674 208	345 159
NUMBER OF SHARES IN ISSUE AT YEAR-END (000)					
Ordinary shares	4 168	4 168	83 368	83 368	83 368
'N' Ordinary shares	117 310	117 310	2 346 208	2 346 208	2 023 408
Total shares	121 478	121 478	2 429 576	2 429 576	2 106 776
Total market capitalisation at year-end (R'000)	696 415	849 304	4 467 085	5 847 656	5 864 497

#The majority of the shareholding in NAC was unbundled with effect from 21 September 2001. The value of the shares unbundled amounted to R1,105 per NAIL share. The NAIL shares were then consolidated 1 for 20. The shares traded reflect the number as if the consolidation had been in effect for the whole year.

* The entire shareholding in AMB and ABIL was unbundled with effect from 6 March 2000. The value of the shares unbundled amounted to R1,68 per NAIL share.

SHAREHOLDERS' CALENDAR

Financial year-end	31 December 2002
Annual general meeting	22 July 2003

REPORTS

Financial statements mailed to shareholders	June 2003
Interim report	September 2003

Notice is hereby given that the tenth annual general meeting of shareholders of NAIL will be held at The Parktonian Hotel, Braamfontein, Johannesburg, at 18h00 on Tuesday, 22 July 2003 for the following purposes:

To consider and if deemed fit, pass, with or without modification, the following special and ordinary resolutions:

ORDINARY BUSINESS

Resolution 1 (Ordinary)

The annual financial statements of the company for the year ended 31 December 2002, including the directors' report and the auditors' report, are hereby adopted and confirmed.

Resolution 2 (Ordinary)

The directors' remuneration for their services as directors of the company for the year to 31 December 2002 be and is hereby confirmed.

Resolution 3 (Ordinary)

To elect directors in accordance with the provision of the articles of association of the company. In terms of the company's articles of association, Messrs. Ashley Mabogoane, Sakumzi Macozoma, James Mdlalose and Geoff Snelgar retire by rotation, with effect from the tenth annual general meeting. All the above retiring directors are eligible and offer themselves for re-election.

Resolution 4 (Ordinary)

The appointment of PricewaterhouseCoopers Inc. and Sizwe Ntsaluba VSP Inc. as the auditors of the company for the 2003 financial year be and is hereby confirmed.

SPECIAL BUSINESS

Resolution 5 (Ordinary)

"Resolved that all the unissued shares of the company shall be placed under the control of the directors of the company with authority to issue all or part thereof in their discretion, subject to the provisions of section 222 of the Companies Act, 1973 (Act 61 of 1973), as amended."

Resolution 6 (Ordinary)

"Resolved that the directors of the company be and are hereby authorised by way of a general authority to issue all or any of the authorised but unissued shares in the capital of the company for cash as and when in their discretion they deem fit, subject to the following conditions:

- That this authority shall be valid until the next annual general meeting of the company, provided that it shall not extend beyond 15 months from the date that this authority is given, whichever is the earlier.
- That the press announcement setting out full details, including the impact on the net value, and earnings per share, will be published at the time of any issue of shares representing, on a cumulative basis within one year, five percent or more of the number of the company's shares in issue prior to any such issue.

- That the issue in the aggregate in any one year shall not exceed 15 percent of the number of shares of the company's issued share capital.
- That, in determining the price at which the issue of shares may be made in terms of this authority, the maximum discount permitted will be 10 percent of the average closing prices determined over the 30 days prior to either the date of the paid press announcement or, where no press announcement is required and none has been made, the date of issue of the shares. Issues at discount greater than 10 percent may be undertaken subject to specific shareholder approval.
- That any such issue will be made to public shareholders as defined by the JSE Securities Exchange South Africa ("JSE")."

The approval of a 75 percent majority of the votes cast by the shareholders present or represented by proxy at this annual general meeting is required for the authority of this resolution number six to become effective.

Resolution 7 (Special)

"Resolved that the company be and is hereby authorised by way of a general authority, subject to the provisions of the statutes and the rules and requirements of JSE, to acquire ordinary and "N" ordinary shares in its issued share capital, from time to time, subject to the following limitations:

- The repurchase of shares will be implemented on the open market;
- The repurchase of shares being authorised in the company's articles of association;
- This authority shall be valid only until the company's next annual general meeting provided that it will not extend beyond 15 months from the date this authority is given;
- The general share repurchase shall be limited to a maximum of 20 percent of the company's issued ordinary shares and "N" ordinary shares, respectively, at the date this authority is given; and
- No repurchase of shares shall be made at a price more than 10 percent above the average, weighted by volume of sales, of the market value of the company's ordinary and "N" ordinary shares as the case may be, for the five business days immediately preceding the date of repurchase."

The reason for resolution number seven is to grant a renewable general authority to the directors to acquire ordinary and "N" ordinary shares of the company which are in issue from time to time. The effect of this special resolution is to confer a general authority on the directors of the company to repurchase ordinary and "N" ordinary shares of the company, which are in issue from time to time.

VOTING AND PROXIES

Each shareholder of the company, who, being an individual, is present in person or, being a company, is represented at the annual general meeting, is entitled to one vote on a show of hands. On a poll, a shareholder who is present in person or represented by proxy shall be entitled to that number of votes which is equal to that proportion of the total votes in the company which the aggregate amount of the nominal value of the shares held by him (whether ordinary or "N" ordinary shares) bears to the aggregate amount of the nominal value of all the shares (that is, ordinary and "N" ordinary shares) issued by the company.

Each ordinary and "N" ordinary shareholder of the company entitled to attend and vote at the annual general meeting may appoint one or more proxies as alternates (none of whom needs to be a shareholder of the company), to attend, speak and vote in his stead. The completion and lodging of a form of proxy will not preclude a shareholder from attending, speaking and voting to the exclusion of the proxy so appointed.

A form of proxy is included with this notice for use by shareholders who are unable to attend the annual general meeting. Duly completed forms of proxy must be returned to the company's transfer secretaries at the address below, to reach them by no later than 16h00 on Friday, 18 July 2003.

By order of the board

NEW AFRICA INVESTMENTS LIMITED

D Qwelane

Company Secretary

26 March 2003

Registered Office

1st Floor, Fulham House
Hampton Park
20 Georgian Crescent
Bryanston 2194
(PO Box 782922, Sandton 2146)

Transfer secretaries

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

Notice is hereby given that a separate general meeting of ordinary shareholders only of the company will be held immediately after the annual general meeting for the purpose of considering and, if deemed fit, passing, with or without modification, the special resolution set out below:

Special resolution number 1

"RESOLVED THAT, the company be and is hereby authorised by way of a general authority, subject to the provisions of the Act and the Rules and Requirements of the JSE, to acquire ordinary and "N" ordinary shares in its issued share capital, from time to time, subject to the following limitations:

- The repurchase of shares will be implemented on the open market;
- The repurchase of shares being authorised in the company's articles of association;
- This authority shall be valid only until the company's next annual general meeting provided that it will not extend beyond 15 (fifteen) months from the date this authority is given;
- The general share repurchase shall be limited to a maximum of 20 percent of the company's issued ordinary shares and "N" ordinary shares, respectively, at the date this authority is given; and
- No repurchase of shares shall be made at a price more than 10 percent above the average, weighted by volume of sales, of the market value of the company's ordinary and "N" ordinary shares as the case may be, for the 5 (five) business days immediately preceding the date of repurchase."

The reason for special resolution number one is to grant a renewable general authority to the directors to acquire ordinary and "N" ordinary shares of the company which are in issue from time to time. The effect of this special resolution is to confer a general authority on the directors of the company to repurchase ordinary and "N" ordinary shares of the company which are in issue from time to time.

Voting and proxies

Each ordinary shareholder of the company, who, being an individual, is present in person or, being a company, is represented at the general meeting of ordinary shareholders, is entitled to one vote on a show of hands. On a poll, a shareholder who is present in person or represented by proxy shall be entitled to that number of votes which is equal to that proportion of the ordinary total votes in the company which the aggregate amount of the nominal value of the ordinary shares held by him/her bears to the aggregate amount of the nominal value of all the ordinary shares issued by the company.

Each ordinary shareholder of the company entitled to attend and vote at the general meeting of ordinary shareholders may appoint one or more proxies as alternates (none of whom needs to be a shareholder of the company), to attend, speak and vote in his/her stead. The completion and lodging of a form of proxy will not preclude an ordinary shareholder from attending, speaking and voting to the exclusion of the proxy so appointed.

A form of proxy is included with this notice for use by ordinary shareholders who are unable to attend the general meeting for ordinary shareholders. Duly completed forms of proxy must be returned by ordinary shareholders to the company's transfer secretaries at 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107), to reach them by no later than 16h00 on Friday, 18 July 2003.

By order of the board

NEW AFRICA INVESTMENTS LIMITED

D Qwelane

Company Secretary

26 March 2003

Registered office

1st Floor, Fulham House
Hampton Park
20 Georgian Crescent
Bryanston 2194
(PO Box 782922, Sandton 2146)

Transfer secretaries

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

Notice is hereby given that a separate general meeting of "N" ordinary shareholders of the company will be held immediately after the annual general meeting and the general meeting of ordinary shareholders for the purpose of considering and, if deemed fit, passing with or without modification, the special resolution set out below:

Special resolution number 1

"RESOLVED THAT, the company be and is hereby authorised by way of a general authority, subject to the provisions of the Act and the Rules and Requirements of the JSE, to acquire ordinary and "N" ordinary shares in its issued share capital, from time to time, subject to the following limitations:

- The repurchase of shares will be implemented on the open market;
- The repurchase of shares being authorised in the company's articles of association;
- This authority shall be valid only until the company's next annual general meeting provided that it will not extend beyond 15 (fifteen) months from the date this authority is given;
- The general share repurchase shall be limited to a maximum of 20 percent of the company's issued ordinary shares and "N" ordinary shares, respectively, at the date this authority is given; and
- No repurchase of shares shall be made at a price more than 10 percent above the average, weighted by volume of sales, of the market value of the company's ordinary and "N" ordinary shares as the case may be, for the 5 (five) business days immediately preceding the date of repurchase."

The reason for special resolution number one is to grant a renewable general authority to the directors to acquire ordinary and "N" ordinary shares of the company, which are in issue from time to time. The effect of this special resolution is to confer a general authority on the directors of the company to repurchase ordinary and "N" ordinary shares of the company which are in issue from time to time.

Voting and proxies

Each "N" ordinary shareholder of the company who, being an individual, is present in person or, being a company, is represented at the general meeting of "N" ordinary shareholders, is entitled to one vote on a show of hands. On a poll an "N" ordinary shareholder who is present in person or represented by proxy shall be entitled to that number of votes which is equal to that proportion of the total "N" ordinary votes in the company which the aggregate amount of the nominal value of the "N" ordinary shares held by him/her bears to the aggregate amount of the nominal value of all the "N" ordinary shares issued by the company.

Each "N" ordinary shareholder of the company entitled to attend and vote at the general meeting of "N" ordinary shareholders may appoint one or more proxies as alternates (none of whom needs to be a shareholder of the company), to attend, speak and vote in his/her stead. The completion and lodging of a form of proxy will not preclude an "N" ordinary shareholder from attending, speaking and voting to the exclusion of the proxy so appointed.

A form of proxy is included with this notice for use by "N" ordinary shareholders who are unable to attend the general meeting for "N" ordinary shareholders. Duly completed forms of proxy must be returned to the company's transfer secretaries at 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107) to reach them by no later than 16h00 on Friday, 18 July 2003.

By order of the board

NEW AFRICA INVESTMENTS LIMITED

D Qwelane

Company Secretary

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Transfer secretaries

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

FORM OF PROXY FOR USE BY ORDINARY SHAREHOLDERS ONLY



NEW AFRICA INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

Registered number 1993/002467/06

("NAIL" or "the company")

For use by ordinary shareholders of the company only at the annual general meeting of ordinary shareholders and "N" ordinary shareholders of NAIL to be held at 18:00 on Tuesday, 22 July 2003 at the Parktonian Hotel, 120 De Korte Street, Braamfontein, Johannesburg, and at the general meeting of ordinary shareholders of NAIL to be held immediately after the annual general meeting.

I/We (please print)

of

being a shareholder/s of NAIL and holding
(see note 2 overleaf):

ordinary shares (see note 1 overleaf), hereby appoint/s

1. or failing him/her

2. or failing him/her

3. the chairman of the general meeting as my/our proxy for me/us at the annual general meeting of ordinary and "N" shareholders and the ordinary general meeting of ordinary shareholders only, for the purpose of considering and, if deemed fit, passing with or without modification, the resolutions to be proposed thereat and at each adjournment or postponement thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of the ordinary shares in the issued share capital of the company registered in my/our name/s (see note 3 overleaf) as follows:

	For	Against	Abstain
ORDINARY BUSINESS			
Resolution number 1 (Ordinary)			
Resolution number 2 (Ordinary)			
Resolution number 3 (Ordinary)			
Ashley Mabogoane			
Sakumzi Macozoma			
James Mdlalose			
Geoff Snelgar			
Resolution number 4 (Ordinary)			
SPECIAL BUSINESS			
Resolution number 5 (Ordinary)			
Resolution number 6 (Ordinary)			
Resolution number 7 (Special)			
GENERAL MEETING OF ORDINARY SHAREHOLDERS			
Special Resolution number 1			

and generally act as my/our proxy at the annual general meeting and the general meeting of ordinary shareholders, if no direction is given, the proxy holder will be entitled to one vote or to abstain from voting as that proxy holder deems fit.

Signed at this day of 2003

Signature/s

Assisted by (where applicable)

Each NAIL ordinary shareholder is entitled to appoint a proxy (who need not be a shareholder of the company) to attend, speak and vote in place of that ordinary shareholder at the annual general meeting and the general meeting of ordinary shareholders.

Please read the notes on the reverse side hereof.

1. All NAIL ordinary shareholders are entitled to attend, be represented and vote at the annual general meeting and at the general meeting of ordinary shareholders. Each NAIL ordinary shareholder has, on a show of hands, one vote. On a poll, at the first general meeting, a NAIL ordinary shareholder who is present in person or represented by proxy shall be entitled to that number of votes which is equal to that proportion of the total votes in NAIL which the aggregate amount of the nominal value of the ordinary NAIL shares held by him bears to the aggregate amount of the nominal value of all the ordinary shares and "N" shares issued by NAIL. On a poll, at the second general meeting, a NAIL ordinary shareholder who is present in person or represented by proxy shall be entitled to that number of votes which is equal to that proportion of the total votes in NAIL, which the aggregate amount of the nominal value of the ordinary NAIL shares held by him bears to the aggregate amount of the nominal value of all the ordinary shares issued by NAIL.
2. A NAIL ordinary shareholder may insert the name of a proxy or the names of two alternate proxies of the NAIL ordinary shareholder's choice in the space/s provided, with or without deleting "the chairman of the general meeting". If a deletion is made, such deletion must be initialled by the NAIL ordinary shareholder. The person whose name stands first on the form of proxy and who is present at the first general meeting or the second general meeting, as the case may be, will be entitled to act as proxy to the exclusion of those whose names follow.
3. A NAIL ordinary shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of ordinary shares held by him/her (which will indicate the number of votes exercisable by that shareholder on a poll) in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote or abstain from voting at the first general meeting and at the second general meeting as he/she deems fit in respect of all the NAIL ordinary shareholder's votes exercisable thereat. A NAIL ordinary shareholder or the proxy is not obliged to use all the votes exercisable by the NAIL ordinary shareholder or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the NAIL ordinary shareholder or by the proxy.
4. Forms of proxy must be lodged with or posted to the company's transfer secretaries, Computershare Investor Services Limited, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107) to reach them by not later than 16h00 on Friday, 18 July 2003.
5. The completion and lodging of this form of proxy will not preclude the relevant NAIL ordinary shareholder from attending the annual general meeting and/or the general meeting of ordinary shareholders and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative or other legal capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries or waived by the chairman of the general meeting.

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

FORM OF PROXY FOR USE BY "N" ORDINARY SHAREHOLDERS ONLY



NEW AFRICA INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

Registered number 1993/002467/06

("NAIL" or "the company")

For use by "N" ordinary shareholders of the company at the annual general meeting of ordinary and "N" ordinary shareholders to be held at 18:00 on Tuesday, 22 July 2003 at the Parktonian Hotel, 120 De Korte Street, Braamfontein, Johannesburg, and at the general meeting of "N" ordinary shareholders of NAIL, to be held immediately after the annual general meeting and the general meeting of ordinary shareholders.

I/We (please print)

of

being a shareholder/s of NAIL and holding
(see note 2 overleaf):

"N" ordinary shares (see note 1 overleaf), hereby appoint/s

1. or failing him/her

2. or failing him/her

3. the chairman of the general meeting as my/our proxy for me/us at the annual general meeting of ordinary and "N" ordinary shareholders and at the general meeting of "N" ordinary shareholders only, for the purpose of considering and, if deemed fit, passing with or without modification, the resolutions to be proposed thereat and at each adjournment or postponement thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of the ordinary shares in the issued share capital of the company registered in my/our name/s (see note 3 overleaf) as follows:

	For	Against	Abstain
ORDINARY BUSINESS			
Resolution number 1 (Ordinary)			
Resolution number 2 (Ordinary)			
Resolution number 3 (Ordinary)			
Ashley Mabogoane			
Sakumzi Macozoma			
James Mdlalose			
Geoff Snelgar			
Resolution number 4 (Ordinary)			
SPECIAL BUSINESS			
Resolution number 5 (Ordinary)			
Resolution number 6 (Ordinary)			
Resolution number 7 (Special)			
GENERAL MEETING OF "N" ORDINARY SHAREHOLDERS			
Special Resolution number 1			

and generally act as my/our proxy at the annual general meeting and the general meeting of "N" ordinary shareholders, if no direction is given, the proxy holder will be entitled to one vote or to abstain from voting as that proxy holder deems fit.

Signed at this day of 2003

Signature/s

Assisted by (where applicable)

Each NAIL, "N" ordinary shareholder is entitled to appoint a proxy (who need not be a shareholder of the company) to attend, speak and vote in place of that "N" ordinary shareholder at the annual general meeting and the general meeting of "N" ordinary shareholders.

Please read the notes on the reverse side hereof.

NOTES TO THE PROXY FOR USE BY "N" ORDINARY SHAREHOLDERS ONLY

1. All NAIL "N" ordinary shareholders are entitled to attend, be represented and vote at the annual general meeting and at the general meeting of "N" ordinary shareholders. Each NAIL "N" ordinary shareholder has, on a show of hands, one vote. On a poll, at the first general meeting, a NAIL "N" ordinary shareholder who is present in person or represented by proxy shall be entitled to that number of votes which is equal to that proportion of the total votes in NAIL which the aggregate amount of the nominal value of the NAIL "N" ordinary shares held by him bears to the aggregate amount of the nominal value of all the ordinary shares and "N" ordinary shares issued by NAIL. On a poll, at the second general meeting, a NAIL ordinary shareholder who is present in person or represented by proxy shall be entitled to that number of votes which is equal to that proportion of the total votes in NAIL, which the aggregate amount of the nominal value of the NAIL "N" ordinary shares held by him bears to the aggregate amount of the nominal value of all the "N" ordinary shares issued by NAIL.
2. A NAIL "N" ordinary shareholder may insert the name of a proxy or the names of two alternate proxies of the NAIL "N" ordinary shareholder's choice in the space/s provided, with or without deleting "the chairman of the general meeting". If a deletion is made, such deletion must be initialled by the NAIL "N" ordinary shareholder. The person whose name stands first on the form of proxy and who is present at the first general meeting or the second general meeting, as the case may be, will be entitled to act as proxy to the exclusion of those whose names follow.
3. A NAIL "N" ordinary shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of "N" ordinary shares held by him/her (which will indicate the number of votes exercisable by that "N" ordinary shareholder on a poll) in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote or abstain from voting at the first general meeting and at the second general meeting as he/she deems fit in respect of all the NAIL "N" ordinary shareholder's votes exercisable thereat. A NAIL "N" ordinary shareholder or the proxy is not obliged to use all the votes exercisable by the NAIL "N" ordinary shareholder or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the NAIL "N" ordinary shareholder or by the proxy.
4. Forms of proxy must be lodged with or posted to the company's transfer secretaries, Computershare Investor Services Limited, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107) to reach them by not later than 16h00 on Friday, 18 July 2003.
5. The completion and lodging of this form of proxy will not preclude the relevant NAIL "N" ordinary shareholder from attending the annual general meeting and/or the general meeting of "N" ordinary shareholders and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative or other legal capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries or waived by the chairman of the general meeting.

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