



**To be recognised for providing world-class
primary markets, secondary markets and
services facilitated by strategic affiliations while
providing a gateway integrating southern Africa
into global financial markets**



january	Listing of the Satrix Indi and Satrix Fini exchange traded funds
february	The shares of all listed companies successfully migrated to the STRATE electronic settlement environment Introduction of direct Host-to-Host Link between the JSE and STRATE JSE becomes a STRATE Lending Desk Business Partner
march	Launch of the new JSE Financial Portal Introduction of the new Billing system
april	Successful dress rehearsals for the implementation of JSE SETS and InfoWiz
may	Implementation of JSE SETS and InfoWiz The Honourable President of the Republic of South Africa, Mr Thabo Mbeki officially launched JSE SETS and InfoWiz John Burke appointed as an Executive Director of the JSE
june	Launch of the FTSE/JSE Africa index series
july	Implementation of final phase of Trade Monitoring System enhancements Launch of the JSE booklet on the Insider Trading Act and Effective Management of Price-Sensitive Information
august	Formation of the GAAP Monitoring Panel for Listed Companies Draft revised JSE listings requirements released for comment
september	Initiation of talks between the JSE and shareholder CSDPs in STRATE to rationalise the clearing, settlement and depository infrastructures in South Africa
october	Draft rules for the Social Responsibility Index released for comment Appointment of Russell Loubser as Chairman of the Working Committee of the World Federation of Exchanges
november	Appointment of Leanne Parsons as Chief Operating Officer JSE/Liberty Schools Challenge award ceremony with winning prize being awarded, for the first time, to a previously disadvantaged school
december	Appointment of Nicky Newton-King as Deputy Chief Executive Officer



Seated left to right: Anton Botha, Gloria Serobe, Geoff Rothschild, Russell Loubser, Humphrey Borkum, Reuel Khoza and Leanne Parsons

Standing left to right: Stephen Koseff, Norman Müller, Nicky Newton-King, Ray Cadiz, John Burke, Paul Barnard, Gary Clarke and Bobby Johnston



Anton Botha

BCom (Hons), BProc

Gloria Serobe

BCom, MBA

Geoff Rothschild

CTA, CA (SA)

Russell Loubser

CA (SA), MCom (Statistics)
Chief Executive Officer

Humphrey Borkum

Chairman

Reuel Khoza

BA (Hons), MA

Leanne Parsons

BCom
COO

Stephen Koseff

BCom, CTA, CA (SA), MBA

Norman Müller

MCom

Nicky Newton-King

BA, LLB, LLM
Deputy CEO

Ray Cadiz

BCom (Hons), MSc

John Burke

BCom (Hons)

Paul Barnard

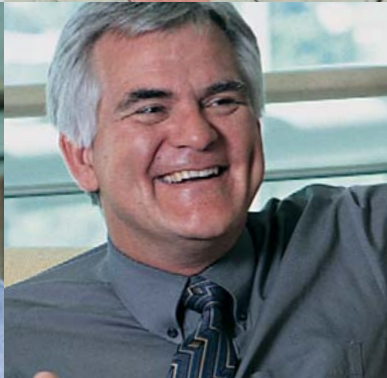
BSc (Hons), MBA

Gary Clarke

BA, LLB
Company Secretary

Bobby Johnston

MCom, CA (SA)



John Burke

BCom (Hons)

Director: Listings

Years service: 13

Nicky Newton-King

BA, LLB, LLM

Deputy CEO

Years service: 7

Sydney Maree

BSc (Economics)

Director: Corporate Marketing and
Communications

Years service: 2

Freda Evans

CA (SA)

General Manager: Finance

Years service: 2

Bill Urmson

CA (SA), FCA (UK)

Director: Surveillance

Years service: 7

Allan Thomson

BCom (Hons)

Director: Equities and Derivatives
Trading

Years service: 1

Leanne Parsons

BCom

Chief Operating Officer

Years service: 18

Richard Miller

Director: IT

Years service: 15

Gary Clarke

BA, LLB

Company Secretary

Years service: 5

Des Davidson

BBusSc (Hons)

Director: Clearing and Settlement

Years service: 3

Rod Gravellet-Blondin

*BCom (Hons), MA (Industrial Location
and Development)*

General Manager: Agricultural
Products

Years service: 7



“We pride ourselves on our global visibility, efficient price discovery, internationally recognised free-float indices and, since the full implementation of STRATE earlier in 2002, a 100% settlement rate.”

Humphrey Borkum
chairman

The JSE Securities Exchange South Africa ("JSE") enjoyed a momentous year in 2002. As a result of several major initiatives which were implemented, the JSE is now seen as one of the foremost developing market exchanges in the world. We pride ourselves on our global visibility, efficient price discovery, internationally recognised free-float indices and, since the full implementation of STRATE earlier in 2002, a one hundred percent settlement rate.

While there is much to celebrate in these achievements, the JSE is mindful of the difficulties experienced by its members during this period. Accordingly, during 2002 the exchange commenced a number of initiatives, which are aimed at reducing costs. In addition, when finalising the 2003 budget, the Board, Audit and Human Resources committees took cognisance of the prevailing bear market and the resultant drop in trade volumes. Therefore, to avoid placing undue pressure on member firms, only essential capital spending projects are planned for 2003. This will benefit members. The JSE plans to consolidate its achievements and focus on improving internal efficiencies, through rationalisation where appropriate, and capacity building.

The Board of Directors has recognised that the JSE could generate higher profits by merely reducing investment in infrastructure but we are very aware of the negative long-term effect that this would have on the market, particularly its members. Therefore, the performance of the Chief Executive Officer and the executive team was measured on delivery of key projects and keeping within budgeted expenditure as opposed to profitability.

An area of notable progress during the year under review was stakeholder communications. One example of this is the retail broker forum, established in 2002, which has gone a long way to resolving issues that impact the market and its participants through the close co-operation between the JSE and its members. The enhancement of stakeholder communication will continue to be a key area of focus in 2003.

A topic that has generated much debate is the possible demutualisation of the exchange. Though this is still some way off, demutualisation represents another major milestone in the JSE's future. In a demutualised environment, the JSE will be answerable to its shareholders as well as to its broking and other customers. This process will obviously be subject to the consultation with, and approval by members and the appropriate regulatory authorities.

In this my incoming year as Chairman of the JSE, I would like to thank my predecessor Geoff Rothschild for his tireless work in guiding the exchange to the higher ground it occupies today. Geoff has been intimately involved in many of the major developments on the JSE over the last decade, and I am deeply grateful for his continued participation and input.

Equally important is the ongoing work in crafting and implementing a new global vision for the exchange by the executive team and staff, led by Russell Loubser. We are deeply indebted to Russell and his team for their far-sightedness, energy and determination to push through the necessary changes in often trying circumstances.

Also worthy of note is Russell's personal commitment to the JSE and to the South African and African financial markets. He is actively involved in driving the NEPAD business initiative. In addition, his ongoing participation in the Black Management Forum facilitates black economic empowerment and he works tirelessly to open the JSE to new participants through activities such as the GIBS Business Masterminds Challenge. From an international perspective, he has helped elevate the profile of the JSE through his role as chairman of the Working Committee of the World Federation of Exchanges and we can expect much to be achieved through this forum during his term of office.

I also wish to acknowledge the appointments of Nicky Newton-King as Deputy Chief Executive Officer and Leanne Parsons as Chief Operating Officer of the JSE. Both displayed exemplary dedication and energy in their previous positions and I have no doubt they will continue to serve the JSE with foresight and vision in their new roles.

Lastly, I would like to thank the Board of Directors for their guidance and unstinting support during the past year. I believe that the JSE during the year under review has put flesh to its desire to become a preferred investment destination and a marketplace serving the needs of the country.



Humphrey Borkum
Chairman



“The JSE plans to consolidate its achievements and focus on improving internal efficiencies, through rationalisation where appropriate, and capacity building.”



“The attainment of global relevance through international affiliations and the provision of world-class trading, clearing and settlement services incorporating market integrity, investor protection and efficient price discovery, will ensure the JSE moves successfully into the future.”

Russell M Loubser
chief executive officer

South Africa is a young democracy and it never ceases to amaze me how far we have come over the eight years since the first democratic elections. Those who draw comparisons between South Africa and Zimbabwe, as I have heard from some foreign and local businessmen and businesswomen, ignore the wide gulf between the two countries. The rule of law and respect for property rights apply in South Africa, human rights are defended by one of the finest constitutions in the world, economic management is in sound hands and where mistakes have been made – such as the leak of the mining charter – these are generally corrected. In addition, the strong rally in the rand towards the end of 2002 is a credit to the government's disciplined fiscal management and its refusal to buckle to populist pressures for fiscal and monetary expansion. We trust that with time, South Africa will be judged on its own merits.

The rand was a key factor in the economy over the past year, with a strong year-end rally to bring it back to its level before December 2001. The downside of this rally is that this will impair the profitability of companies with a strong export bias after a year of windfall profits, gifted by the sharp depreciation in the currency in late 2001 and for most of 2002. Exports boomed on the back of the weak rand, so we should expect an export slowdown now that the rand has recovered much of its earlier losses. There is evidence, however, that inflation is moderating and interest rates are likely to start declining in 2003. Business confidence is high and should translate into increased fixed investment over the next two years.

The past year was a difficult one for world financial markets as the US economy turned sharply weaker and a string of corporate scandals undermined investor confidence. The S&P 500 index ended the year about 40% off its 2000 peak, similarly there was a 70% decline for the Nasdaq. The FTSE/JSE Top40 index was shielded to some extent from this decline and ended the year only slightly below its level of a year ago. Though trading volumes are at the mercy of local and international investor sentiment, the JSE's relatively good performance over the past year was helped, it must be said, by strong share price gains in resources and export-oriented companies.

For all the good news, there are still some disturbing signs of global economic weakness from which South Africa cannot escape. At this stage it is difficult to foresee a sustained recovery in either the global economy or world financial markets in the near term.

Also worthy of mention at this point are the growing number of companies seeking dual listings on the New York and other stock exchanges through American Depository Receipt (ADR) programmes. This has heightened the international profile of these JSE listed companies. We welcome this as it benefits trading volumes on the JSE and allows JSE listed companies to achieve international valuations. This trend is not to be confused with those South African companies which re-domiciled to London prior to their listing on the London Stock Exchange (LSE). Trade in these shares on the LSE is effectively lost to the JSE. The question to ask is whether, without the many changes introduced by the JSE over the last two years, this trade would have migrated faster? The answer, without doubt, is yes. International investors faced with a

choice of where to trade, should opt for those exchanges offering low transaction costs, fast and efficient settlement, tight market surveillance and efficient price discovery. The JSE now compares with the best in the world on all these counts.

The JSE, its members and staff can feel proud of accomplishments over the last year. When I joined the JSE six years ago, I had a clear vision of where the exchange needed to be relative to where it was. In this age of global capital flows, the JSE had to become a world-class exchange using cutting edge technology and practices – or risk being sidelined by the global investment community.

Investors demand improved market efficiency in the form of price discovery, clearing and settlement, corporate governance, surveillance, new products and greater investment choice whilst requiring the exchange to be efficient and cost effective. Listed companies want an efficient marketplace for raising capital and secondary trading in their shares. The JSE recognised that it had to become a service organisation, entrepreneurially driven and responsive to the needs of its various and diverse stakeholders. However, the exchange needed to deliver all of the above with no cash in the bank. We have over the last six years diligently built up the reserves of the exchange in order to stand behind the transactions of the exchange and more importantly to deliver credibility to this guarantee.

At the end of 1999, the executive team crafted an ambitious strategic plan called Gateway 2002 aimed at fulfilling the vision of creating a world-class exchange, which would serve as a gateway integrating southern Africa into global financial markets. More than 30 individual projects were identified and it is pleasing to report that we have completed virtually all of them, on time and within budget.

The most important of these over the last year were:

- the migration of all companies to the STRATE environment where all equities transactions are settled electronically five days after trade;
- the switch to the LSE's SETS trading platform (known locally as JSE SETS) and their real-time dissemination system LMIL (known locally as InfoWiz), on 13 May 2002;
- the adoption of the FTSE Global Classification system and the implementation of the FTSE/JSE Africa index series (free float indices) on 24 June 2002; and
- changes to the JSE Listings Requirements to bring them into conformity with global best practice and to incorporate the provisions of the King Code. This process is ongoing.

Combined, these accomplishments mean the JSE, from an operational point of view, has the foundation to compete with the best exchanges in the world. A full account of JSE developments in 2002 is set out in the Review of Operations.

This has been both a successful but difficult year for the JSE and its members. The coming year brings more challenges,

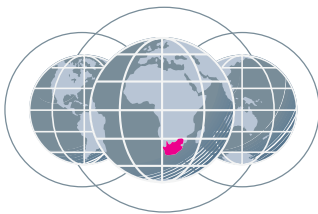
but challenges of a different kind. It is now time to consolidate the improvements made over the last two years, reduce costs where possible, prepare the exchange for competition from other markets and build a strong business model with sustainable revenue streams.

Given the momentous changes over the last two years, the JSE is ready to embrace the challenges that lie ahead and fulfil its vision of becoming a gateway integrating southern Africa into the world's financial markets.

I would like to thank my Executive Committee and all JSE staff for their ongoing dedication and commitment to the JSE. I would also like to thank the Board of Directors and in particular the Chairman, Humphrey Borkum, for their guidance, input and support. Humphrey's passion for the broking industry and accompanying total commitment to the JSE and its staff is invaluable. Finally, thank you to all our members and customers and I trust that 2003 will be a fruitful year.



Russell Loubser
Chief Executive Officer



“It is now time to consolidate the improvements made over the last two years, reduce costs where possible, prepare the exchange for competition from other markets and build a strong business model with sustainable revenue streams.”

A YEAR OF MILESTONES

As mentioned in the Chief Executive's Review, 2002 was a year of immense change for the JSE following the completion of most of the 30-plus projects identified under the Gateway 2002 strategic programme.

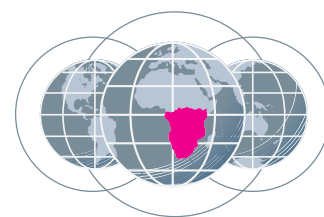
FAILED TRADE RATE IS ZERO

By early 2002, all listed securities were successfully migrated to the STRATE electronic settlement environment, with rolling contractual settlement taking place five days after trade (T+5). STRATE has improved market integrity immeasurably, and represents a major milestone in winning both local and international investor confidence.

STRATE replaced the old paper-based equities settlement system, and eliminated the scope for error and delays inherent in paper-based systems. It is worthy of note that there has not been a single JSE equities transaction which has failed to settle through STRATE on settlement date. We believe that this compares favourably with any other exchange.

The 100% settlement rate has major benefits for all market participants. Investors are comforted by the fact that trades will be settled on due date (T+5), member firms are better able to predict their cash flow requirements and corporate action-related claims are effectively eliminated.

“It is worthy of note that there has not been a single JSE equities transaction which has failed to settle through STRATE on settlement date.”



It is anticipated that the move to T+3 (settlement three days after trade) will take place within the next two years, bringing the JSE further into line with the world's leading exchanges and importantly the demands of international investors. Currently, some 90% of trades are committed for settlement halfway through the settlement cycle. Only when this level holds consistently at 100%, will a move from T+5 to T+3 be viable. However, this requires a higher degree of Straight Through Processing (STP) by all players. STP seeks to have systems "talking" to one another without human intervention (which is speedier and reduces the chance of human error). To facilitate this process, the South African securities industry formed the STP Forum comprising JSE members, investment and fund managers, Central Securities Depository Participants (CSDPs), STRATE and the JSE to evolve an industry blueprint for STP. This Forum is starting to yield positive results and this should translate into broader implementation of STP over the coming year.

JSE EQUITIES CLEARING AND SETTLEMENT IMPROVED THROUGH SECURITIES LENDING AND SYSTEM ENHANCEMENTS

In February 2002, the JSE became a STRATE Lending Desk Business Partner, enabling it to automate Securities Lending and Borrowing (SLB) transactions directly into STRATE's systems. Where member firms are unable to source securities on



behalf of a client to ensure settlement on T+5, the JSE performs the role of lender of last resort. The JSE's open loan book declined from 114 loans of about R86 million in December 2001 to 37 loans of about R3 million by year-end, reflecting the growing efficiency of the market over only a year.

This was achieved through the significant increase in the level of SLB activity by market participants, either for strategic borrowing purposes or to facilitate the settlement of transactions. The JSE's Surveillance department played a vital role in defining the control environment in which this activity is conducted, measuring the risks associated with SLB activity and devising appropriate processes to assist members in managing these transactions. The value of the SLB market is estimated to be about R20 billion and growing. The November 1999 report by the Financial Services Board (FSB) found securities lending, rather than aggravating market volatility, actually has a stabilising effect and adds to market liquidity.

The Equity Clearing House system was no longer necessary and was accordingly decommissioned. Other systems were enhanced to cater for the new processes and procedures and to meet the functional requirements for the Settlement Authority to be able to, amongst other things, detect short positions and corporate action entitlements. In addition, a new process involving direct settlement of Krugerrand trades between members was introduced since Krugerrands are not settled through STRATE.



CONSOLIDATION OF INFRASTRUCTURE TO REDUCE COSTS AND INCREASE EFFICIENCIES

Considerable progress has been made by the banking community and the JSE in rationalising the activities of STRATE and UNEXcor, the bond market settlement provider. Bringing these two entities together will consolidate electronic settlement in the financial markets for the benefit of all participants, and further progress in this regard can be expected in 2003.

In February 2002, a Host-to-Host Link was implemented for the direct routing of messages between the JSE and STRATE. This resulted in considerable savings for members.

Further exercises are underway internally to rationalise infrastructure and leverage existing assets with the ultimate objective of improved operations and reduced costs to users of these facilities.

EQUITY TRADING MODEL ALIGNED WITH EUROPE AND WORLD CLASS SYSTEMS ADOPTED

The switch to the LSE's SETS and LMIL systems, hosted by the LSE in London, on 13 May 2002 was another milestone for the JSE. More than just a change in technology platforms, it represents the forging of a strategic alliance with the LSE and means JSE share prices can now potentially be disseminated to over 100 000 terminals around the world. This will improve the international visibility of the JSE (and the Namibian Stock Exchange, which joined the JSE in the switch) and should, in time, result in both stronger capital inflows to our markets and improved market liquidity.

Though it had been only six years since the JSE adopted the JET system in 1996, the system at that time was already seven years old. The shortcomings of the system became evident as the market grew. It was designed to handle a limited number of terminals in close proximity to each other, preferably in the same building. The JSE has handled up to an average of 18 000 trades a day, six times more than a decade ago, and JET lacked the functionality and scalability of more modern systems. After a thorough review of available trading platforms and potential business synergies, the JSE settled on SETS as the most suitable for its future needs.

As securities markets have developed and volatility accepted as a fact of life, new levels of functionality are demanded of a trading platform, for example, the ability to run different markets at different times. JSE SETS accommodates opening and closing call auctions, trading halts, intraday call auctions for less liquid stocks, pre and post trade anonymity, and a host of other parametrisable features designed to meet the market's needs. These features largely eliminate the scope for price manipulation, the reduction or eradication of which is an essential requirement for attracting large-scale international investment. Furthermore, international investors understand and trust the SETS system as a robust and reliable trading platform.



“In February 2002, a Host-to-Host Link was implemented for the direct routing of messages between the JSE and STRATE. This resulted in considerable savings for members.”

The JSE recognised that a world-class trading system needed to be supported by an equally credible information dissemination system. The implementation of the LSE's LMIL system, known in South Africa as InfoWiz, allowed the JSE to replace its outdated Equity Tricklefeed system thereby substantially improving the distribution of real-time equity market information.

The partnership entered into with GL Trade to provide an internationally accepted frontend to the market, known in SA as TALX, allowed the JSE to remain steadfast in its commitment to deliver the entire project on time.

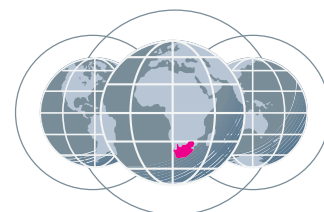
The relationship with the LSE also advances our strategic objective of turning the JSE into a gateway to global capital markets. In addition to its technical benefits, it opens new business opportunities for the JSE, including the ability to disseminate LSE information locally (a growing source of revenue for exchanges around the world) depending on local needs. In time JSE SETS will allow for dual primary listings on both the LSE and JSE and cross membership – although there are considerable regulatory hurdles to overcome before this can become a reality. Dual primary listings would allow companies to list in both Johannesburg and London without switching domicile.

Cross membership is aimed at allowing a JSE member to access the SETS segments of the LSE (as an LSE member) and an LSE member to access the JSE market (as a JSE member). The investigation into the viability of this structure is ongoing and initial consultations with members, and other stakeholders, in this regard has proved to be extremely valuable. The general consensus at this stage is that exchange control is a factor which limits the effectiveness of the structure and ongoing discussions with the Department of Finance to address these issues will continue.

The launch of the new systems was a major undertaking, not just for the JSE, but also for the JSE's clients. We would like to thank everyone involved in the migration process as it involved considerable technological modifications for all market participants. 2002 was a particularly busy year for most of the JSE staff, with many late nights and weekends spent preparing for the implementation of the new systems, interfaces and the decommissioning of old systems.

The launch also provided an additional bonus and the JSE had great pleasure in welcoming the Honourable President of the Republic of South Africa, Mr Thabo Mbeki, to the JSE for the official launch of JSE SETS and InfoWiz on 17 May 2002. The significance of the event was captured in his statement that:

“The Government of South Africa commends the JSE Securities Exchange South Africa for its initiative in spearheading Africa’s participation in world markets.”



"The Government of South Africa commends the JSE Securities Exchange South Africa for its initiative in spearheading Africa's participation in world markets".

In addition, given the magnitude of change in the JSE trading environment, considerable effort has gone into enhancing the JSE's ability to deal with ongoing queries and allow for the exploitation of the functionally rich system.

LAUNCH OF FTSE/JSE AFRICA INDICES

The launch of the FTSE/JSE Africa index series on 24 June 2002 brings the JSE further into line with international best practices. These indices are based on the free float concept, representing only those shares available for trade and excluding those held for strategic or control purposes (unlike the old indices, which were based on full market capitalisation). The adoption of the FTSE/JSE Africa index series required a thorough review of the existing indices and their components, the formation of an advisory committee to guide the process, the reclassification of certain shares under new sectors, and the elimination of some sectors.

There is a worldwide swing towards free float indices in response to investor demand for indices that better reflect the pool of equities available for investment. FTSE, our partner in this endeavour, is a world leader in index management.

In addition, in response to demands from the retirement industry for new benchmarks with lower weightings in resources and dual-listed stocks, the JSE will launch a FTSE/JSE Shareholder Weighted All Share index and a FTSE/JSE Capped All Share index. Top 40 versions of both these indices will also be launched simultaneously. Plans for the launch of

several more benchmark indices, such as a Socially Responsible Investment index and Lifestyle index, are already well advanced. These indices will create new opportunities for investment and broaden the choice available to market participants.

In line with best practice, the JSE plans, during 2003, to introduce various licences for products and funds that will track the FTSE/JSE Africa index series.

IMPROVING SERVICE DELIVERY

The Stock Exchange News Service (SENS) was upgraded during the past year to create a more user-friendly and functional service to our many users.

The JSE also continues to enhance its end-of-day equity dissemination system which is unique in its level of value added data available to users. Over the coming year, the JSE will focus its energies on developing international users and markets for this data.

The full benefits of the merger between the JSE and SAFEX have yet to be realised in terms of lower margining requirements where investors are exposed to the same instruments in both markets. This is something the JSE wants to see remedied in the near future. The integration of staff from SAFEX, which was acquired in August 2001, has proceeded smoothly, though there is still some work to do in respect of the two derivatives markets.

The upgrading of the derivatives trading system is imperative to ensure an efficient market. A considerable amount of effort has gone into identifying the technology requirements for our derivatives markets, and negotiations are currently underway with potential solution providers.

Furthermore, one of the focus areas in 2003 will be the introduction of major enhancements to the JSE's BDA system to make data more accessible to users through an application programme interface (API) and a new frontend.

RAISING LISTINGS REQUIREMENTS TO INTERNATIONAL STANDARDS

Another major development during the year was the revision of the JSE listings requirements to further bring them into conformity with international best practice and incorporate the provisions of the second King Report. These new amendments to the JSE listings requirements follow the 2000 amendments, the most important of which included raising the pre-tax profit threshold for Main Board listings to R8 million (with a three year grace period), 20% of shares in public hands, compliance with Statements of Generally Accepted Accounting Practice (GAAP) and disclosure of directors' remuneration and share dealings.

The more important proposed amendments include:

- new prescriptions and disclosure requirements in respect of directors' share dealings. The JSE listings requirements will stipulate "closed periods" during which directors may not trade and companies may not repurchase their shares;
- auditors of listed companies will be required to report on the company's level of compliance with the listings requirements;



- listed companies will be required to have a Sponsor at all times;
- full or abridged financial statements must be released through SENS at the time of publication, even if this falls outside the stipulated three month after year-end period;
- a practice note has been included in the listings requirements to guide Sponsors and directors on the treatment of working capital; and
- the incorporation of the provisions of the King Code in the listing requirements.

It is anticipated that these amendments will be introduced in the first half of 2003.

BUILDING INVESTOR CONFIDENCE

Compliance with South African GAAP or IAS has been a JSE listings requirement since 2000. To monitor compliance, the JSE and the SA Institute of Chartered Accountants (SAICA) formed a GAAP Monitoring Panel in 2002. The JSE, on advice from the Panel, may demand that errant companies republish their accounts correctly, issue a notice explaining their financial statements, levy a fine, suspend the company from the JSE or even terminate the listing.

Auditors who sign off company statements that do not comply with GAAP can also expect severe consequences including, in the most serious cases, being prohibited from practising as an auditor.

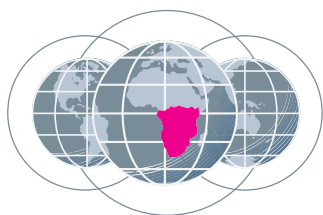
As a measure of the JSE's intolerance for GAAP violations, several companies were censured or required to republish their results over the last year. The JSE is expecting further improvement in compliance in the years to come.

NEW PRODUCTS

In response to investor demand for low cost and efficient index tracking vehicles, Exchange Traded Funds (ETFs) have become the fastest growing investment product in the world.

Following on the successful listing in November 2000 of Satrix 40 (the JSE's first ETF which tracks the top 40 companies), two new ETFs were launched in 2002 being Satrix Fini, which tracks the top 15 financial counters on the JSE, and Satrix Indi, which tracks the top 25 industrial counters. These low-cost and efficient index tracking vehicles have been well received by the market, as evidenced by a combined market capitalisation in excess of R4 billion for all three ETFs. Additional ETFs are planned for the future.

Satrix products enjoy support from both institutional and private investors. The Satrix Investment Plan caters for small scale investors by allowing those with as little as R200 a month, or a lump sum of R1 000, to participate in the equity market.



“The purchase of the business of SAFEX in 2001 and improved sales of JSE data provided a better spread of revenue during the year under review.”

In March 2002, the JSE launched a new Financial Portal to provide its various users with a vast database of both local and international market information, free of charge. Some of its key features include:

- a personalised front page;
- a currency converter;
- share tracker, which enables the user to load and track shares in his or her portfolio;
- share watch, enabling the user to track shares of interest;
- market news, covering market news sourced from various news providers;
- SENS with a five minute delay; and
- company news coverage on JSE listed companies.

The web site can be accessed at www.jse.co.za.

Investigating new products is an ongoing focus and we hope to introduce other interesting products during the course of 2003.

DIVERSIFYING REVENUE SOURCES

In common with exchanges elsewhere in the world, the JSE derives its revenue from three principal sources: trading, listings and the sale of data.

Data which includes share prices, indices and company data is packaged for different users and value added by including, for example, index earnings yields and corporate actions. At the end of 2002, the JSE had 144 data vendors (local and international) who receive live and delayed data. These vendors supply information across 31 countries, including Australia, the UK, the USA and countries in Asia. Although the markets have been slow in trading, the number of share/indices enquiries average over one million per month.

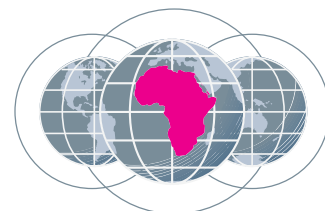
The purchase of the business of SAFEX in 2001 and improved sales of JSE data provided a better spread of revenue during the year under review. Particularly noteworthy was the strong growth in the Agricultural Products market.

A project was launched in 2001 to investigate the options for improving the billing methodology of the JSE. The review was far-reaching and involved developing, from scratch, a methodology that was transparent and fair to all parties. The methodology eventually agreed upon was based on the premise of user pays.

Final implementation of the new billing methodology took place in March 2002 and it is subject to ongoing review. A further review process is underway and enhancements are expected to be implemented towards the middle of 2003.

The review has identified some anomalies which the market is unhappy with and which will be receiving attention.

“Derivatives play a crucial role in offsetting risks in the agricultural sector. For example, the use of derivatives allows farmers to lock in prices ahead of planting, thereby providing greater cash flow certainty.”



GROWTH IN THE AGRICULTURAL PRODUCTS MARKET

Volumes traded on the Agricultural Products market registered a healthy increase in 2002 compared to 2001.

The primary reason for the growth in volumes traded was the volatility in the grains market attributable to the weak exchange rate against the US dollar and the serious grain shortage in southern Africa. These factors also kept the prices of all products high throughout the year. A further reason for the increase in volumes is a growing acceptance of the positive role of derivatives in the agricultural sector.

White maize futures contracts continue to dominate the product mix. The number of white maize contracts increased by 70% year on year. Also notable was the increase in the volume of yellow maize, wheat and sunflower seed futures contracts. The monthly volume of all option contracts traded also increased significantly. As understanding of, and

participation in the agricultural derivatives market increases, use of the facility should increase correspondingly.

However, due to the nature of agricultural commodities whereby the market is governed by the size of the underlying market, the exponential growth as seen in the establishment years is not expected to continue. Increasing the integrity of the market remains a high priority and will not be compromised for growth.

The soya contract introduced in April 2002 at the request of market participants is starting to play a definitive role in both price discovery and price risk management for soya crops.

Contrary to the opinion of some, agricultural derivatives cannot be held responsible for the sharp rise in certain food commodities during the past year. Derivatives prices are a function of the demand and supply situation, both in South Africa and the region, and the exchange rate, which largely determines the parity prices during years of shortages, and export parity during years of surpluses. Derivatives play a crucial role in offsetting risks in the agricultural sector. For example, the use of derivatives allows farmers to lock in prices ahead of planting, thereby providing greater cash flow certainty. Millers, too, are able to hedge against price volatility by locking in prices well before the crop is harvested.

It may be assumed that if the strong prices earned in 2002 continue, farmers will increase food production in 2003, and potentially drive down prices.

EQUITIES AND FINANCIAL DERIVATIVES TRADING VOLUMES

There was a slight drop in the volume of financial derivatives traded over the last year due primarily to the weakness of global financial markets. The average daily volume of financial derivatives contracts traded dropped from 16 000 in 2001 to about 15 500 in 2002.

One notable area of growth was single stock futures, which are futures contracts on individual equities. The value and volumes of single stock futures increased by about 80% over the year as investors sought the benefits of these instruments. The JSE, together with Classic FM and Moneyweb, launched a competition and educational drive to stimulate interest in single stock futures. Single stock futures are ideal for conservative investors seeking to hedge their share portfolios, or for sophisticated speculators seeking geared exposure to anticipated share price movements.

Single stock futures provide four primary benefits:

- the investor can go long (buy in anticipation of a price rise) or short (sell in anticipation of a price drop) an individual equity with equal ease through the use of single stock futures;
- they are geared roughly 10 times to movements in the underlying share;
- they can be used to hedge portfolios; and
- low trading costs.

2002 was generally a poor year for equities markets around the world. The JSE was no exception to this – the number of transactions year on year declined by 9,84% but value of trades improved from R755 992 million in 2001 to R808

662 million in 2002. Notwithstanding this trend, the FTSE/JSE Top40 Index ended slightly below its level of 2001. This relatively good performance was clearly assisted by strong share price gains in resources and export-oriented companies.

LEADING EDGE SURVEILLANCE

The JSE operates an extremely efficient surveillance system, comparable with the best in the world. This is evident in the growing number of fines paid as settlement in insider trading investigations. This sends a clear message to the market that abuses of insider knowledge will not be tolerated. It also enhances the integrity of the market at a time when the JSE is looking to attract strong international capital inflows.

Ongoing surveillance activities during 2002 resulted in the detection of 15 cases of suspected insider trading, in respect of which reports were sent to the Insider Trading Directorate at the FSB for further investigation. Two cases of price manipulation were also detected, which led to a member and two traders being found guilty of improper conduct by a JSE Disciplinary Committee.

As part of this initiative to enhance the actual and perceived integrity of the market, a guidance booklet was produced dealing with the Insider Trading Act and the Effective Management of Price-Sensitive Information. Copies of the booklet were provided to all listed companies, member firms and fund managers and presentations were given to industry participants in Johannesburg, Durban and Cape Town and at various other forums. The booklet is available free of charge on the JSE's web site.

The JSE conducted a review of current derivatives market practices to assess the adequacy of existing rules, current surveillance procedures and the extent to which these are helping the exchange in achieving the necessary degree of investor and market protection. As a result of this review, a number of new rules are being introduced and certain existing rules amended. Derivatives surveillance is focusing on maximising investor and market protection within existing cost and resource constraints, and increasing the levels of transparency to ensure effective surveillance and enforcement.

Surveillance of the members' capital adequacy ensures that they are adequately capitalised relative to their exposure to the market.

To date no client has lost any money entrusted to a JSE equities member firm in the last decade, thanks largely to vigilant surveillance of member firms' financial records. The value of client assets in broker custody stood at about R82 billion at financial year end.

THE JSE'S ROLE IN COMBATING MONEY LAUNDERING

Certain sections of the Financial Intelligence Centre Act (FICA) – colloquially known as the Money Laundering Act – were promulgated during 2002. This legislation places responsibility on "accountable institutions", including JSE member firms, to establish the identity of their clients and to report suspicious transactions and cash transactions in excess of particular thresholds to a Financial Intelligence Centre (FIC). Those sections of FICA and the accompanying regulations



“The implementation of various initiatives exposed both staff and executives to the rigours and disciplines of global best practices. These were immense undertakings that were both enriching and fulfilling for all involved.”

that will have the most significant impact on members and their clients will be promulgated during the course of 2003. The JSE has provided significant input during the consultation phase of the drafting of the legislation with the view to ensuring that the money laundering control objectives of FICA are balanced with the business objectives of its members and the service needs of their clients. The JSE has been appointed as a supervisory body in terms of FICA and will be responsible for monitoring compliance by the members with FICA and the regulations. In addition, the JSE is represented on the Money Laundering Advisory Council which has been set up to advise the Minister of Finance on industry needs and problems.

RAISING THE BAR ON CORPORATE GOVERNANCE

The JSE played a crucial role in raising the bar on corporate governance standards during the year under review. Not only did it provide valuable input into the formulation of the King II Code on Corporate Governance, it is the only exchange in the world to have adopted a code of this nature as part of its listings requirements. This means all JSE listed companies must abide by the King Code, or provide valid reasons for lapses. The benefits of this are already evident in improved reporting standards and a growing recognition by companies that they are answerable not just to shareholders, but also to employees, customers, creditors, communities and the broader society.

In line with the revised King Code, the JSE implemented a number of new structures in respect of its own corporate governance over the last year:

- a Risk Management Committee was appointed, chaired by Nigel Payne, who is an independent alternate director to Anton Botha;
- the internal audit function has been outsourced to PricewaterhouseCoopers and Nkonki Pierce with all activities of the JSE being subject to a thorough risk assessment process which may in turn result in changes to various processes and structures;
- a Nominations Committee was appointed, chaired by Humphrey Borkum; and
- Sam Nematswerani, an independent alternate director to Reuel Khoza, was appointed as the chairperson of the Audit Committee on 4 December 2002.

In addition, a Board evaluation process will be implemented in 2003.

The JSE will diligently strive to comply with all the applicable requirements set out in the King Code.

In accordance with its statutory obligation in terms of the Promotion of Access to Information Act, the JSE's Promotion of Access to Information Manual has been completed and published. The manual is available on line at www.jse.co.za.

EDUCATION FOR FUTURE GROWTH

Education is one of the basic cornerstones of transforming South Africa into a vibrant, thriving economy. The JSE in partnership with the Liberty Group and Standard Bank has grasped this challenge firmly through the running of the JSE/Liberty Schools Challenge.

In recognition of the need to introduce teenagers to the world of economics and business acumen, all South African high schools are invited to put their share trading skills to the test. The JSE/Liberty Schools Challenge is an annual simulated "mock trading" programme that tracks participants' trading performance in competition with each other.

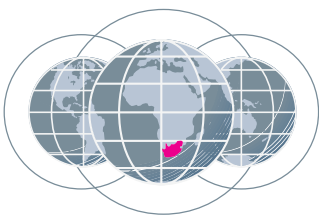
A positive aspect of last year's game was the introduction of the three new game portfolios; Income, Equity Growth and Speculator, which encourage learners to strategise and execute various tactical investment possibilities while still working within the rules of each game. Each portfolio game has a significant prize component for learners who excel within the given parameters of each game.

Notwithstanding the enthusiasm generated by the increased prize money for the 2002 Challenge, the introduction of an internet trading platform was a resounding success. Learners were able to submit their trades online and also access valuable financial information to assist them with their trade decisions.

Close to 4 500 learners participated across the Challenge's three game portfolios this year. The three winning teams came from all corners of South Africa; "X Change" from Greenside High School, "Mocca Bees" from Letsatsing Science High School in Mmabatho and "Unbeatable" from Lydenburg High School. While trading conditions worldwide have been somewhat volatile this year, a Challenge scoreboard reveals the mature trading strategies of the learners. In some instances when educational broker sessions have been arranged by teachers for participating schools, unsuspecting guest speakers were often stumped by the barrage of questions fired at them on warrants and options by astute learners.

The JSE is particularly proud of schools who have performed well under challenging circumstances, disadvantaged learners who in some instances were prepared to walk eight kilometres to gain internet access to place their trades.

2003 should see the further maturing of this programme with, hopefully, a substantial increase in the numbers of corporate sponsorship of participants.



“This means all JSE-listed companies must abide by the King Code, or provide valid reasons for lapses.”

Another JSE education initiative is the Seed Trust. This trust provides assistance for disadvantaged and needy students who excel academically. The Trust assisted a total of 16 students at a cost of R377 188 over the last year. The sponsorship covers, amongst other things, second year tertiary education up to Honours level. This programme helps to contribute to a well educated and committed workforce in the financial services industry for the future while contributing to general social upliftment.

The JSE's graduate recruitment programme implemented in 1998 continues to yield positive results. Five initial graduates were employed in terms of this programme. Since then, an additional 13 people have been employed as part of the programme which serves as a training ground for graduates who would not normally be hired because of a lack of experience. Of the 18 graduates employed, only four are no longer with the JSE, which further reflects the success of the programme.

HUMAN RESOURCES AND STAFF DEVELOPMENT

Another key focus over the coming year is human resources and staff development. As a service organisation, the JSE needs to develop and train its staff to meet the huge challenges that still lie ahead. A human resources executive was recently appointed to ensure our staff receive the care and self-fulfilment to which they aspire. The JSE implemented a cost-to-company remuneration scheme on 1 January 2003 in order to remove unequal remuneration practices. To limit its post-retirement funding liability, this benefit for existing employees is no longer applicable. For retired former employees, the JSE has purchased annuities to remove this liability.

We will continue to invest heavily in staff development and training over the coming year, mindful of our obligations in terms of the Employment Equity Act and as a socially responsible organisation. Employment equity targets were reached during the year, with black people now accounting for 52% of staff. We have succeeded in attracting top skills to the organisation, while continuing to provide rewarding career paths for existing employees.

An employee assistance programme was implemented in January 2003 for a trial period of six months and during 2002 the exchange spent more than R300 000 sponsoring the schooling of employees' children.

In 2003, the JSE will introduce a new system of performance measurement designed to coordinate and measure all activities in terms of its strategic objectives at a corporate, team and individual level.

The JSE has adopted a proactive position with regard to HIV/AIDS. During 2002, voluntary HIV/AIDS prevalence testing was conducted and of the 69,9% employees that participated, 2.42% tested positive. A projection table for the next 20 years shows that the highest rate of prevalence will be in 2008 with 16 employees likely to be HIV positive at that time. The JSE acted upon advice to establish a HIV/AIDS Committee which will develop a strategy to maintain the low levels of infection and to deal with the sensitive people issues. The JSE is committed to managing this situation in a sensitive and pragmatic manner to ensure that the impact on the lives of employees, their families and the business of the JSE is minimised.

MARKET FOR SMALL AND MEDIUM SIZED COMPANIES

One of the primary purposes of any securities exchange is to facilitate capital raising for business expansion and development. It became apparent in recent years that small and medium-sized businesses were by-passing the exchange in their search for capital, in part because of the decline in small cap share valuations since 1998. The JSE has reviewed its role as a primary market for small and medium-sized businesses and conducted an in-depth examination of small cap markets elsewhere in the world. We came to the conclusion that a new small cap market, running parallel to the Main Board, was required.

This new market will, in all likelihood, be launched during the course of 2003 and will offer capital raising opportunities for companies currently not listed and provide a home for the less liquid companies currently residing on the Main Board. It will substantially reduce the costs of listing for smaller companies while simultaneously ensuring high levels of corporate governance. We are confident this new market will restore the JSE as a primary source of capital for smaller companies seeking expansion capital.

BUILDING A SERVICE ORGANISATION

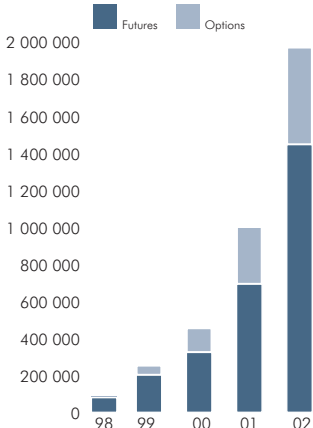
One of the JSE's strategic goals is to transform itself into a service organisation leveraging its intellectual capital, rather than merely performing its role as a market for securities. Part of this development requires the cultivation of an entrepreneurial mindset, supported by high levels of technical and business skills. It is pleasing to note that over the last two years considerable progress has been made in pursuit of this goal.

The implementation of various initiatives exposed both staff and executives to the rigours and disciplines of global best practices. These were immense undertakings that were both enriching and fulfilling for all involved.

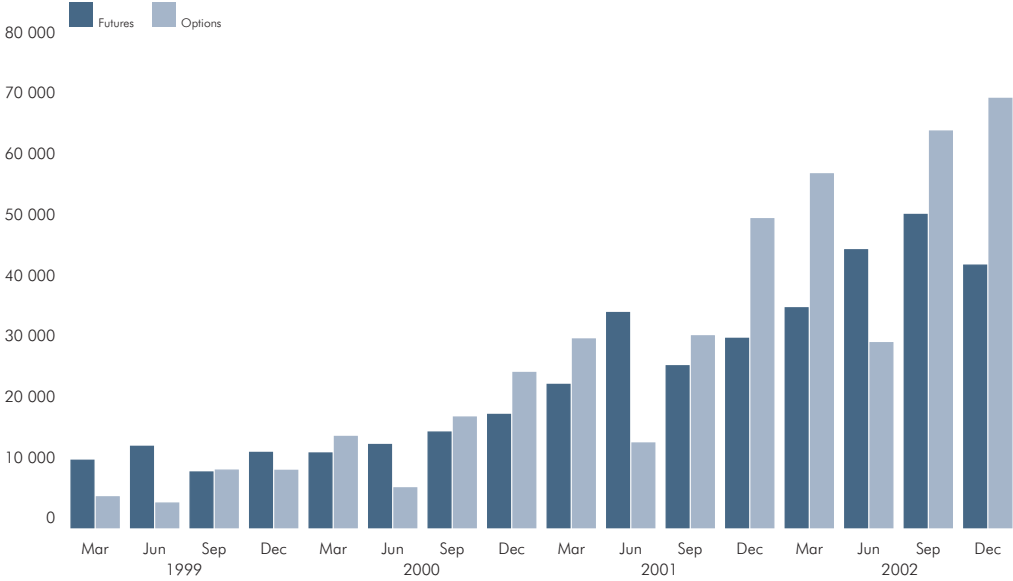
Given the seismic changes over the past two years, the strategic focus for the coming year will be to consolidate and build on the many changes of the past two years, generate sustainable revenue streams, grow the JSE's market share, and continue to improve in all areas of operational performance and, very importantly, get closer to our customers by enhancing communication and better understanding their requirements. Now that most of the technology platforms are largely in place, emphasis will be placed on upgrading the derivatives platform and improving operational excellence and efficiency to the benefit of all our customers and stakeholders and implement the remaining important projects mentioned throughout this report.

Summary of Market Information – Agricultural Products

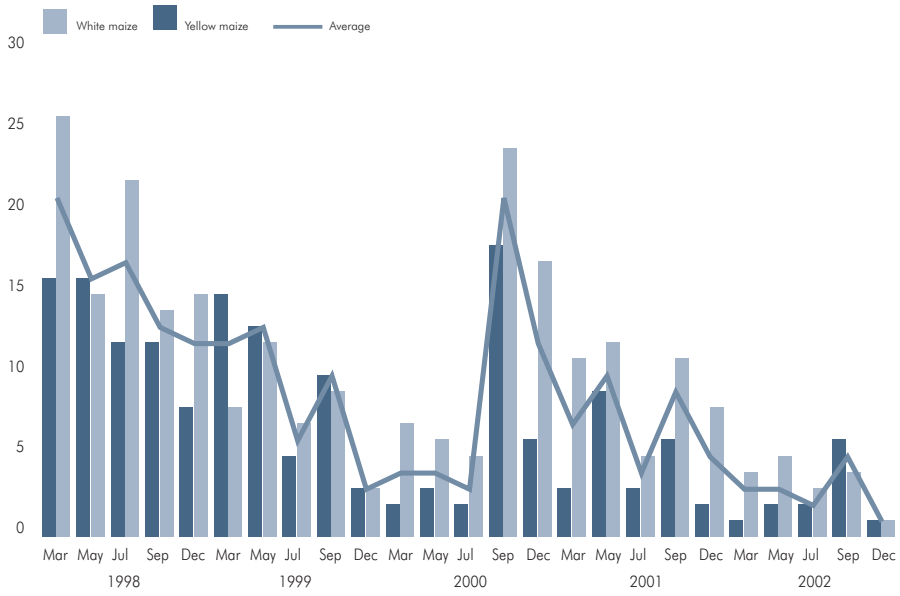
Total Annual Contracts Traded



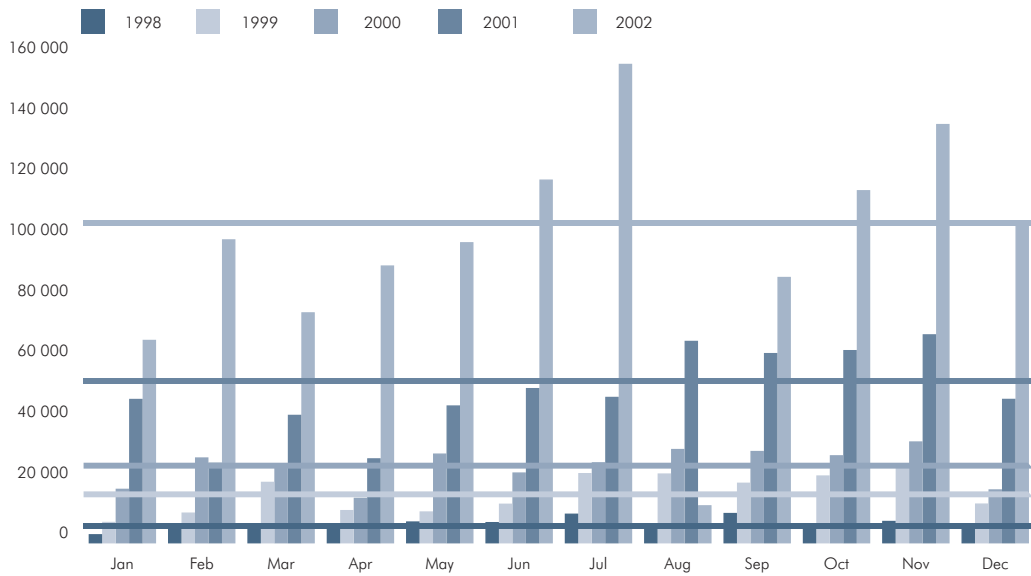
Quarter End Open Contracts



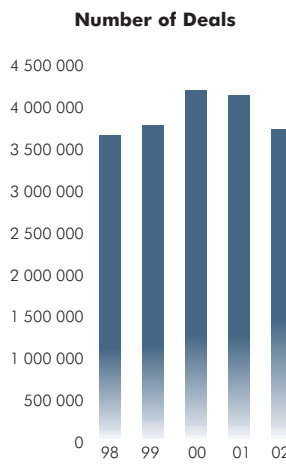
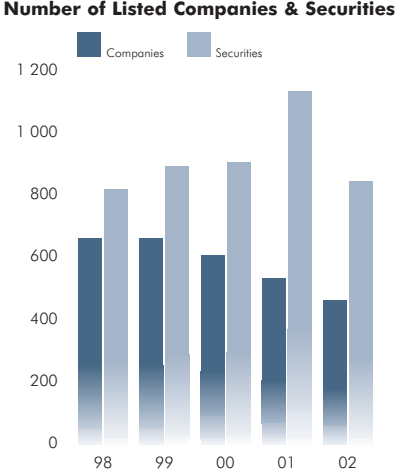
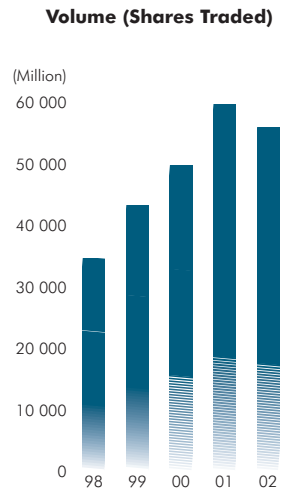
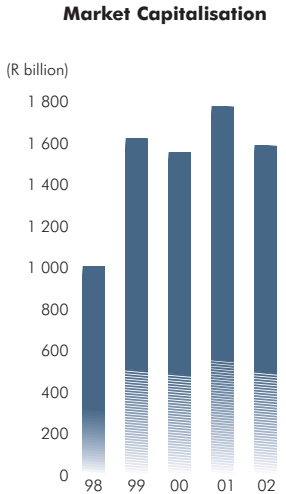
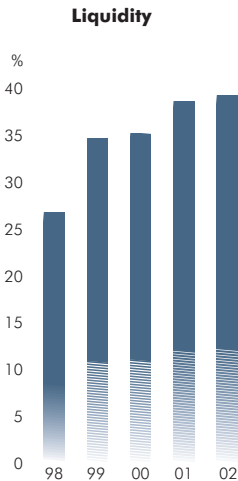
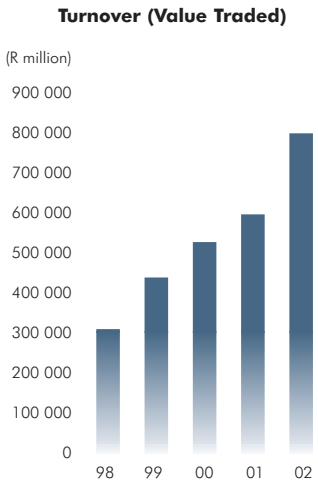
Percentage Maize Contracts Delivered at Expiry (with expiry month average)



Monthly Maize Futures Contracts Traded (with annual averages)



Summary of Market Information – Equities



heading

JSE position in the world league as at 31 December 2002 (as calculated by the World Federation of Exchanges)

	Dec 2002	Ranking	Year 2001	Ranking
Market Capitalisation (Domestic) (US\$ million)	181 998 ¹	14	147 472	17
Market Turnover (US\$ million)	78 999	19	70 056	22
*Liquidity %	42,4	23	47,5	26

*The liquidity figure has been adjusted for Off Order Book Principal Trades.

Emerging Stock Markets as at 31 December 2002 (Provided by Standard & Poors) based on a monthly (rather than cumulative) figure

	Volume Traded (Million)	Number of Companies Listed	Value Traded (Million US\$)	Market Capitalisation (Million US\$)
South Africa	3 517	450	6 520	184 622 ¹
Brazil	1 415 164	399	3 242	123 807
Mexico	1 056	166	1 212	108 137
Korea	26 695	1 518	58 721	248 533
Malaysia	1 909	865	1 245	123 872
Taiwan	77 106	638	45 179	261 474
China	21 547	1 235	20 692	463 080
Russia	15 167	196	2 711	124 198

¹The difference in the two figures can be explained by the use of differing Rand/Dollar exchange rates when converting the Rand figure to a US Dollar figure.

Summary of Market Information – Equities (continued)

Equity Market Capitalisation by Sector

Sectors	2002		
	(R million)	% of Total JSE	% of Sectors
Total JSE	1 584 150	100,00	
Resources	720 283	45,47	100,00
Mining	645 499	40,75	89,62
Coal	12	0,00	0,00
Gold Mining	175 156	11,06	24,32
Platinum	144 760	9,14	20,10
Mining Finance	5 718	0,36	0,79
Diamond	1 978	0,12	0,27
Other Minerals	317 875	20,07	44,13
Oil & Gas	74 784	4,72	10,38
Basic Industries	70 714	4,46	100,00
Chemicals	9 902	0,63	14,00
Construction & Building Materials	19 877	1,25	28,11
Forestry & Paper	29 767	1,88	42,09
Steel & Other Minerals	11 168	0,70	15,79
General Industrials	40 230	2,54	100,00
Engineering & Machinery	2 434	0,15	6,05
Diversified Industries	25 242	1,59	62,74
Electronic & Electrical Equipment	12 554	0,79	31,21
Cyclical Consumer	94 369	5,96	100,00
Household Goods & Textiles	90 791	5,73	96,21
Automobile & Parts	3 578	0,23	3,79
Non-Cyclical Consumer Goods	114 331	7,22	100,00
Beverages	71 675	4,52	62,79
Food Producers & Processors	29 927	1,89	26,22
Health	9 862	0,62	8,64
Pharmaceuticals	2 867	0,18	2,51

Sectors	2002		
	(R million)	% of Total JSE	% of Sectors
Cyclical Services	95 693	6,04	100,00
General Retailers	34 660	2,19	36,22
Leisure Entertainment & Hotels	9 200	0,58	9,61
Media & Photography	14 899	0,94	15,57
Support Services	27 856	1,76	29,11
Transport	9 078	0,57	9,49
Non-Cyclical Services	41 021	2,59	100,00
Food & Drug Retailers	13 215	0,83	32,22
Telecommunication Services	27 806	1,76	67,78
Financials	369 972	23,35	100,00
Banks	143 930	9,09	38,90
Insurance	17 313	1,09	4,68
Life Assurance	96 440	6,09	26,07
Investment Companies	43 298	2,73	11,70
Real Estate	41 532	2,62	11,23
Specialty & Other Finance	27 459	1,73	7,42
Information Technology	12 083	0,76	100,00
Information Technology Hardware	1 239	0,08	10,25
Software & Computer Services	10 844	0,68	89,75
Venture Capital	948	0,06	100,00
Development Capital	358	0,02	100,00
Specialist Securities	25 097	1,58	100,00
Corporate Debt	283	0,02	1,13
Preference Shares	2 155	0,14	8,59
Warrants	7 803	0,49	31,09
Investment Products	10 101	0,64	40,25
ETFs	4 755	0,30	18,95

Summary of Market Information – Equities (continued)

Top Ten By Market Capitalisation as at 31 December 2002

Equity Name	Market Cap Rand
Anglo American	185 817 049 093
BHP Billiton	111 190 022 440
Richemont	82 998 000 000
Sasol	70 164 782 625
Angloplat	67 904 205 732
Anglo Gold	64 671 174 491
SAB	60 722 950 409
Goldfields	56 288 724 367
Old Mutual	45 577 189 565
Standard Bank	40 132 015 780

Top Ten By Trading Value for 2002

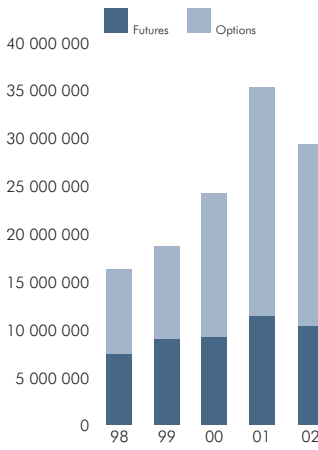
Equity Name	Value Rand
Anglo American	90 126 975 635
Goldfields	46 669 238 603
Angloplat	36 565 664 274
Richemont	31 122 247 359
Sasol	31 087 667 176
SAB	29 721 443 980
Harmony	29 353 537 939
Implats	26 742 031 815
BHP Billiton	25 585 347 492
Didata	21 910 787 977

Top Ten By Trading Volume for 2002

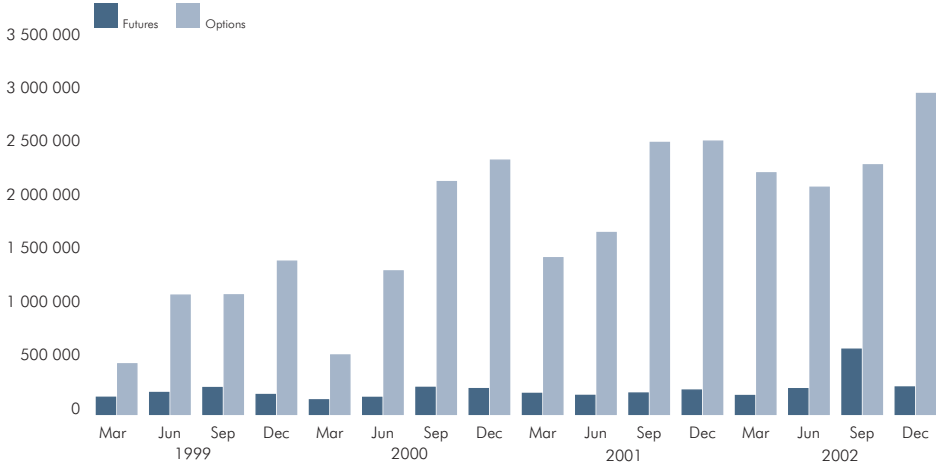
Equity Name	Number of Shares
BOE	2 062 247 374
Firststrand	1 735 422 775
Sanlam	1 565 154 751
Old Mutual	1 426 220 739
Richemont	1 215 941 607
Didata	719 704 068
Profurn	634 732 568
DB DDT C1	469 907 392
SB GFI C6	430 904 596
Metcash	278 764 322

Summary of Market Information – Financial Derivatives

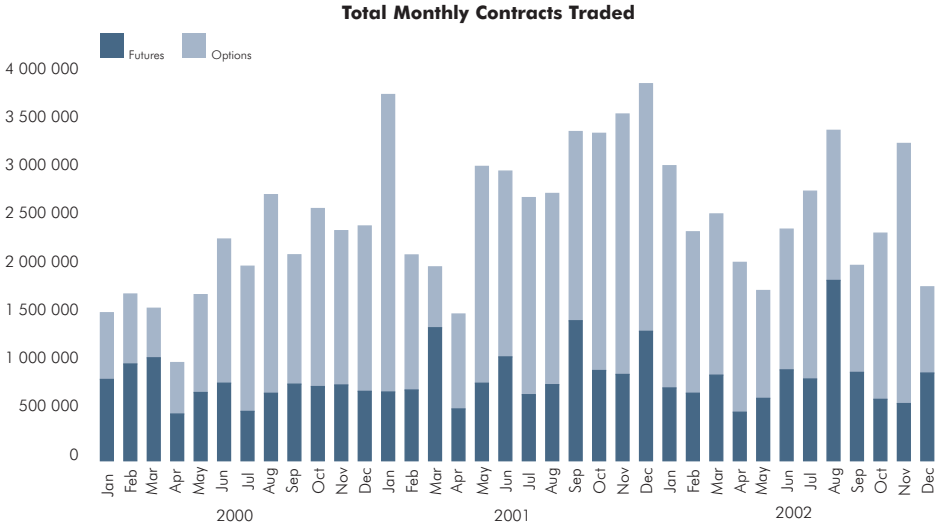
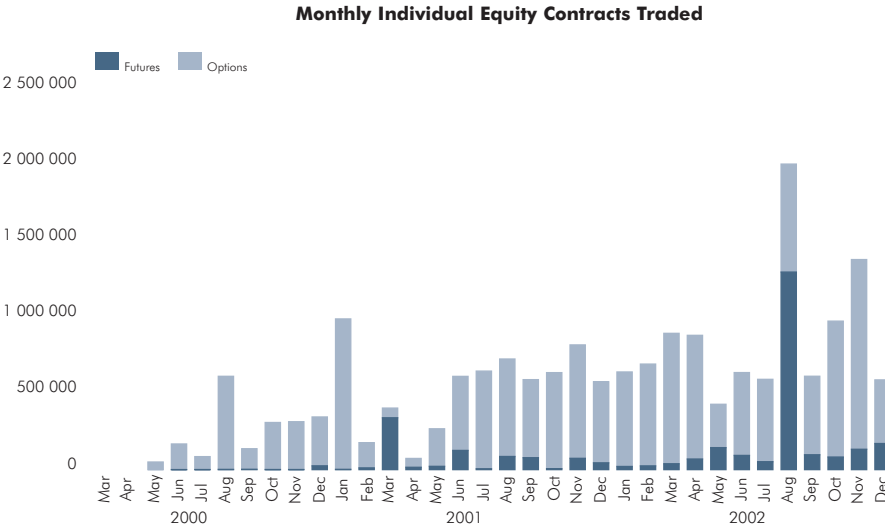
Total Annual Contracts Traded



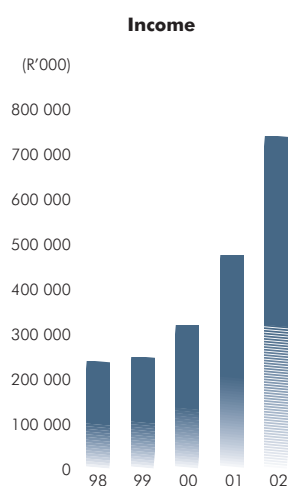
Quarter End Open Contracts



Summary of Market Information – Financial Derivatives (continued)



Summary of Financial and Related Information



FIVE YEAR FINANCIAL SUMMARY

(R'000)

	1998	1999	2000	2001	2002
Income	229 229	238 690	306 469	459 704	711 591
Expenditure	169 012	187 478	266 728	398 262	663 621
Income over Expenditure	60 217	51 212	39 741	61 442	47 970
Staff Numbers	285	291	299	306	297
Cost to Income Ratio %	73.73	78.54	87.03	86.63	93.26

The five year financial summary reflects the Exchange's results in 1998 and 1999 and the Group's results in 2000, 2001 and 2002. Exceptional items have been excluded from income and expenditure in order to make the comparisons more meaningful.





FINANCIAL STATEMENTS

Contents

	Page
Corporate governance report	45
Directors' responsibility for the annual financial statements	51
Declaration by secretary	51
Report of the independent auditors	52
Directors' report	53
Income statements	56
Balance sheets	57
Statements of changes in rights and reserves	58
Cash flow statements	59
Notes to the financial statements	60
Appendices to the financial statements	84

Corporate Governance Report

The first and second King Reports on Corporate Governance detail the importance of corporate governance in achieving financial objectives and fulfilling corporate responsibilities. The Board is responsible for the ongoing assessment of JSE policies relating to the duties and responsibilities of the Board and the delegation of powers. This is to ensure that corporate governance requirements are met and that the core principles of accountability, integrity and transparency are adhered to.

The Board diligently strives to adhere to the recommendations detailed in the code of Corporate Practice and Conduct set out by the King Committee (as enhanced by King II). The Board is of the opinion, based on the information and explanations given by management and the comments by the independent auditors on the results of their audit, that the Exchange's internal controls are adequate, so that the financial records may reasonably be relied on for preparing the annual financial statements and for maintaining accountability for assets and liabilities.

The Board believes that the Exchange's assets are protected and used as intended in all material respects with appropriate authorisation. Nothing has come to the attention of the Board to indicate that any material breakdown in the function of these controls, procedures and systems has occurred during the year under review.

In preparing the annual financial statements, the Exchange has used appropriate accounting policies supported by reasonable and prudent judgements and estimates, and has complied with international accounting standards. The Board is of the opinion that the annual financial statements fairly present the financial position of the Group and Exchange at 31 December 2002 and the results of operations and cash flow information for the year then ended. The directors have a reasonable expectation that the Exchange has adequate resources to continue in operational existence for the foreseeable future. For this reason, they adopt the going concern basis in preparing the annual financial statements.

BOARD OF DIRECTORS ("the Board")

As at 31 December 2002, the Board consisted of thirteen directors, being the Chief Executive Officer, the Deputy Chief Executive Officer, the Chief Operating Officer, one additional executive director and nine non-executive directors. The Chairman is elected from the nine non-executive directors. In addition to the directors, a representative from the Financial Services Board attends Board meetings as an observer.

In terms of the Exchange's rotation policy, at least one-third of the non-executive directors become due for retirement each year. Retiring directors may stand for re-election.

The Exchange considers all its non-executive directors to be independent, however, a number of directors have certain remote interests and therefore fall outside the definition of independent directors as set out in the King Code. The Board is mindful of this and the potential conflict of interests that may arise and has accordingly implemented a process to eliminate any such conflicts.

BOARD COMMITTEES

Human Resources Committee

The Human Resources Committee is responsible for strategic human resources issues such as succession planning, human resources policies, including employment equity and HIV/Aids issues, and the remuneration of office-bearers. Anton Botha chairs this committee. The Chief Executive Officer attends these meetings by invitation. Remuneration of the Board is approved as follows:

- Humphrey Borkum, Anton Botha, Reuel Khoza and Geoff Rothschild review the remuneration of the executive;
- Anton Botha and Reuel Khoza review the remuneration of the Chairman and the Deputy Chairman (if appointed); and
- Humphrey Borkum and Geoff Rothschild review the remuneration of the non-executive members of the Board, excluding the Chairman.

Corporate Governance Report (continued)

Audit Committee

The Audit Committee is chaired by Sam Nematswerani (who replaced Geoff Rothschild as chairman of this committee with effect from 4 December 2002) and comprises five non-executive directors. A representative from the external auditors, the Chief Executive Officer and the General Manager: Finance attend the Audit Committee meetings by invitation. The Committee meets a minimum of three times a year to review the audit plan, interim and annual financial results and other significant audit issues. This Committee also reviews the reports by the internal auditors regarding the adequacy and effectiveness of accounting systems and internal controls. As at 31 December 2002, the internal auditors had not submitted any reports. It is the responsibility of the Audit Committee to review the annual financial statements of the Exchange and its entities, and to make appropriate recommendations regarding their approval by the Board.

Nominations Committee

The Nominations Committee is responsible for formalising and managing the nominations process governing the appointment of directors and the Chairman. Humphrey Borkum chairs this committee which comprises the Chief Executive Officer and non-executive directors.

Risk Management Committee

The Risk Management Committee is responsible for the identification and evaluation of actual and potential risk areas as they pertain to the Group and the mitigation of each risk. This committee was formally constituted on 4 December 2002. Nigel Payne chairs this committee which comprises the Chief Executive Officer, the Chief Operating Officer, the Director: Information Technology, the General Manager: Finance, the Chairman and Deputy Chairman of the Audit Committee.

DIRECTORS as at 31 December 2002

PA Barnard	
HJ Borkum ^{1,2,3}	Chairman
AD Botha ^{1,2,3}	
J Burke ⁵	
RFG Cadiz	
MR Johnston ³	
RJ Khoza ^{1,2}	
S Koseff	
RM Loubser ^{1,4}	Chief Executive Officer
NF Newton-King	Deputy Chief Executive Officer
LV Parsons ⁴	Chief Operating Officer
G Rothschild ^{1,2,3,4}	
GT Serobe ³	

¹ Member of Nominations Committee

² Member of Human Resources Committee

³ Member of Audit Committee

⁴ Member of Risk Management Committee

⁵ Appointed 7 May 2002

Corporate Governance Report (continued)

ATTENDANCE AT BOARD MEETINGS

During the year under review, four board meetings were held. Attendance, by director, was as follows:

Director	Alternate	1	2	3	4	Total attendance by directors
PA Barnard	S Rebe	✓	✓	✓	✓	4
HJ Borkum ^{1,2,3}	A Horowitz	✓	✓	✓	✓	4
AD Botha ^{1,2,3}	N Payne ⁴	✓	✓	✓	✓	4
J Burke ⁵			✓	✓	✓	3
RFG Cadiz	N Smith	✓	✓	✓	alt	4
MR Johnston ³		✓	✓	✓	✓	4
RJ Khoza ^{1,2}	S Nematswerani ^{3,4}	x	✓	✓	✓	3
S Koseff	D Nurek	x	alt	✓	x	2
RM Loubser ^{1,4}		✓	✓	✓	✓	4
NF Newton-King	WF Urmson	✓	✓	✓	✓	4
LV Parsons ⁴		✓	✓	✓	✓	4
G Rothschild ^{1,2,3,4}		✓	✓	✓	✓	4
GT Serobe ³		✓	✓	✓	✓	4

¹ Member of Nominations Committee

² Member of Human Resources Committee

³ Member of Audit Committee

⁴ Member of Risk Management Committee

⁵ Appointed 7 May 2002

✓ Director attended

alt Alternate attended

EMPLOYMENT EQUITY

The JSE is committed to creating a workplace in which individuals of ability, potential and application can develop rewarding careers at all levels, regardless of their background, race or sexual orientation. To this end, the JSE continues to revise employment policies. These policies emphasise opportunity for all, and seek to identify, develop and reward each employee who demonstrates the qualities of individual initiative, drive, determination, hard work and loyalty in his or her job.

These policies include appropriate educational support programmes, promotion and recruitment targets, training and development programmes and innovative management development practices. These programmes, targets and practices enjoy priority as key business objectives, and constitute an integral part of management's performance assessments. This focus will continue until the diversity of our workforce is so evident at all levels of the Exchange that any concern with racial and gender profiles will be unnecessary.

RISK MANAGEMENT REVIEW

With the introduction of electronic settlement for equities through STRATE, the risks that the JSE is required to identify, manage and mitigate have reduced dramatically. From 18 February 2002, all companies had migrated to electronic settlement. Warrants due to expire on 21 March 2002 were not part of this migration.

The risk landscape also changed as a result of the acquisition of the South African Futures Exchange ("SAFEX") on 6 August 2001.

Risks influencing the environment in which the Group operates are described below.

As part of its risk management procedures, the Group has extensive insurance cover across all areas of its business.



Corporate Governance Report (continued)

Principal risk

Principal risk is the risk of a party losing the full value of a transaction which may result from a delay between payment and the transfer of ownership of securities.

The implementation of STRATE eliminated this risk through simultaneous final irrevocable, delivery versus payment thereby substantially reducing the overall risk of participating in the equities market.

Credit risk between the JSE member and Central Securities Depository Participants ("CSDPs") remains for both cash and securities, but the Exchange plays no part in this.

Technology and systems risk

The Exchange provides a market for the dealing in securities and financial instruments that is information technology intensive. Dealing is performed electronically through JSE SETS (equities and warrants) and the ATS (derivatives) electronic trading systems. In addition, trades in securities conducted through JSE SETS are settled through the electronic settlement engine STRATE. In parallel with the provision of this service the Exchange also obliges all equities members to maintain their general ledger and client accounting through the Broker Deal Accounting system ("BDA").

The technology and systems risk is the inability of the systems and applications to manage and control the business processes and information. The Exchange bears the risk, but is largely exempt from legal liability should either or all of the systems referred to above not function efficiently or at all, resulting in the Exchange being unable to provide an efficient operational market.

To address this risk the Exchange employs approximately one third of its staff, under the supervision of the Director: Information Technology to manage the risk associated with BDA, JSE SETS, InfoWiz and the ATS, which includes a comprehensive redundancy and disaster recovery infrastructure and plan. In addition, a comprehensive audit is conducted by independent consultants to monitor and make recommendations in respect of the integrity of these systems.

Settlement and liquidity risk

Settlement risk relates to where a party to an outstanding transaction fails to perform on the prescribed settlement date and a transaction fails as a result.

Liquidity risk is closely associated to settlement risk and is the risk that a party will not have sufficient liquidity to meet its settlement obligations.

(1) Equities

The Exchange does not accept any settlement or liquidity risk in respect of off-market trades. The contracting parties to an off market trade bear this risk.

Settlement performance is the cornerstone of any securities exchange and therefore the Exchange, in certain prescribed circumstances (on-market trades between two members) guarantees settlement and is required to manage settlement, bearing the liquidity and price risk for both the cash and securities.

The failure by a party to perform its settlement obligations may result in a counterparty having an open position. To address this situation it is necessary to incur the cost of replacing, at current market prices, the securities subject to the agreed transaction. This risk is exacerbated by liquidity risk and price risk, which is the possibility that the price of replacing the required securities has materially and negatively changed. The Exchange environment comprises a hierarchical risk structure with the obligations of the client being guaranteed by the client's member. The member's obligations in this regard are in turn guaranteed by the Exchange. The Exchange has recourse in respect of any negative price movement against the member who introduced the trade. Accordingly, the Exchange's settlement risk in this regard is directly proportional to the extent that both the client and the member are not able to perform their obligations.



Corporate Governance Report (continued)

Warrants are traded in the same manner as equities, through JSE SETS and the situation set out above applies to them.

The Exchange has, through its rules, taken steps to address and limit settlement, price and liquidity risk. The Settlement Authority is appointed in terms of the JSE rules and is currently the Director: Clearing and Settlement who is dedicated to facilitating and managing settlement. The Settlement Authority has a wide range of intellectual and information technology resources at his disposal as well as far reaching powers to manage the relevant risks and facilitate the settlement of listed securities. These powers include the ability to impose collateral requirements on members and to act as lender of last resort (securities and cash) to a member who is potentially not able to meet his obligations. The Settlement Authority has through various avenues secured access to settlement facilities. To date, only securities have been lent in this regard.

(2) Derivatives

In respect of derivatives traded through the Financial Derivatives and Agricultural Products divisions, provided that a transaction is traded through the ATS system, the transaction is guaranteed and the considerations set out below will apply.

With regard to the derivatives business, a hierarchical risk management structure exists. In terms of this structure, members guarantee client obligations and clearing members guarantee member obligations. The Exchange is the guarantor of last resort and only to the extent that the client, member and clearing member is not able to perform. The clearing members are major financial institutions of substance. This structure in conjunction with the margining system is effective in managing the settlement, liquidity and price risks. The Director: Equities and Derivatives Trading is responsible for risk management regarding financial derivatives, while the General Manager: Agricultural Products is responsible for risk management regarding agricultural derivatives.

Systemic risk

Systemic risk is the risk where a disruption to the Exchange, STRATE, CSDPs, clearing and settlement members or the settlement system as a whole, causes a knock-on effect throughout the financial markets, toppling one financial institution after another resulting in a loss of confidence in the system. This may result from a lack of solvency on the part of a stakeholder resulting in an inability to settle a multitude of transactions. Alternatively an operational issue may contribute towards large-scale non-fulfilment of transactions.

The Exchange is subject to systemic risk, which is managed by the various stakeholders who participate in the financial markets. The Exchange manages the risk insofar as it can through the Risk Management Committee and its various divisions, including the Settlement Authority, Surveillance, Information Technology, Trading and Legal divisions of the Exchange by means of a uniform and flexible policy of risk management and controls. A Guarantee Fund, financial reserves and a Fidelity Fund are in place in the event that control procedures in place fail.

In addition, an "In-and-Out" fidelity insurance policy with cover of R1 billion is in place to cover tainted scrip introduced through broking members (equities), member-employee fraud and JSE-employee fraud.

Fidelity risk

This is the risk of employees or agents of the Exchange committing fraud or an unauthorised activity. The Group has a large amount of funds under its management, including monies deposited in JSE Trustees (Pty) Limited, SAFEX Clearing Company (Pty) Limited, the JSE Guarantee Fund and the JSE Derivatives Fidelity Fund. The General Manager: Finance is responsible for managing this risk which is mitigated through the enforcement of stringent delegation of powers, segregation of duties, rules setting out checks and balances, low risk investment policies as well as fidelity and similar insurance.



Corporate Governance Report (continued)

Legal risk

This is the risk that a transaction or contract cannot be consummated due to a legal impediment. The Exchange is subject to this risk. The Deputy Chief Executive Officer is responsible for addressing this risk and heads up the legal division, which consists of six legal professionals who, in conjunction with external legal counsel, including Senior Counsel, attend to managing this risk.

Currency risk

This is the risk of defaulting on foreign currency payment obligations as a result of the devaluation of the Rand.

The Exchange is exposed to this risk in terms of:

- an agreement with the LSE in terms of which the LSE provides the Exchange with the JSE SETS and InfoWiz systems, and
- an agreement with GL Trade in terms of which the JSE is provided with front-end technology (known as TALX).

This risk is managed by the General Manager: Finance, through the use of derivative financial instruments to cap exposure.

Reputational risk

Reputational risk is the risk of damage to the Exchange's reputation. Given the nature of a financial market and the importance of the integrity of the market, this is a very grave risk and is a risk which is a natural consequence of all other risks set out above.

STRATE is a crucial element of the equities market. The risk associated with electronic settlement is not directly within the control of the JSE. This risk, if not managed, will result in the tarnishing of the Exchange's reputation and affect the ongoing viability of the securities market. The Exchange, through its representation on the STRATE board of directors, participates in the guidance of the STRATE business, including the management of all STRATE related risk issues. In this way, the reputational risk to the Exchange resulting from a STRATE related default, is managed and mitigated. International research has highlighted the enormous improvements to operational and settlement risks which should have a beneficial effect, particularly on the non-resident clientele of the market.

The Chief Executive Officer is generally responsible for managing this risk and under his guidance all aspects of the Exchange business are focused on ensuring an honest, safe, transparent and efficient market.



Directors' Responsibility for the Annual Financial Statements

for the year ended 31 December 2002

The directors are responsible for monitoring the preparation and integrity of the financial statements and related information included in this annual report.

In order for the Board to discharge its responsibilities, management has developed and continues to maintain a system of internal controls. The Board has ultimate responsibility for the system of internal controls and reviews its operation.

The internal controls include a risk-based system of internal accounting and administrative controls designed to provide reasonable but not absolute assurance that assets are safeguarded and that transactions are executed and recorded in accordance with generally accepted business practices and the JSE's policies and procedures. Trained, skilled personnel with an appropriate segregation of duties implement these controls. The controls are monitored by management and include a comprehensive budgeting and reporting system operating within strict deadlines and an appropriate control framework.

The financial statements are prepared in accordance with International Accounting Standards. The financial statements incorporate responsible disclosure in line with the accounting philosophy of the Exchange. The annual financial statements are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors believe that the Exchange and its entities will be able to continue as going concerns in the year ahead. For this reason they continue to adopt the going concern basis in preparing the annual financial statements.

The annual financial statements for the year ended 31 December 2002 set out on pages 53 to 87 have been approved by the Board of Directors on 27 February 2003 and are signed on its behalf by:



HJ Borkum
Chairman



RM Loubser
Chief Executive Officer

Declaration by Secretary

In my capacity as Secretary, I hereby confirm that the Exchange has complied with all statutory and regulatory requirements in accordance with the Stock Exchanges Control Act, No 1 of 1985, as amended, and the Financial Markets Control Act, No 55 of 1989, as amended, and all directives issued by the Financial Services Board. I further confirm that all required returns are true and up to date.



GC Clarke
Secretary

Report of the Independent Auditors

To the rights holders of the JSE Securities Exchange South Africa

We have audited the annual financial statements and the consolidated annual financial statements of the JSE Securities Exchange South Africa ("the Exchange") and its entities ("the Group") set out on pages 53 to 87 for the year ended 31 December 2002. These financial statements are the responsibility of the directors. Our responsibility is to express an opinion on these financial statements based on our audit.

SCOPE

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

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

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

AUDIT OPINION

In our opinion, the annual financial statements and the consolidated annual financial statements fairly present, in all material respects, the financial position of the Exchange and the Group at 31 December 2002 and the results of their operations and cash flows for the year then ended in accordance with International Accounting Standards and their interpretations, and in the manner required by the Stock Exchanges Control Act No. 1 of 1985, as amended and the Financial Markets Control Act No. 55 of 1989, as amended.



KPMG Inc.

Registered Accountants and Auditors

Johannesburg

27 February 2003



Directors' Report

for the year ended 31 December 2002

The directors have pleasure in presenting their report for the year ended 31 December 2002.

BUSINESS ACTIVITIES

The JSE is a securities exchange (licensed in terms of the Stock Exchanges Control Act) and a financial market (licensed in terms of the Financial Markets Control Act).

GENERAL REVIEW OF OPERATIONS

As at 31 December 2002, there were:

- 8 281 ²/₄ JSE rights in issue; and
- a total of 242 (2001 – 234) JSE members comprised as follows:
 - Broking members (equities) comprising:-
 - Broking members (equities) only
 - Broking members (equities) as well as custody and settlement members
 - Financial derivatives members
 - Agricultural products members
 - Custody and settlement members only

2002	2001
66	75
42	51
24	24
101	92
72	64
3	3

The staff complement (excluding fixed term contractors) of the JSE as at 31 December 2002, on a departmental basis, was as follows:

	2002	2001
Administration	21	19
Agricultural Products	5	5
CEO's Office	4	3
Class of Project	4	–
Clearing and Settlement (including the Settlement Authority)	13	11
Corporate Marketing and Communications	13	28
Emerging Markets and Education	–	13
Equities and Derivatives Trading	16	9
Finance	17	33
Information Technology	70	71
Listings	43	46
New Business and General Counsel	19	24
Strategy (including Human Resources and Customer Services and Support)	50	21
Surveillance	22	23
Total	297	306



Directors' Report (continued)

for the year ended 31 December 2002

With regard to the year under review, the following items are worth noting:

- In 2001, the Exchange entered into a contract with the London Stock Exchange ("LSE") which allowed the Exchange to implement the LSE's advanced Sequential Equity Trading System ("SETS") and their real-time information dissemination system, LMIL. In May 2002, the JSE switched from the JET trading platform, which lacked functionality and scalability, to the JSE SETS system which has enhanced functionality and is better equipped to handle changing market needs. This marked a significant step in the Exchange's goal to "provide world-class technological solutions for customers and thereby compete and achieve globally". The agreement also provided the Exchange and LSE with the opportunity for greater access to one another's markets and may potentially facilitate more widespread dissemination of JSE data through the LSE's data network.

The systems agreement has increased the Exchange's foreign currency exposure. Foreign currency commitments have been economically hedged through the purchase of forward exchange contracts ("FECs").

- On 24 June 2002, the FTSE/JSE Africa Index Series was launched. In terms of an agreement concluded during 2001, FTSE calculate and manage the FTSE/JSE Africa Index Series in conjunction with the Exchange. The new indexing system is seen to embrace world class standards and will provide more transparency to users. The FTSE/JSE Africa Index series is benchmarked against international methodologies.

A revenue sharing clause in the agreement between the parties results in the JSE sharing with FTSE 50% of the income generated by the FTSE/JSE African Index Series. At 31 December 2002, FTSE's share of index revenue generated during the financial year was R3,8 million.

- During 2001, the Exchange acquired the business of SAFEX and certain related entities for R153 million. The purchase price was settled by the issue of JSE rights valued at R14 million and cash of R139 million. The settlement of the cash portion was subject to the resolution of certain contingencies as set out in the acquisition agreement. A number of these remain unresolved, and are disclosed as non-current liabilities in the annual financial statements. Items resolved, together with interest, are disclosed as current liabilities.

When comparing the 2001 and 2002 figures in respect of the Agricultural Products and Financial Derivatives divisions, it should be noted that the divisions only formed part of the Exchange for five months in 2001 as opposed to being reflected for a full year in 2002.



Directors' Report (continued)

for the year ended 31 December 2002

SUSTAINABILITY REPORTING

In accordance with King II and the requirements of the Promotion of Access to Information Act, a comprehensive document reporting on the Exchange's economic, social and environmental performance will be published shortly on the JSE's website.

PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The financial statements have been prepared as follows:

- "Exchange" means the JSE; and
- "Group" means the Exchange, SAFEX Clearing Company (Proprietary) Limited, JSE Guarantee Fund, JSE Derivatives Fidelity Fund and F.S.G. Financial Services (Proprietary) Limited.

Equity Accounted Entities:

- STRATE Limited in which the JSE has a 50% holding; and
- Indexco Managers (Proprietary) Limited in which the JSE has a 33% holding.

Other entities for which disclosure is made as funds under management:

- JSE Trustees (Proprietary) Limited;
- Indexco I Limited;
- Indexco II Limited; and
- Indexco III Limited.

SECRETARY

The Secretary at the date of this report is GC Clarke.

Business address

One Exchange Square
Gwen Lane
Sandown

Postal address

Private Bag X991174
Sandton
2146

AUDITORS

KPMG Inc.



Income Statements

for the year ended 31 December 2002

	Notes	Group		Exchange	
		2002 R'000	2001 R'000	2002 R'000	2001 R'000
Revenue	2.1	349 437	320 409	355 833	320 980
Personnel expenses	3.1	(118 436)	(108 844)	(118 436)	(108 753)
Other operating expenses	3.2	(233 067)	(160 508)	(215 749)	(152 639)
(Deficit)/surplus from operations		(2 066)	51 057	21 648	59 588
Other operating income	2.2	11 877	12 556	10 763	4 074
Interest received	3.3	350 277	126 739	45 111	30 180
Interest paid	3.4	(304 154)	(99 431)	(11 906)	(13 749)
Attributable loss from associated companies	7.1	(7 964)	(29 479)	(7 964)	(29 479)
Net surplus from operating activities		47 970	61 442	57 652	50 614
Contribution to Fidelity Fund	4	-	(50 000)	-	(50 000)
Negative goodwill	22.2	-	42 888	-	42 888
Net surplus for the year		47 970	54 330	57 652	43 502



Balance Sheets

as at 31 December 2002

	Notes	Group		Exchange	
		2002 R'000	2001 R'000	2002 R'000	2001 R'000
ASSETS					
Non-current assets					
		235 451	204 972	168 829	139 888
Property, plant and equipment	5	138 752	129 847	138 752	129 847
Investment property	5.2	–	7 200	–	–
Investments	6	75 026	68 288	4	4
Investment in associated companies	7	21 673	(363)	21 673	(363)
Interest in subsidiaries	8	–	–	8 400	10 400
Current assets					
		3 130 047	3 068 028	403 905	618 654
Accounts receivable	9	51 065	53 347	42 939	45 585
Forward exchange contracts	18	–	3 144	–	3 144
Margin deposits	10.1	2 731 375	2 590 939	28 357	174 507
Collateral deposits	10.2	4 448	104 700	4 448	104 700
Cash on deposit and bank balances	11	343 159	315 898	328 161	290 718
Total assets					
		3 365 498	3 273 000	572 734	758 542
RESERVES AND LIABILITIES					
Reserves and accumulated surplus					
	12	509 236	461 266	360 298	302 646
Non-current liabilities					
		36 892	61 267	38 409	63 431
Finance lease	17	1 111	–	1 111	–
Provisions	13	17 127	16 461	17 127	16 421
Employee benefits	14	–	20 417	–	20 417
Due to SAFEX members	15	18 654	24 389	18 654	24 389
Due to subsidiaries	8	–	–	1 517	2 204
Current liabilities					
		2 819 370	2 750 467	174 027	392 465
Accounts payable	16	38 715	25 813	38 933	26 786
Forward exchange contracts	18	6 942	1 398	6 942	1 398
Margin deposits	10.1	2 731 375	2 590 939	28 357	174 507
Collateral deposits	10.2	4 448	104 700	4 448	104 700
Due to SAFEX members	15	37 890	27 617	37 890	27 617
Due to Fidelity Fund		–	–	57 457	57 457
Total reserves and liabilities					
		3 365 498	3 273 000	572 734	758 542

Statements of Changes in Rights and Reserves

for the year ended 31 December 2002

	JSE		JSE	ECH	Accumulated	Total
	Guarantee	Derivatives	JSE	ECH	Accumulated	Total
	Fund	Fund	rights	reserve	surplus	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Group						
Balance at 1 January 2001	97 792	–	151 299	18 400	71 125	338 616
Rights issued	–	–	18 320	–	–	18 320
Contribution to fund	–	50 000	–	–	–	50 000
Net surplus for the year	3 218	7 457	–	–	43 655	54 330
Balance at 31 December 2001	101 010	57 457	169 619	18 400	114 780	461 266
Balance at 1 January 2002	101 010	57 457	169 619	18 400	114 780	461 266
Transfer from ECH reserve	–	–	–	(18 400)	18 400	–
Net surplus/(deficit) for the year	(10 258)	–	–	–	58 228	47 970
Balance at 31 December 2002	90 752	57 457	169 619	–	191 408	509 236
Exchange						
Balance at 1 January 2001			151 299	18 400	71 125	240 824
Rights issued			18 320	–	–	18 320
Net surplus for the year			–	–	43 502	43 502
Balance at 31 December 2001			169 619	18 400	114 627	302 646
Balance at 1 January 2002			169 619	18 400	114 627	302 646
Transfer from ECH reserve			–	(18 400)	18 400	–
Net surplus for the year			–	–	57 652	57 652
Balance at 31 December 2002			169 619	–	190 679	360 298



Cash Flow Statements

for the year ended 31 December 2002

	Notes	Group		Exchange	
		2002 R'000	2001 R'000	2002 R'000	2001 R'000
Cash generated by operations	21.1	42 891	108 262	59 712	122 400
Interest received		350 277	126 739	45 111	30 180
Interest paid		(304 154)	(99 431)	(11 906)	(13 749)
Net cash inflow from operating activities		89 014	135 570	92 917	138 831
Cash flows from investing activities					
<i>Investment to maintain operations</i>		(1 619)	357	(1 619)	357
Replacements of property, plant and equipment		(1 778)	(12 454)	(1 778)	(12 454)
Proceeds on disposals of property, plant and equipment		159	12 811	159	12 811
<i>Investment to expand operations</i>		(60 134)	61 197	(53 855)	41 184
Recovery of long-term deposit		6 109	4 432	6 109	4 432
Proceeds on sale of investments		14 334	32 456	–	–
Proceeds on sale of investment property		5 200	–	–	–
Additions to investments		(25 813)	(12 444)	–	(1)
Investment in associated companies		(30 000)	(15 001)	(30 000)	(15 001)
Leasehold improvements		(746)	(750)	(746)	(750)
Additions to property, plant and equipment		(29 218)	(42 676)	(29 218)	(42 676)
Acquisition of subsidiaries, net of cash acquired	22.1	–	95 180	–	95 180
Net cash (outflow)/inflow from investing activities		(61 753)	61 554	(55 474)	41 541
Cash flows from financing activities					
JSE rights issued		–	4 040	–	4 040
Net cash inflow from financing activities		–	4 040	–	4 040
Net increase in cash and cash equivalents		27 261	201 164	37 443	184 412
Cash and cash equivalents at beginning of the year		315 898	114 734	290 718	106 306
Cash and cash equivalents at end of year	11	343 159	315 898	328 161	290 718

Notes to the Financial Statements

for the year ended 31 December 2002

1. ACCOUNTING POLICIES

The JSE is a securities exchange and financial market domiciled in South Africa. The annual financial statements incorporate the principal accounting policies set out below, and are in all material respects consistent with those adopted in the previous financial year. The accounting policies of the associated companies are consistent with those of the Exchange.

1.1 Statement of compliance

The consolidated financial statements are prepared in accordance with International Accounting Standards adopted by the International Accounting Standards Board ("IASB"), and interpretations issued by the Standing Interpretations Committee of the IASB.

1.2 Basis of preparation

The financial statements are presented in Rand, rounded to the nearest thousand. The Exchange and Group financial statements are prepared on the historical cost basis, except for the items stated at fair value as described below.

1.3 Basis of consolidation

1.3.1 Investment in subsidiaries

Subsidiaries are those entities over whose financial and operating policies the Group has the power to exercise control, so as to obtain benefits from their activities. The Group financial statements incorporate the assets, liabilities and results of the operations of the SAFEX Clearing Company (Proprietary) Limited ("Safcom"), the JSE Derivatives Fidelity Fund, the JSE Guarantee Fund and F.S.G Financial Services (Proprietary) Limited.

1.3.2 Investments in associated companies

An associate is an enterprise over whose financial and operating policies the Group has the ability to exercise significant influence and which is neither a subsidiary nor a joint venture of the Group. The equity method of accounting for associated companies is adopted in the Group and Exchange financial statements. In applying the equity method, account is taken of the Group's share of accumulated retained earnings and movements in reserves from the effective date on which the enterprise became an associate. The share of associated companies' retained earnings and reserves is determined from the latest audited financial statements.

1.3.3 Transactions eliminated on consolidation

Intra-group balances and transactions are eliminated in preparing the consolidated financial statements.

1.4 Intangible assets

1.4.1 Research and development

Expenditure and research activities, undertaken with the prospect of gaining a new technical knowledge and understanding, is recognised in the income statement as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the Exchange has sufficient resources to complete the development. The expenditure capitalised includes the cost of direct consulting charges, direct labour and an appropriate proportion of overheads.

Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated depreciation and impairment losses.



Notes to the Financial Statements (continued)

for the year ended 31 December 2002

1. ACCOUNTING POLICIES (continued)

1.4 Intangible assets (continued)

1.4.2 Negative goodwill

Negative goodwill arising on an acquisition represents any excess of the fair value of the Exchange's share of the identifiable net assets acquired over the cost of the acquisition. Negative goodwill in excess of the fair values of the non-monetary assets acquired is recognised in the income statement immediately.

1.5 Financial instruments

Measurement

Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition these instruments are measured as set out below:

Trade and other receivables

Trade and other receivables originated by the Group are stated at cost less provision for doubtful amounts.

Trade and other payables

Trade and other payables are stated at cost.

Cash and cash equivalents

Cash and cash equivalents are measured at fair value.

Financial liabilities

Financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisations.

Derivative financial instruments

The Exchange uses derivative financial instruments to hedge its exposure to foreign exchange risks arising from operational activities. The Exchange does not hold derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative instruments are initially recognised at cost. Subsequent to initial recognition, derivative financial instruments are stated at fair value and the resultant gains or losses are recognised in the income statement.

Available-for-sale financial assets

Available-for-sale financial assets are carried at fair value, which is calculated by reference to exchange quoted selling prices at the close of business on the balance sheet date. Gains and losses arising from a change in the fair value are included in other income in the period in which the change arises.

1.6 Investment properties

Investment properties are properties held for the purpose of earning rental income or for capital appreciation, and are initially recorded at cost, and subsequently stated at fair value as determined on an annual basis by an independent registered valuer. Fair value is based on current prices in an active market for similar properties in the same location and condition. Any gain or loss arising from a change in the fair value is for the benefit of previous SAFEX members. Rental income from investment property is accounted for as described in the accounting policy for operating lease income.



Notes to the Financial Statements (continued)

for the year ended 31 December 2002

1. ACCOUNTING POLICIES (continued)

1.7 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation. Depreciation is calculated on the straight line basis, over the estimated useful lives of the assets. Subsequent expenditure relating to an asset is capitalised when it is probable that future economic benefits from the use of that asset will be increased. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

1.8 Impairments

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement.

1.9 Finance leases

Leases in terms of which the Exchange assumes substantially all the risks and rewards of ownership are classified as finance leases. Equipment acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

The interest expense component of finance lease payments is recognised in the income statement using the effective interest rate method.

1.10 Operating leases

Leases where the lessor retains the risks and rewards of ownership of the underlying asset are classified as operating leases. Payments made under operating leases are charged against income on a straight-line basis over the period of the lease.

1.11 Revenue

Revenue comprises trading fees, clearing fees, risk management clearing and settlement fees, data vending services, membership fees, listing fees, Broker Deal Accounting services, funds management and publication sales. Revenue is recognised in the financial year to which it relates. All revenue is reflected excluding VAT.

1.12 Interest

Interest is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is probable that such income will accrue to the Exchange.

1.13 Other income

Other income comprises rental income from the investment property, investment income, foreign exchange gains and sundry income.

1.14 Taxation

The Exchange is exempt from normal taxation in terms of section 10(1)(d) of the Income Tax Act, No. 58 of 1962. JSE subsidiaries, SAFEX Clearing Company (Proprietary) Limited and F.S.G. Financial Services (Proprietary) Limited, are subject to normal taxation in terms of the Income Tax Act, No 58 of 1962. Taxation arising from these entities is immaterial and has not been separately disclosed.



Notes to the Financial Statements (continued)

for the year ended 31 December 2002

1. ACCOUNTING POLICIES (continued)

1.15 Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Foreign exchange differences on translation are recognised in the income statement.

1.16 Provisions

Provisions are liabilities of uncertain timing or amount. Provisions are recognised when there is a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will occur, and where a reliable estimate can be made of the amount of the obligation.

1.17 Employee benefits

1.17.1 Short-term employee benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service.

1.17.2 Pension and provident funds

The above funds are defined contribution funds. Contributions to these funds are charged against revenue as incurred and in the period in which the employee renders the service.

1.17.3 Medical aid

With effect from December 2002, the Exchange's policy to provide post retirement medical benefits to employees was amended. The Exchange decided to provide post retirement medical benefits only to long serving employees by funding a portion of the medical aid contributions of qualifying staff. A provision was raised in the prior year for the actuarially valued liability in respect of future retirement medical benefits.

During December 2002, this liability was removed through the purchase of annuities for the qualifying staff.

1.18 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts, all of which are available for use by the Group unless otherwise stated.

1.19 Segment reporting

The services provided by the Exchange are not subject to materially different risks and are regarded as a single business segment for annual financial statement reporting purposes.

1.20 Funds under management

The Exchange performs the administrative and management function for JSE Trustees (Proprietary) Limited, Indexco Limited, Indexco II Limited and Indexco III Limited. The Exchange does not control these entities and accordingly has not consolidated their results into the consolidated financial statements. Abridged financial statements for these entities are disclosed as appendices to the annual financial statements.

1.21 Comparative figures

Where appropriate, comparative figures have been reclassified or restated.

Notes to the Financial Statements (continued)

for the year ended 31 December 2002

	Group		Exchange	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
2. REVENUE				
2.1 Revenue comprises –				
Derivatives trading and clearing fees	65 156	26 104	65 156	26 104
– Financial derivatives	22 121	13 937	22 121	13 937
– Agricultural products	43 035	12 167	43 035	12 167
Equities trading fees	61 949	42 724	61 949	42 724
Risk management, clearing and settlement fees	24 853	5 103	24 853	3 208
Data vending services	48 450	43 926	48 450	43 926
General administration levy	5 253	46 842	5 253	46 842
Membership fees	6 805	5 945	6 805	5 945
Listing fees	54 879	52 394	54 879	52 394
Broker Deal Accounting services	71 648	79 117	71 648	79 117
Funds management and other	10 444	18 254	16 840	20 720
	349 437	320 409	355 833	320 980
2.2 Other operating income comprises -				
Bad debts recovered	6 109	–	6 109	–
JSE Guarantee Fund	639	8 482	–	–
– dividend income	1 121	1 203	–	–
– revaluation of investments	(2 926)	7 279	–	–
– other operating income	2 444	–	–	–
Rental income	3 289	2 291	3 289	2 291
Sundry income	1 840	1 783	1 365	1 783
	11 877	12 556	10 763	4 074
3. (DEFICIT)/SURPLUS FROM OPERATIONS				
3.1 Personnel expenses				
Remuneration paid to employees	96 030	86 105	96 030	86 014
Directors' emoluments (refer note 24)	10 003	6 715	10 003	6 715
– non-executive directors	1 959	1 597	1 959	1 597
– executive directors	8 044	5 118	8 044	5 118
Remuneration paid other than to employees for technical services	12 402	16 024	12 402	16 024
	118 435	108 844	118 435	108 753



Notes to the Financial Statements (continued)

for the year ended 31 December 2002

	Group		Exchange	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
3. (DEFICIT)/SURPLUS FROM OPERATIONS (continued)				
3.2 Other operating expenses				
is arrived at after taking into account:				
Auditor's remuneration	1 253	1 223	1 186	1 110
– audit fee	785	743	718	630
– fees for special audit	203	265	203	265
– prior year under accruals	265	215	265	215
- audit fee	15	92	15	92
- other services	250	123	250	123
Consulting fees	15 694	17 912	15 694	17 912
– strategic	20 685	30 092	20 685	30 092
– capitalised	(10 523)	(20 671)	(10 523)	(20 671)
– other	5 532	8 491	5 532	8 491
Depreciation	20 792	16 983	20 792	16 983
Computer hardware	6 178	8 511	6 178	8 511
– owned	5 889	8 467	5 889	8 467
– leased	289	44	289	44
Computer software	9 107	3 115	9 107	3 115
Furniture and equipment	2 104	1 997	2 104	1 997
Leasehold improvements	3 397	3 354	3 397	3 354
Vehicles	6	6	6	6
Fees incurred for Surveillance investigatory services	–	561	–	561
Fidelity Fund contributions	–	–	–	5 660
Foreign exchange loss/(gain)	8 236	(523)	8 236	(523)
Legal fees	1 930	1 132	1 930	1 132
Loss/(profit) on sale of property, plant and equipment	1 674	(324)	1 674	(324)
Loss on sale of investments	1 815	863	–	–
Mainframe maintenance	43 573	23 857	43 573	23 857
Operating lease charges	18 111	14 490	18 111	14 490
– buildings	16 994	13 532	16 994	13 532
– office equipment	1 117	958	1 117	958
Provision for doubtful debts	1 880	6 616	1 880	6 616
Post-retirement medical benefits	(16 070)	8 708	(16 070)	8 708
– paid current year	(8 796)	(539)	(8 796)	(539)
– current service cost	1 319	7 872	1 319	7 872
– gain on change in benefit plan	(10 839)	–	(10 839)	–
– interest cost	2 246	1 375	2 246	1 375
Upgrading of information systems	1 800	8 668	1 800	8 668

Notes to the Financial Statements (continued)

for the year ended 31 December 2002

	Group		Exchange	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
3. (DEFICIT)/SURPLUS FROM OPERATIONS (continued)				
3.3 Interest received				
Own funds	30 945	16 524	30 679	16 524
JSE Guarantee Fund and JSE Derivatives Fidelity Fund	5 613	8 344	–	–
Interest received on guarantees	6 052	–	6 052	–
Interest received on margin deposits	307 667	101 871	8 380	13 656
– equities	8 380	13 656	8 380	13 656
– derivatives	299 287	88 215	–	–
	350 277	126 739	45 111	30 180
3.4 Interest paid				
Finance costs	159	94	159	93
Interest paid on guarantees	6 052	–	6 052	–
Interest paid on margin deposits	297 943	99 337	5 695	13 656
– equities	5 695	13 656	5 695	13 656
– derivatives	292 248	85 681	–	–
	304 154	99 431	11 906	13 749

4. CONTRIBUTION TO JSE DERIVATIVES FIDELITY FUND

The JSE Derivatives Fidelity Fund was established on 6 August 2001 for the purpose of investor protection in the event of a member defaulting on derivatives trades. The Exchange created the fund by making an initial contribution of R50 million.

5. PROPERTY, PLANT AND EQUIPMENT

	Depreciation rates %	Accumulated Cost depreciation		Carrying value R'000
		R'000	R'000	
Group and Exchange				
2002				
Computer hardware	12,5 to 33,3	44 648	36 964	7 684
Computer software	12,5 to 33,3	101 102	30 944	70 158
Furniture and equipment	10,0	19 917	4 564	15 353
Leased assets	33,3	5 424	3 981	1 443
Leasehold improvements	6,7	51 607	7 561	44 046
Vehicles	20,0	101	33	68
		222 799	84 047	138 752



Notes to the Financial Statements (continued)

for the year ended 31 December 2002

	Depreciation rates %	Cost R'000	Accumulated depreciation R'000	Carrying value R'000
5. PROPERTY, PLANT AND EQUIPMENT (continued)				
2001				
Computer hardware	12,5 to 33,3	45 312	34 583	10 729
Computer software	12,5 to 33,3	79 059	23 436	55 623
Furniture and equipment	10,0	19 248	2 458	16 790
Leased assets	33,3	3 692	3 692	–
Leasehold improvements	6,7	50 857	4 165	46 692
Vehicles	20,0	39	26	13
		198 207	68 360	129 847

5.1 Reconciliation of carrying value

	Computer hardware R'000	Computer software R'000	Furniture and equipment R'000	Leased assets R'000	Leasehold improve- ments R'000	Vehicles R'000	Total R'000
Group and Exchange 2002							
Beginning of year	10 729	55 623	16 790	–	46 692	13	129 847
Additions	9 676	88 092	1 046	1 732	1 235	63	101 844
Disposals	(6 832)	(64 450)	(379)	–	(484)	(2)	(72 147)
Depreciation	(5 889)	(9 107)	(2 104)	(289)	(3 397)	(6)	(20 792)
End of year	7 684	70 158	15 353	1 443	44 046	68	138 752
2001							
Beginning of year	23 036	13 455	17 587	44	49 296	19	103 437
Additions	4 616	49 314	1 200	–	750	–	55 880
Disposals	(8 456)	(4 031)	–	–	–	–	(12 487)
Depreciation	(8 467)	(3 115)	(1 997)	(44)	(3 354)	(6)	(16 983)
End of year	10 729	55 623	16 790	–	46 692	13	129 847

5.2 Investment property

The property comprised freehold land and buildings situated on erf 1888 in Houghton Estate, Johannesburg. The property was registered in the name of F.S.G. Financial Services (Proprietary) Limited and was revalued during June 2001 on the basis of open market value. During the current year the property was revalued to net realisable value and subsequently sold. In terms of the SAFEX acquisition agreement the net proceeds of the sale have been accrued to the previous SAFEX members.

Notes to the Financial Statements (continued)

for the year ended 31 December 2002

	Group		Exchange	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
5. PROPERTY, PLANT AND EQUIPMENT (continued)				
5.2 Investment property (continued)				
<i>Reconciliation of carrying amount</i>				
Balance at beginning of the year	7 200	–	–	–
Fair value adjustment	(2 000)	–	–	–
Acquisitions	–	7 200	–	–
Disposals	(5 200)	–	–	–
Balance at end of the year	–	7 200	–	–
6. INVESTMENTS				
6.1 JSE investments				
Emerging Enterprise Zone (Proprietary) Limited	1	1	1	1
Open Outcry Investment Holdings (Proprietary) Limited	1	1	1	1
Indexco Limited, Indexco II Limited and Indexco III Limited	1	1	1	1
Stock Exchange Nominees (Proprietary) Limited	1	1	1	1
	4	4	4	4
6.2 JSE Guarantee Fund investments				
Bonds	36 465	32 499	–	–
Equities	31 180	29 047	–	–
Foreign unit trusts	6 842	6 111	–	–
Unit trusts	535	627	–	–
	75 022	68 284	–	–
Total investments	75 026	68 288	4	4
7. INVESTMENT IN ASSOCIATED COMPANIES				
7.1 Carrying amount				
Carrying amount at beginning of year				
– STRATE Limited	(428)	14 115	(428)	14 115
– Indexco Managers (Proprietary) Limited	65	–	65	–
Current year investment				
– Indexco Managers (Proprietary) Limited	–	1	–	1
– STRATE Limited	30 000	15 000	30 000	15 000
Share of (loss)/profit	(7 964)	(29 479)	(7 964)	(29 479)
– STRATE Limited	(7 874)	(29 543)	(7 874)	(29 543)
– Indexco Managers (Proprietary) Limited	(90)	64	(90)	64
Carrying amount at end of year	21 673	(363)	21 673	(363)



Notes to the Financial Statements (continued)

for the year ended 31 December 2002

	STRATE Limited		Indexco Managers (Proprietary) Limited		Total		
	2002 R'000	2001 R'000	2002 R'000	2001 R'000	2002 R'000	2001 R'000	
7. INVESTMENT IN ASSOCIATED COMPANIES (continued)							
7.2 Post acquisition share of loss							
Share of opening accumulated (loss)/income	(65 428)	(35 885)	64	–	(65 364)	(35 885)	
Share of (loss)/income after tax	(7 874)	(29 543)	(90)	64	(7 964)	(29 479)	
Share of closing accumulated (loss)/income	(73 302)	(65 428)	(26)	64	(73 328)	(65 364)	
7.3 Summarised financial statements							
Non-current assets	–	–	2 071	3 321	2 071	3 321	
Equipment	100 352	110 739	–	–	100 352	110 739	
Net current assets	46 994	12 131	(988)	196	46 006	12 327	
	147 346	122 870	1 083	3 517	148 429	126 387	
Accumulated (loss)/income	(146 604)	(130 856)	(79)	195	(146 683)	(130 661)	
Share capital	190 000	179 950	1	1	190 001	179 951	
Shareholders' loans	–	–	387	–	387	–	
Non-current liabilities	103 950	73 776	774	3 321	104 724	77 097	
	147 346	122 870	1 083	3 517	148 429	126 387	
Revenue	81 713	16 258	18 462	479	100 175	16 737	
Operating expenses	(85 638)	(63 766)	(18 422)	(201)	(104 060)	(63 967)	
Finance costs	(11 823)	(11 578)	(314)	(83)	(12 137)	(11 661)	
(Loss)/income for the year	(15 748)	(59 086)	(274)	195	(16 022)	(58 891)	
7.4 Unlisted associated companies							
	Carrying amount	Effective group holding		Number of shares held		Directors' valuation	
		2002	2001	2002	2001	2002	2001
	R'000	%	%			R'000	R'000
STRATE Limited	21 698	50	50	12 000	4 000	21 698	–
Indexco Managers (Proprietary) Limited	(25)	33	33	50	50	1	1
	21 673			12 050	4 050	21 699	1

Notes to the Financial Statements (continued)

for the year ended 31 December 2002

	Issued share capital R'000	Percentage holding		Shares at cost		Loans (due to)/due by	
		2002	2001	2002	2001	2002	2001
		%	%	R'000	R'000	R'000	R'000
8. SUBSIDIARIES							
Issued share capital directly held:							
SAFEX Clearing Company (Proprietary) Limited	8,3	11	11	3 200	3 200	(1 517)	(2 204)
F.S.G. Financial Services (Proprietary) Limited	0,1	100	100	5 200	7 200	-	-
				8 400	10 400	(1 517)	(2 204)

The Exchange has full management control over SAFEX Clearing Company (Proprietary) Limited.

All subsidiaries are incorporated in South Africa.

	Exchange	
	2002 R'000	2001 R'000
Shares at cost less amounts written off	8 400	10 400
Net loans to subsidiaries	(1 517)	(2 204)
Net investment in subsidiaries	6 883	8 196

	Group		Exchange	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
9. ACCOUNTS RECEIVABLE				
Trade receivables	29 767	26 630	29 762	26 591
Guarantee Fund	8 121	7 715	-	-
Prepaid expenses	5 640	4 048	5 640	4 048
Interest receivable	2 803	2 667	2 803	2 667
Other	4 734	12 287	4 734	12 279
	51 065	53 347	42 939	45 585

10. MARGIN AND COLLATERAL DEPOSITS

Margin and collateral deposits received are managed and invested on behalf of members in terms of the JSE's rules.

These funds have been placed with A1 and A1+ rated banks.

10.1 Margin deposits

Total margin deposits	2 731 375	2 590 939	28 357	174 507
- equities	28 357	174 507	28 357	174 507
- derivatives	2 703 018	2 416 432	-	-

10.2 Collateral deposits

	4 448	104 700	4 448	104 700
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The Exchange acts as an agent in securities lending transactions necessary to facilitate electronic settlement in the STRATE environment. At year-end, interest bearing collateral deposits of R4,4 million (2001: R104,7 million) have been lodged as security against securities lending transactions with a market value of R3,1 million (2001: R86,2 million).



Notes to the Financial Statements (continued)

for the year ended 31 December 2002

	Group		Exchange	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
11. CASH ON DEPOSIT AND BANK BALANCES				
Cash on deposit and bank balances comprises:				
Current and call account	335 540	240 849	328 161	290 718
JSE Guarantee Fund – call account	7 619	23 212	–	–
JSE Derivatives Fidelity Fund – call account	–	51 837	–	–
	343 159	315 898	328 161	290 718
12. RESERVES AND ACCUMULATED SURPLUS				
12.1 JSE rights				
The total number of rights in issue 8 281 ² / ₄ (2001: 8 281 ² / ₄)	169 619	169 619	169 619	169 619
Opening balance	169 619	151 299	169 619	151 299
Issue of new rights 2001 – 568 ¹ / ₄ rights issued	–	18 320	–	18 320
In terms of the constitution of the JSE, holders of rights have no entitlement to any distribution of surpluses other than on winding up.				
12.2 JSE Guarantee Fund	90 752	101 010	–	–
The fund is ring-fenced for the purpose of investor protection in the event of a member defaulting on equities trades in certain circumstances.				
12.3 JSE Derivatives Fidelity Fund	57 457	57 457	–	–
The fund was established for the purpose of investor protection in the event of a member defaulting on derivatives trades in certain circumstances.				
12.4 Equity Clearing House reserve	–	18 400	–	18 400
This reserve is no longer required because of the decommissioning of the Equity Clearing House as a result of the dematerialising of equities through the implementation of STRATE. This reserve has been released to the accumulated surplus.				
12.5 Accumulated surplus	191 408	114 780	190 679	114 627
Total	509 236	461 266	360 298	302 646

Notes to the Financial Statements (continued)

for the year ended 31 December 2002

	Personnel related R'000	Claims R'000	Other R'000	Total R'000
13. PROVISIONS				
Group				
2001				
Balance at 1 January 2001	–	3 027	685	3 712
Provisions made during the year	14 587	–	1 189	15 776
Adjustments to provisions	–	(3 027)	–	(3 027)
Balance at 31 December 2001	14 587	–	1 874	16 461
2002				
Balance at 1 January 2002	14 587	–	1 874	16 461
Provisions made during the year	9 055	–	1 372	10 427
Adjustments to provisions	(9 037)	–	(724)	(9 761)
Balance at 31 December 2002	14 605	–	2 522	17 127
Exchange				
2001				
Balance at 1 January 2001	–	3 027	685	3 712
Provisions made during the year	14 587	–	1 149	15 736
Adjustments to provisions	–	(3 027)	–	(3 027)
Balance at 31 December 2001	14 587	–	1 834	16 421
2002				
Balance at 1 January 2002	14 587	–	1 834	16 421
Provisions made during the year	9 055	–	1 372	10 427
Adjustments to provisions	(9 037)	–	(684)	(9 721)
Balance at 31 December 2002	14 605	–	2 522	17 127

14. EMPLOYEE BENEFITS

14.1 Retirement benefits

The Exchange provides retirement benefits for all its permanent employees through the JSE Pension Scheme that is a defined contribution pension scheme. Senior employees are also entitled to participate in the JSE Provident Fund that is also a defined contribution scheme.

The members' interest in the schemes is based on the market value of the funds and is adjusted monthly for changes in market value. Both schemes are governed by the Pension Funds Act, 1956 as amended. Member firms may, at their option, also become employer members of this fully funded pension scheme. Contributions to fund obligations for the payment of retirement benefits to their permanent staff are paid by the member firms directly to the scheme.

14.2 Post retirement medical benefits

In previous years, the Exchange had made provision for post-retirement benefits in the form of health care plans for current and retired employees. During December 2002 this provision was replaced by purchasing individual annuities for a limited number of qualifying staff. This liability has consequently been extinguished.



Notes to the Financial Statements (continued)

for the year ended 31 December 2002

	Group		Exchange	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
14. EMPLOYEE BENEFITS (continued)				
14.2 Post retirement medical benefits (continued)				
<i>Movement in net balance sheet liability</i>				
Net liability at beginning of year	20 417	11 709	20 417	11 709
Income statement (credit)/charge	(20 417)	8 708	(20 417)	8 708
Net liability at end of year	-	20 417	-	20 417

The actuarial valuation for the prior year was based on, inter alia, the following assumptions:

- Medical care and health expense inflation	12,9% per annum
- Discount rate	11,0% per annum
- Average retirement age	63

14.3 Other

The Exchange has been made aware that the JSE Pension Fund has recently commenced an investigation into pension fund annuities previously purchased for certain retired employees to remove the employer's obligations when the pension scheme was restructured onto a purely defined contribution basis.

Based on initial information and advice, the Exchange considers it unlikely that the outcome of the investigation will have any impact on its operations or the reserves of the Exchange.

15. DUE TO SAFEX MEMBERS

The amount due to SAFEX members is a portion of the purchase price retained pending the resolution of potential claims against SAFEX at the time of the acquisition. During the course of the year certain of these claims were resolved. The attributable portion of the purchase price has consequently become due and payable to the SAFEX members.

	Group		Exchange	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
Non-current liability	18 654	24 389	18 654	24 389
Current liability	37 890	27 617	37 890	27 617
	56 544	52 006	56 544	52 006
16. ACCOUNTS PAYABLE				
Trade payables	35 821	24 568	36 039	25 541
Current portion of finance lease	599	-	599	-
Income received in advance	2 295	1 245	2 295	1 245
	38 715	25 813	38 933	26 786

Notes to the Financial Statements (continued)

for the year ended 31 December 2002

	Less than one year	Between one and five years	More than five years	Total
17. FINANCE LEASE				
Minimum lease instalments	844	1 267	–	2 111
Finance costs	(245)	(156)	–	(401)
Lease liability	599	1 111	–	1 710

18. FORWARD EXCHANGE CONTRACTS

	Group		Exchange	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
Fair value				
– assets	–	3 144	–	3 144
– liabilities	(6 942)	(1 398)	(6 942)	(1 398)
Net	(6 942)	1 746	(6 942)	1 746

Forward exchange contracts are entered into to economically hedge anticipated foreign currency commitments.

19. COMMITMENTS AND CONTINGENT LIABILITIES

19.1 Contingent liabilities

19.1.1 A hardware provider has raised a claim against the Exchange. The Exchange disputes the validity of this claim, and to date the claimant has not instituted legal action. The Exchange considers the potential claim to be R630 000.

19.1.2 Contingencies

A contingent liability would exist in terms of section 12(1)(k) of the Stock Exchanges Control Act whereby the Exchange is committed to settle with another member on behalf of a member were the latter to fail to settle. This risk is mitigated by various guarantee mechanisms, being the member firms' deposits and bank guarantees, the JSE Guarantee Fund and the Exchange's reserves.

19.2 Operating lease obligations

The Exchange leases a building and accounts for the lease as an operating lease. The lease commenced on 1 September 2000 for a period of 15 years. On termination of the lease, should the landlord wish to sell the building, the Exchange has an option to buy the building at a price yet to be determined. The operating lease payments escalate at 11% per annum.

	Group		Exchange	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
Total future minimum lease payments under non-cancellable operating lease:				
Not later than one year	18 257	16 448	18 257	16 448
Between one and five years	95 444	85 986	95 444	85 986
Later than five years	317 001	344 716	317 001	344 716
	430 702	447 150	430 702	447 150



Notes to the Financial Statements (continued)

for the year ended 31 December 2002

20. RELATED PARTIES

20.1 Identity of related parties

The Exchange is the main provider of risk management, trading, clearing and settlement, and accounting systems to member firms. Revenue earned from this source, and from providing market data to member firms, amounted to R218,9 million (2001: R177,8 million) for the year. These transactions are conducted on an arm's length basis.

The Exchange earned revenue from STRATE Limited of R1,4 million (2001: R1,3 million) predominantly in respect of rentals in terms of the lease agreement with STRATE Limited.

The associated companies and subsidiaries of the Group are identified in notes 7 and 8 respectively.

The JSE directors are listed in the Corporate Governance report.

20.2 Material related party transactions

Loans to and from related parties – see notes 7 and 8
Directors' emoluments – see note 24

The Exchange provides the following services for no consideration:

- Secretarial services to the Group entities.
- Administers the operations of the Group entities.

	Group		Exchange	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
21. NOTES TO THE CASH FLOW STATEMENT				
21.1 Cash generated by operations				
Net surplus attributable to rights holders	47 970	54 330	57 652	43 502
Adjustments for non-cash and separately disclosable items –				
– attributable loss of associated company	7 964	29 479	7 964	29 479
– depreciation	20 792	16 983	20 792	16 983
– fair value adjustments	2 926	(7 279)	–	–
– fidelity fund contribution	–	50 000	–	–
– gain on change in benefit plan	(10 839)	–	(10 839)	–
– interest paid	304 154	99 431	11 906	13 749
– interest received	(350 277)	(126 739)	(45 111)	(30 180)
– loss/(profit) on disposal of fixed assets	1 674	(324)	1 674	(324)
– loss on disposal of investments	1 815	856	–	–
– negative goodwill	–	(42 888)	–	(42 888)
– unrealised foreign exchange loss/(profit)	6 942	(523)	6 942	(523)
Surplus from operations before working capital changes	33 121	73 326	50 980	29 798
Working capital changes –				
Decrease in accounts receivable	5 426	13 616	5 790	13 822
Increase in accounts payable and provisions	4 344	21 320	2 942	78 780
Cash generated from operating activities	42 891	108 262	59 712	122 400

Notes to the Financial Statements (continued)

for the year ended 31 December 2002

22. ACQUISITIONS

22.1 SAFEX, SAFEX Clearing Company (Proprietary) Limited ("Safcom"), the SAFEX Fidelity Fund Trust and F.S.G. Financial Services (Proprietary) Limited ("F.S.G.")

The JSE acquired the business of SAFEX, including its subsidiaries and the SAFEX Fidelity Fund Trust, on 6 August 2001, the effective date of the acquisition for accounting purposes. SAFEX was a registered financial market established to regulate the trade of derivative instruments listed by SAFEX. Safcom is the recognised clearing house for futures and options traded on SAFEX. The SAFEX Fidelity Fund Trust is a fund in place to protect investors against potential default by derivatives members. F.S.G. owned the Houghton land and buildings from which SAFEX conducted its operations, and which were sold in the current year.

	2001 R'000
<hr/>	
<i>Purchase consideration</i>	
– rights issue	(14 280)
– cash	(138 863)
Total purchase consideration	(153 143)
<hr/>	
<i>Assets and liabilities acquired</i>	
Cash and cash equivalents	182 037
Investments	10 400
Accounts receivable	15 514
Accounts payable	(11 920)
Fair value of net assets	196 031
Negative goodwill	(42 888)
Net asset value acquired	153 143
<hr/>	
Cash and cash equivalents	182 037
Amount due to SAFEX members	52 006
Less: Cash purchase consideration	(138 863)
Net cash inflow on acquisition of SAFEX	95 180

22.2 Negative goodwill

Negative goodwill arose on the acquisition of the business of SAFEX at discount to net asset value. The entire negative goodwill has been recognised as income in the prior period.

23. SEGMENTAL INFORMATION

The Exchange provides exchange and auxiliary services in South Africa. The revenue streams derived from the services are described in note 2 to the annual financial statements. The services provided by the Exchange are not subject to materially different risks and are regarded as a single business segment.



Notes to the Financial Statements (continued)

for the year ended 31 December 2002

		Basic salary R'000	Bonus' R'000	Other R'000	Contri- bution to provident fund R'000	Total R'000
24. DIRECTORS' AND EXECUTIVES' REMUNERATION						
24.1 Directors' emoluments						
2002						
<i>Executive directors</i>						
		4 205	2 937	525	377	8 044
RM Loubser	Chief Executive Officer	1 764	1 263	247	154	3 428
NF Newton-King	Deputy Chief Executive Officer	833	558	94	53	1 538
LV Parsons	Chief Operating Officer	775	558	90	117	1 540
JH Burke	Director: Listings	833	558	94	53	1 538
<i>Other key executives</i>						
		7 718	2 817	803	627	11 965
P Birley (contract terminated on 31 July)	Consultant to the JSE	715	-	-	-	715
GC Clarke	Exchange Secretary	654	257	75	40	1 026
DJ Davidson	Director: Clearing and Settlement	825	359	105	52	1 341
FM Evans	General Manager: Finance	646	321	76	40	1 083
R Gravelet-Blondin	General Manager: Agricultural Products	608	134	66	84	892
S Maree	Director: Corporate Marketing and Communications	879	317	110	55	1 361
RB Miller	Director: Information Technology	804	462	116	64	1 446
FR Molobi (resigned 30 September)	General Manager: Emerging Markets and Education	782	38	49	131	1 000
A Thomson	Director: Equities and Derivatives Trading	895	452	87	53	1 487
WF Urmson	Director: Surveillance	910	477	119	108	1 614
		11 923	5 754	1 328	1 004	20 009

¹ In accordance with Exchange policy, the maximum bonus payable to executive directors and senior executives is equal to 400% of one month's package over a period of two years. A maximum amount of 330% of one month's package will be payable two years after the inception of the deferred compensation system and every December thereafter. A maximum amount of 70% of one month's package will be payable every June. Payment is dependent on the executive directors and senior executives being in office at the time of payment. Included in the bonus is a once-off discretionary bonus, which was paid to employees that were deemed to have made a significant contribution to the successful implementation of the new trading and related systems.

Notes to the Financial Statements (continued)

for the year ended 31 December 2002

		Basic salary R'000	Bonus ¹ R'000	Other R'000	Contri- bution to provident fund R'000	Total R'000
24. DIRECTORS' AND EXECUTIVES' REMUNERATION (continued)						
24.1 Directors' emoluments (continued)						
2001						
<i>Executive directors</i>						
		3 472	1 338	65	243	5 118
RM Loubser	Chief Executive Officer	1 848	816	7	147	2 818
NF Newton-King	Director: New Business and General Counsel	811	261	29	49	1 15
LV Parsons	Director: Strategy	813	261	29	47	1 150
<i>Other key executives</i>						
		6 920	1 600	175	753	9 448
P Birley (appointed 1 August)	Consultant to the JSE	500	–	–	–	500
JH Burke	Director: Listings	812	261	20	48	1 141
GC Clarke (appointed 1 July)	Exchange Secretary	336	132	9	19	496
DJ Davidson	Director: Clearing and Settlement	608	120	22	34	784
FM Evans	General Manager: Finance and Human Resources	483	85	24	128	720
R Gravelet-Blondin (appointed 1 August)	General Manager: Agricultural Products	251	35	9	32	327
S Maree	Director: Corporate Marketing, Public Affairs and Communications	658	83	–	9	750
RB Miller	Director: Information Technology	801	276	47	59	1 183
FR Molobi	General Manager: Emerging Markets and Education	548	170	9	127	854
R Newton (retired 31 August)	Exchange Secretary	848	43	13	182	1 086
A Thomson (appointed 1 November)	Director: Equities and Derivatives Trading	130	44	–	10	184
WF Urmson	Director: Surveillance	945	351	22	105	1 423
		10 392	2 938	240	996	14 566

Notes to the Financial Statements (continued)

for the year ended 31 December 2002

		Other services R'000s	Retainer fee R'000	Meetings R'000	Total R'000
24. DIRECTORS' AND EXECUTIVES' REMUNERATION (continued)					
24.1 Directors' emoluments (continued)					
2002					
<i>Non-executive directors</i>		631	840	488	1 959
PA Barnard		-	40	32	72
HJ Borkum	Chairman, Chairman of Nominations Committee	-	280 ¹	88	368
AD Botha	Chairman of Human Resources Committee	-	60	72	132
R Cadiz		-	40	32	72
RM Godsell (resigned 17 January)		-	-	-	-
MR Johnston		361	40	64	465
RJ Khoza		-	40	40	80
S Koseff		-	40	16	56
N Payne (appointed alternate to AD Botha with effect 3 December)	Chairman of Risk Management Committee	-	-	8	8
S Rebe (appointed alternate to P Barnard with effect 3 December)		-	-	8	8
G Rothschild		270	260 ¹	80	610
GT Serobe		-	40	48	88

¹ At the meeting of the Board held on 3 December 2002, it was decided to increase the remuneration to the Chairman of the Board to R200 000 per annum. This increase was applied retrospectively to the prior year.

2001

<i>Non-executive directors</i>		572	457	568	1 597
PA Barnard		-	40	56	96
HJ Borkum	Deputy Chairman, Chairman of Audit Committee	-	60	120	180
AD Botha	Chairman of Human Resources Committee	-	60	72	132
R Cadiz (appointed 7 August)		-	17	16	33
RM Godsell		-	40	8	48
MR Johnston		572	40	88	700
RJ Khoza		-	40	56	96
S Koseff		-	40	40	80
G Rothschild	Chairman	-	80	88	168
GT Serobe		-	40	24	64

Notes to the Financial Statements (continued)

for the year ended 31 December 2002

25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

25.1 Operational risk

The Board accepts overall responsibility for operational risk with the responsibility of day-to-day management of operational risk delegated to management of the Exchange's specialist departments.

Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people, and systems.

Operational risks are those risks of a non-speculative nature with no potential of showing a profit. The objective of operational risk processes is therefore to mitigate the downside impact of these risks as far as possible, thereby ensuring the optimal application and protection of physical assets, while ensuring the continuity of the Exchange's business.

Operational risk elements can be classified as follows:

- Process risk
- Employee risk
- Systems risk

Risk management controls are in place to lower the probability of operational risk occurring and the seriousness thereof.

25.2 Currency risk

The Exchange's activities are primarily conducted in South African Rand. The Group incurs currency risk as a result of purchases and borrowings in foreign currencies. The currencies in which the Group primarily deals are GB Pounds and US Dollars. Forward exchange contracts ("FECs") are used as a means of reducing exposure to fluctuations in foreign exchange rates. Whilst these financial instruments are subject to the risk of market rates changing subsequent to acquisition, such changes would generally be offset by the opposite effects on the items being hedged.

	Rand R'000	US Dollars R'000	GB Pounds R'000	Euro R'000	Total R'000
Group 2002					
Assets	3 354 488	11 010	–	–	3 365 498
Property, plant and equipment	138 752	–	–	–	138 752
Investments	89 857	6 842	–	–	96 699
Member firms' deposits at banks	2 735 823	–	–	–	2 735 823
Accounts receivable	46 897	4 168	–	–	51 065
Cash and cash equivalents	343 159	–	–	–	343 159
Liabilities	2 853 259	412	2 572	19	2 856 262
Accounts payable and provisions	117 436	412	2 572	19	120 439
Member firms' funds	2 735 823	–	–	–	2 735 823
Net assets and liabilities	501 229	10 598	(2 572)	(19)	509 236
Hedged by forward exchange contracts		–	2 572	–	
Net currency risk exposure		10 598	–	(19)	



Notes to the Financial Statements (continued)

for the year ended 31 December 2002

	Rand R'000	US Dollars R'000	GB Pounds R'000	Euro R'000	Total R'000
25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)					
25.2 Currency Risk (continued)					
2001					
Assets	3 264 382	8 618	–	–	3 273 000
Property, plant and equipment	129 847	–	–	–	129 847
Investments	68 899	6 226	–	–	75 125
Member firms' deposits at banks	2 695 639	–	–	–	2 695 639
Accounts receivable	54 099	2 392	–	–	56 491
Cash and cash equivalents	315 898	–	–	–	315 898
Liabilities	2 808 066	3 668	–	–	2 811 734
Accounts payable and provisions	112 427	3 668	–	–	116 095
Member firms' funds	2 695 639	–	–	–	2 695 639
Net assets and liabilities	456 316	4 950	–	–	461 266
Hedged by forward exchange contracts		–	–	–	
Net currency risk exposure		4 950	–	–	

25.3 Credit risk

Credit risk on the Exchange's own funds is minimised through ensuring funds are only placed with A1 and A1+ rated banking institutions. Exposure to credit risk on accounts receivable balances is monitored as part of the daily procedures of the Exchange's finance department. At balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

The Group is exposed to credit losses in the event of default by a clearing member. The Group anticipates, however, that clearing members will be able to fully satisfy their obligations. The Group has collateral in the form of initial margins and guarantees to mitigate this credit risk and monitors the credit standing of clearing members. The Exchange has ultimate recourse to the JSE Derivatives Fidelity Fund and the general reserves of the Exchange in the event of a clearing member default.

Notes to the Financial Statements (continued)

for the year ended 31 December 2002

25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

25.4 Interest rate risk

Interest rate risk is the risk of the Exchange being exposed to gains or losses on fluctuations on interest rates where assets or liabilities are linked to fixed interest rates. This risk is managed by the Exchange ensuring that assets and liabilities are linked only to floating interest rates. The following table analyses the interest rate risk profile for assets and liabilities at year-end.

	Fixed rate R'000	Floating rate R'000	Non- interest sensitive R'000	Total R'000
Group				
2002				
Assets	36 465	3 078 982	250 051	3 365 498
Property, plant and equipment	-	-	138 752	138 752
Investments	36 465	-	60 234	96 699
Member firms' deposits at banks	-	2 735 823	-	2 735 823
Accounts receivable	-	-	51 065	51 065
Cash and cash equivalents	-	343 159	-	343 159
Liabilities	-	2 735 823	120 439	2 856 262
Accounts payable and provisions	-	-	120 439	120 439
Member firms' funds	-	2 735 823	-	2 735 823
Net interest rate risk mismatch	36 465	343 159	129 612	509 236
Reserves				509 236

Floating rate assets yield interest at call rates.

Group

2001

Assets	32 499	3 011 537	228 964	3 273 000
Property, plant and equipment	-	-	129 847	129 847
Investments	32 499	-	42 626	75 125
Member firms' deposits at banks	-	2 695 639	-	2 695 639
Accounts receivable	-	-	56 491	56 491
Cash and cash equivalents	-	315 898	-	315 898
Liabilities	-	2 695 639	116 095	2 811 734
Accounts payable and provisions	-	-	116 095	116 095
Member firms' funds	-	2 695 639	-	2 695 639
Net interest rate risk mismatch	32 499	315 898	112 869	461 266
Reserves				461 266



Notes to the Financial Statements (continued)

for the year ended 31 December 2002

25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

25.5 Liquidity risk

Liquidity risk is the risk that the Exchange will be unable to meet its short-term funding requirements. This risk is managed by the Exchange by maintaining the members' funds and the Exchange's own funds in current and call accounts. The following table analyses the terms of expected receipt of assets and repayment of liabilities existing at year-end.

	Up to 3 months R'000	3 to 12 months R'000	1 to 5 years R'000	Non- liquid R'000	Total R'000
Group					
2002					
Assets	3 205 069	-	-	160 429	3 365 498
Property, plant and equipment	-	-	-	138 752	138 752
Investments	75 022	-	-	21 677	96 699
Member firms' deposits at banks	2 735 823	-	-	-	2 735 823
Accounts receivable	51 065	-	-	-	51 065
Cash and cash equivalents	343 159	-	-	-	343 159
Liabilities	2 815 169	4 201	36 892	-	2 856 262
Accounts payable and provisions	79 346	4 201	36 892	-	120 439
Member firms' funds	2 735 823	-	-	-	2 735 823
Net maturity mismatch	389 900	(4 201)	(36 892)	160 429	509 236
Reserves					509 236
Group					
2001					
Assets	3 134 592	8 920	-	129 488	3 273 000
Property, plant and equipment	-	-	-	129 847	129 847
Investments	68 284	7 200	-	(359)	75 125
Member firms' deposits at banks	2 695 639	-	-	-	2 695 639
Accounts receivable	54 771	1 720	-	-	56 491
Cash and cash equivalents	315 898	-	-	-	315 898
Liabilities	2 749 069	1 398	61 267	-	2 811 734
Accounts payable and provisions	53 430	1 398	61 267	-	116 095
Member firms' funds	2 695 639	-	-	-	2 695 639
Net maturity mismatch	385 523	7 522	(61 267)	129 488	461 266
Reserves					461 266

Appendix to the Financial Statements

for the year ended 31 December 2002

FUNDS UNDER MANAGEMENT

JSE Trustees (Proprietary) Limited

JSE Trustees (Proprietary) Limited ("JSE Trustees") acts as an agent for all funds placed by members of the Exchange on behalf of their clients and other counterparties. JSE Trustees invests and administers the funds on behalf of the members. JSE Trustees charges an administration fee for this service.

The year-end of the JSE Trustees has changed to 31 December (previously 28 February).

The unaudited results for 2002 presented below have been prepared for the 12 month reporting period ended 31 December.

	12 months ended 31 December 2002 R'000	12 months ended 31 December 2001 R'000
Abridged income statement for the year ended 31 December 2002		
Interest received	491 897	438 636
Interest paid to broking firms	(478 787)	(426 412)
Operating expenses	(13 110)	(12 224)
Net surplus	-	-
Abridged balance sheet at 31 December 2002		
Assets		
Current assets		
Accounts receivable	35 756	27 875
Cash at bank and on deposit	3 888 532	5 585 351
Total assets	3 924 288	5 613 226
Equity and liabilities		
Shareholder's funds		
Share capital	1	1
Accumulated surplus	7 267	7 267
Current liabilities		
Accounts payable	3 148	31
Stockbrokers		
- Managed and cash operations accounts	3 913 872	5 605 927
Total equity and liabilities	3 924 288	5 613 226



Appendix to the Financial Statements (continued)

for the year ended 31 December 2002

FUNDS UNDER MANAGEMENT (continued)

Indexco Limited ("Indexco")

Indexco is a public limited liability company duly registered and incorporated in accordance with the laws of the Republic of South Africa. The entire issued share capital of Indexco is held by or on behalf of the Exchange.

In terms of the memorandum and articles of association of Indexco, the main business of the company is to issue financial instruments, Satrix 40 securities, which replicate the price and yield performance of the FTSE/JSE Top40 Index.

The liability of R3,5 billion (2001: R3,6 billion) relates to investments of holders of Satrix 40 securities. The corresponding asset is a claim against the Satrix 40 Trust holding the underlying shares constituting the FTSE/JSE Top40 Index.

	Year ended 31 December 2002 R'000	15 months ended 31 December 2001 R'000
Abridged income statement for the year ended 31 December 2002		
Interest	15	76
Fees	(15)	1 799
Expenses	-	(1 875)
	-	-
Tax	-	-
Net surplus	-	-
Abridged balance sheet at 31 December 2002		
Assets		
Non-current assets		
Investment in Satrix 40 Trust	3 482 918	3 565 452
Current assets		
Cash at bank	241	230
Total assets	3 483 159	3 565 682
Equity		
Share capital	-	-
Liabilities		
Investors for Satrix 40	3 482 918	3 565 452
Sundry creditors	241	230
Total equity and liabilities	3 483 159	3 565 682

Appendix to the Financial Statements (continued)

for the year ended 31 December 2002

FUNDS UNDER MANAGEMENT (continued)

Indexco II Limited ("Indexco II")

Indexco II is a public limited liability company duly registered and incorporated in accordance with the laws of the Republic of South Africa. The entire issued share capital of Indexco II is held by or on behalf of the Exchange.

In terms of the memorandum and articles of association of Indexco II, the main business of the company is to issue financial instruments, Satrix FINI securities, which replicate the price and yield performance of the FTSE/JSE Financial 15 Index (FTSE/JSE FINI15 Index).

The liability of R0,7 million relates to investments of holders of Satrix FINI securities. The corresponding asset is a claim against the Satrix FINI Trust holding the underlying shares constituting the FTSE/JSE FINI15 Index.

	2002
	R'000
Abridged balance sheet at 31 December 2002	
Assets	
Non-current assets	
Investment in Satrix FINI Trust	668 004
Total assets	668 004
Equity	
Share capital	–
Liabilities	
Investors for Satrix FINI securities	668 004
Total equity and liabilities	668 004



Appendix to the Financial Statements (continued)

for the year ended 31 December 2002

FUNDS UNDER MANAGEMENT (continued)

Indexco III Limited ("Indexco III")

Indexco III is a public limited liability company duly registered and incorporated in accordance with the laws of the Republic of South Africa. The entire issued share capital of Indexco III is held by or on behalf of the Exchange.

In terms of the memorandum and articles of association of Indexco III, the main business of the company is to issue financial instruments, Satrix INDI securities, which replicate the price and yield performance of the FTSE/JSE Industrial 25 Index (FTSE/JSE INDI25 Index).

The liability of R0,6 million relates to investments of holders of Satrix INDI securities. The corresponding asset is a claim against the Satrix INDI Trust holding the underlying shares constituting the FTSE/JSE INDI25 Index.

	2002
	R'000
Abridged balance sheet at 31 December 2002	
Assets	
Non-current assets	
Investment in Satrix INDI Trust	580 522
Total assets	580 522
Equity	
Share capital	-
Liabilities	
Investors for Satrix INDI securities	580 522
Total equity and liabilities	580 522

Broking Members (Equities)

as at 30 January 2003

***ABSA STOCKBROKERS (PTY) LTD**

Telephone: +27 (11) 647-0817
Facimile: +27 (11) 647-0831
Website: www.absa.co.za

BROCKHOUSE COOPER SA (PTY) LTD

Telephone: +27 (11) 884-6578
Facsimile: +27 (11) 884-1862
Website: www.brockhousecooper.co.za

***DWM SECURITIES (PTY) LTD**

Telephone: +27 (12) 484-2000
Facsimile: +27 (12) 484-2001
Website: www.dwm.co.za

AFRICAN HARVEST SECURITIES PTY LTD

Telephone: +27 (11) 263-9500
Facsimile: +27 (11) 784-2550

CKS EQUITIES (PTY) LTD

Telephone: +27 (11) 691-8891
Facsimile: +27 (11) 467-4581

FFO SECURITIES (PTY) LTD

Telephone: +27 (11) 471-0500
Facsimile: +27 (11) 475-0104

AFRIFOCUS SECURITIES (PTY) LTD

Telephone: +27 (11) 290-7800
Facsimile: +27 (11) 290-7878
Website: www.afrifocus.co.za

CADIZ STOCK BROKING (PTY) LTD

Telephone: +27 (11) 483-0855
Facsimile: +27 (11) 483-0867
Website: www.cadiz.co.za

GENSEC TRADING (PTY) LTD

Telephone: +27 (11) 778-6000
Facsimile: +27 (11) 778-6946
Website: www.gensec.com

ANGLORAND SECURITIES (PTY) LTD

Telephone: +27 (11) 484-7440
Facsimile: +27 (11) 484-6647
Website: www.anglorand.co.za

***CAZENOVE SOUTH AFRICA (PTY) LTD**

Telephone: +27 (11) 280-7900
Facsimile: +27 (11) 325-8040
Website: www.cazenove.com

GM DE KLERK INC

Telephone: +27 (11) 838-6160
Facsimile: +27 (11) 834-6195

***APPLETON SECURITIES (PTY) LTD**

Telephone: +27 (11) 836-8141
Facsimile: +27 (11) 836-9102
Website: www.appletononline.com

CONSILIUM CAPITAL SA (PTY) LTD

Telephone: +27 (11) 340-1300
Facsimile: +27 (11) 325-0612

***GOLDING TORR & DE DECKER (PTY) LTD**

Telephone: +27 (11) 442-3200
Facsimile: +27 (11) 442-9192

***B P BERNSTEIN**

Telephone: +27 (11) 833-1560
Facsimile: +27 (11) 836-0392

CREDIT SUISSE FIRST BOSTON SA SECURITIES (PTY) LTD

Telephone: +27 (11) 343-2200
Facsimile: +27 (11) 343-2233
Website: www.csfb.com

HAMPTON SECURITIES (PTY) LTD

Telephone: +27 (11) 483-2925
Facsimile: +27 (11) 483-2926
Website: www.hamptonsec.co.za

BARNARD JACOBS MELLET PRIVATE CLIENT SERVICES (PTY) LTD

Telephone: +27 (11) 778-0000
Facsimile: +27 (11) 778-0010
Website: www.bjmdirect.co.za

DECILLION SECURITIES (PTY) LTD

Telephone: +27 (12) 529-1400
Facsimile: +27 (12) 529-1401
Website: www.decillion.net

***HSBC SECURITIES (SOUTH AFRICA) (PTY) LTD**

Telephone: +27 (11) 481-4200
Facsimile: +27 (11) 646-8388
Website: www.hsbc.com

BARNARD JACOBS MELLET SECURITIES (PTY) LTD

Telephone: +27 (11) 283-0300
Facsimile: +27 (11) 283-0303
Website: www.bjmc.co.za

***DEUTSCHE SECURITIES (PTY) LTD**

Telephone: +27 (11) 775-7000
Facsimile: +27 (11) 775-7673
Website: www.db.co.za

I D E SECURITIES (PTY) LTD

Telephone: +27 (11) 476-9297
Facsimile: +27 (11) 476-9792
Website: www.ide.co.za

BOE PERSONAL STOCKBROKERS (PTY) LTD

Telephone: +27 (11) 302-1111
Facsimile: +27 (11) 302-1223
Website: www.boepersonal.com

DIRECT SECURITIES (PTY) LTD

Telephone: +27 (11) 722-7400
Facsimile: +27 (11) 722-7445
Website: www.peregrine.co.za

***INDEPENDENT SECURITIES (PTY) LTD**

Telephone: +27 (11) 489-5400
Facsimile: +27 (11) 489-5499

*Also Custody and Settlement Members



Broking Members (Equities) (continued)

as at 30 January 2003

***INVESTEC SECURITIES LTD**
Telephone: +27 (11) 286-4500
Facsimile: +27 (11) 286-9923
Website: www.investec.com

***NIB SECURITIES (PTY) LTD**
Telephone: +27 (11) 480-1000
Facsimile: +27 (11) 480-1781
Website: www.nib.co.za

***RMB STOCKBROKING (PTY) LTD**
Telephone: +27 (11) 282 8000
Facsimile: +27 (11) 282 8515
Website: www.rmb.co.za

***JP MORGAN EQUITIES LTD**
Telephone: +27 (11) 507-0300
Facsimile: +27 (11) 507-0351
Website: www.jpmorganchase.com

NOAH FINANCIAL INNOVATION (PTY) LTD
Telephone: +27 (11) 446-9200
Facsimile: +27 (11) 446-9201
Website: www.noahfi.com

SANLAM PRIVATE INVESTMENTS (PTY) LTD
Telephone: +27 (11) 778-6600
Facsimile: +27 (11) 778-6699
Website: www.gensec.com

KAGISO SECURITIES LTD
Telephone: +27 (11) 691-8800
Facsimile: +27 (11) 467-4581/465-2921

PEREGRINE EQUITIES (PTY) LTD
Telephone: +27 (11) 722-7516
Facsimile: +27 (11) 722-7541
Website: www.peregrine.co.za

SA STOCKBROKERS (PTY) LTD
Telephone: +27 (11) 214-7250
Facsimile: +27 (11) 214-7298
Website: www.sastockbrokers.co.za

LEGAE SECURITIES (PTY) LTD
Telephone: +27 (11) 715-3700
Facsimile: +27 (11) 715-3701
Website: www.legae.co.za

***PHILIPPUS DE WITT (PTY) LTD**
Telephone: +27 (11) 482-4525
Facsimile: +27 (11) 482-4528

***SASFIN FRANKEL POLLAK SECURITIES (PTY) LTD**
Telephone: +27 (11) 809-7500
Facsimile: +27 (11) 809-7710
Website: www.sgfp.co.za

LEWER & CO
Telephone: +27 (11) 463-7979
Facsimile: +27 (11) 463-6056

***PLJ FINANCIAL SERVICES LTD**
Telephone: +27 (11) 375-1000
Facsimile: +27 (11) 375-1100
Website: www.plj.co.za

SALOMON SMITH BARNEY SECURITIES (PTY) LTD
Telephone: +27 (11) 944-1000
Facsimile: +27 (11) 944-0866
Website: www.citigroup.com

MAUDE STREET SECURITIES (PTY) LTD
Telephone: +27 (11) 380-3000
Facsimile: +27 (11) 380-3063

PRESCIENT SECURITIES (PTY) LTD
Telephone: +27 (21) 700-3600
Facsimile: +27 (21) 700-3700
Website: www.prescient.co.za

***SCMB SECURITIES (PTY) LTD**
Telephone: +27 (11) 636 0100
Facsimile: +27 (11) 636 0512
Website: www.standardbank.co.za

MAZWAI & CO SECURITIES (PTY) LTD
Telephone: +27 (11) 537-2700
Facsimile: +27 (11) 537-2706

***PSG ONLINE SECURITIES LTD**
Telephone: +27 (11) 670-0500
Facsimile: +27 (11) 670-0506
Website: www.psg online.co.za

SG SECURITIES JOHANNESBURG (PTY) LTD
Telephone: +27 (11) 488-1400
Facsimile: +27 (11) 488-1414

***MERRILL LYNCH SOUTH AFRICA (PTY) LTD**
Telephone: +27 (11) 305-5555
Facsimile: +27 (11) 305-5600
Website: www.ml.com

***RICE RINALDI SECURITIES (PTY) LTD**
Telephone: +27 (11) 836-2441
Facsimile: +27 (11) 838-2919
Website: www.ricerinaldi.co.za

***SP REID & MACKEURTAN (PTY) LTD**
Telephone: +27 (11) 446-6200
Facsimile: +27 (11) 446-6195
Website: www.sp Reid.co.za

NEDCOR SECURITIES LTD
Telephone: +27 (11) 486-3922
Facsimile: +27 (11) 480-1075

RMB SECURITIES (PTY) LTD
Telephone: +27 (11) 269-9260
Facsimile: +27 (11) 269-9598
Website: www.rmb.co.za

SYFRETS SECURITIES LTD
Telephone: +27 (11) 486-3922
Facsimile: +27 (11) 480-1075

*Also Custody and Settlement Members



Broking Members (Equities) (continued)

as at 30 January 2003

TFS SECURITIES (PTY) LTD

Telephone: +27 (11) 465-3686

Facsimile: +27 (11) 467-4174

Website: www.tfs.co.uk

VECTOR EQUITIES (PTY) LTD

Telephone: +27 (21) 419-3992

Facsimile: +27 (21) 419-5231

†COMPUTERSHARE OUTSOURCING LTD

Telephone: +27 (11) 374-0460

Facsimile: +27 (11) 688-7726

Website: www.computershare.com

***TRADEK (PTY) LTD**

Telephone: +27 (11) 370-1900

Facsimile: +27 (11) 834-8485

Website: www.tradek.com

WATERMARK SECURITIES (PTY) LTD

Telephone: +27 (11) 325-4228

Facsimile: +27 (11) 325-5681

Website: www.watermarksec.com

†FINSETTLE SERVICES

Telephone: +27 (11) 215-5000

Facsimile: +27 (11) 325-0302

Website: www.finsettle.co.za

***UBS WARBURG SECURITIES (SOUTH AFRICA) (PTY) LTD**

Telephone: +27 (11) 322-7000

Facsimile: +27 (11) 322-7381

Website: www.ubswarburg.com

WJ MORGAN & ASSOCIATES (PTY) LTD

Telephone: +27 (12) 482-6600

Facsimile: +27 (12) 482-6657

Website: www.wjmorgan.co.za

†TASC SETTLEMENT (PTY) LTD

Telephone: +27 (11) 377-7200

Facsimile: +27 (11) 838-3098

Website: www.tasc.co.za

*Also Custody and Settlement Member

†Only Custody and Settlement Member



Agricultural Products Members

as at 30 January 2003

ABSA BANK LTD

Telephone: +27 (11) 350-7828
Facsimile: +27 (11) 350-7816
Website: www.absa.co.za

CADIZ SPECIAL PROJECTS LTD

Telephone: +27 (21) 657-8750
Facsimile: +27 (21) 657-8306
Website: www.cadiz.co.za

F P VAN ROOYEN

Telephone: +27 (18) 632-5410
Facsimile: +27 (18) 632-1950

AFGRI OPERATIONS LTD

Telephone: +27 (12) 663-1312
Facsimile: +27 (12) 663-9250
Website: www.afgri.co.za

CARGILL RSA (PTY) LTD

Telephone: +27 (11) 799-2000
Facsimile: +27 (11) 465-5775

FARMWISE GRAINS (PTY) LTD

Telephone: +27 (11) 787-3666
Facsimile: +27 (11) 787-3710

APPLIED DERIVATIVES (PTY) LTD

Telephone: +27 (21) 671-8212
Facsimile: +27 (21) 671-2991

CLEVERMINDS EIGHT CC T/A AGRIWORLD GRAAN

Telephone: 27 (51) 401-5672
Facsimile: 27 (51) 401-5675

FARMWISE LTD

Telephone: +27 (11) 787-3666
Facsimile: +27 (11) 787-3710
Website: www.farmwise.co.za

B & P GROUP FINANCIAL SERVICES (PTY) LTD

Telephone: +27 (31) 572-8300
Facsimile: +27 (31) 572-8324

COMMODITY HOUSE (PTY) LTD

Telephone: +27 (21) 888-8100
Facsimile: +27 (21) 886-7700
Website: www.tradinghouse.co.za

FCB HARLOW BUTLER (PTY) LTD

Telephone: +27 (11) 276-9000
Facsimile: +27 (11) 276-9021

BESTER FEED & GRAIN EXCHANGE (PTY) LTD

Telephone: +27 (21) 887-7188
Facsimile: +27 (21) 887-7166
Website: www.bester.co.za

CORONATION CAPITAL LTD

Telephone: +27 (11) 775-6400
Facsimile: +27 (11) 775-6420
Website: www.coronation.co.za

FFO SECURITIES (PTY) LTD

Telephone: +27 (11) 471-0500
Facsimile: +27 (11) 475-0104

BOLUS & BOLUS INVESTMENTS (PTY) LTD

Telephone: +27 (11) 884-4482
Facsimile: +27 (11) 884-1862

CROPLINK (SA) (PTY) LTD

Telephone: +27 (11) 237-6100
Facsimile: +27 (11) 314-7489

FIRST WORLD TRADER (PTY) LTD

Telephone: +27 (11) 214-8000
Facsimile: +27 (11) 214-8028
Website: www.gt247.com

BRENT TRADING (PTY) LTD

Telephone: +27 (56) 811-2966
Facsimile: + 27 (56) 811-2082
Website: www.brent.za.net

DECILLION SECURITIES (PTY) LTD

Telephone: +27 (11) 328-1000
Facsimile: +27 (11) 442-4456

FUTURELINE (PTY) LTD

Telephone: +27 (21) 887-6165/6
Facsimile: +27 (21) 887-6166

BRISEN COMMODITIES (PTY) LTD

Telephone: +27 (12) 663-8383
Facsimile: +27 (12) 663-8387

DERIVED MARKET INVESTMENT & PLANNING (PTY) LTD

Telephone: +27 (12) 348-2034
Facsimile: +27 (12) 348-2034

GENERAL FOOD INDUSTRIES LTD

Telephone: +27 (12) 804-1711
Facsimile: +27 (12) 804-6154

BUSHVELD GRAIN (PTY) LTD

Telephone: +27 (12) 347-8287
Facsimile: +27 (12) 347-8287

DWT SECURITIES (PTY) LTD

Telephone: +27 (21) 914-6460
Facsimile: +27 (21) 914-6458
Website: www.dwt.co.za

GLOBAL GRAIN MARKETING (PTY) LTD

Telephone: +27 (57) 899-1200
Facsimile: +27 (57) 899-1049



Agricultural Products Members (continued)

as at 30 January 2003

GRAIN LINE CC

Telephone: +27 (16) 351-1797
Facsimile: +27 (16) 351-1797

KERNAL MAIZE CC

Telephone: +27 (56) 515-1188
Facsimile: +27 (56) 515-1187

NIB SECURITIES (PTY) LTD

Telephone: +27 (11) 480-1543
Facsimile: +27 (11) 834-3601

GRAINMAN INTERNATIONAL (PTY) LTD

Telephone: +27 (12) 346-8838
Facsimile: +27 (12) 346-0291
Website: www.grainman.co.za

LEEUBANK LANDGOED TRUST

Telephone: +27 (5881) 32-362
Facsimile: +27 (5881) 33-914

NWK LTD

Telephone: +27 (18) 633-1000
Facsimile: +27 (18) 633-1900
Website: www.nwk.co.za

HG GRAAN BEMARKING (EDMS) BPK

Telephone: +27 (13) 665-3127
Facsimile: +27 (13) 665-5560

LESOTHO MILLING CO. (PTY) LTD

Telephone: +27 (5193) 34487/8
Facsimile: +27 (5193) 35038

PCS FUTURES (PTY) LTD

Telephone: +27 (11) 803-3800
Facsimile: +27 (11) 803-3801
Website: www.pcsfutures.com

IMEX AGRICULTURAL SERVICES LTD

Telephone: +27 (11) 320-0111
Facsimile: +27 (11) 884-5483
Website: www.tigerbrands.com

MARKET TRADERS (PTY) LTD

Telephone: +27 (33) 343-5792
Facsimile: +27 (33) 343-1237

PEREGRINE DERIVATIVES (PTY) LTD

Telephone: +27 (11) 722-7400
Facsimile: +27 (11) 722-7422
Website: www.peregrine.co.za

INCENTIVE SECURITIES (PTY) LTD

Telephone: +27 (11) 380-3000
Facsimile: +27 (11) 380-3098

MGK BEDRYFSMAATSKAAPY (EDM) BPK

Telephone: +27 (12) 381-2839
Facsimile: +27 (12) 381-2861

PEREGRINE EQUITIES (PTY) LTD

Telephone: +27 (11) 722-7400
Facsimile: +27 (11) 722-7405
Website: www.peregrine.co.za

INVESTEC BANK LTD

Telephone: +27 (11) 286-7000
Facsimile: +27 (11) 286-7946

NATIONAL COMMODITIES (PTY) LTD

Telephone: +27 (31) 269-1573
Facsimile: +27 (31) 269-1639

PLJ FINANCIAL SERVICES LTD

Telephone: +27 (11) 375-1000
Facsimile: +27 (11) 375-1100/1200
Website: www.plj.co.za

JACK RADFORD & ASSOCIATES (PTY) LTD

Telephone: +27 (56) 515-1144
Facsimile: +27 (56) 515-1145

NEDBANK LTD

Telephone: +27 (11) 294-3692
Facsimile: +27 (11) 295-3692
Website: www.nedcor.co.za

PROPERMARK BPK

Telephone: +27 (51) 404-1750
Facsimile: +27 (51) 404-1705
Website: www.proper.co.za

JP MORGAN EQUITIES LTD

Telephone: +27 (11) 507-0300
Facsimile: +27 (11) 507-0489

NEDCOR INVESTMENT BANK LTD

Telephone: +27 (11) 535-4024
Facsimile: +27 (11) 625-7081

PSG CAPITAL QUANTITATIVE (PTY) LTD.

Telephone: +27 (21) 657-2803
Facsimile: +27 (21) 657-2817

KEMPRO BROKERS CC

Telephone: +27 (18) 441-0094
Facsimile: +27 (18) 441-0094

NEDCOR SECURITIES (PTY) LTD

Telephone: +27 (11) 302-1111
Facsimile: +27 (11) 302-1116
Website: www.boe.co.za

RAND MERCHANT BANK, A DIVISION OF FIRSTSTRAND BANK LTD

Telephone: +27 (11) 269-9005
Facsimile: +27 (11) 269-8518
Website: www.rmb.co.za



Agricultural Products Members (continued)

as at 30 January 2003

RMB SECURITIES (PTY) LTD

Telephone: +27 (11) 282-8520
Facsimile: +27 (11) 282-8518

SYFRETS SECURITIES LTD

Telephone: +27 (11) 535-4024

VORLON (PTY) LTD

Telephone: +27 (11) 467-6416/7/8
Facsimile: +27 (11) 467-6415

ROBINSON MULDER DE WAAL FINANCIAL SERVICES (PTY) LTD

Telephone: +27 (12) 665-5010
Facsimile: +27 (12) 665-5025/7
Website: www.rmd.co.za

TRADEPOST 158 (PTY) LTD T/A AGRIMAX

Telephone: +27 (21) 555-1966
Facsimile: +27 (21) 555-1967

VRYSTAAT KOOPERASIE BPK

Telephone: +27 (58) 863-8277
Facsimile: +27 (58) 863-3317
Website: www.vkb.co.za

SECURITIES INVESTMENT BANK LTD

Telephone: +27 (11) 328-9050
Facsimile: +27 (11) 328-9013

TTSA SECURITIES (PTY) LTD

Telephone: +27 (11) 834-7368
Facsimile: +27 (11) 833-3539

VRYSTAAT MIELIES (EDMS) BPK

Telephone: +27 (57) 388-4155
Facsimile: +27 (57) 388-4154

SENWES LTD

Telephone: +27 (18) 464-7800
Facsimile: +27 (18) 464-2558
Website: www.senwes.co.za/grain/

UNIGRAIN (PTY) LTD

Telephone: +27 (11) 692-4400
Facsimile: +27 (11) 692-4452

W.J. MORGAN & ASSOCIATES (PTY) LTD

Telephone: +27 (12) 482-6600
Facsimile: +27 (12) 482-6658
Website: www.wjmorgan.co.za

STANDARD CORPORATE & MERCHANT BANK, A DIVISION OF THE STANDARD BANK OF SOUTH AFRICA

Telephone: +27 (11) 636-4129
Facsimile: +27 (11) 636-6481

UT GRAIN MANAGEMENT (PTY) LTD

Telephone: +27 (11) 452-5117/8
Facsimile: +27 (11) 452-5116

SUIDWES LANDBOU (EDMS) BPK

Telephone: +27 (18) 581-2033
Facsimile: +27 (18) 581-2780
Website: www.suidwes.co.za

VERUS FARMING & COMMODITIES (PTY) LTD

Telephone: +27 (31) 467-0308
Facsimile: +27 (31) 467-1989
Website: www.verus.co.za

Financial Derivatives Members

as at 30 January 2003

AAM BK

Telephone: + 27 (16) 454-8277
Facsimile: + 27 (16) 423-4445

ASPEN RISK MANAGERS LTD

Telephone: +27 (21) 794-8020
Facsimile: +27 (21) 794-2161

CHRIS SLABBERT & CO. (PTY) LTD

Telephone: +27 (11) 325-5901
Facsimile: +27 (11) 325-4176

ABSA BANK LTD

Telephone: +27 (11) 350-7828
Facsimile: +27 (11) 350-7816
Website: www.absa.co.za

BARNARD JACOBS MELLET SECURITIES (PTY) LTD

Telephone: +27 (11) 283-0300
Facsimile: +27 (11) 283-0303
Website: www.bjm.co.za

CORONATION ASSET MANAGEMENT (PTY) LTD

Telephone: +27 (21) 680-2000
Facsimile: +27 (21) 680-2100

ABSA STOCKBROKERS (PTY) LTD

Telephone: +27 (11) 647-0817
Facsimile: +27 (11) 647-0818

BEX STRUCTURED PRODUCTS (PTY) LTD

Telephone: +27 (11) 684-1433
Facsimile: +27 (11) 684-1420

CORONATION CAPITAL LTD

Telephone: +27 (11) 775-6400
Facsimile: +27 (11) 775-6420
Website: www.coronation.co.za

AFRICA ADVENT FINANCIAL SERVICES (PTY) LTD

Telephone: +27 (21) 794-8912
Facsimile: +27 (21) 794-0041

BIZ AFRIKA 124 (PTY) LTD

Telephone: +27 (11) 315-6595
Facsimile: +27 (11) 315-6594

CREDIT AGRICOLE INDOSUEZ CO

Telephone: +27 (11) 240-0400
Facsimile: +27 (11) 240-0447
Website: www.indosuez.com

AFRICAN HARVEST SECURITIES (PTY) LTD

Telephone: +27 (11) 263-9500
Facsimile: +27 (11) 784-2550
Website: www.africanharvest.co.za

BOE ASSET MANAGEMENT LTD

Telephone: +27 (21) 416-6000
Facsimile: +27 (21) 416-9911
Website: www.boe.co.za

CREDIT SUISSE FIRST BOSTON SA SECURITIES (PTY) LTD

Telephone: +27 (11) 343-2200
Facsimile: +27 (11) 343-2233

AFRICAN MERCHANT BANK LTD

Telephone: +27 (11) 302-2000
Facsimile: +27 (11) 784-8994

BOE PERSONAL STOCKBROKERS (PTY) LTD

Telephone: +27 (11) 302-1000
Facsimile: +27 (11) 784-4423
Website: www.boepersonal.com

DECILLION SECURITIES (PTY) LTD

Telephone: +27 (11) 328-1000
Facsimile: +27 (11) 442-4456

AFRIFOCUS SECURITIES (PTY) LTD

Telephone: +27 (11) 290-7800
Facsimile: +27 (11) 290-7878
Website: www.afrifocus.co.za

BOLUS & BOLUS INVESTMENTS (PTY) LTD

Telephone: +27 (11) 884-4482
Facsimile: +27 (11) 884-1862

DEUTSCHE SECURITIES (PTY) LTD

Telephone: +27 (11) 775-7000
Facsimile: +27 (11) 775-7607
Website: www.db.co.za

ALPHEN SECURITIES (PTY) LTD

Telephone: +27 (21) 794-4802
Facsimile: +27 (21) 794-5210

CADIZ FINANCIAL STRATEGISTS (PTY) LTD

Telephone: +27 (21) 657-8300
Facsimile: +27 (21) 657-8301
Website: www.cadiz.co.za

DWT SECURITIES (PTY) LTD

Telephone: +27 (21) 914-6460
Facsimile: +27 (21) 914-6458
Website: www.dwt.co.za

APPLETON SECURITIES (PTY) LTD

Telephone: +27 (11) 836-8141
Facsimile: +27 (11) 836-9102
Website: www.appletononline.co.za

CADIZ SPECIAL PROJECTS LTD

Telephone: +27 (21) 657-8300
Facsimile: +27 (21) 657-8301
Website: www.cadiz.co.za

ELECTRA INVESTMENTS SA LTD

Telephone: +27 (21) 950-2500
Facsimile: +27 (21) 950-2555



Financial Derivatives Members (continued)

as at 30 January 2003

ESCHER STRUCTURED PRODUCTS (PTY) LTD

Telephone: +27 (21) 683-0780
Facsimile: +27 (21) 683-0574

FUTURELINE (PTY) LTD

Telephone: +27 (21) 887-6165/6
Facsimile: +27 (21) 887-6166

INVESTEC ASSET MANAGEMENT (PTY) LTD

Telephone: +27 (21) 416-1000
Facsimile: +27 (21) 416-2001
Website: /www.investecfunds.co.za

ESKOM

Telephone: +27 (11) 800-4050
Facsimile: +27 (11) 800-4499

GENSEC BANK LTD

Telephone: +27 (11) 778-6000
Facsimile: +27 (11) 778-6924
Website: www.gensec.com

INVESTEC BANK LTD

Telephone: +27 (11) 286-7000
Facsimile: +27 (11) 286-7946
Website: www.investec.com

ESKOM PENSION & PROVIDENT FUND

Telephone: +27 (11) 709-7522
Facsimile: +27 (11) 709-7510

GENSEC TRADING (PTY) LTD

Telephone: +27 (11) 778-6000
Facsimile: +27 (11) 778-6910

INVESTEC SECURITIES LTD

Telephone: +27 (11) 286-9700
Facsimile: +27 (11) 286-9988

FCB HARLOW BUTLER (PTY) LTD

Telephone: +27 (11) 276-9000
Facsimile: +27 (11) 276-9021

GOLDING, TORR & DE DECKER (PTY) LTD

Telephone: +27 (11) 442-3200
Facsimile: +27 (11) 442-9192

JP MORGAN EQUITIES LTD

Telephone: +27 (11) 507-0300
Facsimile: +27 (11) 507-0489

FFO SECURITIES (PTY) LTD

Telephone: +27 (11) 471-0500
Facsimile: +27 (11) 475-0104

GREENWICH SA (PTY) LTD

Telephone: +27 (11) 706-9758
Facsimile: +27 (11) 706-9758

J.P. MORGAN SECURITIES SA (PTY) LTD

Telephone: +27 (11) 507-0300
Facsimile: +27 (11) 507-0494

FIRST FINANCIAL FUTURES (PTY) LTD

Telephone: +27 (11) 728-5645
Facsimile: +27 (11) 728-3559

HAVEN SECURITIES (PTY) LTD

Telephone: +27 (21) 671-5514/5
Facsimile: +27 (21) 683-6108

LANCASTER SECURITIES (PTY) LTD

Telephone: +27 (11) 880-3137
Facsimile: +27 (11) 880-4258

FIRST WORLD TRADER (PTY) LTD

Telephone: +27 (11) 214-8000
Facsimile: +27 (11) 214-8028
Website: www.gt247.com

HSBC SECURITIES (SOUTH AFRICA) (PTY) LTD

Telephone: +27 (11) 481-4200
Facsimile: +27 (11) 486-4608
Website: www.hsbc.com

LWAZI CAPITAL (PTY) LTD

Telephone: +27 (11) 482-9821
Facsimile: +27 (11) 482-5494

FOORD ASSET MANAGEMENT (PTY) LTD

Telephone: +27 (21) 531-6988
Facsimile: +27 (21) 531-1935

INCENTIVE SECURITIES (PTY) LTD

Telephone: +27 (11) 380-3000
Facsimile: +27 (11) 380-3098

MARKET TRADERS (PTY) LTD

Telephone: +27 (33) 343-5792
Facsimile: +27 (33) 343-1237

FRANKLIN TEMPLETON NIB INVESTMENTS LTD

Telephone: +27 (21) 488-2911
Facsimile: +27 (21) 488-2342
Website: www.ftnibi.co.za

ING SOUTHERN AFRICA (PTY) LTD

Telephone: +27 (11) 492-2941
Facsimile: +27 (11) 492-1090

MERRILL LYNCH SOUTH AFRICA (PTY) LTD

Telephone: +27 (11) 305-5555
Facsimile: +27 (11) 305-5620



Financial Derivatives Members (continued)

as at 30 January 2003

NEDBANK LTD

Telephone: +27 (11) 294-3692
Facsimile: +27 (11) 295-3692
Website: www.nedcor.co.za

PEREGRINE EQUITIES (PTY) LTD

Telephone: +27 (11) 722-7400
Facsimile: +27 (11) 722-7422
Website: www.peregrine.co.za

RMB ASSET MANAGEMENT (PTY) LTD

Telephone: +27 (11) 505-1449
Facsimile: +27 (11) 505-1400

NEDCOR INVESTMENT BANK LTD

Telephone: +27 (11) 535-4024
Facsimile: +27 (11) 625-7081

PEREGRINEQUANT (PTY) LTD

Telephone: +27 (21) 670-4900
Facsimile: +27 (21) 670-4977
Website: www.pq.co.za

RMB SECURITIES (PTY) LTD

Telephone: +27 (11) 282-8520
Facsimile: +27 (11) 282-8518

NEDCOR SECURITIES (PTY) LTD

Telephone: +27 (11) 302-1133
Facsimile: +27 (11) 302-1116
Website: www.boe.co.za

PLJ FINANCIAL SERVICES LTD

Telephone: +27 (11) 375-1000
Facsimile: +27 (11) 375-1100/1200
Website: www.plj.co.za

RMB STOCKBROKING (PTY) LTD

Telephone: +27 (11) 269-9260
Facsimile: +27 (11) 269-9595

NIB SECURITIES (PTY) LTD

Telephone: +27 (11) 480-1543
Facsimile: +27 (11) 834-3601

PREBON YAMANE (SOUTH AFRICA) (PTY) LTD

Telephone: +27 (11) 643-3131
Facsimile: +27 (11) 643-1162

ROBINSON MULDER DE WAAL FINANCIAL SERVICES (PTY) LTD

Telephone: +27 (12) 665-5010
Facsimile: +27 (12) 665-5025/7
Website: www.rmd.co.za

NOAH FINANCIAL INNOVATION (PTY) LTD

Telephone: +27 (11) 446-9700
Facsimile: +27 (11) 446-9701
Website: www.noahfi.com

PRESCIENT SECURITIES (PTY) LTD

Telephone: +27 (21) 700-3710
Facsimile: +27 (21) 700-3750
Website: www.prescient.co.za

RODINA INVESTMENTS LTD.

Telephone: +27 (21) 509-2357
Facsimile: +27 (21) 509-3517

NORTON DERIVATIVES (PTY) LTD

Telephone: +27 (31) 366-1306
Facsimile: +27 (31) 366-1305

PSG CAPITAL QUANTITATIVE (PTY) LTD

Telephone: +27 (21) 657-2803
Facsimile: +27 (21) 657-2817

SA RESERVE BANK

Telephone: +27 (12) 313-4952
Facsimile: +27 (12) 313-3841

OLD MUTUAL LIFE ASSURANCE COMPANY (SA) LTD

Telephone: +27 (21) 509-2357
Facsimile: +27 (21) 509-3517
Website: www.omam.com

RAND MERCHANT BANK, A DIVISION OF FIRSTRAND BANK LTD

Telephone: +27 (11) 282-8000
Facsimile: +27 (11) 269-8518
Website: www.rmb.co.za

SA STOCKBROKERS (PTY) LTD

Telephone: +27 (11) 214-7250
Facsimile: +27 (11) 214-7298

PCS FUTURES (PTY) LTD

Telephone: +27 (11) 803-3800
Facsimile: +27 (11) 803-3801

REAL AFRICA ASSET MANAGEMENT (PTY) LTD

Telephone: +27 (11) 463-0300
Facsimile: +27 (11) 463-0299

SANLAM INVESTMENT MANAGEMENT (PTY) LTD

Telephone: +27 (21) 950-2500
Facsimile: +27 (21) 950-2555
Website: www.sim.sanlam.com

PEREGRINE DERIVATIVES (PTY) LTD

Telephone: +27 (11) 722-7400
Facsimile: +27 (11) 722-7422

RICE RINALDI SECURITIES (PTY) LTD

Telephone: +27 (11) 836-2441
Facsimile: +27 (11) 838-2919

SCMB SECURITIES (PTY) LTD

Telephone: +27 (11) 636-7327
Facsimile: +27 (11) 636-1792



Financial Derivatives Members (continued)

as at 30 January 2003

SECURITIES INVESTMENT BANK LTD

Telephone: +27 (11) 328-9050
Facsimile: +27 (11) 328-9013

SG SECURITIES (JOHANNESBURG) (PTY) LTD

Telephone: +27 (11) 488-1400
Facsimile: +27 (11) 488-6924
Website: www.za.sg-ib.com

SIGNAL FUTURES (PTY) LTD

Telephone: +27 (21) 465-0231
Facsimile: +27 (21) 465-0232
Website: www.signalfutures.co.za

SOCIETE GENERALE

Telephone: +27 (11) 488-1400
Facsimile: +27 (11) 488-1401

SP REID & MACKEURTAN (PTY) LTD

Telephone: +27 (11) 446-6200
Facsimile: +27 (11) 446-6195

STANDARD CORPORATE & MERCHANT BANK, A DIVISION OF THE STANDARD BANK OF SOUTH AFRICA

Telephone: +27 (11) 636-4129
Facsimile: +27 (11) 636-6481

STANLIB ASSET MANAGEMENT LTD

Telephone: +27 (11) 448-5000
Facsimile: +27 (11) 448-5555

STRATEGY SECURITIES (PTY) LTD

Telephone: +27 (11) 507-2900
Facsimile: +27 (11) 507-2910
Website: www.stratsec.com

SYFRETS SECURITIES LTD

Telephone: +27 (11) 535-4024
Facsimile: +27 (11) 625-7081

TFS FUTURES & OPTIONS SA (PTY) LTD

Telephone: +944 (207) 454-9422
Facsimile: +944 (207) 422-9662

THE LINK ASSET & SECURITIES CO. (PTY) LTD

Telephone: +944 (207) 491-9882
Facsimile: +944 (207) 663-4304

THIRTY FOUR SOUTH RESEARCH & TRADING (PTY) LTD

Telephone: +27 (21) 683-2293
Facsimile: +27 (21) 671-1233

TRANSNET

Telephone: +27 (11) 308-2571
Facsimile: +27 (11) 308-2591
Website: www.etreasury.co.za

TTSA SECURITIES (PTY) LTD

Telephone: +27 (11) 834-7368
Facsimile: +27 (11) 833-3539

UBS WARBURG SECURITIES (SOUTH AFRICA) (PTY) LTD

Telephone: +27 (11) 322-7000
Facsimile: +27 (11) 322-7381
Website: www.ubswarburg.com

VECTOR CORPORATE SERVICES (PTY) LTD

Telephone: +27 (21) 419-3992
Facsimile: +27 (21) 419-5231

VORLON (PTY) LTD

Telephone: +27 (11) 467-6416/7/8
Facsimile: +27 (11) 467-6415

WATERMARK SECURITIES (PTY) LTD

Telephone: +27 (11) 325-4228
Facsimile: +27 (11) 325-5681

WJ MORGAN & ASSOCIATES (PTY) LTD

Telephone: +27 (12) 482-6600
Facsimile: +27 (12) 482-6658

Agricultural Products Clearing Members

as at 30 January 2003

ABSA BANK LTD

Telephone: +27 (11) 350-7828
Facsimile: +27 (11) 350-7816
Website: www.absa.co.za

NEDBANK LTD

Telephone: +27 (11) 294-3692
Facsimile: +27 (11) 295-3692
Website: www.nedcor.co.za

STANDARD CORPORATE & MERCHANT BANK, A DIVISION OF THE STANDARD BANK OF SOUTH AFRICA

Telephone: +27 (11) 636-4129
Facsimile: +27 (11) 636-6481

INVESTEC BANK LTD

Telephone: +27 (11) 286-7000
Facsimile: +27 (11) 286-7946

RAND MERCHANT BANK, A DIVISION OF FIRSTRAND BANK LTD

Telephone: +27 (11) 269-9005
Facsimile: +27 (11) 269-8518
Website: www.rmb.co.za

Financial Derivatives Clearing Members

as at 30 January 2003

ABSA BANK LTD

Telephone: +27 (11) 350-7828
Facsimile: +27 (11) 350-7816
Website: www.absa.co.za

INVESTEC BANK LTD

Telephone: +27 (11) 286-7000
Facsimile: +27 (11) 286-7946
Website: www.investec.com

RODINA INVESTMENTS LTD.

Telephone: +27 (21) 509-2357
Facsimile: +27 (21) 509-3517

ELECTRA INVESTMENTS SA LTD

Telephone: +27 (21) 950-2500
Facsimile: +27 (21) 950-2555

NEDBANK LTD

Telephone: +27 (11) 294-3692
Facsimile: +27 (11) 295-3692
Website: www.nedcor.co.za

STANDARD CORPORATE & MERCHANT BANK, A DIVISION OF THE STANDARD BANK OF SOUTH AFRICA

Telephone: +27 (11) 636-4129
Facsimile: +27 (11) 636-6481

GENSEC BANK LTD

Telephone: +27 (11) 778-6000
Facsimile: +27 (11) 778-6924
Website: www.gensec.com

RAND MERCHANT BANK, A DIVISION OF FIRSTRAND BANK LTD

Telephone: +27 (11) 269-9005
Facsimile: +27 (11) 269-8518
Website: www.rmb.co.za



Notice of Annual General Meeting of Rights Holders

Notice is hereby given that the third annual general meeting of rights holders of the JSE will be held in the auditorium, One Exchange Square, Gwen Lane, Sandown on Tuesday, 22 April at 17h30 for the purpose of:

1. adopting the following resolutions:
 - 1.1 that the Financial Statements and the directors' report for the year ended 31 December 2002 together with the auditors' report be adopted; and
 - 1.2 that KPMG be re-appointed as the JSE's auditors for the ensuing year and that the auditors' remuneration be left to the discretion of the Board;
2. re-electing Ms G Serobe, Messrs. P Barnard and R Khoza who retire as directors in terms of the constitution of the JSE, but being eligible, have made themselves available for re-election; and
3. discussing any matter relating to the finances of the JSE.

Rights holders of the JSE represented in person or by proxy shall be entitled to vote and speak at the meeting.

On a show of hands, every rights holder shall have one vote only irrespective of the number of JSE rights held by such rights holder. On a poll, every rights holder shall have one vote in respect of each JSE right held by such rights holder. On a poll, a rights holder entitled to more than one vote, need not cast any or all his votes, nor if such person casts a vote, cast every vote in the same way.

The instrument appointing a proxy and the power of attorney under which it is signed or a notarially certified copy of such power of attorney shall be lodged with the Chief Executive Officer not less than 24 hours before the meeting.

By order of the Board

GC Clarke

Secretary



Biographies of directors standing for re-election as directors of JSE Securities Exchange South Africa

MRS G T SEROBE

Gloria Serobe holds a B.Com degree from the University of Transkei and an MBA from Rutgers University, New Jersey, USA.

She was appointed as Chief Executive Officer of Wipcapital (Pty) Ltd, a subsidiary of WIPHOLD in September 2001. She is also the Chairman of Metropolitan and NAC and sits on various boards.

Mrs Serobe's professional experience includes positions at Transnet Limited, Exxon Corporation, USA; Munich Reinsurance Company of South Africa; the Premier Group and Standard Corporate and Merchant Bank.

PAUL ALAN BARNARD

Chief Executive Officer

BJM Group

Paul Barnard holds a BSc. Honours from the University of Edinburgh and an MBA from the University of Cape Town.

EXPERIENCE

1985 to Present

BJM Group Chief Executive

Established Barnard Jacobs Mellet as a founder member in 1985. Took the company through successive growth years culminating in the listing of the Group in 1998. Ultimately responsible for the management of each of the subsidiaries.

- CEO of the Main Board
- CEO of BJM (UK)
- Director of Finsettle
- Member of the Audit committee

1980 – 1985

Investment Analyst, Ivor Jones Roy & Co.

Achievements: rated in top three by the Financial Mail over each of the five years.

EMPOWERMENT

Paul has been a key figure in driving the empowerment initiatives of Barnard Jacobs Mellet. In this regard, one major success has been in the facilitation of the creation of Mazwai Securities, certainly already one of the most successful empowerment stockbroking companies in South Africa. Paul serves on the Board of Mazwai Securities.



Biographies of directors standing for re-election as directors of JSE Securities Exchange South Africa (continued)

REUEL J KHOZA

QUALIFICATIONS

BA Hon (Psychology)	University of the North, SA
MA Marketing Management	University of Lancaster, UK
PMD (Programme for Management Development)	Harvard Business School, USA
IPBM (International Programme for Board Members)	IMD, Lausanne, Switzerland

EXPERIENCE

1996 – Current	Founder and Executive Chairman of Co-ordinated Network Investments (Pty) Limited.
1981 – 1996	Managing Director/founder, Co-ordinated Management Consulting (Pty) Limited. Consulting interventions for major clients, e.g. Barlows, Eskom, IBM, Nafcoc, SAA, SAB, Samcor, SBSA, Tiger Oats, Transnet
1987	Major Time Lecturer, Wits Business School
1979 – 1981	Marketing Communications Manager, Shell SA
1975 – 1978	Marketing Trainee - Brand Manager, Lever Brothers
1974	Lecturer, Research Methods, Industrial & Clinical Psychology University of the North

PREVIOUS DIRECTORSHIPS

Munich Reinsurance SA, S C Johnson & Son SA, Servgro, Vodacom Group, JCI, Pinnacle Holdings, IBM SA, IST Holdings Limited, Datacentrix Limited, Guardrisk Assurance Co Limited, Norwich Holdings, Norwich Life, Comair Ltd, Standard Bank Group Ltd, Standard Bank of South Africa, Liberty Group Limited.

CURRENT DIRECTORSHIPS

BOE Asset Management, Corobrick (Pty) Limited, Protea Hospitality Limited, JSE Securities Exchange South Africa.

PREVIOUS CHAIRMANSHIPS

Afcomet, Tolcon, Vodac (Pty) Limited, South African Student Intership Foundation, Sun Air, Corridor Development Corporation (Pty) Ltd, Creda Press (Pty) Limited, Glaxo Wellcome SA (Pty) Limited, Co-ordinated Network Investments and Unihold (Pty) Limited.

CURRENT CHAIRMANSHIPS

Eskom Holdings Limited, Aka Capital (Pty) Limited and Akani Leisure (Pty) Limited.

PROFESSIONAL ASSOCIATIONS

WBCSD	Member of the Executive Committee
G8 Renewables Task Force	Member of the Executive Committee
Institute of Directors of SA	Fellow & President
Black Management Forum	former Director & Patron
SA Institute of Management	former Advisory Board Member
World Economic Forum: World Business Council	Member

Recipient of Unisa SBL 2001 Leadership in Practice award.

Co-Chairman: Business Action for Sustainable Development



Form of Proxy

for the third annual general meeting of rights holders of the JSE to be held on Tuesday, 22 April 2003 at 17h30.

I/We

(NAME IN BLOCK LETTERS)

of

(ADDRESS)

being the holder/s of

JSE rights, hereby appoint (see note 1):

1. _____

of

_____ or failing him

2. the chairman of the JSE, or failing him the chairman of the annual general meeting, as my/our proxy to attend and speak for me/us on my/our behalf and to vote or abstain from voting on my/our behalf at the annual general meeting of the JSE to be held at One Exchange Square, Gwen Lane, Sandown on Tuesday, 22 April 2003 at 17h30.

I/We desire to vote as follows:

	For	Against	Abstain
1. Ordinary resolution 1.1			
2. Ordinary resolution 1.2			
3. To re-elect Ms G Serobe as a director			
4. To re-elect Mr R Khoza as a director			
5. To re-elect Mr P Barnard as a director			

Signed at

_____ on

_____ 2003

Signature

(Sole Proprietor/Partner/Director if a member of the JSE) or (Individual Rights Holder)



Notes

1. A rights holder is entitled to appoint one or more proxies to attend, speak and vote or abstain from voting in the place of that rights holder at the annual general meeting. A rights holder may therefore insert the name of a proxy of the rights holder's choice in the space provided, with or without deleting "the chairman of the JSE, or failing him the chairman of the annual general meeting". The person whose name stands on the proxy form and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of the chairman of the JSE or the chairman of the meeting.
2. A member's instructions to the proxy must be indicated by the insertion of an "X" in the appropriate box. Failure to comply with the above will be deemed to authorise the chairman of the JSE, or failing him, the chairman of the annual general meeting, if he is the authorised proxy, to vote in favour of the resolutions at the annual general meeting, or any other proxy to vote or abstain from voting at the annual general meeting as he deems fit, in respect of the rights holder's total holding.
3. The completion and lodging of this form of proxy will not preclude the relevant rights holder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such rights holder wish to do so.
4. The chairman of the annual general meeting may reject or accept any form of proxy which is completed and/or received otherwise than in accordance with these notes.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy.
6. Any alteration or correction made to this form of proxy must be initialled by the signatory.
7. This form of proxy must be lodged with the Chief Executive Officer of the JSE at One Exchange Square, Gwen Lane, Sandown (Private Bag X991174, Sandton, 2146), to be received by not later than 17h00 on Monday, 21 April 2003.

