



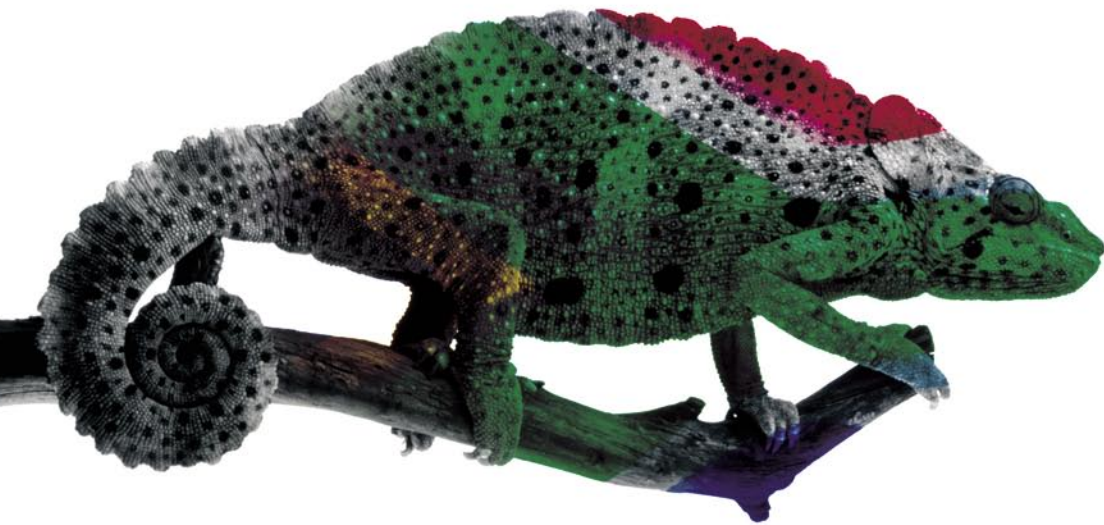
**SECURITIES EXCHANGE
SOUTH AFRICA**

INNOVATION

Annual Report 2004

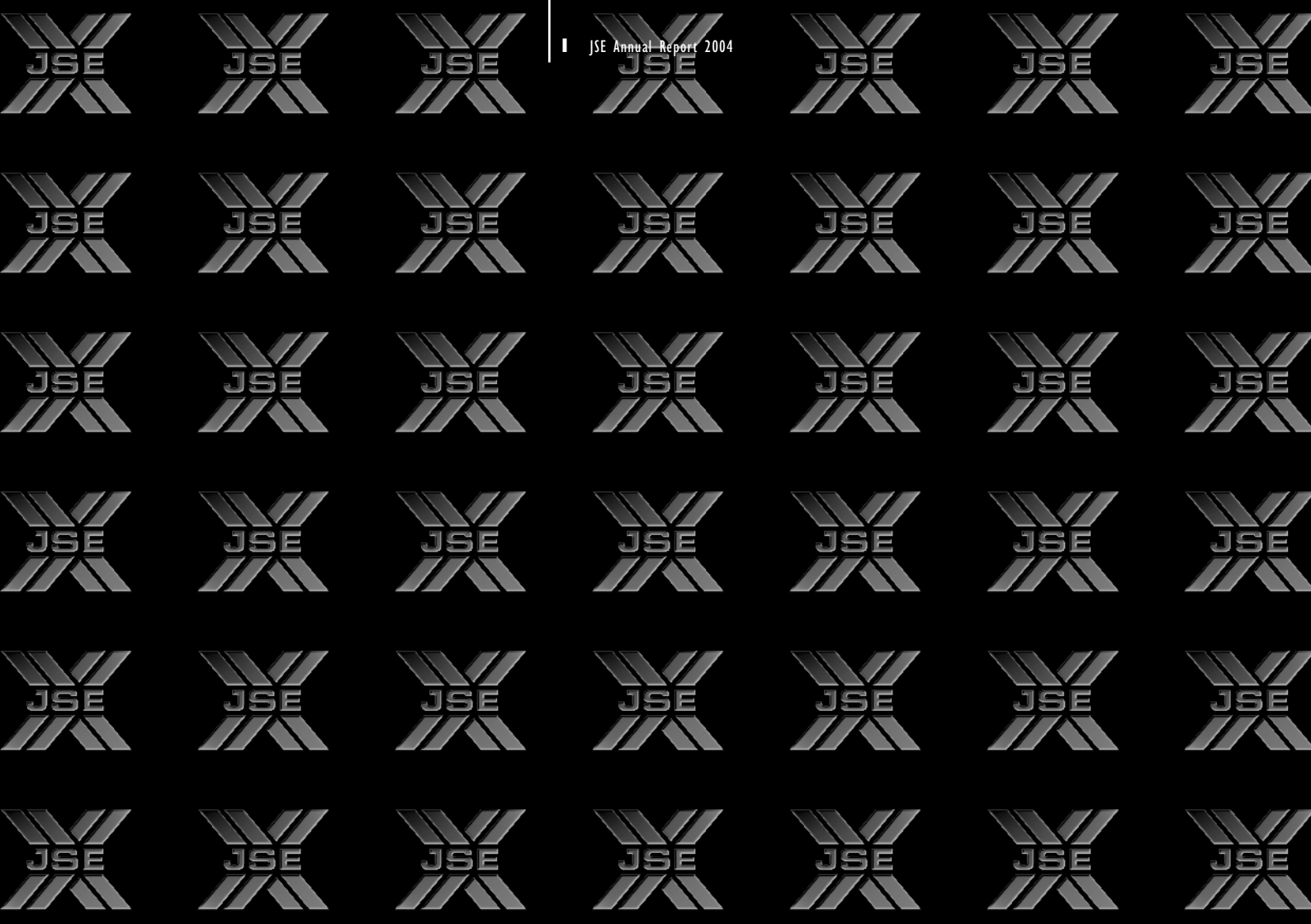
THE PROVISION OF SECURE AND EFFICIENT PRIMARY AND SECONDARY
CAPITAL MARKETS ACROSS A DIVERSE RANGE OF INSTRUMENTS,
SUPPORTED BY COST EFFECTIVE SERVICES

OUR MISSION

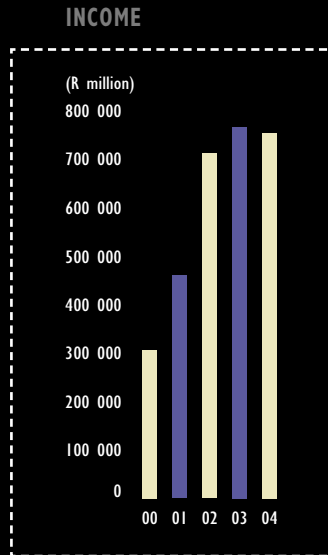


THERE IS NOTHING LIKE RETURNING TO A PLACE THAT
REMAINS UNCHANGED TO FIND THE WAYS IN WHICH YOU
YOURSELF HAVE ALTERED.

Nelson Mandela



FIVE YEAR FINANCIAL SUMMARY



	2000 R'000	2001 R'000	2002 R'000	2003 R'000	2004 R'000
Income	306 469	459 704	711 591	766 630	750 272
Expenditure	266 728	398 262	663 621	747 059	661 371
Income over expenditure	39 741	61 442	47 970	19 571	88 901
Staff numbers	299	306	297	292	210
Cost to income ratio %	87,03	86,63	93,26	97,45	88,15

2004 HIGHLIGHTS

JANUARY

Appointment of Mr G Rothschild as the Chairman of the Committee of SADC Stock Exchanges

FEBRUARY

Minister of Finance advised that Inward Dual Listings would be permitted during 2004

MARCH

Release of a report prepared by Genesis Analytics commissioned by the Financial Services Board reporting favourably on the effectiveness of the JSE and Financial Services Board's regulatory capabilities in the fight against Insider Trading

APRIL

Ten years of democracy in the Republic of South Africa
Annual General Meeting of Rightsholders of the JSE
Shareholders of SAFCOM initiate a project to investigate the feasibility of an integrated clearing solution for all products including OTC products

MAY

Launch of the new Socially Responsible Investment Index measuring compliance by companies with the triple bottom line of economic, environmental and social sustainability
Signature of Memorandum of Understanding with the Shanghai Stock Exchange
Appointment of Mr Niall Smith as a non-executive director of the JSE
Participated in the "Bring a Girl Child to Work" initiative
Signature of the IT Transformation Agreement and Outsourcing Agreement by the JSE and Accenture

2004 HIGHLIGHTS (CONTINUED)

JUNE

The SA Listed Property Index and the Capped Property Index were launched

JULY

Chairman's Roadshow held in Cape Town, Port Elizabeth, Durban and Johannesburg

AUGUST

Appointment of Mr Andile Mazwai as a non-executive director of the JSE

Launch of the Style Indices which consist of a value index and a growth index which indices differentiate between companies on the basis of financial performance

SEPTEMBER

Details in respect of Inward Dual Listings finalised as part of the medium-term budget speech delivered by the Minister of Finance

The rainbow nation's Heritage Day was celebrated in style by JSE staff, through sharing their different cultures

OCTOBER

JSE Schools Challenge Awards for 2004

Co-sponsor of Nurturing Orphans of Aids for Humanity ("NOAH") fund raiser resulting in R660 000 being donated to NOAH

Implemented new computer hardware for APD and FDD

NOVEMBER

The JSE/FTSE All Share Index breached the 12 000 points mark

4th Anniversary year of 100% equities settlement rate following the launch of electronic settlement via STRATE

DECEMBER

The headline indices (All Share, Mid Cap, Small Cap and Fledgling) reached all time highs

Listing of Aquarius Platinum Limited, the first foreign company to list in terms of the inward foreign listing structure approved by the South African Reserve Bank and National Treasury

JSE converts its 2002 and 2003 results to IFRS-XBRL (International Financial Reporting Standards using the eXtensible Business Reporting Language).

This was a world first for a stock exchange

Company number ten lists on ALT*





WE LIVE IN A MOMENT OF HISTORY
WHERE CHANGE IS SO SPEEDED
UP THAT WE BEGIN TO SEE THE
PRESENT ONLY WHEN IT IS
ALREADY DISAPPEARING.

R D Laing

CHAIRMAN AND CEO REVIEW

2004 was a successful year for the JSE.

The concerted effort by the JSE to cut costs combined with the thriving equities market has resulted in a good financial performance for the JSE for the year under review. This translates to a growth in the net asset value of the Exchange from R386 million in December 2003 to R464 million in December 2004. The net asset value per JSE right increased as follows:

December 2003:	R46 330
June 2004:	R55 686
December 2004:	R57 756

We look forward to an improved performance year-on-year in the equities and derivatives markets with consequential benefits for the JSE and its members participating in those markets.

2004 brought a number of new quality main board listings, with companies of the calibre of Peermont, Lewis Stores and Spar electing to list on the JSE. The market may be smaller in terms of the total number of listed companies but is now of a far more consistent quality. The vast majority of the delistings over the last few years were smaller companies, and despite these delistings,

turnover value on the equities market reached record levels of over R1 trillion in 2004 and the market capitalisation has more than doubled over the last ten years to a record high of over R2,5 trillion.

2004 saw the introduction of a number of strategic initiatives that will go a long way to ensuring that the JSE is the investment destination of choice. These include:

- growth in AltX, the JSE's parallel market for small and medium-sized companies, which was launched in 2003, with ten listings to date and a market capitalisation greater than the combined market capitalisation of the Venture Capital Market and the Development Capital Market;
- securing the first foreign inward dual listing in terms of the new dispensation announced by the Minister of Finance;
- the launch of the Socially Responsible Investment ("SRI") Index;
- developing Yield-X, a "one stop yield shop". This is an interest rate product exchange with an electronic central order book, for both the cash and the derivatives, which was implemented in February 2005; and
- the entering into of an outsource agreement and a technology transformation agreement with Accenture.



Humphrey Borkum

“It is an ongoing priority of the JSE to continue to look for new and innovative product offerings to attract investors to the market and a number of new products are planned to be launched in 2005.”

The initiatives set out above are dealt with in more detail in the Business Review section.

It is an ongoing priority of the JSE to continue to look for new and innovative product offerings to attract investors to the market and a number of new products are planned to be launched in 2005, including an exchange traded fund on a foreign index.

The JSE has a 41% interest in STRATE, which also showed improved results. STRATE plays a vital role in the efficient settlement of the equities market. It is also now a strong business in itself, settling bonds and, later in 2005, it will clear and settle money market instruments. Like with most paradigm shifts, the early years of STRATE posed certain challenges for market participants as they became accustomed to the changed settlement environment, but the company has prospered and runs efficiently. By the end of 2004, STRATE had managed to repay all external debt, and is budgeting to remain cash positive henceforth.

Consistent with the objectives of NEPAD and by virtue of the JSE's position in the Southern African region, the JSE remains totally committed to the concept of a Pan-African Board, and is involved in trying to raise money to assist neighbouring countries to participate in this initiative. This is intended to be an important conduit of investment in the region, with the reputation and the

capability of the JSE allowing investors to trade confidently in regional companies.

The JSE has been advised by the National Treasury of South Africa that it will, at some stage in 2005, lose the tax exempt status it currently enjoys. Once it loses its tax exempt status, the JSE will be taxed as an ordinary company. In light of this development and following consultation with rights holders and the relevant regulatory authorities, the Board is of the view that demutualising will be beneficial to the JSE and in particular, to the rights holders. The Board has, therefore decided, subject to appropriate tax rulings being obtained, to present a proposal to demutualise to the JSE's rights holders. This would also be in line with international trends. Accordingly, once the various timing and tax issues have been clarified with National Treasury and SARS, a special meeting of rights holders will be convened to discuss, and vote on this issue.

Empowerment continues to be at the heart of the debate over the future direction of South African business, and the JSE remains committed to the principles of empowerment and diversity amongst its own staff. The Exchange is committed to doing what it can to assist the empowerment process, for instance in relaxing certain listings regulations where necessary to facilitate the conclusion of an empowerment deal. While we remain strongly supportive of the

CHAIRMAN AND CEO REVIEW (CONTINUED)

“The JSE was delighted with the results of a survey commissioned by the Financial Services Board (“FSB”) reporting on the effectiveness of the JSE and the FSB’s regulatory capabilities in the fight against Insider Trading.”

new generation of empowered entrepreneurs, we also believe that if the process is to be of the maximum benefit to the people as a whole, it is vital that the broad based element of empowerment is not overlooked.

The JSE was delighted with the results of a survey commissioned by the Financial Services Board (“FSB”) reporting on the effectiveness of the JSE and the FSB’s regulatory capabilities in the fight against Insider Trading. The report, by Genesis Consulting, showed that this is a fight we are winning. Uniquely amongst the exchanges of the world, the JSE manages a back office and accounting system for all its equities members, and this means that the JSE has a view right down to client level. Insider Trading will unfortunately always be a factor in exchange trading, but this level of surveillance means we have an excellent chance of catching the perpetrators. Fines of three times the profit made or loss avoided are payable and these fines are used to reimburse investors who have suffered losses as a result of the Insider Trading.

Extract from the National Budget speech delivered by the Minister of Finance on 24 February 2005.

“South Africa has experienced strong growth in commodity exports in 2004, but has also seen rising imports in response to domestic demand and the strength of the rand. Expenditure on maritime vessels, new airplanes and, in the third quarter,

oil, added significantly to the import trend in 2004. This resulted in a widening of the current account deficit to an estimated 2,3 percent of GDP, and it is expected to continue to widen moderately over the next three years.

For this reason, it is important that we should continue to attract foreign investment and portfolio inflows, providing the external capital required to finance the shortfall between our export earnings and import costs.

The cumulative surplus on the financial account was over R60 billion in the first nine months of 2004, partly attributable to a resurgence of foreign investment in shares on the Johannesburg Securities Exchange. We have seen further upgrades in the rating of government’s domestic and external debt, which also signals foreign capital market confidence in the South African economy.”

It has been a great year for South Africa both in terms of market performance and in the broader economy. With, inter alia, the property markets and the retail sector booming, the fundamentals look good for at least another year of solid performance. Whilst there are risks to this view, such as the size of the US trade deficit, a reversal of the recovery in Japan or another major terrorist attack, in the absence of any major external setbacks, the prospects for South Africa look positive.



Russell Loubser

“This year would not have been possible without the hard work and dedication of our staff.”

This year would not have been possible without the hard work and dedication of our staff. We were never an over-staffed organisation, and the impact of a 15% reduction in head count at the end of 2003 has been enormous, both in terms of morale and the increased work load on our remaining staff. Yet the way our team continues to respond to the challenge is magnificent. We would like to record our sincere thanks for the way that everybody has performed during the year.

We would also like to extend our most sincere thanks to the members of our Board, for their wise counsel and diligence during the year.



Humphrey Borkum
Chairman



Russell M Loubser
CEO

Speaking solely as Chairman for a moment, I would like to thank Russell Loubser and his executive team for their continued dedication and constant excellence. With a track record of unrivalled innovation and efficiency, they have been responsible for building a JSE of which all South Africans can be proud.



Humphrey Borkum
Chairman

BUSINESS REVIEW

“We aim to remain the market of choice of local and international investors looking to gain exposure to South Africa and, in future, the broader African continent.”

The JSE remains committed to its strategic focus of running a world-class, low cost, highly efficient market offering a wide range of financial products to an ever-broadening and demanding investor community. We aim to remain the market of choice of local and international investors looking to gain exposure to South Africa and, in future, the broader African continent. As exchange control regulations are gradually relaxed, we are working to offer a number of products that will allow local investors to access international markets and individual equities on the JSE through South African intermediaries.

The ongoing challenge that remains the key to the success of the JSE is to offer a broad range of products to meet the needs of the investor community, at a cost that makes these products attractive both in local and international comparative terms. To enable this to be a reality, last year we identified the major challenges that would form the immediate strategic focus of the JSE. These were to:

- implement initiatives to reduce costs;
- introduce a broad range of innovative new products and markets;
- bring foreign companies to the JSE;
- work towards a Pan-African board;

- maximise operational efficiency; and
- broaden the investor community,

while addressing our public mandate as responsible corporate citizens.

DECREASED COSTS

2004 saw the positive impact of the JSE's significant focus on cutting costs. A year-on-year comparison of the total operating expenditure (excluding interest paid) between 2003 and 2004 reflects a net reduction in 2004 of R31,7 million (8,6%). Part of this saving results from a 15% reduction in head count at the end of 2003 which equates to an ongoing cost savings of approximately R26 million per year. Accordingly, while we are growing our areas of activity, we are doing so while still controlling costs.

Another part of the reduction in operating costs is attributable to the outsourcing of the IT infrastructure and operations as well as aggressive re-negotiation of prices with our suppliers.

Costs savings are essential in order to maintain a cost-effective business so that in due course the JSE can investigate ways of reducing the cost of services to its customers.



CHANGE HAS A CONSIDERABLE PSYCHOLOGICAL IMPACT ON THE HUMAN MIND. TO THE FEARFUL, IT IS THREATENING BECAUSE IT MEANS THAT THINGS MAY GET WORSE. TO THE HOPEFUL IT IS ENCOURAGING BECAUSE THINGS MAY GET BETTER. TO THE CONFIDENT, IT IS INSPIRING BECAUSE THE CHALLENGE EXISTS TO MAKE THINGS BETTER.

King Whitney Jr



BUSINESS REVIEW (CONTINUED)

“In line with the continual striving for enhanced ways of doing business, the JSE also restructured its operations in 2004. The restructure was intended to streamline the business whilst ensuring that both the day-to-day functions of the markets and the delivery of new products and revenue streams, all receive the appropriate focus.”

OPERATIONAL EFFICIENCY

Consistent with the drive to reduce costs while continually looking to enhance the quality of service provided to our customers, the decision was made to outsource the management of the Information Technology (IT) operations to Accenture and to transform the JSE’s legacy systems onto next generation technology. This will be achieved through an innovative project dubbed Project Orion.

The JSE’s IT architecture had evolved piecemeal over the years, and is now hampering our ability to offer a flexible and more cost-effective product range to our customers. The new technology and systems, which are expected to have been phased in entirely by mid 2006, will reduce the total cost of ownership of IT and offer increased flexibility, efficiency, reliability and stability.

One cannot underestimate the enormity of transitioning to the new technology for both the JSE and its users and 2005 promises to be an extremely busy year for all of us.

In line with the continual striving for enhanced ways of doing business, the JSE also restructured its operations in 2004. The restructure was intended to streamline the business whilst ensuring that both the day-to-day functions of the markets and

the delivery of new products and revenue streams, all receive the appropriate focus. The main changes were:

- the consolidation of operations and services within one division under the Chief Operating Officer; and
- the creation of two new divisions, i.e. Information Product Sales and Information Services, to focus on producing quality information and on leveraging the wealth of information that the JSE produces.

2004 was a particularly challenging year for the Agricultural Products Market (APM). The price of maize was lower than expected by our customers and this had an impact on the volumes on this market. In addition, we were extremely disappointed with the recurring problems experienced with the automated trading system of the APM. These problems stem from the fact that the APM system is nine years old and the system was not built to cater for the rapid growth and consequent increased volumes on the APM. Considerable effort and resources have been rallied to address the issues to ensure the provision of a consistently stable and reliable system for this market. Short-term solutions to the problem have been and continue to be implemented. A long-term solution will be implemented as part of Project Orion in 2006.

“There is an encouraging enthusiasm for the SRI Index amongst listed companies, both because of social responsibility as an end in itself and because there is a realisation that inclusion is attractive to potential investors.”

The JSE is proactively working with the shareholders of SAFCOM, the clearing house for the Financial Derivatives, Agricultural Products and Yield-X markets, to develop SAFCOM into a centralised clearing house for multiple products so as to increase the opportunity to allow margin offset and cross-collateralisation of positions for efficient use of capital.

NEW PRODUCTS

Cutting-edge technology is, to a large degree, the enabler which allows the JSE to provide new and innovative products to meet the ongoing needs of its customers. As part of this process the JSE is ever mindful of market transparency and efficient price discovery, with continued focus on providing a market of integrity.

2004 saw the introduction of a number of new and innovative product offerings.

The JSE launched its Socially Responsible Investment (SRI) Index which is a world-leading innovation and is the first such index in an emerging market. The SRI Index is based around adherence to the concept of the triple bottom line of environmental, economic and social sustainability encouraging socially responsible behaviour amongst those companies who aspire to be included in the index.

The SRI Index also allows investors to assess the behaviour of the companies in which they invest and it may, in time, lead to a premium rating for companies that are included in the SRI Index. Companies that choose to be considered for membership of the index undergo a detailed examination, by an independent specialist in this area, of their business practices against criteria determined by the SRI Index Advisory Committee. We are now into the process of the first revision of the SRI Index. There is an encouraging enthusiasm for the SRI Index amongst listed companies, both because of social responsibility as an end in itself and because there is a realisation that inclusion is attractive to potential investors.

The JSE also announced the launch of Yield-X, an entirely new market that aims to provide a “one stop shop” for trading a wide range of interest rate products. The market was implemented on 28 February 2005. When the JSE purchased SAFEX in 2001, the long-term goal was to expand and grow the existing derivatives markets, offering more instruments in accordance with investors’ requirements. The first part of this process to come to fruition was the successful development of the single stock futures market, which is now trading 169 futures and comprises 89,89% of the derivatives volumes traded on the Exchange. Yield-X provides one platform for trading spot bonds and a broad range of interest rate derivative products. The spot market will trade through a

BUSINESS REVIEW (CONTINUED)

“Foreign inward listings will broaden the range of investments available to local investors, and our world class technology and trading environment will enable investors to trade international companies on the JSE at a lower cost than elsewhere.”

central order book, with anonymous trading and equal access resulting in transparency of price and depth of market. Multilateral netting and offset with risk management through appropriate margining in a user friendly single screen environment is an innovative offering which will facilitate growth in trading interest rate derivatives. We are excited by the support and interest shown by the market in this initiative.

The first listings on Alt^x took place in the first quarter of 2004 with a total of 10 listings during the year. Alt^x provides an attractive investment area for investors interested in the growth potential of smaller stocks. The companies on Alt^x enjoy a combined market capitalisation greater than that of all the companies listed on the Development Capital Market (DCM) and Venture Capital Market (VCM). In addition, the requirements for listing are more onerous on Alt^x than on the VCM and DCM, with the designated adviser playing a greater role than a sponsoring broker would play. The JSE continues to work with the dti to bring further companies to Alt^x. There are a number of companies that we are currently in discussion with and we look forward to a number of new listings in 2005.

As the South African Government has indicated, the South African exchange control environment will see some relaxation over the

next few years, and the JSE is committed to positioning itself to make the most of this changing environment for its members and customers. The JSE has been negotiating with National Treasury for some time on the issue of foreign inward listings and the relaxation of the rules governing foreign inward listings announced in 2004 was the culmination of much hard work and engagement by the JSE. This is an example of the JSE working successfully with Government to allay concerns over the impact of relaxing regulation to the benefit of the South African financial markets. It is also a product of the fundamental economic and political change that we have seen in the ten years of democracy that allows us to approach foreign companies with a quality story to sell. The Minister of Finance announced the relaxation of these rules in 2004. Aquarius Limited was the first international company to take advantage of this relaxation and listed in December 2004. We look forward to many more quality companies electing to list in South Africa. These listings will broaden the range of investments available to local investors. Our world class technology and trading environment will enable investors to trade international companies on the JSE at a lower cost than elsewhere. We are also intending to launch an exchange traded fund (ETF) to track the major international markets, thus enabling local investors to diversify their exposure without having to take their money out of the

“An ongoing initiative is the JSE’s commitment to the concept of providing a single market place for investors into Africa.”

country. This is in line with the successful implementation in 2001 and 2002 of the ETF product line introduced in the form of the SATRIX 40, SATRIX INDI and SATRIX FINI. The ETF allows for a well diversified, low cost investment which has historically shown good performance.

The JSE has also shown its commitment to bring innovative new products to the Exchange by playing an instrumental role in obtaining the relevant regulatory approvals to enable the listing of NewGold Securities. NewGold Securities structured by ABSA Bank, allows investors to get direct exposure to the gold price via a product listed on the JSE.

An ongoing initiative is the JSE’s commitment to the concept of providing a single market place for investors into Africa. We envisage a role whereby we act as a hub for investors who will be able to access quality investments across Africa using our infrastructure and technology, thus enabling the investors to trade without experiencing concern about settlement or trading risk. We will be able to act as a conduit for much needed investment into Africa, providing our world class trading facilities to enable our neighbours to develop their financial markets. The JSE is currently looking for donors to provide funding to enable the stock exchanges in Zambia and Zimbabwe to come on board. This initiative is in line with National

Treasury’s goal to position South Africa as the financial centre for Africa. It is the intention to extend this opportunity to other countries in the Southern African and African region in due course.

DIVERSIFICATION OF REVENUE

The broadening of the product range offered by the JSE is aimed at strengthening the JSE’s business model, particularly in the light of further relaxation of the exchange control environment. Historically, the JSE revenue has been derived largely from the equities market. However, the addition of new products including derivatives, fixed interest rate products, exchange traded funds on a foreign underlying and the improved information products that will result from the implementation of Project Orion is intended to provide diversified income streams that will ensure a sustainable JSE business into the foreseeable future. It is interesting to note that in 2000, 100 percent of the JSE’s revenue was derived from equities compared to 71,5 percent equities, 10,9 percent financial derivatives and 17,6 percent agricultural products making up the JSE’s revenue in 2004.

BUSINESS REVIEW (CONTINUED)

“The market continues to evolve rapidly, with an ever increasing array of products, but with our continued determination to drive costs down and increase service levels, we look forward to 2005 with confidence.”

BROADENING THE INVESTOR BASE

The JSE is continually striving to broaden the retail investor base, through encouraging a wider spread of financial market knowledge and the growth of an investment culture in South Africa. One of the major disincentives for the smaller investor is costs. While trading costs are low, settlement costs and custody fees remain an area of concern that will continue receiving attention in the year ahead.

Central to the JSE's desire to open the world of investment up to a broader range of South Africans is education, and the demystification of a market that in some circles is believed to be the domain solely of a wealthy elite. Key to this educational drive is the JSE/Liberty Schools Challenge (Challenge), a simulated trading game designed to encourage school learners to learn about the market by trading phantom portfolios. The scale of the Challenge has grown enormously over the last few years, and in

2004 there were 392 schools registered, and 6 740 learners took part. In 2005, it is hoped to extend the scope of the challenge to include universities.

Detailed graphs depicting market statistics for the equities, financial derivatives and agricultural products markets and other statistical information is set out in the Market Information section of this report commencing on page 22.

CONCLUSION

This has been a gratifyingly successful year for the JSE and we will continue to do everything in our power to ensure that we provide a world class exchange for our members and customers. The market continues to evolve rapidly, with an ever increasing array of products, but with our continued determination to drive costs down and increase service levels, we look forward to 2005 with confidence.





THEY ALWAYS SAY TIME CHANGES
THINGS, BUT YOU ACTUALLY HAVE
TO CHANGE THEM YOURSELF.

Andy Warhol

EXECUTIVE COMMITTEE



ROD GRAVELET-BLONDIN

Senior General Manager: Agricultural Products
Years Service: 9

JOHN BURKE

Director: Listings
Years Service: 15

RUSSELL LOUBSER

CEO
Years Service: 8



GARY CLARKE

Exchange Secretary
Years Service: 7



DES DAVIDSON

Director: Clearing and Settlement
Years Service: 5

ANA FORSSMAN

Senior General Manager: Information Product Sales
Years Service: 16

ALLAN THOMPSON

Director: Trading
Years Service: 3





FREDA EVANS

Chief Financial Officer
Years Service: 4

JANNIE IMMELMAN

Senior General Manager: Information Services
Years Service: 9

LEANNE PARSONS

Chief Operating Officer
Years Service: 20

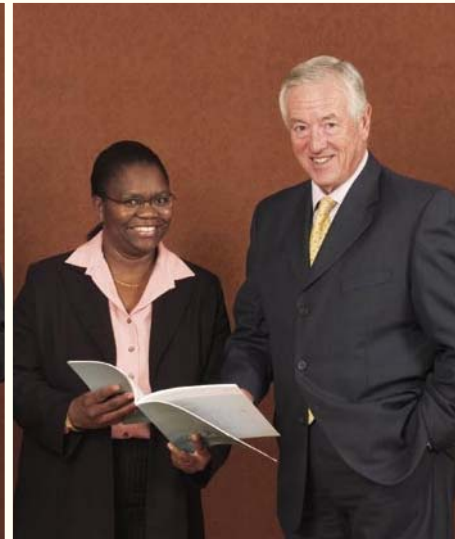


NICKY NEWTON-KING

Deputy CEO
Years Service: 9

GEOFF ROTHSCHILD

Director: Marketing
Years Service: 1



MPUSENG TLHABANE

Senior General Manager: Human Resources
Years Service: 1

BILL URMSON

Director: Surveillance
Years Service: 8

BOARD OF DIRECTORS



NORMAN MÜLLER

Head of Financial Markets, FSB

RUSSELL LOUBSER

Executive Director; CEO of the JSE; Board of Directors of the World Federation of Exchanges; Previous Chairman of the World Federation of Exchanges' Working Committee; Past Chairman of SAFEX; Previous Executive Director of financial markets at Rand Merchant Bank Limited

Appointed to the Board in 2000

NIALL SMITH

Managing Director of Deutsche Securities (Pty) Ltd; previous Deputy Chairman of the South African Futures Exchange; Member of the South African Institute of Stockbrokers

Appointed to the Board in 2004

ANTON BOTHA

Chairman of the Human Resources Committee of the JSE; Director of Companies; Past CEO of Genbel SA Ltd, Genbel Securities Ltd and non-Executive Chairman of Gensec Bank

Appointed to the Board in 2001

HUMPHREY BORKUM

Chairman of the JSE; Chairman of Merrill Lynch SA (Pty) Limited; Member of the South African Institute of Stockbrokers

Appointed to the Board in 2000

LEANNE PARSONS

Executive Director; Chief Operating Officer Director of JSE Related Companies

Appointed to the Board in 2000

NIGEL PAYNE

Alternate Director; Chairman of the Risk Management Committee of the JSE; Consultant; Director of Companies; Member of the King Committee on Corporate Governance; Chairman of the King Committee task groups on Risk Management, Internal Controls and Internal Audit

ANDILE MAZWAI

CEO of BJM Securities (Pty) Limited; Joint CEO of BJM Holdings Limited; Member of the South African Institute of Stockbrokers

Appointed to the Board in 2004

NICKY NEWTON-KING

Executive Director; Deputy CEO; Member of the King Task Group into Insider Trading, the Financial Markets Advisory Board, the Financial Centre for Africa's Strategy Committee and the Standing Advisory Committee on Company Law; Previous Partner of Webber Wentzel Bowens Attorneys

Appointed to the Board in 2000



WENDY LUHABE

Chairman of Vodacom, Industrial Development Corporation, Alliance Capital Management, Vendome SA and Women's Private Equity Fund I; Director of Companies

Appointed to the Board in 2003

GARY CLARKE

Exchange Secretary

GLORIA SEROBE

CEO of Wipcapital (Pty) Limited; Chairman of Life Offices Association and Metropolitan Life Limited; Director of Companies

Appointed to the Board in 2000

GEOFF ROTHSCHILD

Executive Director; Past Chairman of the JSE; Previous Director of Sasfin Frankel Pollak Securities (Pty) Limited; Member of the National Advisory Council for Innovation; Member of the South African Institute of Stockbrokers

Appointed to the Board in 2000

BOBBY JOHNSTON

Director of Companies; Honorary Life Member of the South African Institute of Stockbrokers; Previous Chairman of the JSE; Member of the Financial Markets Advisory Board

Appointed to the Board in 2000

JOHN BURKE

Executive Director; Member of the King Committee on Corporate Governance; Chairman of the Listings Advisory Committee

Appointed to the Board in 2001

SAM NEMATSWERANI

Alternate Director; Chairman of the Audit Committee of the JSE; CEO of AKA Capital (Pty) Limited; Director of Companies

PAUL BARNARD

Founder Member of Barnard Jacobs Mellet; Member of the South African Institute of Stockbrokers

Appointed to the Board in 2000

REUEL KHOZA

Founder and Executive Chairman of Co-Ordinated Network Investments (Pty) Limited; Chairman of Eskom, AKA Capital (Pty) Limited and Akani Leisure (Pty) Limited; Director of Companies

Appointed to the Board in 2000

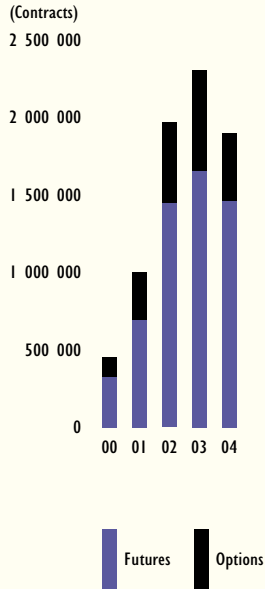
STEPHEN KOSEFF

CEO of Investec Bank Limited; Director of Companies; Chairman of the Independent Banks Association

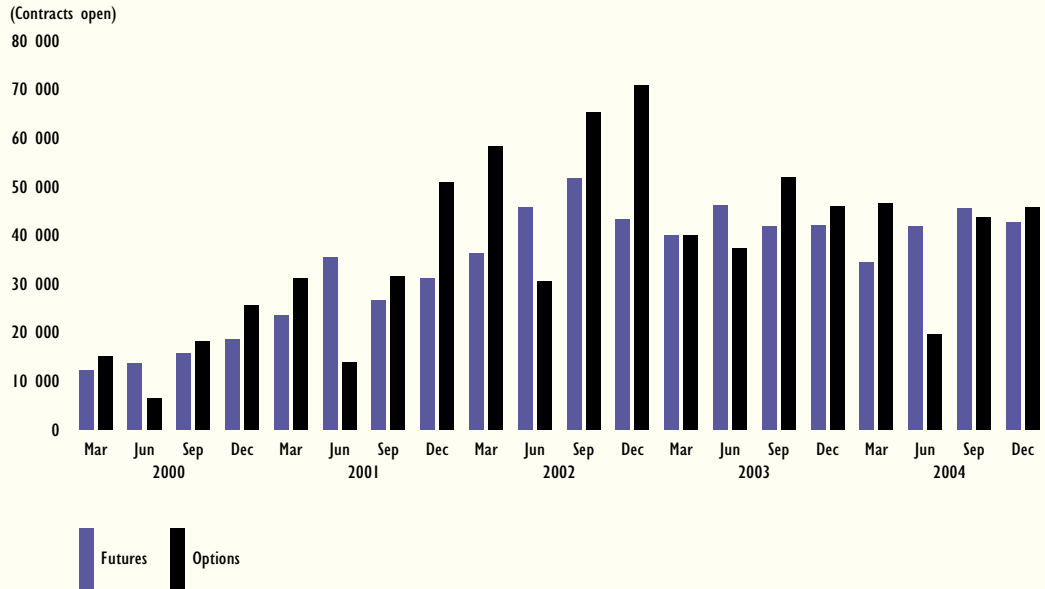
Appointed to the Board in 2000

SUMMARY OF MARKET INFORMATION AGRICULTURAL PRODUCTS

**TOTAL ANNUAL
CONTRACTS TRADED**



QUARTER END OPEN CONTRACTS



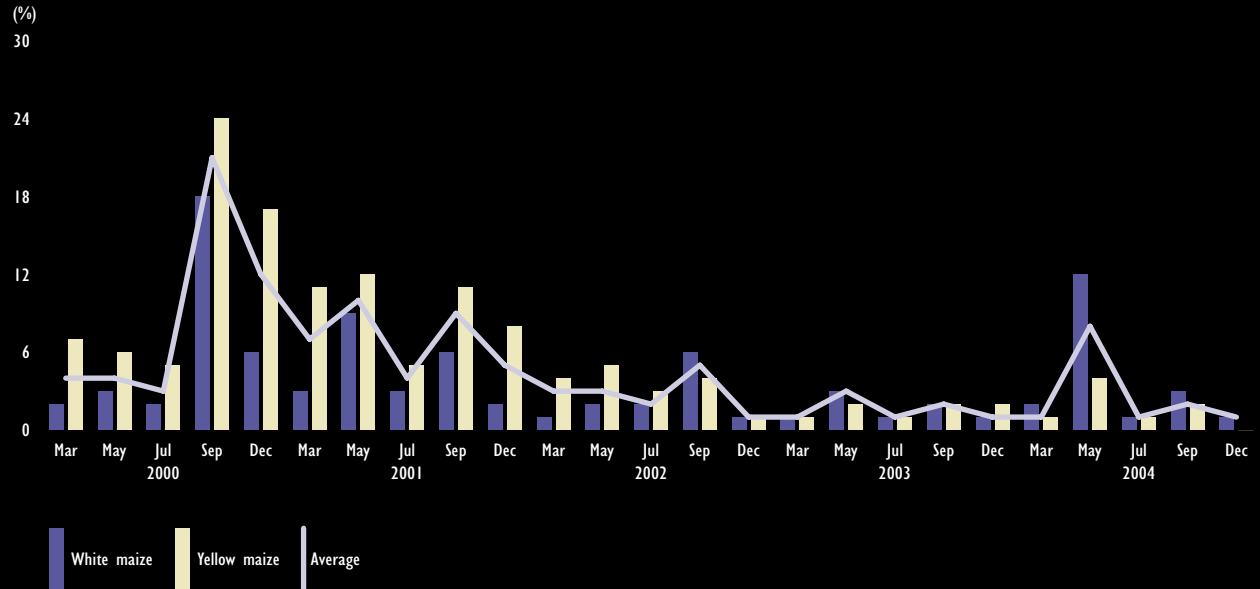


DISCONNECTING FROM CHANGE
DOES NOT RECAPTURE THE PAST.
IT LOSES THE FUTURE.

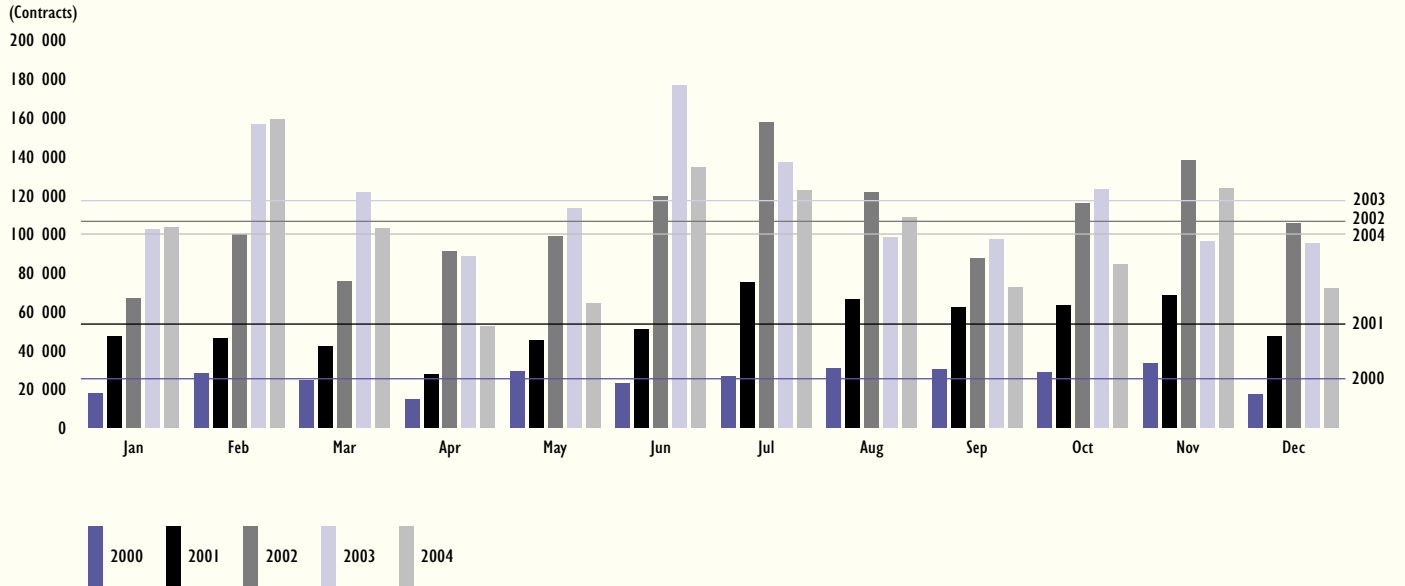
Kathleen Norris

SUMMARY OF MARKET INFORMATION AGRICULTURAL PRODUCTS (CONTINUED)

PERCENTAGE MAIZE CONTRACTS DELIVERED AT EXPIRY (WITH EXPIRY MONTH AVERAGE)

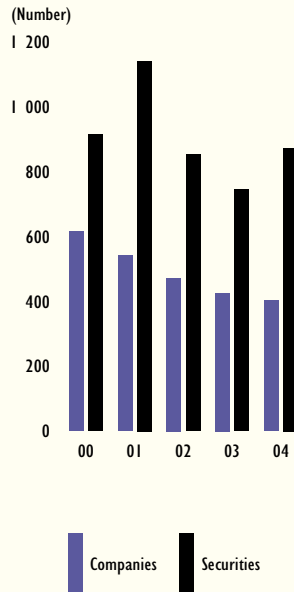


MONTHLY MAIZE FUTURES CONTRACTS TRADED (WITH AVERAGE VOLUMES)

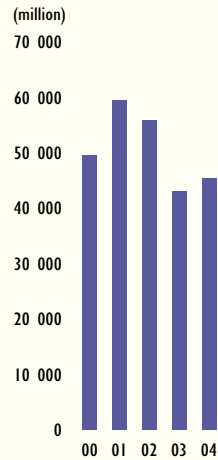


SUMMARY OF MARKET INFORMATION EQUITIES

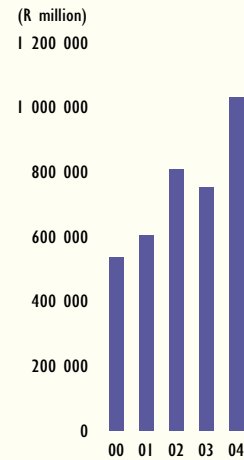
NUMBER OF LISTED COMPANIES
AND SECURITIES



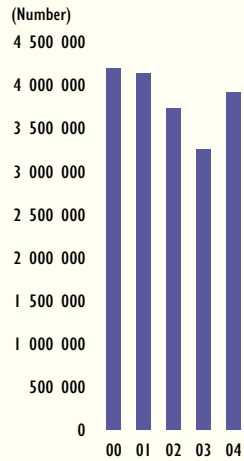
TURNOVER (SHARES TRADED)



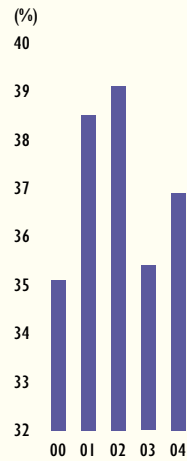
TURNOVER (VALUE TRADED)



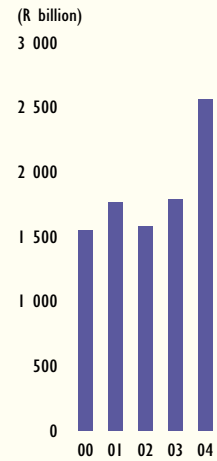
NUMBER OF DEALS



LIQUIDITY



MARKET CAPITALISATION



SUMMARY OF MARKET INFORMATION EQUITIES (CONTINUED)

JSE POSITION IN THE WORLD LEAGUE AS AT 31 DECEMBER 2004 (AS CALCULATED BY THE WORLD FEDERATION OF EXCHANGES)

	JSE Dec 2004	Ranking	JSE Year 2003
Market capitalisation (Domestic) (US\$ million)	442 520	15	260 748
Market turnover (US\$ million) — cumulative figure for the year	162 590	21	102 173
*Liquidity %	27,2	38	30,1

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

EMERGING STOCK MARKETS FOR THE MONTH OF DECEMBER 2004 (PROVIDED BY STANDARD & POORS)

	Volume Traded (Million)	Number of Companies Listed	Value Traded (Million US\$)
South Africa	4 021	403	15 721
China	57 275	1 384	40 058
Taiwan	59 002	697	43 865
Korea	13 294	1 573	56 930
India	16 196	4 730	38 140
Brazil	585 773	357	11 082
Saudi Arabia	539	73	40 912
Russia	17 141	215	13 483
Malaysia	11 481	962	5 401
Mexico	1 576	152	4 062
Chile	18 993	239	1 200
Thailand	31 203	439	7 868
Turkey	6 763 723	296	15 495
Israel	2 403	571	5 054

MARKET CAPITALISATION BY SECTOR (AS AT 31 DECEMBER 2004)

Sectors	(R million)	% of Total JSE	% of Sectors
TOTAL JSE	2 566 352		
RESOURCES	695 364	27,13	100
Mining	613 798	88,27	88,3
Coal Mining	42	0,01	0,0
Gold Mining	113 664	18,52	16,3
Platinum Mining	103 845	16,92	14,9
Mining Finance	664	0,11	0,1
Diamond Mining	2 163	0,35	0,3
Other Mineral Extractors and Mines	393 420	64,1	56,6
Oil and Gas	81 566	11,73	11,7
BASIC INDUSTRIES	105 682	4,12	100
Chemicals	15 354	14,53	14,5
Construction and Building Materials	36 524	34,56	34,6
Forestry and Paper	19 877	18,81	18,8
Steel and Other Metals	33 927	32,1	32,1
GENERAL INDUSTRIALS	71 713	2,8	100
Diversified Industrials	48 696	67,9	67,9
Electronic and Electrical Equipment	20 240	28,22	28,2
Engineering and Machinery	2 777	3,87	3,9
CYCLICAL CONSUMER GOODS	120 308	4,69	100
Automobiles and Parts	5 211	4,33	4,3
Household Goods and Textiles	115 097	95,67	95,7
NON-CYCLICAL CONSUMER GOODS	167 361	6,53	100
Beverages	101 985	60,94	60,9
Food Producers and Processors	41 741	24,94	24,9
Health	16 764	10,02	10,0
Pharmaceuticals and Biotechnology	6 871	4,11	4,1

SUMMARY OF MARKET INFORMATION

EQUITIES (CONTINUED)

Sectors	(R millions)	% of Total JSE	% of Sectors
CYCLICAL SERVICES	210 807	8,21	100
General Retailers	91 651	44,1	44,1
Leisure and Hotels	16 867	8,12	8,1
Media and Entertainment	39 659	19,08	19,1
Support Services	45 654	21,66	21,7
Transport	16 976	8,17	8,2
NON-CYCLICAL SERVICES	154 689	6,03	100
Food and Drug Retailers	27 718	17,92	17,9
Telecommunication Services	126 971	82,08	82,1
FINANCIALS	606 783	23,67	100
Banks	270 334	44,55	44,6
Insurance	22 023	3,63	3,6
Life Assurance	142 480	23,48	23,5
Investment Companies	61 632	10,16	10,2
Real Estate	72 700	11,98	12,0
Speciality and Other Finance	37 614	6,2	6,2
INFORMATION TECHNOLOGY	13 988	0,55	100
Information Technology Hardware	1 066	7,62	7,6
Software and Computer Services	12 922	92,38	92,4
VENTURE CAPITAL	687	0,03	100
DEVELOPMENT CAPITAL	198	0,01	100
ALT-X	1 001	0,04	100
SPECIALIST SECURITIES	417 771	16,29	100
Kruger Rands	—	—	—
Corporate Debt	456	0,11	0,1
Preference Shares	12 369	2,96	3,0
Warrants	11 193	2,68	2,7
Investment Products	384 575	92,05	92,1
Exchange Traded Funds	6 936	1,66	1,7
Other Securities	2 242	0,54	0,5

TOP 10 BY MARKET CAPITALISATION AS AT 31 DECEMBER 2004

Equity Name	Equity Code	Market Capitalisation (Rand)
Anglo American Plc	AGL	199 373 508 019
BHP Billiton Plc	BIL	162 897 702 132
Richemont Securities DR	RCH	98 136 000 000
Sabmiller Plc	SAB	95 875 522 495
Standard Bank Group Ltd	SBK	88 968 730 548
Sasol Ltd	SOL	81 546 428 425
Firstrand Ltd	FSR	73 108 938 523
MTN Group Ltd	MTN	72 291 401 202
Old Mutual Plc	OML	55 084 404 818
Telkom SA Ltd	TKG	54 589 118 262

TOP 10 BY VALUE TRADED FOR 2004

Equity Name	Equity Code	Value (Rand)
BHP Billiton Plc	BIL	56 038 328 666
Sasol Ltd	SOL	51 773 352 646
Telkom SA Ltd	TKG	47 034 894 972
MTN Group Ltd	MTN	42 512 764 495
Standard Bank Group Ltd	SBK	40 687 747 058
Gold Fields Ltd	GFI	40 141 275 210
Impala Platinum Holdings Ltd	IMP	38 761 769 307
Sabmiller Plc	SAB	36 193 165 730
Anglo American Plc	AGL	30 423 756 511
Sappi Ltd	SAP	30 400 792 891

TOP 10 BY VOLUME FOR 2004

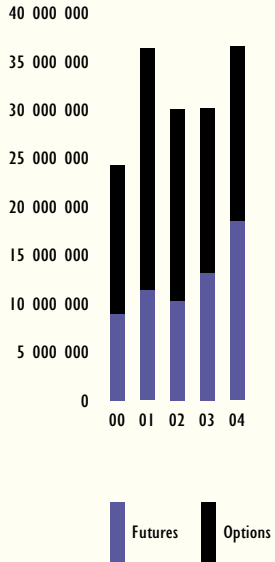
Equity Name	Equity Code	Volume (Number of Shares)
Firstrand Ltd	FSR	2 405 496 274
Sanlam Ltd	SLM	1 872 156 397
Old Mutual Plc	OML	1 733 824 717
Richemont Securities DR	RCH	1 724 160 174
MTN Group Ltd	MTN	1 356 467 163
BHP Billiton Plc	BIL	929 369 047
Anglo American Plc	AGL	911 581 988
Standard Bank Group Ltd	SBK	892 617 713
Steinhoff International Holdings	SHF	878 213 727
Network Healthcare Holdings	NTC	878 104 237

SUMMARY OF MARKET INFORMATION

FINANCIAL DERIVATIVES

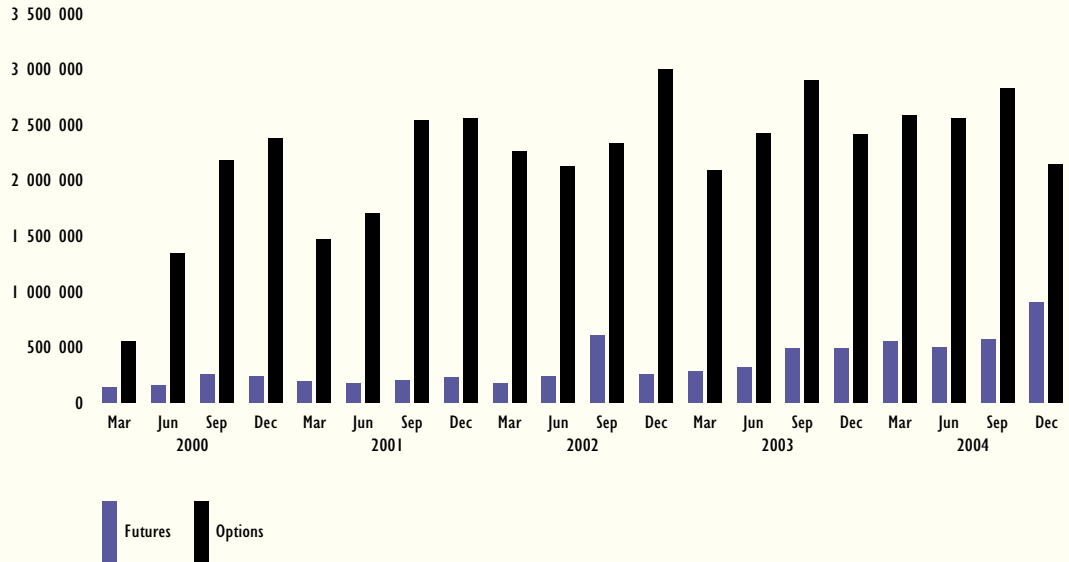
TOTAL ANNUAL CONTRACTS TRADED

(Number of contracts traded)



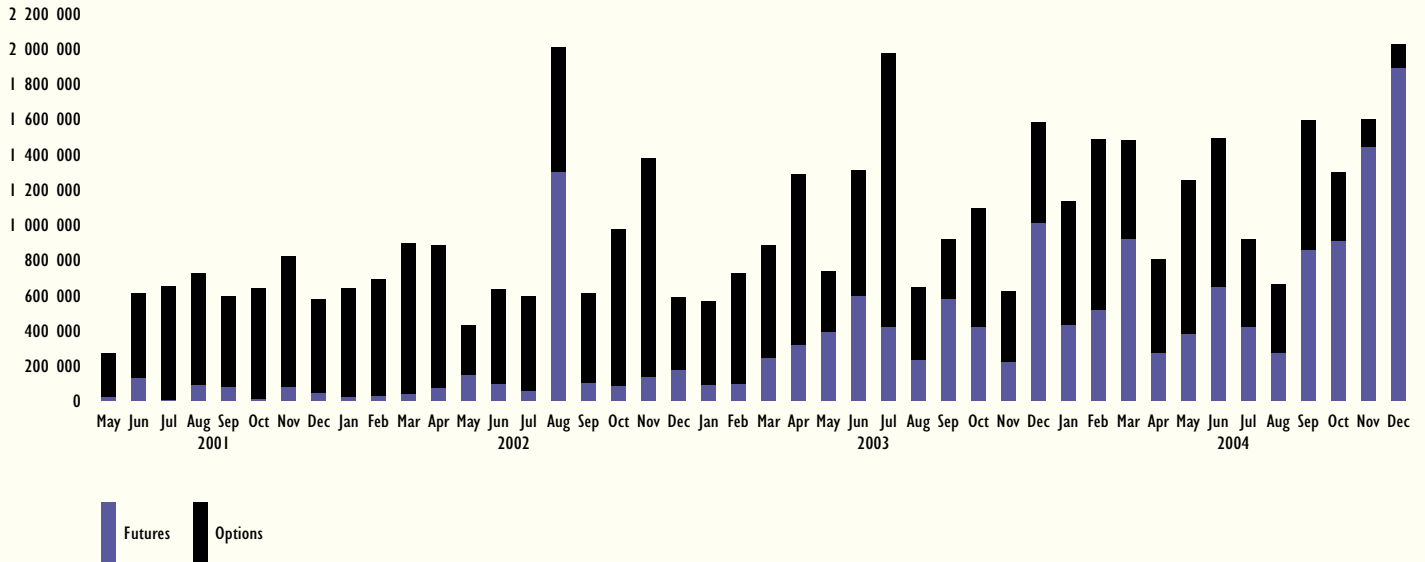
QUARTER END OPEN CONTRACTS

(Contracts traded)



MONTHLY INDIVIDUAL EQUITY CONTRACTS TRADED

(Number of contracts traded)

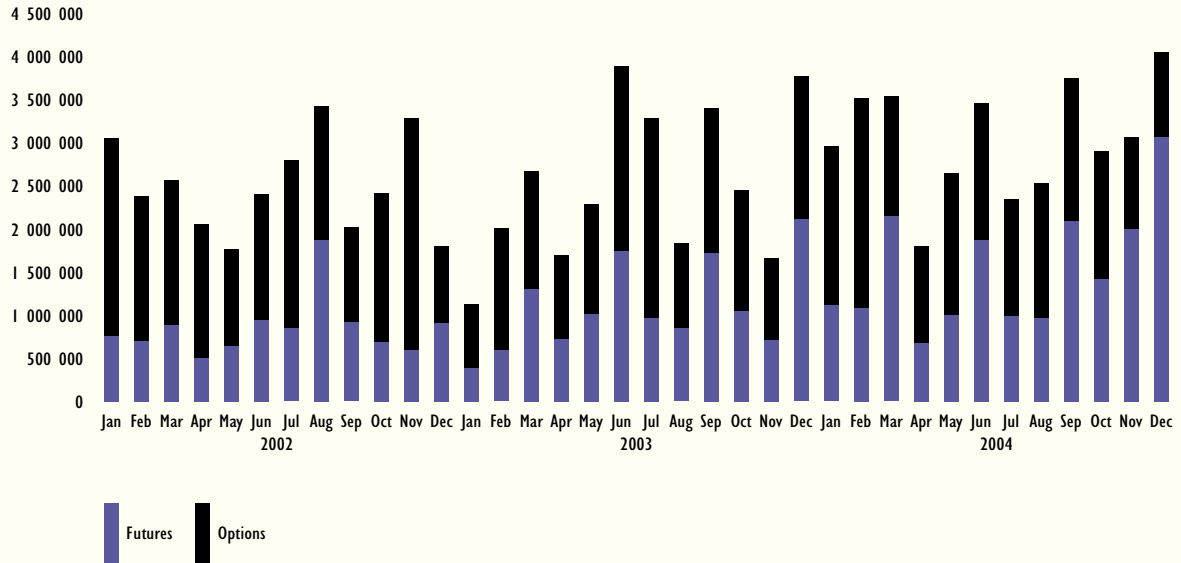


SUMMARY OF MARKET INFORMATION

FINANCIAL DERIVATIVES (CONTINUED)

TOTAL MONTHLY CONTRACTS TRADED

(Number of contracts)







CHANGE YOUR THOUGHT AND
YOU CHANGE YOUR WORLD.

Norman Vincent Peale

SUSTAINABILITY REPORT

“In South Africa in particular, sustainability and corporate social responsibility are not new concepts. Companies have had to address labour, affirmative action and health related issues with much more vigour than in many other countries.”

THE JSE AS A CORPORATE CITIZEN

Globally, there is a strong realisation that it is becoming increasingly difficult to account for economic profitability alone. We are moving into a new economy, one where the objective of making returns for shareholders needs to be balanced with other, less obvious interests: those of the triple bottom line — economic, environmental and social sustainability. In addition, good corporate governance plays a major role in ensuring that sustainability issues are identified, managed and resolved.

In South Africa in particular, sustainability and corporate social responsibility are not new concepts. Companies have had to address labour, affirmative action and health related issues with much more vigour than in many other countries. The King Code also urges a commitment to the triple bottom line.

The JSE is committed to promoting the principles of the triple bottom line. The following individual components have been identified for consideration and disclosure:

- stakeholder relations;
- continuing our contribution to national initiatives;
- ethical practices and organisational integrity;
- safety, health and environment;

- society and transformation, gender and equity issues; and
- human capital.

STAKEHOLDER RELATIONS

An ongoing key strategic goal for 2004 was to refine mechanisms for effective, consistent and efficient communication between the JSE and its stakeholders. Regular communication sessions were held with stakeholders who were given an opportunity to air their views and concerns while the JSE was able to explain its plans and strategies. In addition, the Chairman and Chief Executive Officer embarked on country-wide information sessions. Through this process, stakeholders were briefed on the latest developments at the JSE and given an opportunity to ask questions. The use of advisory committees comprised of industry experts who make recommendations to management of the JSE has also ensured that we are hearing our stakeholders. Regular consultations with a group of equity members who focus on private clients continued. We believe that ongoing communication is key to the sustained success of the JSE and we will continue to refine and enhance this process.

The JSE was intimately involved in the development of the Financial Services Charter (Charter), and the sound relationships

“The JSE fully supports the Charter and the transformation of our industry that the Charter seeks to achieve and so will, on behalf of members, oversee the impact of the Charter in so far as it impacts our members.”

established between the various participants during the drafting process ensured that it was well received when launched. The JSE fully supports the Charter and the transformation of our industry that the Charter seeks to achieve and so will, on behalf of members, oversee the impact of the Charter in so far as it impacts the JSE and our members

Although the JSE is an exempt procurement expense under the Charter, the JSE has voluntarily elected to comply with the Charter, and is taking steps to ensure that it receives an acceptable rating in terms of the Charter. In this way, as a service provider to members of the JSE, and as a major component of members' procurement spend, the JSE will hopefully be able to assist members in obtaining a higher score under the procurement criteria of the Charter.

Effective ongoing communications between the Executive Committee and the Board is a priority and Board members have access to Executive Committee meeting minutes and any other information they may require. The JSE has an open, cooperative and productive relationship with its regulator, the Financial Services Board (FSB). A representative of the FSB is invited to attend all Executive and Board meetings. In this way, the FSB is at all times exposed to, and involved in the determination and execution of JSE strategy.

CONTINUING OUR CONTRIBUTION TO NATIONAL INITIATIVES

The JSE has formulated effective channels of communication with senior representatives of National Treasury and the Department of Trade and Industry. This assists, where appropriate, with the successful ongoing implementation of JSE initiatives.

The Financial Centre for Africa project launched by National Treasury warrants specific mention in this regard. The forum is comprised of representatives of National Treasury, the JSE and other industry specialists. Through this forum, the various participants work together to the benefit of the financial markets and to entrench South Africa as the financial centre for Africa.

ETHICAL PRACTICES AND ORGANISATIONAL INTEGRITY

Ethical business conduct requires that stakeholders (specifically staff) adhere to defined standards of behavior in all their business decisions and actions.

The JSE is committed to good ethical practices and organisational integrity and has compiled a comprehensive code of ethical practice. It has a Board Charter and comprehensive Constitution which govern the operation of the Board as well as the various Board committees which also contribute to the enhancement of organisational integrity.

SUSTAINABILITY REPORT (CONTINUED)

“The JSE is committed to being a responsible corporate citizen and positively influencing society.”

SAFETY, HEALTH AND ENVIRONMENT

The applicable health and safety legislation requires employers to provide and maintain a safe and risk-free working environment. The Chief Executive Officer can incur personal liability for a failure to do so. Although primarily applicable to employees, the legislation also provides for the health and safety of non-employees. At the JSE, there is an ongoing process that allows for the identification of risks and hazards in the workplace. Active steps are taken by the JSE to eliminate or mitigate these where possible. In particular, the JSE has a Risk Management Committee which continually evaluates all risks including safety, health and environmental risks.

From a health perspective and in line with good corporate governance practice, the JSE continues with its HIV/AIDS initiative. Presentations to staff are made not only to educate staff on HIV/AIDS, but also to challenge perceptions and highlight any behaviour that could put staff at risk. Prevalence testing took place in 2003. Out of a total number of 264 employees who were in the office on the day, 210 participated and 3,8% tested positive. Further prevalence testing will take place in the first half of 2005. The JSE policies forbid discrimination on any basis, including HIV/AIDS.

Consistent with this approach, the JSE continues with its support of Nurturing Orphans of Aids for Humanity (NOAH) as a worthy

programme aimed at limiting the dire social effects of this disease. The JSE participated in a fund-raiser for NOAH in 2004 and R660 000 was raised at the event. The JSE, in conjunction with a number of major banks and Moneyweb, is currently running an awareness campaign promoting the investment benefits of Single Stock Futures (SSFs). The campaign involves participating in the SSF market with any profits that result being donated to NOAH.

The JSE is committed to take measures to prevent the pollution and degradation of the environment and minimise that which has already been caused. It should be noted, that our approach to environmental sustainability is in the early stages of development and we are investigating the possible ways that we can make a difference in this regard.

The JSE launched the Socially Responsible Investment Index (SRI Index) during 2004. The Index measures performance of companies which meet the Index criteria listed in relation to the triple bottom line. The JSE received funding from the Financial Deepening Challenge Fund to assist with this implementation. This is a fund that is run by the British government. Sustainability Research and Intelligence (Pty) Ltd continues to be the data provider for the SRI Index which is currently undertaking its first revision. The JSE encourages listed companies to participate in this Index which rewards Companies for conducting themselves in a socially responsible way.

“The JSE/Liberty Schools Challenge introduces thousands of school learners each year to the mechanics of securities investment, while simultaneously initiating them into broad-based economic and commercial dynamics.”

SOCIETY AND TRANSFORMATION, GENDER AND EQUITY ISSUES

The JSE is committed to being a responsible corporate citizen and positively influencing society.

AltX, our market for small cap and entrepreneurial companies was launched in the later part of 2003 and provides a home for new companies in search of expansion or development capital, including emerging black businesses, in an effort to bridge the gap between a main board listing and private funding. The first company listed early in 2004. To date a further nine companies have listed on AltX. We regard this as an important milestone in the national endeavour to promote small business development and to connect business owners and entrepreneurs with investors.

On its own, AltX will not solve the problems of financing small and medium-sized businesses in South Africa, but it will make an important contribution to this vital segment of the economy. We will closely monitor the performance of AltX and modify the formula where necessary.

Project Thusanang (meaning “to work together” in Sotho), is aimed at allowing other African exchanges to leverage off the infrastructure of the JSE with the ultimate objective of creating a Pan-African Board. The project facilitates the provision of a facility for other African exchanges to trade electronically via the

JSE SETS trading platform. The Namibian Stock Exchange already makes use of the JSE infrastructure for electronic trading, clearing and settlement, and several exchanges have expressed an interest in implementing a similar structure.

Donor funding to facilitate this project is currently being sought with two countries having been identified to participate in the pilot implementation.

Another point worth noting is that all Southern African Development Community (SADC) countries have harmonised their listing requirements with the JSE listings requirements.

The JSE/Liberty Schools Challenge introduces thousands of school learners each year to the mechanics of securities investment, while simultaneously initiating them into broad-based economic and commercial dynamics. A game of skill and perseverance, the Challenge allows participating school teams to test their share trading skills through an ongoing annual “ghost trading” programme in which their performance is tracked and measured in a competition against other teams. Teams start the trading process with a fixed notional amount in March and progress through to the end of September.

The social benefits of the Challenge go beyond simply educating learners to trade shares. They learn to research and interpret the

SUSTAINABILITY REPORT (CONTINUED)

“The JSE continues to be committed to creating a workplace in which individuals of aptitude, potential and application can develop rewarding careers at all levels, regardless of their background, race or sexual orientation.”

South African economic environment as well as learn how to work constructively in teams to effect ‘commercial decisions’. These basic skills are essential for learners moving into the business environment upon completing their schooling.

There are approximately 3 500 secondary schools in South Africa, and our objective is to vastly increase the number of participants, particularly from disadvantaged areas, in the coming year. The JSE must serve all the people of South Africa, and to this end we continue to expand our educational drive at all levels of society to make the Exchange more accessible. It is anticipated that the challenge will be expanded in 2005 to include South African universities.

Another JSE education initiative is the Seed Trust which dates back to 1994. This Trust continues to provide assistance to previously disadvantaged and needy students who excel academically in the financial field. In 2004, the Trust assisted a total of twelve students at a cost of R305 110. Since 1998, thirty students have successfully obtained their qualifications through this programme. 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.

HUMAN CAPITAL

The JSE continues to be committed to creating a workplace in which individuals of aptitude, potential and application can develop rewarding careers at all levels, regardless of their background, race or sexual orientation. This process is supported by the Board Human Resources Committee where non-executive directors provide input based on many years of experience. To this end, the JSE continues to revise employment equity 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. Each staff member has an individual budget for training and employees are encouraged to use the full allowance every year. 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 that any concern with racial and gender profiles will be unnecessary.

“The JSE has taken the lead internationally in many aspects, particularly when it comes to corporate governance and financial reporting, and incorporated these principles into its own activities.”

In 2004, more attention was given to worker empowerment, succession planning, and the alignment of performance management with corporate strategic goals. Further work in this regard is still required.

Training programmes for all staff were conducted on a business needs basis, with a view to deepening the JSE’s skills pool and advancing its employment equity targets. A skills analysis is currently underway, and consideration is being given to the introduction of coaches and mentors as a skills development aid.

During January 1998, the JSE implemented a graduate recruitment programme, whereby newly qualified university graduates who would not normally be employed due to their lack of work experience, are recruited and placed in trainee positions to learn the operations of the JSE. This programme also assists the JSE in meeting its employment equity targets as seventy percent of the graduates employed are from previously disadvantaged backgrounds. Three new graduates were recruited in January 2005 bringing the total since inception to twenty-four. Of these, fifteen are currently still employed with us and without exception have proved to be valuable and loyal employees. The JSE is extremely proud of this

initiative and we believe that the programme will produce the future leaders of the JSE.

CLOSING COMMENTS

The JSE has taken the lead internationally in many aspects, particularly when it comes to corporate governance and financial reporting, and incorporated these principles into its own activities.

Over time it is expected that the generally accepted practice in relation to good corporate citizenship will become more demanding and reward those organisations that incorporate triple bottom line principles into their activities with greater investor confidence and a stronger profile.

Through its initiatives, the JSE hopes that it will help focus the debate on what constitutes “social responsibility” in the South African context and how this can be leveraged to influence behaviour, such that we will over time develop a truly national understanding of the importance and benefits of sustainable business practices.

CORPORATE GOVERNANCE

The Board of the Exchange is committed to the values of good corporate governance expressed in the first and second King Reports on Corporate Governance (“King Code”). Accordingly, the Board recognises the necessity to conduct the business with integrity and according to sound governance practices. The Board believes that the key principles espoused in the King Code form part of the Exchange corporate governance structures. These are reviewed on an ongoing basis to take cognisance of both local and international developments in this regard. The Board is satisfied that the Exchange complies with all material aspects of the King Code. The Board acknowledges that, by virtue of the regulatory role the Exchange plays, it, to some extent, sets the benchmark against which companies listed on the JSE will measure their corporate governance practices. The governance practices of the JSE are set out in its board charter, which is available at www.jse.co.za.

The King Code details 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, delegation of powers and responsibilities of the Board. This is to ensure that corporate governance requirements are met and that the core principles of accountability, integrity and openness are adhered to.

The Board is of the opinion, based on the information and explanations given by management and the comments by the internal auditors and the independent auditors on the results of their audit, that the JSE’s internal controls are adequate. Accordingly, 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 JSE’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 JSE has used appropriate accounting policies supported by reasonable and prudent judgements and estimates, and has complied with all applicable 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 2004 and the results of their operations and cash flow information for the year then ended. Following consideration by the Audit Committee and the Board of comprehensive criteria for assessing whether or not the JSE is a going concern, the directors have a reasonable expectation that the JSE 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”)

The JSE has a unitary board which, as at 31 December 2004 consisted of 15 directors. They are the Chief Executive Officer, the Deputy Chief Executive Officer, the Chief Operating Officer, two executive directors and 10 non-executive directors. The Chairman is elected from the 10 non-executive directors. In addition to the directors, a representative from the Financial Services Board attends board meetings as an observer. The Board is required to meet a minimum of four times per year.

Board meetings are convened by formal notice incorporating a detailed agenda supported by comprehensive written proposals and reports where appropriate.

In terms of the JSE’s rotation policy, at least one third of the non-executive members of the Board become due for retirement each year. Retiring members may stand for re-election.

The Exchange considers the majority of its non-executive directors to be independent. However, a number of these directors have an indirect remote interest in the JSE. Accordingly, it is arguable that they may fall outside of 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, however remote. A process has been implemented to mitigate any such conflicts.

During the year under review and as a follow-up to the review concluded in 2003, the JSE performed an evaluation of the Board and its sub-committees. This process entailed:

1. an evaluation of the effectiveness of the Board generally;
2. an assessment of individual Board members;
3. an assessment of Board committees; and
4. an assessment of the Chairman.

The process has proved to be extremely useful in identifying areas that require attention and measures to address these issues are currently being implemented.

The process will be repeated annually.

DIRECTORS AS AT 31 DECEMBER 2004

P A Barnard	
H J Borkum	— Chairman
A D Botha	
J Burke	— Executive Director
M R Johnston	
R J Khoza	
S Koseff	
R M Loubser	— Chief Executive Officer
W Luhabe	
A Mazwai	
N F Newton-King	— Deputy Chief Executive Officer
L V Parsons	— Chief Operating Officer
G Rothschild	— Executive Director
G T Serobe	
N Smith	

CORPORATE GOVERNANCE (CONTINUED)

ATTENDANCE AT BOARD MEETINGS

During the year under review, five Board meetings were held. Attendance, by directors, was as follows:

Director	Alternate	1	2	3	4	5	Total attendance by directors
P A Barnard ^{5,10}		✓	✓	✓	✓	✓	5
H J Borkum ^{1,2,5,6}	A Horowitz	✓	✓	✓	✓	✓	5
A D Botha ^{1,2,5,6}	N Payne	✓	✓	✓	✓	✓	5
J Burke		✓	✓	✓	✓	✓	5
R G F Cadiz ⁸		x	—	—	—	—	0
M R Johnston ²		✓	✓	✓	✓	✓	5
R J Khoza ^{1,5,6}	S Nematswerani	✓	alt	✓	alt	alt	2
S Koseff ^{1,5}	D Nurek	alt	x	✓	✓	x	2
R M Loubser ^{3,6}		✓	✓	✓	✓	✓	5
W Luhabe ⁵		✓	✓	✓	x	✓	4
A Mazwai ^{5,7}		—	✓	✓	✓	✓	3
N F Newton-King		✓	✓	✓	✓	✓	5
L V Parsons ³		✓	✓	✓	✓	✓	5
G Rothschild		✓	✓	✓	✓	⁹	4
G T Serobe ^{2,5,6}		✓	x	✓	✓	✓	4
N Smith ^{4,5}		—	✓	✓	✓	✓	4

¹Member of Human Resources Committee

²Member of Audit Committee

³Member of Risk Management Committee

⁴Non-executive director appointed with effect from 25 May 2004

⁵Independent non-executive director

⁶Member of Nominations Committee

⁷Non-executive director appointed with effect from 3 August 2004

⁸Resigned from the Board as non-executive director on 25 May 2004

✓ Attended

^{Alt}Alternate

⁹Away on JSE business

¹⁰Resigned from the Board as non-executive director on 8 March 2005

BOARD COMMITTEES

AUDIT COMMITTEE REPORT PREPARED BY ITS CHAIRMAN,
SAM NEMATSWERANI

The Audit Committee is comprised of five non-executive directors. They are the Chairman, Anton Botha, Humphrey Borkum, Bobby Johnston and Gloria Serobe. With the exception of Bobby Johnston, all members of the committee are independent. A senior retired member of the Audit Community, Martin Shaw is also a member of the Audit Committee. Representatives from the internal and external auditors, the Chief Executive Officer and the Chief Financial Officer attend the Audit Committee meetings by invitation. The Audit Committee operates in terms of written terms of reference approved by the Board and is required to meet a minimum of three times a year.

The committee is required to, *inter alia*:

- recommend to the Board which firm(s) should be appointed as external auditors;
- evaluate the independence and effectiveness of the external auditors and consider any non-audit services rendered by such auditors as to whether this substantially impairs their independence;
- review the financial statements of the Group and Exchange, both interim and annual, as well as any announcement of results;
- ensure that financial statements are prepared based on appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates;
- review the accounting policies and procedure adopted by the Group and Exchange and any changes made or contemplated thereto;
- recommend the quantum of audit fees;
- review the effectiveness of management information, the annual audit, the internal audit function and other systems of internal control;
- monitor and supervise the effective function of the internal audit ensuring that the roles and functions of the external and internal audit are sufficiently clarified and coordinated to provide an objective overview of the operational effectiveness of the Exchange's systems of internal controls and reporting; and

- review and consider the appropriateness of assumptions and achievability of budgets and forecasts.

The Exchange continues to:

- prepare group accounts;
- comply with international financial reporting standards;
- complete this within an acceptable timeframe, making it an industry leader with regard to its annual financial reporting.

In the last quarter of 2004, the Exchange was the first exchange globally to post its annual financial statements in XBRL format on its website.

The Audit Committee met three times in 2004. Attendance, by members, was as follows:

	1	2	3	Total attendance by members
S Nematswerani	✓	✓	✓	3
A Botha	✓	✓	✓	3
H Borkum	✓	✓	✓	3
M Johnston	✓	✓	✓	3
G Serobe	✓	✓	x	2
M Shaw	✓	✓	✓	3



Sam Nematswerani

CORPORATE GOVERNANCE (CONTINUED)

HUMAN RESOURCES COMMITTEE REPORT PREPARED BY ITS CHAIRMAN, ANTON BOTHA

The Human Resources Committee is comprised of four non-executive independent directors. They are the Chairman, Humphrey Borkum, Reuel Khoza and Stephen Koseff. The Chief Executive Officer and Senior General Manager: Human Resources attends these meetings by invitation unless deemed inappropriate. The Human Resources Committee operates in terms of written terms of reference approved by the Board and is required to meet a minimum of three times a year.

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.

Remuneration of the Board is approved as follows:

- Humphrey Borkum, Anton Botha, Reuel Khoza and Stephen Koseff review the remuneration of the Executive and the Chief Executive Officer;
- Anton Botha, Reuel Khoza and Stephen Koseff review the remuneration of the Chairman and the Deputy Chairman, if appointed; and
- Humphrey Borkum, in consultation with the Chief Executive Officer, reviews the remuneration of the non-executive directors of the Board, excluding the Chairman.

The Human Resources Committee has made use of the services of 21st Century Business and Pay Solutions which provides independent advice on market information and remuneration trends as well as other advice required by the committee to comply with its terms of reference.

In the year under review, the Human Resources Committee met three times and, *inter alia*, considered, noted and approved, where appropriate the following:

- the Chief Executive Officer's key performance areas and performance in respect thereof;
- the Exchange's employment equity report to be submitted to the Department of Labour for 2004;
- Executive Committee members and non-executive directors remuneration;
- the internal restructure of the Exchange's operations;
- 2005 salary increases to staff; and
- succession planning.

In light of the exceptional financial results and significant implementation successes of 2004, the Chief Executive Officer was authorised by the Human Resources Committee to award extraordinary bonuses to staff and the Executive Committee to a total value of between R9,5 million and R11 million. Bonuses in the amount of R10,8 million were awarded.

Non-executive directors' remuneration at the JSE has not been increased since 2001. During this time the scope, responsibilities and remuneration of directors in the financial services industry have expanded significantly. However, the Exchange went through a difficult time of low turnover, low profitability and cost cutting. In these circumstances, the Board decided not to increase directors' fees.

The JSE is now more profitable which has enabled the Committee to recommend an increase in remuneration of non-executive directors to reflect the expansion of the scope and responsibilities of directors. This was accepted by the Board. In addition, and to address the continued disparity between the non-executive remuneration and industry norms, further proposed increases will be tabled for approval at the 2005 Annual General Meeting of Rights Holders.

Attendance, by directors, was as follows:

Director	1	2	3	Total attendance by directors
A Botha	✓	✓	✓	3
H Borkum	✓	✓	✓	3
R Khoza	✓	✓	✓	3
S Koseff	✓	✓	✓	3



Anton Botha

NOMINATIONS COMMITTEE REPORT PREPARED BY ITS CHAIRMAN, HUMPHREY BORKUM

The Nominations Committee is comprised of four non-executive independent directors. They are the Chairman, Gloria Serobe, Anton Botha and Reuel Khoza. The Nominations Committee operates in terms of written terms of reference approved by the Board and meets when required to.

The Nominations Committee is responsible for identifying and evaluating suitable candidates for appointment to the Board. It also reviews the size, structure and composition of the Board and Board committees to ensure, *inter alia*, an appropriate demographic make-up.


The Nominations Committee does not have the authority to appoint directors, but makes recommendations for consideration by the Board.

During 2004, the Nominations Committee met twice and the committee recommended that Niall Smith (replacing Ray Cadiz who resigned from the Board on 25 May 2004) and Andile Mazwai be appointed to the Board, which recommendations were approved by the Board.

CORPORATE GOVERNANCE (CONTINUED)

Attendance, by directors, was as follows:

	1	2	Total attendance by directors
H Borkum	✓	✓	2
G Serobe	✓	x	1
A Botha	✓	✓	2
R Khoza	x	✓	1



Humphrey Borkum

**RISK MANAGEMENT COMMITTEE REPORT BY ITS CHAIRMAN,
NIGEL PAYNE**

The Risk Management Committee is comprised of the Chairman, who is an independent non-executive director, the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, the Director: Surveillance and the Chairman of the Audit Committee. As a result of the JSE internal restructure, the Director: IT resigned from the Committee with effect from 7 February 2005. The Risk Management Committee operates in terms of written terms of reference approved by the Board and is required to meet at least three times a year.

The Risk Management Committee is responsible for assisting the Board with the identification, assessment, evaluation and monitoring of actual and potential risk areas as they pertain to the Exchange and the mitigation of each risk. The internal audit

function reports to this committee which in turn works closely with the Audit Committee and Executive Committee to manage risks at the Exchange.

An action plan has been put in place to ensure the mitigation of risks where appropriate. An enterprise-wide risk matrix has been compiled. This is required to be updated on an annual basis with risks being ranked according to an appropriate methodology. Each risk has been allocated to an Executive Committee member or to the Executive Committee in its entirety, under the oversight of the Risk Management Committee for the ongoing management of each identified risk. As a result of the complex changes to the JSE risks consequent to the process of transforming the IT infrastructure, it was not deemed appropriate to update the risk matrix until this process showed significant progress. The revision of the risk matrix is scheduled to take place in the second quarter of 2005.

Through the internal audit process, an independent assurance on all key risk areas is provided. The first full assessment has been completed during the financial year under review. The Risk Management Committee is comfortable that the overall level of risk management at the JSE has increased significantly. In addition, it believes that appropriate action is being taken to mitigate all risks where it is cost effective to do so.

The ongoing collaboration of the Risk Management Committee, the internal and external auditors, the Executive Committee and Board, has ensured a thorough understanding of the risks accepted by the Exchange in pursuance of its objectives. In addition, strategies to mitigate these risks have been implemented in 2004.

Project **Orion** has been identified as most critical to the Exchange. The Risk Management Committee has, and will continue to vigilantly monitor the ongoing progress of this project pending its full implementation in 2006. The committee is comfortable that appropriate governance structures and other mitigating actions are in place to adequately and timeously identify and address any risks that may arise out of this project.

The committee met three times in 2004.

Attendance, by members, was as follows:

	1	2	3	Total attendance by members
N Payne	✓	✓	✓	3
S Nematswerani	✓	✓	✓	3
R Loubser	✓	✓	x ¹	2
L Parsons	✓	✓	✓	3
F Evans	✓	✓	✓	3
R Miller	✓	✓	✓	3
W Urmson	✓	✓	✓	3



Nigel Payne

¹Away on JSE business

RISK MANAGEMENT REVIEW

With the introduction of electronic settlement through STRATE, the risks that the JSE is required to identify, manage and mitigate, have diminished dramatically.

Risks influencing the environment in which the JSE operates are described further on in this review.

CORPORATE GOVERNANCE (CONTINUED)

As part of its risk management procedures, the JSE has extensive guarantee funds and insurance cover across all areas of its business, including an “in and out” fidelity insurance policy with cover of R250 million covering fidelity related claims by equities members and the JSE.

The policy is subject to the Exchange being liable to absorb the first R5 million of any successful claim lodged in terms of the policy. This R5 million exposure is in turn insured by the Exchange through a structure managed by Hollard Insurance Company.

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 member and Central Securities Depository Participant (“CSDP”) remains but the JSE plays no part in this.

The JSE 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 the ATS (derivatives) electronic trading systems. In addition, trades in securities conducted through JSE SETS are settled through STRATE. In parallel with the provision of this service the JSE also obliges all equities members to maintain their general ledger through the Broker Deal Accounting System (“BDA”).

TECHNOLOGY AND SYSTEMS RISK

The technology and systems risk is the inability of the systems and applications to manage and control the business processes and information. The JSE bears this risk. Any potential liability in this regard is significantly limited through its contracts with its suppliers and customers.

To address this risk the JSE under the supervision of the Chief Operating Officer manages the risk associated with BDA, JSE SETS and the ATS, which includes a comprehensive redundancy, disaster recovery infrastructure and business continuity management plan. In addition, a comprehensive audit is conducted by independent consultants to monitor and make recommendations in respect of the integrity of these systems. Any risks resulting from this process are being managed.

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 in a rolling contractual settlement regime.

(1) Equities

There is no settlement or liquidity risk to the JSE in respect of an off-market trade. The contracting parties to an off-market trade bear this risk.

Settlement performance is the cornerstone of any securities exchange and therefore the JSE, 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 the 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 original 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 JSE 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 being guaranteed by the JSE. The JSE has recourse in respect of any negative price movement against the member who introduced the trade. Accordingly, the JSE'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.

The JSE 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 its disposal as well as far reaching powers to manage the relevant risks and facilitate the settlement of listed equities. These powers include the ability to impose collateral requirements on members and to act as lender of last resort (shares and cash) to a party who is potentially not able to comply with his obligations. The Settlement Authority has through various avenues secured access to settlement facilities. To date, only shares have been borrowed in this regard and the JSE is in the unique position of having had zero failed equity trades since the implementation of STRATE.

CORPORATE GOVERNANCE (CONTINUED)

(2) Derivatives

In respect of derivatives traded on the Financial Derivatives Market and the Agricultural Products Market, provided that a transaction is traded through the ATS system, the considerations set out below will apply. Warrants are traded in the same manner as equities, through JSE SETS and the situation set out in I above applies to them.

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 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: Trading is responsible for risk management regarding financial derivatives, while the Senior General Manager: Agricultural Products is responsible for risk management regarding agricultural derivatives.

SYSTEMIC RISK

Systemic risk is the risk where a disruption to the JSE, STRATE, a CSDP, 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 JSE is subject to systemic risk, which is managed by the various stakeholders who participate in the financial markets. The JSE manages the risk insofar as it can through the Risk Management Committee and its various divisions, including the Settlement Authority, Surveillance, Operations and Services, Strategy and Legal Counsel Divisions of the JSE by means of a uniform and flexible policy of risk management and controls.

FIDELITY RISK

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

LEGAL RISK

This is the risk that a transaction or contract cannot be consummated due to a legal impediment. The JSE 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 four 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 JSE is exposed to this risk in terms of:

- an agreement with the LSE in terms of which the LSE provides the JSE with JSE SETS and InfoWiz, 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 Chief Financial Officer, in consultation with a currency risk committee comprised of JSE Executives and industry specialists, through the use of derivative financial instruments to cap exposure.

REPUTATION RISK

Reputation risk is the risk of damage to the JSE'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 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 JSE's reputation and affect the ongoing viability of the securities market. The JSE, through its representation on the STRATE board of directors, participates in the management of the STRATE business, including the management of all STRATE-related risk issues. In this way, the reputation risk to the JSE resulting from a STRATE-related default, is managed and mitigated. An international survey 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 JSE business are focused on ensuring a safe, transparent and efficient market.

ANNUAL FINANCIAL STATEMENTS

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YOU MUST BE THE CHANGE YOU
WISH TO SEE IN THE WORLD.

Mahatma Gandhi



DIRECTORS' RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2004

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 Financial Reporting Standards. The financial statements incorporate responsible disclosure in line with the accounting philosophy of the JSE. 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 JSE 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 2004 set out on pages 62 to 105 have been approved by the Board of Directors on 8 March 2005 and are signed on its behalf by:



H J Borkum
Chairman



R M Loubser
Chief Executive Officer

DECLARATION BY SECRETARY

In my capacity as Secretary, I hereby confirm that the JSE 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.



G C 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 group annual financial statements of the JSE Securities Exchange South Africa (“the Exchange”) set out on pages 62 to 105 for the year ended 31 December 2004. These financial statements are the responsibility of the Exchange’s directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Exchange and of the Group as of 31 December 2004, and the results of their operations and cash flows for the year then ended in accordance with International Financial Reporting Standards.



KPMG Inc.

Registered Accountants and Auditors

Chartered Accountants (SA)

Johannesburg

8 March 2005

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2004

The directors have pleasure in presenting their report for the year ended 31 December 2004.

BUSINESS ACTIVITIES

The JSE is a securities exchange licensed in terms of the Stock Exchanges Control Act and the Financial Markets Control Act. With the introduction of the Securities Services Act on 1 February 2005, the two aforementioned Acts were repealed and the JSE is now licensed in terms of the Securities Services Act.

GENERAL REVIEW OF OPERATIONS

	2004	2003
As at 31 December 2004, there were:		
8 340¼ (2003 — 8 340¼) JSE rights in issue; and		
a total of 230 (2003 — 236) JSE members comprised as follows:		
Equity broking members comprising:	50	53
— Equity broking members only	33	42
— Equity broking, custody and settlement members	20	24
Financial derivatives members	101	102
Agricultural products members	76	78
Custody and settlement members	3	3

The staff complement (excluding fixed term contractors) of the JSE as at 31 December 2004*, on a departmental basis, was as follows:

	2004	2003
Company Secretary	20	22
Agricultural Products	5	5
CEO's Office	3	4
Class of Project	2	7
Clearing and Settlement (Settlement Authority)	10	13
Finance	18	19
Human Resources	6	12
Information Product Sales	8	—
Information Services	13	—
IT	—	54
Listings	28	45
Marketing	15	15
New Business and General Counsel	—	19
Operations and Services (including Customer Services and Support and IT)	38	—
Strategy and Legal Counsel	9	—
Strategy (Including Customer Services and Support)	—	34
Surveillance	21	24
Trading	14	19
TOTAL	210	292

*The year-on-year changes reflected above are as a result of the internal restructure that occurred in the last quarter of 2004.

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

During the year under review, the following significant events occurred:

PROJECT ORION

Project Orion is the JSE's massive IT transformation project to transform its legacy IT systems and infrastructure into next generation technology. This will result in reduced IT operational costs and provide more flexible, reliable and stable technologies. Project Orion is scheduled to take place over a 27-month period at a cost of approximately R191 million. The project is on track, with the first release to be completed in the second quarter of 2005 and the full project to be completed in the second quarter of 2006. The treatment of the IT spend and the disclosure of commitments will have an effect on the current year's financial statements.

FOREIGN LISTINGS ON THE JSE

In September 2004, the South African Reserve Bank approved a proposal allowing foreign companies to raise capital on the local equity market. By permitting foreign firms to list locally, the government hopes to attract foreign direct investment and improve the market capitalisation and liquidity of the South African capital markets. Increased market capitalisation and liquidity would have a positive effect on future revenue of the JSE. Aquarius Platinum Limited was the first company to list on this basis in December 2004.

ALT^x

Alt^x was launched in October 2003, the main objective of this market being to provide a mechanism for small and medium sized companies to list and raise capital. Companies listed on Alt^x are required to meet less stringent listing criteria than the main Board but still have to meet rigorous corporate governance requirements. Since its inception, ten companies have listed on Alt^x.

TAX EXEMPT STATUS

The JSE has been exempt from income tax since its inception, having been regarded as a non-proprietary stock exchange. The Income Tax Act was amended in 2004 to, *inter alia*, remove the JSE's exemption from the payment of income tax. This change will become effective during 2005. This poses a number of challenges for the JSE which are being addressed by management.

DEMUTUALISATION

The JSE Board has decided that, subject to favourable tax rulings, it would be appropriate for the JSE to demutualise in light of the imminent loss of its tax exempt status and will refer this matter to a special general meeting of rights holders for consideration and approval in due course. Demutualising would result in more flexibility for the JSE in terms of, *inter alia*, raising capital, and will also allow for a more effective market for current rights holders to realise their investment. The Board has indicated that there are no immediate plans to list. This does not have an effect on the December 2004 financial statements.

THE SECURITIES SERVICES ACT

On 1 February 2005, the Securities Services Act of 2004 ("the Act") became law. The Act replaces the Stock Exchanges Control Act of 1985, the Financial Markets Control Act of 1989, the Custody and Administration of Securities Act of 1992 and the Insider Trading Act of 1998. As an Act, it will, *inter alia*, facilitate the JSE's demutualisation.

YIELD-X

On 28 February 2005, the JSE launched Yield-X, its fourth market. Yield-X is a single platform for the trading of interest rate products. The effect on the 2004 financial statements is limited to research and development expenditure and start-up costs.

Further details in respect of these initiatives are set out in the Business Review section of this report.

GOING CONCERN

Following consideration by the Audit Committee and the Board of comprehensive criteria for assessing whether or not the JSE is a going concern, the directors have a reasonable expectation that the JSE 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.

INCOME STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	GROUP		EXCHANGE	
		2004 R'000	2003 R'000	2004 R'000	2003 R'000
REVENUE	2.1	348 626	329 702	361 437	336 790
Other operating income	2.2	27 729	13 212	14 979	12 198
Personnel expenses	3.1	(127 386)	(131 708)	(127 386)	(131 708)
Other operating expenses	3.2	(218 270)	(252 067)	(210 252)	(237 693)
SURPLUS/(DEFICIT) FROM OPERATIONS		30 699	(40 861)	38 778	(20 413)
Interest received	3.3	354 785	409 145	22 122	36 933
Interest paid	3.4	(315 715)	(363 284)	(2 000)	(4 983)
Attributable profit from associated companies	7.1	19 132	14 571	19 132	14 571
NET SURPLUS FOR THE YEAR		88 901	19 571	78 032	26 108

BALANCE SHEETS AS AT 31 DECEMBER 2004

	Notes	GROUP		EXCHANGE	
		2004 R'000	2003 R'000	2004 R'000	2003 R'000
ASSETS					
NON-CURRENT ASSETS					
		333 723	229 081	247 627	153 527
Property and equipment	5	189 047	114 079	189 047	114 079
Investments	6	89 300	78 758	4	4
Investment in associated companies	7	55 376	36 244	55 376	36 244
Investment in subsidiaries	8	—	—	3 200	3 200
		4 901 848	3 729 190	333 584	367 246
CURRENT ASSETS					
Accounts receivable	9	69 929	52 464	41 471	45 970
Due from subsidiaries	8	—	—	3 560	—
Forward exchange contracts	18	—	4	—	4
Margin deposits	10.1	4 482 874	3 317 254	7 513	20 626
Collateral deposits	10.2	3 625	17 089	3 625	17 089
Cash and cash equivalents	11	345 420	342 379	277 415	283 557
TOTAL ASSETS		5 235 571	3 958 271	581 211	520 773
RESERVES AND LIABILITIES					
RESERVES					
	12	617 708	528 807	464 438	386 406
NON-CURRENT LIABILITIES					
		42 208	42 418	45 370	43 915
Finance lease	17	—	402	—	402
Provisions	13	25 805	23 362	25 805	23 362
Due to SAFEX members	15	16 403	18 654	16 403	18 654
Due to subsidiaries	8	—	—	3 162	1 497
		4 575 655	3 387 046	71 403	90 452
CURRENT LIABILITIES					
Accounts payable	16	74 946	40 929	46 055	40 963
Forward exchange contracts	18	4 335	4 792	4 335	4 792
Margin deposits	10.1	4 482 874	3 317 254	7 513	20 626
Collateral deposits	10.2	3 625	17 089	3 625	17 089
Due to SAFEX members	15	9 875	6 982	9 875	6 982
TOTAL RESERVES AND LIABILITIES		5 235 571	3 958 271	581 211	520 773

STATEMENTS OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 DECEMBER 2004

	JSE Guarantee Fund Trust R'000	JSE Derivatives Fidelity Fund Trust R'000	JSE Rights R'000	Non- distributable reserve R'000	Accumulated surplus R'000	Total R'000
GROUP						
Balance at 1 January 2003	90 752	57 457	169 619	—	191 408	509 236
Net surplus/(deficit) for the year	1 911	(7 457)	—	—	25 117	19 571
Transfer of unrealised gain to NDR	—	—	—	10 058	(10 058)	—
BALANCE AT 31 DECEMBER 2003	92 663	50 000	169 619	10 058	206 467	528 807
BALANCE AT 1 JANUARY 2004	92 663	50 000	169 619	10 058	206 467	528 807
Net surplus for the year	11 005	—	—	—	77 896	88 901
BALANCE AT 31 DECEMBER 2004	103 668	50 000	169 619	10 058	284 363	617 708
EXCHANGE						
Balance at 1 January 2003			169 619	—	190 679	360 298
Net surplus for the year			—	—	26 108	26 108
Transfer of unrealised gain to NDR			—	10 058	(10 058)	—
BALANCE AT 31 DECEMBER 2003			169 619	10 058	206 729	386 406
BALANCE AT 1 JANUARY 2004			169 619	10 058	206 729	386 406
Net surplus for the year			—	—	78 032	78 032
BALANCE AT 31 DECEMBER 2004			169 619	10 058	284 761	464 438

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	GROUP		EXCHANGE	
		2004 R'000	2003 R'000	2004 R'000	2003 R'000
CASH GENERATED/(UTILISED) BY OPERATIONS	21.1	58 622	(47 797)	71 165	(16 477)
Interest received		354 785	409 145	22 122	36 933
Interest paid		(315 715)	(363 284)	(2 000)	(4 983)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		97 692	(1 936)	91 287	15 473
CASH FLOWS FROM INVESTING ACTIVITIES					
<i>Investment to maintain operations</i>		(1 726)	(14)	(1 726)	(14)
Replacement of property and equipment		(1 792)	(66)	(1 792)	(66)
Proceeds on disposal of property and equipment		66	52	66	52
<i>Investment to expand operations</i>		(96 114)	1 170	(98 893)	2 606)
Proceeds on maturity of fund investments		26 410	19 048	—	—
Additions to investments		(23 631)	(15 272)	—	—
Leasehold improvements		(118)	(25)	(118)	(25)
Additions to property and equipment		(98 775)	(2 581)	(98 775)	(2 581)
NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES		(97 840)	1 156	(100 619)	(2 620)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dispossessed Members' Fund recovery		3 189	—	3 189	—
Fidelity Fund payment		—	—	—	(57 457)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		3 189	—	3 189	(57 457)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		3 041	(780)	(6 142)	(44 604)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		342 379	343 159	283 557	328 161
CASH AND CASH EQUIVALENTS AT END OF YEAR	11	345 420	342 379	277 415	283 557

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

I. ACCOUNTING POLICIES

The JSE is a stock 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 JSE.

1.1 STATEMENT OF COMPLIANCE

The consolidated financial statements are prepared in accordance with International Financial Reporting 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 Trust and the JSE Guarantee Fund Trust.

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 RESEARCH AND DEVELOPMENT

Expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding, are 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.

I. ACCOUNTING POLICIES (continued)

I.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 impairments 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 fair value are included in other income in the period in which the change arises.

I.6 PROPERTY AND EQUIPMENT

Property and equipment is stated at historical cost less accumulated depreciation and impairment. 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.

I.7 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

I. ACCOUNTING POLICIES *(continued)*

1.8 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 a 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.

1.9 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.

1.10 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 fees and publication sales. Revenue is recognised in the financial year to which it relates. All revenue is reflected excluding VAT.

1.11 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 JSE.

1.12 OTHER INCOME

Other income comprises investment income, foreign exchange gains and sundry income.

1.13 TAXATION

The JSE is exempt from normal taxation in terms of section 10(1)(d) of the Income Tax Act, No. 58 of 1962. However, National Treasury has indicated that the tax exempt status of the JSE will be removed during 2005. The JSE subsidiary, SAFEX Clearing Company (Proprietary) Limited, is subject to normal taxation in terms of the Income Tax Act, No. 58 of 1962. Taxation arising from this entity is immaterial and has not been separately disclosed.

1.14 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.

I. ACCOUNTING POLICIES (continued)

1.15 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.

1.16 EMPLOYEE BENEFITS

1.16.1 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.

1.16.2 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.

1.16.3 Medical aid

The JSE's policy is not to provide post-retirement medical benefits to employees.

1.17 CASH AND CASH EQUIVALENTS

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

1.18 SEGMENT REPORTING

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

1.19 FUNDS UNDER MANAGEMENT

The JSE performs the administrative and management function for JSE Trustees (Proprietary) Limited, Indexco Limited, Indexco II Limited and Indexco III Limited. The JSE 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

	GROUP		EXCHANGE	
	2004 R'000	2003 R'000	2004 R'000	2003 R'000
2. REVENUE AND OTHER OPERATING INCOME				
2.1 REVENUE COMPRISES:				
Derivatives trading and clearing fees	77 071	73 700	77 071	73 700
— Financial Derivatives Division	39 544	23 908	39 544	23 908
— Agricultural Products Division	37 527	49 792	37 527	49 792
Equities trading fees	63 839	62 171	63 839	62 171
Risk management, clearing and settlement fees	40 921	22 590	40 921	22 590
Data vending services	42 150	44 888	42 150	44 888
Membership fees	5 738	7 023	5 738	7 023
Listing fees	50 377	47 962	50 377	47 962
Broker Deal Accounting services	54 781	60 907	54 781	60 907
Funds management and other	13 749	10 461	26 560	17 549
	348 626	329 702	361 437	336 790
2.2 OTHER OPERATING INCOME COMPRISES:				
Bad debts recovered	3	—	3	—
JSE Guarantee Fund Trust	10 950	8 471	—	—
— dividend income	2 448	1 500	—	—
— revaluation of investments	7 486	5 819	—	—
— other income	1 016	1 152	—	—
Rental income	4 564	3 587	4 564	3 587
Sundry income	12 212	1 154	10 412	8 611
— Fidelity Fund write back	—	—	—	7 457
— Dispossessed Members' Fund Recovery	3 189	—	3 189	—
— other	9 023	1 154	7 223	1 154
	27 729	13 212	14 979	12 198

	GROUP		EXCHANGE	
	2004 R'000	2003 R'000	2004 R'000	2003 R'000
3. SURPLUS FROM OPERATIONS comprises:				
3.1 PERSONNEL EXPENSES				
Remuneration paid to employees	97 213	101 642	97 213	101 642
Cost of retrenchments	—	8 618	—	8 618
Directors' emoluments (refer note 23)	14 749	10 391	14 799	10 391
— executive directors	13 071	8 583	13 071	8 583
— non-executive directors	1 678	1 808	1 728	1 808
Remuneration paid other than to employees for technical services	15 424	11 057	15 374	11 057
	127 386	131 708	127 386	131 708
3.2 OTHER OPERATING EXPENSES				
are arrived at after taking into account:				
Auditors' remuneration	915	1 054	818	954
— audit fee	875	840	778	740
— fees for special audit	40	40	40	40
— prior year under accrual	—	174	—	174
● audit fee	—	109	—	109
● other services	—	65	—	65
Consulting fees	10 513	31 881	10 513	31 881
— strategic	5 676	23 737	5 676	23 737
— other	4 837	8 144	4 837	8 144

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

	GROUP		EXCHANGE	
	2004 R'000	2003 R'000	2004 R'000	2003 R'000
3. SURPLUS/(DEFICIT) FROM OPERATIONS <i>(continued)</i>				
3.2 OTHER OPERATING EXPENSES <i>(continued)</i>				
Depreciation	25 690	27 229	25 690	27 229
— Computer hardware	3 941	4 491	3 941	4 491
• owned	3 364	3 914	3 364	3 914
• leased	577	577	577	577
— Computer software	16 215	17 227	16 215	17 227
— Furniture and equipment	2 109	2 091	2 109	2 091
— Leasehold improvements	3 408	3 403	3 408	3 403
— Vehicles	17	17	17	17
Foreign exchange loss	7 494	9 830	7 494	9 830
Impairment to trade receivables raised/(written back)	620	(2 960)	620	(2 960)
Legal fees	3 177	1 915	3 177	1 915
(Profit)/loss on sale of property and equipment	(40)	63	(40)	63
Profit on sale of investments	(5 834)	(1 688)	—	—
Mainframe maintenance	42 319	39 478	42 319	39 478
Operating lease charges	22 134	19 427	22 134	19 427
— building	20 878	18 257	20 878	18 257
— office equipment	1 256	1 170	1 256	1 170
3.3 INTEREST RECEIVED				
Own funds	20 205	31 920	19 761	31 336
JSE Guarantee Fund Trust and JSE Derivatives				
Fidelity Fund Trust	7 835	5 203	—	—
Interest received on guarantees	536	2 109	536	2 109
Interest received on margin deposits	326 209	369 913	1 825	3 488
— equities	1 825	3 488	1 825	3 488
— derivatives	324 384	366 425	—	—
	354 785	409 145	22 122	36 933

	GROUP		EXCHANGE	
	2004 R'000	2003 R'000	2004 R'000	2003 R'000
3. SURPLUS/(DEFICIT) FROM OPERATIONS <i>(continued)</i>				
3.4 INTEREST PAID				
Finance costs	186	245	135	245
Interest paid on guarantees	536	2 109	536	2 109
Interest paid on margin deposits	314 993	360 930	1 329	2 629
— equities	1 329	2 629	1 329	2 629
— derivatives	313 664	358 301	—	—
	315 715	363 284	2 000	4 983
4. EARNINGS AND HEADLINE EARNINGS PER RIGHT				
	R	R		
Earnings per right (Rands)	10 659	2 347		
Headline earnings per right (Rands)	10 654	1 148		
4.1 EARNINGS PER RIGHT				
The calculation of earnings per right is based on the consolidated earnings of R88 901 130 (2003 — R19 571 000) and 8 340¼ (2003 — 8 340¼) rights in issue throughout the year.				
4.2 HEADLINE EARNINGS PER RIGHT				
The calculation of headline earnings per right is based on the consolidated earnings of R88 861 000 (2003 — R9 576 000) and 8 340¼ (2003 — 8 340¼) rights in issue throughout the year.				
Reconciliation of headline earnings				
Net surplus for the year	88 901	19 571	78 032	26 108
<i>Adjustments are made for the following:</i>				
(Profit)/loss on sale of property and equipment	(40)	63	(40)	63
Unrealised gain on dilution of investment in STRATE Limited	—	(10 058)	—	(10 058)
Fidelity Fund write-back	—	0	—	(7 457)
Headline earnings	88 861	9 576	77 992	8 656

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

	Depreciation rates %	Cost R'000	Accumulated depreciation R'000	Carrying value R'000
5. PROPERTY AND EQUIPMENT				
5.1 GROUP AND EXCHANGE				
2004				
Computer hardware	12,5 to 33,3	50 943	47 392	3 551
Computer software		200 691	64 272	136 419
— under development		98 026	—	98 026
— other software	12,5 to 33,3	102 665	64 272	38 393
Furniture and equipment	10,0	20 141	8 765	11 376
Leased assets	33,3	1 732	1 443	289
Leasehold improvements	6,7	51 750	14 372	37 378
Vehicles	20,0	101	67	34
		325 358	136 311	189 047
GROUP AND EXCHANGE				
2003				
Computer hardware	12,5 to 33,3	50 439	44 497	5 942
Computer software	12,5 to 33,3	101 216	48 057	53 159
Furniture and equipment	10,0	20 047	6 654	13 393
Leased assets	33,3	1 732	866	866
Leasehold improvements	6,7	51 632	10 964	40 668
Vehicles	20,0	101	50	51
		225 167	111 088	114 079

	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
5. PROPERTY AND EQUIPMENT (continued)							
5.2 RECONCILIATION OF CARRYING VALUE							
GROUP AND EXCHANGE							
2004							
Beginning of year	5 942	53 159	13 393	866	40 668	51	114 079
Additions	1 000	99 475	92	—	118	—	100 685
Disposals	(27)	—	—	—	—	—	(27)
Depreciation	(3 364)	(16 215)	(2 109)	(577)	(3 408)	(17)	(25 690)
End of year	3 551	136 419	11 376	289	37 378	34	189 047
GROUP AND EXCHANGE							
2003							
Beginning of year	7 684	70 158	15 353	1 443	44 046	68	138 752
Additions	2 207	309	131	—	25	—	2 672
Disposals	(35)	(81)	—	—	—	—	(116)
Depreciation	(3 914)	(17 227)	(2 091)	(577)	(3 403)	(17)	(27 229)
End of year	5 942	53 159	13 393	866	40 668	51	114 079

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

	GROUP		EXCHANGE	
	2004 R'000	2003 R'000	2004 R'000	2003 R'000
6. INVESTMENTS				
6.1 JSE INVESTMENTS				
Emerging Enterprise Zone (Proprietary) Limited	1	1	1	1
Open Outcry Investment Holdings 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 TRUST INVESTMENTS				
Bonds — fair value	36 909	36 473		
Equities — fair value	45 729	35 529		
Foreign unit trusts — fair value	5 703	6 142		
Unit trusts — fair value	955	610		
	89 296	78 754		
TOTAL INVESTMENTS	89 300	78 758	4	4

	GROUP		EXCHANGE	
	2004 R'000	2003 R'000	2004 R'000	2003 R'000
7. INVESTMENT IN ASSOCIATED COMPANIES				
7.1 CARRYING AMOUNT				
CARRYING AMOUNT AT BEGINNING OF YEAR				
– STRATE Limited	36 280	21 698	36 280	21 698
– Indexco Managers (Proprietary) Limited	(36)	(25)	(36)	(25)
– Satrix Managers (Proprietary) Limited	—	—	—	—
Share of profit	19 132	14 571	19 132	14 571
– STRATE Limited	19 108	14 582	19 108	14 582
• Earnings for the year	19 108	4 524	19 108	4 524
• Gain on dilution	—	10 058	—	10 058
– Indexco Managers (Proprietary) Limited	16	(11)	16	(11)
– Satrix Managers (Proprietary) Limited	8	—	8	—
Carrying amount at end of year	55 376	36 244	55 376	36 244

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

	STRATE Limited		Indexco Managers (Proprietary) Limited		Satrix (Proprietary) Limited		Total	
	2004 R'000	2003 R'000	2004 R'000	2003 R'000	2004 R'000	2003 R'000	2004 R'000	2003 R'000
7. INVESTMENT IN ASSOCIATED COMPANIES (continued)								
7.2 POST-ACQUISITION SHARE OF LOSS								
Share of opening accumulated loss	(58 720)	(73 302)	(36)	(25)	—	—	(58 756)	(73 327)
Share of income/(loss) after tax	19 108	4 524	16	(11)	8	—	19 132	4 513
Gain on dilution	—	10 058	—	—	—	—	—	10 058
Share of closing accumulated loss	(39 612)	(58 720)	(20)	(36)	8	—	(39 624)	(58 756)
7.3 SUMMARISED FINANCIAL STATEMENTS								
Non-current assets	82 691	93 986	186	4 196	19	—	59 464	98 182
Net current assets/(liabilities)	52 400	(2 941)	(248)	(3 380)	695	—	76 279	(6 321)
	135 091	91 045	(62)	816	714	—	135 743	91 861
Share capital	225 000	225 000	1	1	1	—	225 002	225 001
Capital redemption fund	50	—	—	—	—	—	50	—
Accumulated (loss)/profit	(89 959)	(136 513)	(68)	(110)	24	—	(90 003)	(136 623)
Share capital and reserves	135 091	88 487	(67)	(109)	25	—	135 049	88 378
Shareholders' loans	—	—	5	5	689	—	694	5
Non-current liabilities	—	2 558	—	920	—	—	—	3 478
	135 091	91 045	(62)	816	714	—	135 743	91 861
Revenue	137 222	110 949	396	10 908	23	—	137 641	121 857
Operating expenses	(111 282)	(95 977)	(250)	(10 376)	(36)	—	(111 568)	(106 353)
Net finance costs	(748)	(4 881)	68	(563)	48	—	(632)	(5 444)
Taxation	21 412	—	(166)	—	—	—	21 246	—
INCOME/(LOSS) FOR THE YEAR	46 604	10 091	48	(31)	35	—	46 687	10 060

	Carrying amount	Effective group holding		Number of shares held		Directors' valuation	
	2004 R'000	2004 %	2003 %	2004	2003	2004 R'000	2003 R'000
7. INVESTMENT IN ASSOCIATED COMPANIES (continued)							
7.4 UNLISTED ASSOCIATED COMPANIES							
STRATE Limited	55 388	41	41	12 000	12 000	55 388	36 280
Indexco Managers (Proprietary) Limited	(20)	33	33	50	50	(20)	(36)
Satrix Managers (Proprietary) Limited	8	33	0	50	0	8	0
	55 376			12 100	12 050	55 376	36 244
	Number of shares in issue 2004	Percentage holding		Shares at cost		Loans (from)/to	
	2004	2004 %	2003 %	2004 R'000	2003 R'000	2004 R'000	2003 R'000
8. SUBSIDIARIES							
8.1 INVESTMENT IN SUBSIDIARIES							
Issued share capital directly held							
SAFEX Clearing Company (Proprietary) Limited							
• ordinary	8 300	11	11	1	1	11	(1 497)
• redeemable convertible preference shares	160	100	100	3 200	3 200		
JSE Derivative Fidelity Fund Trust						3 549	—
						3 560	(1 497)
JSE Guarantee Fund Trust						(3 162)	—
				3 200	3 200	398	(1 497)

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

All subsidiaries are incorporated in South Africa.

As a result of the financial and operating control of the JSE over the JSE Guarantee Fund Trust and the JSE Derivatives Fidelity Fund Trust, both funds have been consolidated but neither Trust is owned by the JSE or its members.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

	GROUP		EXCHANGE	
	2004 R'000	2003 R'000	2004 R'000	2003 R'000
8. SUBSIDIARIES <i>(continued)</i>				
8.2 NET INVESTMENT IN SUBSIDIARIES				
Shares at cost less amounts written off			3 200	3 200
Net loans to/(from) subsidiaries			398	(1 497)
Net investment in subsidiaries			3 598	1 703
9. ACCOUNTS RECEIVABLE				
Trade receivables	51 248	27 255	27 988	27 073
JSE Guarantee Fund Trust	5 186	6 463	—	—
Prepaid expenses	5 127	11 059	5 127	11 059
Interest receivable	1 108	1 745	1 096	1 745
Other	7 260	5 942	7 260	6 093
	69 929	52 464	41 471	45 970

	GROUP		EXCHANGE	
	2004 R'000	2003 R'000	2004 R'000	2003 R'000
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+ rated banks.				
10.1 MARGIN DEPOSITS	4 482 874	3 317 254	7 513	20 626
— equities	7 513	20 626	7 513	20 626
— derivative funds held by Safex Clearing Company (Proprietary) Limited	4 475 361	3 296 628	—	—
10.2 COLLATERAL DEPOSITS	3 625	17 089	3 625	17 089
The JSE acts as an agent in securities lending transactions necessary to facilitate electronic settlement of equities in the STRATE environment. At year-end interest bearing collateral deposits of R3,6 million (2003: R17,1 million) have been lodged as security against securities lending transactions with a market value of R3,0 million (2003: R16,8 million).				
11. CASH AND CASH EQUIVALENTS				
Cash and cash equivalents comprise:				
Current and call accounts	285 744	285 010	277 415	283 557
JSE Guarantee Fund Trust	6 139	7 369	—	—
JSE Derivatives Fidelity Fund Trust	53 537	50 000	—	—
	345 420	342 379	277 415	283 557

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

	GROUP		EXCHANGE	
	2004 R'000	2003 R'000	2004 R'000	2003 R'000
12. RESERVES				
12.1 JSE RIGHTS				
The total number of rights in issue 8 340¼ (2003 – 8 340¼)	169 619	169 619	169 619	169 619
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 TRUST	103 668	92 663	—	—
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 TRUST	50 000	50 000	—	—
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 NON-DISTRIBUTABLE RESERVE	10 058	10 058	10 058	10 058
Arising on change in STRATE shareholding.				
12.5 ACCUMULATED SURPLUS	284 363	206 467	284 761	206 729
TOTAL	617 708	528 807	464 438	386 406

	Personnel related ¹ R'000	Other R'000	Total R'000
13. PROVISIONS			
GROUP AND EXCHANGE			
2004			
Balance at 1 January 2004	19 349	4 013	23 362
Raised during the year	20 964	1 200	22 164
Utilised during the year	(19 276)	(445)	(19 721)
BALANCE AT 31 DECEMBER 2004	21 037	4 768	25 805
2003			
Balance at 1 January 2003	14 605	2 522	17 127
Raised during the year	16 423	1 575	17 998
Reclassification from Accounts Payable	3 700	—	3 700
Utilised during the year	(15 379)	(84)	(15 463)
Balance at 31 December 2003	19 349	4 013	23 362

¹ Personnel related provisions have been made in line with the JSE's Human Resources policy relating to deferred compensation, bonuses and leave pay. Other provisions relate to tribunal costs and additional rates and taxes that may be payable by the JSE. These provisions are considered to be non-current.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

14. EMPLOYEE BENEFITS

14.1 EMPLOYEE REMUNERATION

With effect from 1 January 2003, all employees were moved to the cost to company package philosophy, allowing increased flexibility for benefit choice by the employee and reduced exposure to uncapped liabilities for the employer.

14.2 RETIREMENT BENEFITS

The JSE provides retirement benefits for all its permanent employees through the JSE Pension Scheme, the SAFEX Pension Scheme and the SAFEX Provident Fund, all of which are defined contribution retirement schemes. During 2003 the JSE Provident Fund was put into voluntary liquidation.

The members' interest in the JSE Pension Scheme is based on the market value of the fund and is adjusted monthly for changes in market value. The JSE Pension Scheme is governed by the Pension Funds Act, 1956 as amended. JSE member firms and STRATE 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 employers directly to the scheme. The SAFEX Pension Scheme and the SAFEX Provident Fund are retirement annuity products.

During the year the SAFEX Provident Fund members elected to place the fund into voluntary liquidation. The members of the SAFEX Pension Fund elected to merge the pension fund with that of the JSE Pension Fund. These processes have begun.

14.3 OTHER

The investigation into the potential shortfall in the pension fund annuities which began during 2002 continues. The resolution of the shortfall is being managed by the asset management company and the previous Pension Fund Administrators. The recent improvement in market conditions has also contributed to reducing the shortfall. Based on specialist legal advice, the JSE continues to consider it unlikely that the outcome of the investigation will have any impact on its operations or the reserves of the Exchange.

	GROUP		EXCHANGE	
	2004 R'000	2003 R'000	2004 R'000	2003 R'000
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 purchase. 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.				
Non-current liability	16 403	18 654	16 403	18 654
Current liability	9 875	6 982	9 875	6 982
	26 278	25 636	26 278	25 636
16. ACCOUNTS PAYABLE				
Trade payables	73 870	38 313	44 979	38 347
Current portion of finance lease	402	709	402	709
Income received in advance	674	1 907	674	1 907
	74 946	40 929	46 055	40 963

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

	Less than one year R'000	Between one and five years R'000	More than five years R'000	Total R'000
17. FINANCE LEASES				
GROUP AND EXCHANGE				
2004				
Minimum lease instalments	422	—	—	422
Finance costs	(20)	—	—	(20)
Lease liability	402	—	—	402
2003				
Minimum lease instalments	844	422	—	1 266
Finance costs	(135)	(20)	—	(155)
Lease liability	709	402	—	1 111
	GROUP		EXCHANGE	
	2004	2003	2004	2003
	R'000	R'000	R'000	R'000
18. FORWARD EXCHANGE CONTRACTS				
Fair value				
— assets	—	4	—	4
— liabilities	(4 335)	(4 792)	(4 335)	(4 792)
Net	(4 335)	(4 788)	(4 335)	(4 788)

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

19. CONTINGENT LIABILITIES AND COMMITMENTS

19.1 CONTINGENT LIABILITIES

19.1.1 There is a contingent liability in terms of section 12(1)(k) of the Stock Exchanges Control Act whereby the JSE 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 Trust and the JSE's reserves.

19.1.2 The JSE is currently engaged in arbitration with a former supplier for breach of contract by the JSE. The case was split between merits and quantum. The JSE lost on merits but quantum has not yet been established.

19.2 COMMITMENTS

19.2.1 The JSE 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 JSE 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	
	2004 R'000	2003 R'000	2004 R'000	2003 R'000
Total future minimum lease payments under non-cancellable operating lease:				
Not later than one year	22 495	20 265	22 495	20 265
Between one and five years	117 597	105 943	117 597	105 943
Later than five years	252 088	286 237	252 088	286 237
	392 180	412 445	392 180	412 445

19.2.2 The JSE has entered into an agreement for the purchase of a wallboard to the value of \$316 000. Payment and delivery will be effected during the first six months of 2005.

19.2.3 The JSE is party to agreements for the development of software totalling R186 million over the next four years.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

19. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

19.2 COMMITMENTS (continued)

19.2.4 The JSE has entered into an agreement to outsource the operation of its IT infrastructure with a total commitment of R569 million.

	GROUP		EXCHANGE	
	2004 R'000	2003 R'000	2004 R'000	2003 R'000
Not later than one year	100 739	—	100 739	—
Between one and five years	337 176	—	337 176	—
Later than five years	130 755	—	130 755	—
	568 670	—	568 670	—

The risks contained in this contract are partly mitigated by means of a number of exit clauses and diminishing penalty clauses available over the life of the contract.

20. RELATED PARTIES

20.1 IDENTITY OF RELATED PARTIES

The JSE is the main provider of risk management, clearing and settlement, and accounting systems to member firms. Revenue earned from this source, and from providing trading and market data to member firms, amounted to R207,4 million (2003: R197,6 million) for the year. These transactions are conducted on an arm's length basis.

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

The 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 23

The Exchange provides the following service for no consideration:

— Secretarial services to the Group entities.

	GROUP		EXCHANGE	
	2004 R'000	2003 R'000	2004 R'000	2003 R'000
21. NOTES TO THE CASH FLOW STATEMENT				
21.1 CASH GENERATED BY OPERATIONS				
Net surplus for the year	88 901	19 571	78 032	26 108
Adjustments for non-cash and separately disclosable items:				
– depreciation	25 690	27 229	25 690	27 229
– fair value adjustments	(7 486)	(5 819)	—	—
– attributable profit of associated company	(19 132)	(14 571)	(19 132)	(14 571)
– interest paid	315 715	363 284	2 000	4 983
– interest received	(354 785)	(409 145)	(22 122)	(36 933)
– (profit)/loss on disposal of property and equipment	(40)	63	(40)	63
– profit on disposal of investments	(5 834)	(1 688)	—	—
– Dispossessed Members' Fund recovery	(3 189)	—	(3 189)	—
– write-down of F.S.G Financial Services (Pty) Ltd	—	—	—	5 200
Surplus/(deficit) from operations before working capital changes	39 840	(21 076)	61 239	12 079
Working capital changes:				
– (Increase)/decrease in accounts receivable	(17 461)	(1 403)	943	(3 035)
– Increase/(decrease) in accounts payable and provisions	36 243	(25 318)	8 983	(25 521)
Cash generated/(utilised) from operating activities	58 622	(47 797)	71 165	(16 477)

22. SEGMENTAL INFORMATION

The JSE 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 JSE 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 2004

		Basic salary R'000	Bonus paid ¹ R'000	Other R'000	Total R'000
23. DIRECTORS' AND EXECUTIVES' REMUNERATION					
23.1 DIRECTORS' EMOLUMENTS					
2004					
<i>Executive directors</i>		6 632	5 254	1 185	13 071
R M Loubser	Chief Executive Officer	2 051	2 231	471	4 753
N F Newton-King	Deputy Chief Executive Officer	1 260	902	141	2 303
L V Parsons	Chief Operating Officer	1 078	902	323	2 303
J H Burke	Director: Listings	1 181	718	135	2 034
G Rothschild	Director: Corporate Marketing and Communications	1 062	501	115	1 678
<i>Other key executives</i>		7 463	4 482	1 146	13 091
G C Clarke	Exchange Secretary	793	515	117	1 425
D J Davidson	Director: Clearing and Settlement	1 054	677	151	1 882
F M Evans	Chief Financial Officer	909	548	92	1 549
R Gravelet-Blondin	Senior General Manager: Agricultural Products	759	511	148	1 418
R B Miller	Director: Information Technology (re-deployed 1 November 2004)	806	324	197	1 327
A Thomson	Director: Trading	1 084	686	116	1 886
M Tlhabane	Senior General Manager: Human Resources	689	337	110	1 136
J Immelman	Senior General Manager: Information Services (appointed 1 November 2004)	119	64	14	197
A Forssman	Senior General Manager: Information Products Sales (appointed 1 November 2004)	124	65	10	199
W F Urmsom	Director: Surveillance	1 126	755	191	2 072
		14 095	9 736	2 331	26 162

¹According to JSE policy, the maximum bonus payable to 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 directors and senior executives being in office at the time of payment.

As a result of the exceptional financial results for, and implementation successes in 2004, an additional bonus equivalent to R4,6 million was paid to the executive directors and senior executives in December 2004 as part of the R10,8 million additional bonus paid to staff.

		Basic salary R'000	Bonus paid ¹ R'000	Other R'000	Total R'000
23. DIRECTORS' AND EXECUTIVES' REMUNERATION <i>(continued)</i>					
23.1 DIRECTORS' EMOLUMENTS <i>(continued)</i>					
2003					
<i>Executive directors</i>					
		5 023	2 576	984	8 583
R M Loubser	Chief Executive Officer	1 922	1 000	435	3 357
N F Newton-King	Deputy Chief Executive Officer	997	528	127	1 652
L V Parsons	Chief Operating Officer	853	528	274	1 655
J H Burke	Director: Listings	1 002	488	122	1 612
G Rothschild	Director: Corporate Marketing and Communications (appointed 1 October 2003)	249	32	26	307
<i>Other key executives</i>					
		7 268	2 566	1 277	11 111
G C Clarke	Exchange Secretary	747	266	104	1 117
D J Davidson	Director: Clearing and Settlement	981	313	145	1 439
F M Evans	Chief Financial Officer	757	309	88	1 154
R Gravelet-Blondin	General Manager: Agricultural Products	667	277	181	1 125
S Maree	Director: Corporate Marketing and Communications (resigned 31 August 2003)	673	108	156	937
R B Miller	Director: Information Technology	826	427	220	1 473
A Thomson	Director: Equities and Derivatives Trading	1 002	375	120	1 497
M Tilhabane	General Manager: Human Resources (appointed 1 February 2003)	566	87	81	734
W F Urmsom	Director: Surveillance	1 049	404	182	1 635
		12 291	5 142	2 261	19 694

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

		Other services R'000	Retainer fee R'000	Meetings R'000	Total R'000
23. DIRECTORS' AND EXECUTIVES' REMUNERATION <i>(continued)</i>					
23.1 DIRECTORS' EMOLUMENTS <i>(continued)</i>					
2004					
<i>Non-executive directors</i>		70	871	732	1 673
P A Barnard		—	48	40	88
H J Borkum	Board Chairman, Chairman of Nominations Committee	—	293	100	393
A D Botha	Chairman of Human Resources Committee	—	73	100	173
R Cadiz	(resigned 30 April 2004)	—	10	—	10
A Horowitz	(alternate to H J Borkum)	—	—	8	8
M R Johnston		70	48	68	186
R J Khoza		—	48	44	92
S Koseff		—	48	32	80
W Luhabe		—	48	36	84
A Mazwai	(appointed 3 August 2004)	—	23	32	55
N S Nematswerani	Chairman of Audit Committee (alternate to R J Khoza)	—	73	96	169
D Nurek	(alternate to S Koseff)	—	—	8	8
N Payne	Chairman of Risk Management Committee (alternate to A D Botha)	—	73	88	161
G T Serobe		—	48	40	88
N Smith	(appointed 25 May 2004)	—	38	40	78

		Other services R'000	Retainer fee R'000	Meetings R'000	Total R'000
23. DIRECTORS' AND EXECUTIVES' REMUNERATION <i>(continued)</i>					
23.1 DIRECTORS' EMOLUMENTS <i>(continued)</i>					
2003					
<i>Non-executive directors</i>		455	745	608	1 808
P A Barnard		—	40	40	80
H J Borkum	Board Chairman, Chairman of Nominations Committee	—	280	88	368
A D Botha	Chairman of Human Resources Committee	—	60	88	148
R F G Cadiz		—	40	24	64
M R Johnston		185	40	56	281
R J Khoza		—	40	56	96
S Koseff		—	40	24	64
W Luhabe	(appointed 26 November 2003)	—	—	—	—
N S Nematswerani	Current Chairman of Audit Committee (alternate to R J Khoza)	—	60	64	124
N Payne	Chairman of Risk Management Committee (alternate to A D Botha)	—	60	56	116
G Rothschild	Previous Chairman of Audit Committee (appointed executive director 1 October 2003)	270	45	64	379
G T Serobe		—	40	48	88

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

24.1 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 JSE'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.

24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

24.2 CURRENCY RISK

The JSE'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 UK Pounds and US Dollars. Forward exchange contracts ("FECs") are used as a means of reducing exposure to fluctuations in foreign exchange rates on payables. 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. In order to hedge the asset, for foreign currency received, the Customer Foreign Currency account has been established which effectively hedges the receivables currency risk.

	Rand R'000	US Dollars R'000	GB Pounds R'000	Euro R'000	Total R'000
GROUP					
2004					
ASSETS	5 214 582	17 135	3 854	—	5 235 571
Property and equipment	189 047	—	—	—	189 047
Investments	138 973	5 703	—	—	144 676
Member firms' deposits at banks	4 486 499	—	—	—	4 486 499
Accounts receivable	64 788	4 318	823	—	69 929
Cash and cash equivalents	335 275	7 114	3 031	—	345 420
LIABILITIES	4 615 000	—	2 851	12	4 617 863
Accounts payable and provisions	128 501	—	2 851	12	131 364
Member firms' funds	4 486 499	—	—	—	4 486 499
NET ASSETS AND LIABILITIES	599 582	17 135	1 003	(12)	617 708
Hedged by forward exchange contracts		—	—	—	
Net exposure		17 135	1 003	(12)	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

	Rand R'000	US Dollars R'000	GB Pounds R'000	Euro R'000	Total R'000
24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT <i>(continued)</i>					
24.2 CURRENCY RISK <i>(continued)</i>					
GROUP					
2003					
ASSETS	3 941 740	16 527	4	—	3 958 271
Property and equipment	114 079	—	—	—	114 079
Investments	108 860	6 142	—	—	115 002
Member firms' deposits at banks	3 334 343	—	—	—	3 334 343
Accounts receivable	48 476	3 988	4	—	52 468
Cash and cash equivalents	335 982	6 397	—	—	342 379
LIABILITIES	3 427 498	—	1 957	9	3 429 464
Accounts payable and provisions	93 155	—	1 957	9	95 121
Member firms' funds	3 334 343	—	—	—	3 334 343
Net assets and liabilities	514 242	16 527	(1 953)	(9)	528 807
Hedged by forward exchange contracts		1 977	1 957	—	
Net exposure		14 550	4	(9)	

24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

24.3 INTEREST RATE RISK

Interest rate risk is the risk of the JSE being exposed to gains or losses on fluctuations in interest rates where assets or liabilities are linked to fixed interest rates. This risk is managed by the JSE ensuring that the majority of assets and liabilities are linked only to floating interest rates. Floating rate assets yield interest at call 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				
2004				
ASSETS	60 326	4 823 057	352 188	5 235 571
Property and equipment	—	—	189 047	189 047
Investments	31 794	—	112 882	144 676
Member firms' deposits at banks	—	4 486 499	—	4 486 499
Accounts receivable	19 670	—	50 259	69 929
Cash and cash equivalents	8 862	336 558	—	345 420
LIABILITIES	28 626	4 486 499	102 738	4 617 863
Accounts payable and provision	28 626	—	102 738	131 364
Member firms' funds	—	4 486 499	—	4 486 499
Net interest rate risk mismatch	31 700	336 558	249 450	617 708
RESERVES				617 708

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

	Fixed rate R'000	Floating rate R'000	Non-interest sensitive R'000	Total R'000
24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT <i>(continued)</i>				
24.3 INTEREST RATE RISK <i>(continued)</i>				
GROUP				
2003				
ASSETS	36 473	3 676 722	245 076	3 958 271
Property and equipment	—	—	114 079	114 079
Investments	36 473	—	78 529	115 002
Member firms' deposits at banks	—	3 334 343	—	3 334 343
Accounts receivable	—	—	52 468	52 468
Cash and cash equivalents	—	342 379	—	342 379
LIABILITIES	—	3 334 343	95 121	3 429 464
Accounts payable and provisions	—	—	95 121	95 121
Member firms' funds	—	3 334 343	—	3 334 343
Net interest rate risk mismatch	36 473	342 379	149 955	528 807
RESERVES				528 807

24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

24.4 LIQUIDITY RISK

Liquidity risk is the risk that the JSE will be unable to meet its short-term funding requirements. This risk is managed by the JSE by maintaining the members' funds and the JSE'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
2004					
GROUP					
ASSETS	4 990 354	790	—	244 427	5 235 571
Property and equipment	—	—	—	189 047	189 047
Investments	89 296	—	—	55 380	144 676
Member firms' deposits at banks	4 486 499	—	—	—	4 486 499
Accounts receivable	69 139	790	—	—	69 929
Cash and cash equivalents	345 420	—	—	—	345 420
LIABILITIES	4 565 575	10 080	42 208	—	4 617 863
Accounts payable and provisions	79 076	10 080	42 208	—	131 364
Member firms' funds	4 486 499	—	—	—	4 486 499
Net maturity mismatch	424 779	(9 290)	(42 208)	244 427	617 708
RESERVES					617 708

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

24.4 LIQUIDITY RISK (continued)

	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					
2003					
ASSETS	3 804 296	3 648	—	150 327	3 958 271
Property and equipment	—	—	—	114 079	114 079
Investments	78 754	—	—	36 248	115 002
Member firms' deposits at banks	3 334 343	—	—	—	3 334 343
Accounts receivable	48 820	3 648	—	—	52 468
Cash and cash equivalents	342 379	—	—	—	342 379
LIABILITIES	3 377 646	9 400	42 418	—	3 429 464
Accounts payable and provisions	43 303	9 400	42 418	—	95 121
Member firms' funds	3 334 343	—	—	—	3 334 343
Net maturity mismatch	426 650	(5 752)	(42 418)	150 327	528 807
Reserves					528 807

24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

24.5 CREDIT RISK

Credit risk on the JSE's own funds is minimised through ensuring funds are only placed with A1+ rated banking institutions. Exposure to credit risk on accounts receivable balances is monitored as part of the JSE finance department's daily procedures. 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 JSE is exposed to credit losses in the event of default by a clearing member. The Exchange 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 Trust and the general reserves of the JSE in the event of a clearing member default.

25. CHANGE TO COMPARATIVE FIGURES IN GROUP AND EXCHANGE

The number of JSE rights in issue reflected in note 12 has been increased from 8 281¼ to 8 340¼. This has no impact on the results or on the balance sheets of the Group or the Exchange. This change is as a result of the thorough examination of the rights register undertaken on its retrieval from the previous Transfer Secretaries.

APPENDIX TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2004

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 JSE 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 annual financial statements have been prepared based on the on balance sheet items held by the JSE Trustees.

	Year ended 31 December 2004 R'000	Year ended 31 December 2003 R'000
Abridged income statement for the year ended		
31 December 2004		
Administration fee	14 505	11 407
Operating expenses	(14 505)	(11 407)
NET SURPLUS	—	—
Abridged balance sheet at 31 December		
2004		
ASSETS		
Current assets		
Accounts receivable	1 641	1 142
TOTAL ASSETS	1 641	1 142
EQUITY		
Shareholder's funds		
Share capital	*	*
Current liabilities	1 641	1 142
Accounts payable	63	30
JSE Securities Exchange South Africa	1 578	1 112
TOTAL EQUITY AND LIABILITIES	1 641	1 142
FUNDS UNDER MANAGEMENT	6 470 321	4 965 526

*Less than R1 000

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 JSE.

The Company is in the process of liquidation resulting from the conversion of Satrix 40, the underlying exchange traded fund to a collective investment scheme, making Indexco redundant with effect from 1 August 2004.

	Year ended 31 December 2004 R'000	Year ended 31 December 2003 R'000
Abridged income statement for the year ended		
31 December 2004		
Interest	61	—
Management fees	(61)	—
NET SURPLUS	—	—
Abridged balance sheet at 31 December		
	2004	2003
Assets		
Non-current assets		
Investment in Satrix 40 Trust	—	3 077 641
Current assets		
Cash at bank	*	241
TOTAL ASSETS	*	3 077 882
Equity		
Share capital	*	*
Liabilities		
Investors for Satrix 40 Trust	—	3 077 641
Accounts payable	—	241
TOTAL EQUITY AND LIABILITIES	*	3 077 882

*Less than R1 000

APPENDIX TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

FUNDS UNDER MANAGEMENT (continued)

Indexco II Limited ("Indexco II")

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 II is held by or on behalf of the JSE.

The Company is in the process of liquidation resulting from the conversion of Satrix FINI, the underlying exchange traded fund to a collective investment scheme, making Indexco II redundant with effect from 1 August 2004.

	As at 31 December 2004 R'000	As at 31 December 2003 R'000
Abridged balance sheet at 31 December		
Assets		
Non-current assets		
Investment in Satrix FINI Trust	—	823 447
Current assets		
Accounts receivable	*	*
TOTAL ASSETS	*	823 447
Equity		
Share capital	*	*
Liabilities		
Investors for Satrix FINI securities	—	823 447
TOTAL EQUITY AND LIABILITIES	*	823 447

*Less than R1 000

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 JSE.

The Company is in the process of liquidation resulting from the conversion of Satrix INDI, the underlying exchange traded fund to a collective investment scheme, making Indexco III redundant with effect from 1 August 2004.

	As at 31 December 2004 R'000	As at 31 December 2003 R'000
Abridged balance sheet at 31 December		
Assets		
Non-current assets		
Investment in Satrix INDI Trust	—	726 210
Current assets		
Accounts receivable	*	*
TOTAL ASSETS	*	726 210
Equity		
Share capital	*	*
Liabilities		
Investors for Satrix INDI securities	—	726 210
TOTAL EQUITY AND LIABILITIES	*	726 210

**Less than R1 000*

BROKING MEMBERS EQUITIES

31 JANUARY 2005

ABSA STOCKBROKERS (PTY) LTD[†]

Telephone: +27 (11) 647 0875
 Facsimile: +27 (11) 647 0877

AFRICAN HARVEST SECURITIES (PTY) LTD

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

AFRIFOCUS SECURITIES (PTY) LTD

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

ANDISA SECURITIES (PTY) LTD[†]

Telephone: +27 (11) 374 1300
 Facsimile: +27 (11) 374 1301
 Website: www.andisa.co.za

ANGLORAND SECURITIES (PTY) LTD

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

BARNARD JACOBS MELLET PRIVATE CLIENT SERVICES (PTY) LTD

Telephone: +27 (11) 778 0000
 Facsimile: +27 (11) 778 0010

BARNARD JACOBS MELLET SECURITIES (PTY) LTD

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

BOE STOCKBROKERS (PTY) LTD

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

BP BERNSTEIN[†]

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

BROCKHOUSE COOPER SA (PTY) LTD

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

CADIZ STOCK BROKING (PTY) LTD

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

CKS EQUITIES (PTY) LTD

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 Facsimile: +27 (11) 467 4581

CITIGROUP GLOBAL MARKETS (PTY) LTD

Telephone: +27 (11) 944 1000
 Facsimile: +27 (11) 944 0866
 Website: www.citigroup.com

CONSILIUM CAPITAL SA (PTY) LTD

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

CST OUTSOURCING LIMITED*

Telephone: +27 (11) 370 7865
 Facsimile: +27 (11) 838 6496

DECILLION SECURITIES (PTY) LTD

Telephone: +27 (21) 529 1400
 Facsimile: +27 (21) 529 1401
 Website: www.decillion.net

DEUTSCHE SECURITIES (PTY) LTD[†]

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

DYNAMIC WEALTH MANAGEMENT (PTY) LTD

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

FFO SECURITIES (PTY) LTD

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

FINSETTLE SERVICES*

Telephone: +27 (11) 215 5000
 Facsimile: +27 (11) 325 0302
 Website: www.finsettle.co.za

FIRST SOUTH SECURITIES (PTY) LTD

Telephone: +27 (11) 343 2200
 Facsimile: +27 (11) 343 2233
 Website: www.firstsouth.co.za

FOUR M TRADERS (PTY) LTD

Telephone: +27 (11) 485 4723
 Facsimile: +27 (11) 640 7759

GENSEC TRADING (PTY) LTD

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

GOLDING TORR & DE DECKER (PTY) LTD[†]

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

HSBC SECURITIES (SOUTH AFRICA) (PTY) LTD[†]

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

IMARA SP REID (PTY) LIMITED[†]

Telephone: +27 (11) 446 6200
 Facsimile: +27 (11) 446 6195
 Website: www.imaraspreid.co.za

*Only Custody and Settlement Member

†Also Custody and Settlement Member

INDEPENDENT SECURITIES (PTY) LTD[†]

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

INVESTEC SECURITIES LTD[†]

Telephone: +27 (11) 286 4500
 Facsimile: +27 (11) 286 9595
 Website: www.investec.com

JP MORGAN EQUITIES[†]

Telephone: +27 (11) 507 0300
 Facsimile: +27 (11) 507 0351

KAGISO SECURITIES LTD

Telephone: +27 (11) 691 8800
 Facsimile: +27 (11) 467 4581/465 2921

LEGAE SECURITIES (PTY) LTD

Telephone: +27 (11) 715 3700
 Facsimile: +27 (11) 715 3701
 Website: www.legae.co.za

MERRILL LYNCH SOUTH AFRICA (PTY) LTD[†]

Telephone: +27 (11) 305 5555
 Facsimile: +27 (11) 305 5600

NEDCOR SECURITIES (PTY) LTD

Telephone: +27 (11) 302 1111
 Facsimile: +27 (11) 302 1126

NOAH FINANCIAL INNOVATION (PTY) LTD

Telephone: +27 (11) 446 7000
 Facsimile: +27 (11) 446 9701

PEREGRINE EQUITIES (PTY) LTD

Telephone: +27 (11) 722 7500
 Facsimile: +27 (11) 722 7541

PHILIPPUS DE WITT (PTY) LTD

Telephone: +27 (11) 482 4525
 Facsimile: +27 (11) 482 4528

PRESCIENT SECURITIES (PTY) LTD

Telephone: +27 (11) 700 3600
 Facsimile: +27 (11) 700 3700

ONLINE SECURITIES (PTY) LTD[†]

Telephone: +27 (11) 670 0500
 Facsimile: +27 (11) 670 0506
 Website: www.psgonline.co.za

RMB SECURITIES (PTY) LTD

Telephone: +27 (11) 269 9020
 Facsimile: +27 (11) 269 9598
 Website: www.rmb.co.za

RMB STOCKBROKING (PTY) LTD[†]

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

SA STOCKBROKERS (PTY) LTD

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

SANLAM PRIVATE INVESTMENTS (PTY) LTD

Telephone: +27 (11) 778 6600
 Facsimile: +27 (11) 778 6699

SANLAM SECURITIES (PTY) LTD

Telephone: +27 (11) 778 6000
 Facsimile: +27 (11) 778 6946

SASFIN FRANKEL POLLAK SECURITIES (PTY) LTD[†]

Telephone: +27 (11) 809 7500
 Facsimile: +27 (11) 809 7710
 Website: www.sgfp.co.za

SYFRETS SECURITIES LTD

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

TAQUANTA SECURITIES (PTY) LTD[†]

Telephone: +27 (11) 294 3478
 Facsimile: +27 (11) 295 8438

TFS SECURITIES (PTY) LTD

Telephone: +27 (11) 465 3686
 Facsimile: +27 (11) 467 4174

THEBE SECURITIES LTD

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

TLOTLISA SECURITIES (PTY) LTD

Telephone: +27 (11) 370 1900
 Facsimile: +27 (11) 834 8485
 Website: www.tradek.com

UBS (SOUTH AFRICA) (PTY) LTD[†]

Telephone: +27 (11) 322 7000
 Facsimile: +27 (11) 322 7788
 Website: www.ubs.com

VECTOR EQUITIES (PTY) LTD

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

WATERMARK SECURITIES (PTY) LTD

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 Facsimile: +27 (11) 325 5681
 Website: www.watermarksec.com

[†]Only Custody and Settlement Member

[†]Also Custody and Settlement Member

AGRICULTURAL PRODUCTS MEMBERS

31 JANUARY 2005

ABSA BANK LTD

Telephone: +27 (11) 350-7827
 Facsimile: +27 (11) 350-7816
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AFGRI OPERATIONS LTD

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

APPLIED DERIVATIVES (PTY) LTD

Telephone: +27 (21) 671-8226
 Facsimile: +27 (21) 671-2991

ANGLO GRAINS (PTY) LTD

Telephone: +27 (21) 887-5177
 Facsimile: +27 (21) 887-8521

B & P GROUP FINANCIAL SERVICES (PTY) LTD

Telephone: +27 (31) 583-4600
 Facsimile: +27 (31) 583-4624

BESTER FEED & GRAIN EXCHANGE (PTY) LTD

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

BOLUS & BOLUS INVESTMENTS (PTY) LTD

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

BRENT TRADING (PTY) LTD

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

BRISEN COMMODITIES (PTY) LTD

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

BUSHVELD GRAIN (PTY) LTD

Telephone: +27 (12) 348-3091
 Facsimile: +27 (12) 365-3634

CADIZ SPECIAL PROJECTS LTD

Telephone: +27 (21) 657-8300
 Facsimile: +27 (21) 657-8303
 Website: www.cadiz.co.za

CARGILL RSA (PTY) LTD

Telephone: +27 (11) 799-2000
 Facsimile: +27 (11) 759-8074

C.J. SLABBERT & CO. (PTY) LTD

Telephone: +27 (11) 214-7252
 Facsimile: +27 (11) 214-7298

COMMODITY HOUSE (PTY) LTD

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

CORN INTERNATIONAL (PTY) LTD

Telephone: +27 (11) 325-7005
 Facsimile: +27 (11) 325-7255

CORONATION CAPITAL LTD

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

CROPLINK (SA) (PTY) LTD

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

DECILLION SECURITIES (PTY) LTD

Telephone: +27 (11) 217-9000
 Facsimile: +27 (11) 883-0156

DERIVED MARKET INVESTMENT & PLANNING (PTY) LTD

Telephone: +27 (12) 807-1838
 Facsimile: +27 (12) 807-9315

DHJ GRAIN BROKERS (PTY) LTD

Telephone: +27 (18) 632-5424
 Facsimile: +27 (18) 632-5762

DWT SECURITIES (PTY) LTD

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

FAP FUTURES (PTY) LTD

Telephone: +27 (11) 326-3945/3
 Facsimile: +27 (11) 326-3985

FARMWISE GRAINS (PTY) LTD

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 Facsimile: +27 (11) 787-3710

FARMWISE LTD

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

FCB HARLOW BUTLER (PTY) LTD

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

FFO SECURITIES LTD

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

FIRST WORLD TRADER (PTY) LTD

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

FUTURELINE (PTY) LTD

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

GLOBAL GRAIN MARKETING (PTY) LTD

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

GRAIN LINE CC

Telephone: +27 (83) 610-0682
 Facsimile: +27 (16) 351-1797

GRAINMAN INTERNATIONAL (PTY) LTD

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

GRAINVEST FUTURES (PTY) LTD

Telephone: +27 (12) 482-6600
 Facsimile: +27 (12) 482-6630
 Website: www.grainvest.co.za

GWK TRADING (PTY) LTD

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HG GRAAN BEMARKING (EDMS) BPK

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 Facsimile: +27 (13) 665-5560

IMEX AGRICULTURAL SERVICES LTD

Telephone: +27 (11) 380-0111
 Facsimile: +27 (11) 884-5483
 Website: www.tigerbrands.com

INCENTIVE SECURITIES (PTY) LTD

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 Facsimile: +27 (11) 380-3098

INVESTEC BANK LTD

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

JP MORGAN EQUITIES LTD

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

KEMPRO BROKERS CC

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

KERNAL MAIZE CC

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 Facsimile: +27 (28) 313-2731

LEEUBANK LANDGOED TRUST

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

LESOTHO MILLING CO. (PTY) LTD

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

MARKET TRADERS (PTY) LTD

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

MGK BEDRYFSMAATSKAPPY (EDMS) BPK

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

NEDBANK LTD

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

NEDCOR INVESTMENT I02 LTD

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

NEDCOR SECURITIES (PTY) LTD

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

NWK LTD

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

OOS-KAAP BOERDERY & GRAANHANDELAARS (EDMS) BPK

Telephone: +27 (51) 923-4500
 Facsimile: +27 (51) 923-2630

PCS AGRI (PTY) LTD

Telephone: +27 (11) 549-5100
 Facsimile: +27 (11) 467-7494

PEREGRINE DERIVATIVES (PTY) LTD

Telephone: +27 (11) 722-7513
 Facsimile: +27 (11) 722-7540
 Website: www.peregrine.co.za

PEREGRINE EQUITIES (PTY) LTD

Telephone: +27 (11) 722-7400
 Facsimile: +27 (11) 722-7410

PREMIER FOODS LTD

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

PSG CAPITAL QUANTITATIVE (PTY) LTD

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

RAND MERCHANT BANK, A DIVISION OF FIRSTRAND BANK LTD

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

RMB SECURITIES (PTY) LTD

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

AGRICULTURAL PRODUCTS MEMBERS (CONTINUED) 31 JANUARY 2005

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

S.A. STOCKBROKERS (PTY) LTD

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 Facsimile: +27 (11) 214-7298

SANLAM SECURITIES (PTY) LTD

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

SENWES LTD

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

STANDARD BANK OF SOUTH AFRICA LTD

Telephone: +27 (11) 378-7826
 Facsimile: +27 (11) 378-7920

SUIDWES LANDBOU (EDMS) BPK

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

SYFRETS SECURITIES LTD

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

TAQUANTA SECURITIES (PTY) LTD

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

THEBE SECURITIES LTD

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

TRADEKOR (PTY) LTD

Telephone: +27 (11) 721-3100
 Facsimile: +27 (11) 782-2622

TRADEPOST 158 (PTY) LTD T/A AGRIMAX

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 Facsimile: +27 (21) 555-1967

TTSA SECURITIES (PTY) LTD

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

UNIGRAIN (PTY) LTD

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

UT GRAIN MANAGEMENT (PTY) LTD

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

VERUS FARMING & COMMODITIES (PTY) LTD

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

VORLON (PTY) LTD

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 Facsimile: +27 (11) 792-8604

VRYSTAAT KOOPERASIE BPK

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

VRYSTAAT MIELIES (EDMS) BPK

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

FINANCIAL DERIVATIVES MEMBERS

31 JANUARY 2005

AAM BK

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Facsimile: +27 (16) 423-4445

ABSA BANK LTD

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

ABSA STOCKBROKERS (PTY) LTD

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

AFRICA ADVENT FINANCIAL SERVICES (PTY) LTD

Telephone: +27 (21) 795-5440
Facsimile: +27 (21) 795-5441

AFRICAN HARVEST SECURITIES (PTY) LTD

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

AFRICAN MERCHANT BANK LTD

Telephone: +27 (11) 215-2000
Facsimile: +27 (11) 784-8994

AFRIFOCUS SECURITIES (PTY) LTD

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

ANDISA SECURITIES (PTY) LTD

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

APPLIED DERIVATIVES (PTY) LTD

Telephone: +27 (21) 671-8226
Facsimile: +27 (21) 671-2991

ASPEN RISK MANAGERS LTD

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

BARNARD JACOBS MELLET SECURITIES (PTY) LTD

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

BEX STRUCTURED PRODUCTS (PTY) LTD

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

BIZ AFRIKA 124 (PTY) LTD

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

BOE INVESTMENTS LTD

Telephone: +27 (21) 416-6000
Facsimile: +27 (21) 416-9940
Website: www.ftnibi.co.za

BOE STOCKBROKERS (PTY) LTD

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

BOLUS & BOLUS INVESTMENTS (PTY) LTD

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

CADIZ FINANCIAL STRATEGISTS (PTY) LTD

Telephone: +27 (21) 657-8300
Facsimile: +27 (11) 657-8303
Website: www.cadiz.co.za

CADIZ SPECIAL PROJECTS LTD

Telephone: +27 (21) 657-8300
Facsimile: +27 (21) 657-8303
Website: www.cadiz.co.za

CHRIS SLABBERT & CO. (PTY) LTD

Telephone: +27 (11) 214-7252
Facsimile: +27 (11) 325-4176

CORONATION ASSET MANAGEMENT (PTY) LTD

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

CORONATION CAPITAL LTD

Telephone: +27 (11) 775-6400
Facsimile: +27 (11) 775-6420

CREDIT AGRICOLE INDOSUEZ CO.

Telephone: +27 (11) 448-3300
Facsimile: +27 (11) 240-0447
Website: www.indosuez.com

DECILLION SECURITIES (PTY) LTD

Telephone: +27 (11) 217-9000
Facsimile: +27 (11) 883-0156

DEUTSCHE SECURITIES (PTY) LTD

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

DWT SECURITIES (PTY) LTD

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

ELECTRA INVESTMENTS S.A. LTD

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

EQUITY DERIVATIVES INVESTMENTS (PTY) LTD

Telephone: +27 (12) 482-6600
Facsimile: +27 (12) 482-6630

ESCHER STRUCTURED PRODUCTS (PTY) LTD

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

FINANCIAL DERIVATIVES MEMBERS (CONTINUED) 31 JANUARY 2005

ESKOM

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

ESKOM PENSION & PROVIDENT FUND

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

FCB HARLOW BUTLER (PTY) LTD

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

FFO SECURITIES LTD

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

FIRST FINANCIAL FUTURES (PTY) LTD

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

FIRST SOUTH SECURITIES (PTY) LTD

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

FIRST WORLD TRADER (PTY) LTD

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

FOORD ASSET MANAGEMENT (PTY) LTD

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

FUTURELINE (PTY) LTD

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

GOLDING, TORR & DE DECKER (PTY) LTD

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

GREENWICH S.A. (PTY) LTD

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

HSBC SECURITIES (SOUTH AFRICA) (PTY) LTD

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

IMARA SP REID (PTY) LTD

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

INCENTIVE SECURITIES (PTY) LTD

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

INTERNEURON CAPITAL LTD

Telephone: +27 (21) 790-5171
Facsimile: +27 (21) 790-0220
Website: www.interneuron.co.za

INVESTEC ASSET MANAGEMENT (PTY) LTD

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

INVESTEC BANK LTD

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

INVESTEC SECURITIES LTD

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

JP MORGAN EQUITIES LTD

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

JP MORGAN SECURITIES S.A. (PTY) LTD

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

KAGISO SECURITIES LTD

Telephone: +27 (11) 691-8800
Facsimile: +27 (11) 467-4581

LANCASTER SECURITIES (PTY) LTD

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

MARKET TRADERS (PTY) LTD

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

MERRILL LYNCH SOUTH AFRICA (PTY) LTD

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

METROPOLITAN ASSET MANAGERS LTD

Telephone: +27 (21) 940-6001
Facsimile: +27 (21) 940-6969

NEDBANK LTD

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

NEDCOR INVESTMENT 102 LTD

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

NEDCOR SECURITIES (PTY) LTD

Telephone: +27 (11) 302-1111
Facsimile: +27 (11) 302-1223
Website: www.boe.co.za

NOAH FINANCIAL INNOVATION (PTY) LTD

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

NORTON DERIVATIVES (PTY) LTD

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

OLD MUTUAL LIFE ASSURANCE COMPANY (SA) LTD

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

PCS AGR1 (PTY) LTD T/A CORTEX DERIVATIVES BROKER

Telephone: +27 (11) 549-5100
 Facsimile: +27 (11) 467-7494
 Website: www.pcsagri.co.za

PEREGRINE DERIVATIVES (PTY) LTD

Telephone: +27 (11) 722-7513
 Facsimile: +27 (11) 722-7540
 Website: www.peregrine.co.za

PEREGRINEQUANT (PTY) LTD

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

EQUISEC TREASURY SERVICES (PTY) LTD

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

PRESCIENT SECURITIES (PTY) LTD

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

PSG CAPITAL QUANTITATIVE (PTY) LTD

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

RAND MERCHANT BANK, A DIVISION OF FIRSTRAND BANK LTD

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

REAL AFRICA ASSET MANAGEMENT (PTY) LTD

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

RMB ASSET MANAGEMENT (PTY) LTD

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

RMB SECURITIES (PTY) LTD

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

RMB STOCKBROKING (PTY) LTD

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

ROBINSON MULDER DE WAAL FINANCIAL SERVICES (PTY) LTD

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

RODINA INVESTMENTS LTD

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

S.A. RESERVE BANK

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

S.A. STOCKBROKERS (PTY) LTD

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

SANLAM CAPITAL MARKETS LTD

Telephone: +27 (11) 778-6000
 Facsimile: +27 (11) 778-6924

SANLAM INVESTMENT MANAGEMENT (PTY) LTD

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

SANLAM PRIVATE INVESTMENTS (PTY) LTD

Telephone: +27 (21) 950-2500
 Facsimile: +27 (21) 950-2556

SANLAM SECURITIES (PTY) LTD

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

SIGNAL FUTURES (PTY) LTD

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

SOCIETE GENERALE

Telephone: +27 (11) 488-8400
 Facsimile: +27 (11) 488-8899

STANDARD BANK OF SOUTH AFRICA LTD

Telephone: +27 (11) 378-7826
 Facsimile: +27 (11) 378-7920

STANLIB ASSET MANAGEMENT LTD

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

FINANCIAL DERIVATIVES MEMBERS (CONTINUED) 31 JANUARY 2005

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

TAQUANTA SECURITIES (PTY) LTD

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

TFS FUTURES & OPTIONS S.A. (PTY) LTD

Telephone: +27 (11) 465-3686
Facsimile: +27 (11) 467-4174

THEBE SECURITIES LTD

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

THIRTY FOUR SOUTH RESEARCH & TRADING (PTY) LTD

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

TLOTLISA SECURITIES (PTY) LTD

Telephone: +27 (11) 370-1900
Facsimile: +27 (11) 834-8485

TRANSNET

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

TRI-LINEAR SPECIALIZED SOLUTIONS (PTY) LTD

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

T TSA SECURITIES (PTY) LTD

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

UBS SECURITIES SOUTH AFRICA (PTY) LTD

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

VECTOR SECURITIES & DERIVATIVES (PTY) LTD

Telephone: +27 (21) 419-3992
Facsimile: +27 (21) 25-4822

VORLON (PTY) LTD

Telephone: +27 (11) 791-5762/7
Facsimile: +27 (11) 792-8604

WATERMARK SECURITIES (PTY) LTD

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

AGRICULTURAL PRODUCTS CLEARING MEMBERS 31 JANUARY 2005

ABSA BANK LTD

Telephone: +27 (11) 350-7827
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.co.za

NEDBANK LTD

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

RAND MERCHANT BANK, A DIVISION OF FIRSTRAND BANK LTD

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

STANDARD BANK OF SOUTH AFRICA

Telephone: +27 (11) 378-7826
Facsimile: +27 (11) 378-7920
Website: www.standardbank.co.za

FINANCIAL DERIVATIVES CLEARING MEMBERS 31 JANUARY 2005

ABSA BANK LTD

Telephone: +27 (11) 350-7827
Facsimile: +27 (11) 350-7816
Website: www.absa.co.za

ELECTRA INVESTMENTS S.A. LTD

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

INVESTEC BANK LTD

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

NEDBANK LTD

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

RAND MERCHANT BANK, A DIVISION OF FIRSTRAND BANK LTD

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

RODINA INVESTMENTS LTD

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

SANLAM CAPITAL MARKETS LTD

Telephone: +27 (11) 778-6000
Facsimile: +27 (11) 778-6924
Website: www.scm.sanlam.co.za

STANDARD BANK OF SOUTH AFRICA

Telephone: +27 (11) 378-7826
Facsimile: +27 (11) 378-7920
Website: www.standardbank.co.za

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the fourth annual general meeting of rights holders of the JSE will be held in the auditorium, One Exchange Square, Gwen Lane, Sandown on Thursday, 21 April 2005 at 17:30 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 2004 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;
 - 1.3 re-electing Messrs A Botha, R Khoza, A Mazwai and N Smith who retire as directors in terms of the constitution of the JSE, but being eligible, have made themselves available for re-election. Abridged biographies of these directors are set out on page 117 of the enclosed annual report;
 - 1.4 that, with effect from 1 May 2005 the remuneration of the non-executive directors be increased as follows:
 - 1.4.1 the Chairman of the JSE's retainer fee be increased from R280 000 to R335 000 per annum;
 - 1.4.2 the Chairman of the JSE's attendance fee be increased from R12 000 to R14 000 per meeting;
 - 1.4.3 the directors' retainer fee be increased from R60 000 to R70 000 per annum;
 - 1.4.4 the directors' attendance fee be increased from R12 000 to R14 000 per meeting;
 - 1.4.5 the Chairman of Committee retainer fee be increased from R90 000 to R100 000 per annum;
 - 1.4.6 the Chairman of Committee attendance fee be increased from R12 000 to R14 000 per meeting;
2. discussing any matter relating to the finances of the JSE; and
3. to amend the Constitution of the JSE by the addition of Article 8.3.1.1 as follows:

"A Board member may, before the expiration of his or her period of office, be removed from office by a resolution signed by all other members."

Rights holders of the JSE represented in person or by proxy shall be entitled to vote and speak at the meeting and you are encouraged to attend. If you are unable to attend please exercise your right to vote by completing the instrument of proxy set out on the next page.

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



G Clarke

Company Secretary

24 March 2005

BIOGRAPHIES OF DIRECTORS

ANTON DIRK BOTHA

Member of the board of the University of Pretoria. He is currently the President of the AHI, one of the four business chamber organisations in South Africa.

Mr Botha spent most of his career building Gensec into a leading SA investment banking group.

Anton holds Bachelor of Commerce degrees from the University of Pretoria and Rand Afrikaans University (RAU) and a Baccalaureus Procurations from the University of South Africa. He is also a director of several companies.

REUEL KHOZA

Founder and Executive Chairman of Co-ordinated Network Investments (Pty) Limited, Chairman of Eskom, AKA Capital (Pty) Limited and Akani Leisure (Pty) Limited. He is also a director of several companies.

ANDILE MAZWAI

CEO of BJM Securities (Pty) Limited (wholly-owned subsidiary of BJM Holdings Limited). Joint CEO of BJM Holdings Limited. Previously CEO of Mazwai Securities (Pty) Limited. Non-executive director of the South African Institute of Stockbrokers. Andile holds a BCom(Hons) from the University of Cape Town.

NIALL SMITH

Managing Director of Deutsche Bank and Director of Deutsche Securities, Head of Derivative Structuring and Global Equity Derivatives in South Africa.

Niall is a member of the JSE Financial Derivatives Advisory Committee. Niall was previously the deputy chairman of the South African Futures Exchange and is currently a member of the South African Institute of Stockbrokers.

FORM OF PROXY

for the fourth annual general meeting of rights holders of the JSE to be held on Thursday, 21 April 2005 at 17:30.

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 Thursday, 21 April 2005 at 17:30.

I/We desire to vote as follows:

	For	Against	Abstain
1. Ordinary resolution 1.1			
2. Ordinary resolution 1.2			
3. To re-elect Mr A Botha as a director			
4. To re-elect Mr R Khoza as a director			
5. To re-elect Mr A Mazwai as a director			
6. To re-elect Mr N Smith as a director			
7. With effect from 1 May 2005 the remuneration of the non-executive directors be increased as follows: 7.1.1 the Chairman of the JSE's retainer fee be increased from R280 000 to R335 000 per annum; 7.1.2 the Chairman of the JSE's attendance fee be increased from R12 000 to R14 000 per meeting; 7.1.3 the Directors' retainer fee be increased from R60 000 to R70 000 per annum; 7.1.4 the Directors' attendance fee be increased from R12 000 to R14 000 per meeting; 7.1.5 the Chairman of Committee retainer fee be increased from R90 000 to R100 000 per annum; 7.1.6 the Chairman of Committee attendance fee be increased from R12 000 to R14 000 per meeting.			
8. To amend the Constitution of the JSE by the addition of Article 8.3.1.1 as follows: "A Board member may, before the expiration of his or her period of office, be removed from office by a resolution signed by all the other members."			

Signed at

on

2005

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 17:30 on Wednesday, 20 April 2005.

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