MONEYWEB
HOLDINGS LIMITED

Annual Report 2004

CONTENTS

Moneyweb Holdings Limited and its Subsidiaries

(Registration Number 1998/025067/06)
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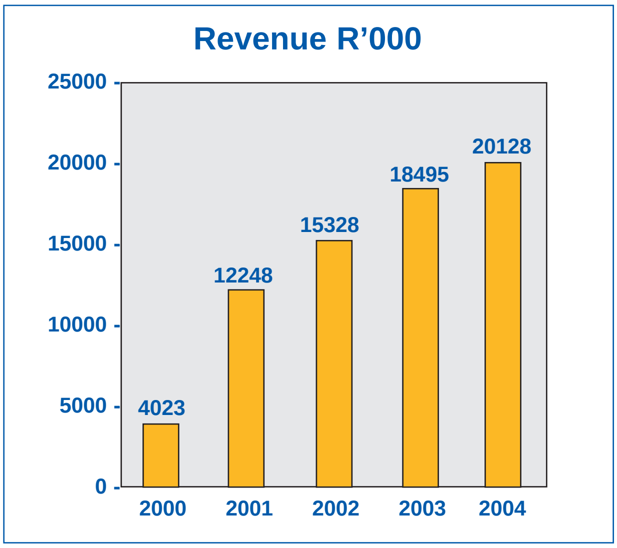
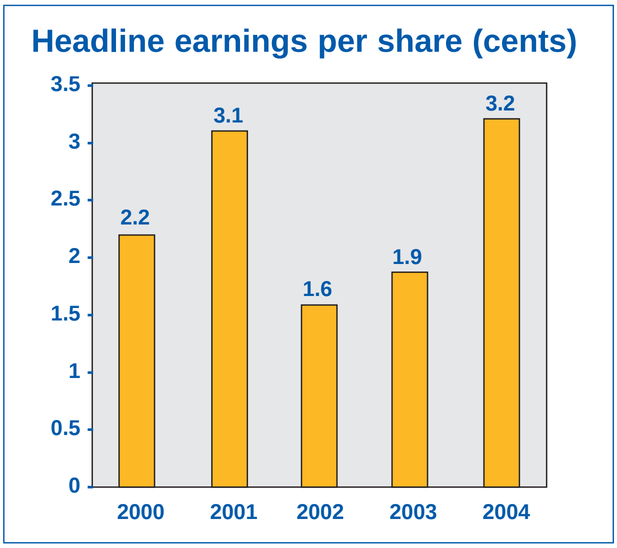
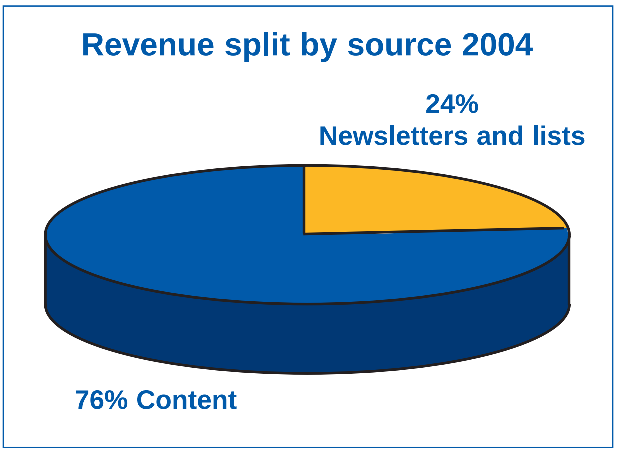
ww.moneyweb.co.za

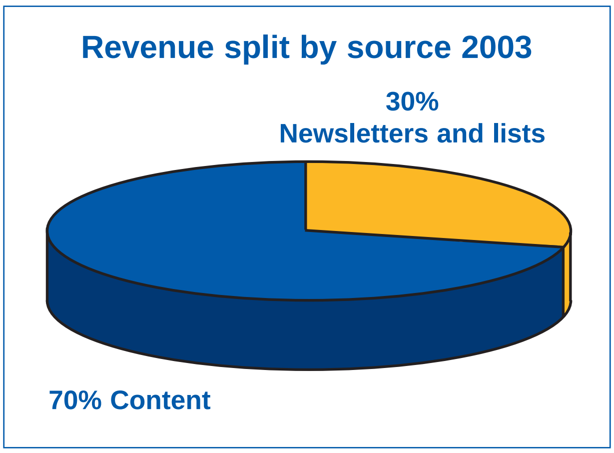
FINANCIAL HIGHLIGHTS

R'000	2004	2003
Revenue	20 128	18 495
EBITDA	3 047	1 941
Headline earnings	2 542	1 626
Headline earnings per share (cents)	3.2	1.9
Cash inflows from operating activities	3 730	1 173









BOARD OF DIRECTORS

Alec Hogg

Executive chairman

Founded Moneyweb in 1997 and together with his wife Louise, holds a controlling interest in the company. A career financial journalist, he relinquished the chief executive role in January 2003 to focus on developing and leading the editorial team. Widely travelled and a voracious reader, he is passionate about the media sector and remains ultimately responsible for the strategic initiatives of the business.

Edwin Jay

Chief executive officer

Edwin Jay qualified as an attorney at Routledges Incorporated and became a partner at that firm. He left in 1994 to form Jay Incorporated which specialised primarily in banking law. By the time Edwin withdrew, from the position of managing partner, the firm had 20 legal professionals and a staff of 55.

Edwin joined Moneyweb as its CEO on 1 January 2003 having served on its board as a non-executive director for the previous 2 years.

Louise Hogg

Executive director

Louise Hogg is the Community Manager of Moneyweb. She is responsible for building and maintaining relationships with over 12 000 registered subscribers and thousands more regular users of the service - the Moneyweb Community. Louise has been intimately involved in the development of Moneyweb since its inception, using experience gained in running the subscriber base at Racing Digest, which she helped found and build.

Victor Nosi

Non-executive director

Victor has a tertiary education with a BA majoring in Psychology and Sociology. This qualification is enhanced by a number of Management Diplomas from some distinguished Universities and Colleges.

He has worked for several blue chip companies that include Standard Bank, were he was Director of Group Communications, at South African Airways he was Executive Vice President responsible for Marketing and Communications, at South African Breweries he was brand manager responsible for Castle Lager, and at Absa Group he was General Manager. Prior to Absa Victor worked for Sasol Secunda Collieries as General Manager: Public Relations.

Victor is a Trustee of Nelson Mandela Children's Fund; he served as a board member of the South African Tourism Services Association (SATSA) as well as a Director of Tourism Council of SA (TBCSA).

He was appointed in March 2001 to the board of Moneyweb in a non-executive capacity.

Victor brings with him an extensive network that includes government contacts and in civil society.

Pierre Desmidt

Non-executive director

Pierre started his career in stockbroking in 1987, leaving in 1993 to join the then newly created Coronation Holdings where he formed part of the proprietary trading area. In 1996 he left to start his own investment trading company which he ran for 7 years, after which he was persuaded back to Coronation in 2003, where he has resumed his position in the securities trading arena.

He was appointed to the board on the 3rd February 2003.

Dr Andrew Smith

Non-executive director

Based in London, Andrew is currently a partner at Unisys Limited. Previously he was the managing partner at Andersen Business Consulting based in Johannesburg, where he had a special interest in the telecommunications and media sector. Prior to that he was the group executive at Datatec Limited, the JSE-listed international networking and technology company. He served as chairmain of the Board of Moneyweb from 1999 to 2000 and was re-appointed to the Board on 7 May 2003.

SHAREHOLDER INFORMATION

Shareholder spread analysis as at 31 March 2004

Type of shareholders	Number of shareholders	% of shareholders	Number of shares held	% of shares in issue
Public	797	98,6	26 225 728	30.9
Non-public	11	1,4	58 774 272	69,1
	808	**100,0**	**85 000 000**	**100,0**

Analysis of non-public shareholders as at 31 March 2004

Type of shareholders	Number of shareholders	% of shareholders	Number of shares held	% of shares in issue
Directors of the Company or any of its subsidiaries	5	0,6	42 617 678	50,1
Any associate of the above	5	0,6	15 199 200	17,9
Trustee of employees' share scheme	1	0,2	957 394	1,1
	11	**1,4**	**58 774 272**	**69,1**

Size of registered shareholding

	Number of shareholders	% of shareholders	Number of shares held	% of shares in issue
1 - 1 000	557	68,9	363 427	0,4
1 001 - 5 000	96	11,9	325 611	0,4
5 001 - 10 000	51	6,3	444 657	0,5
10 001 - 50 000	63	7,8	1 598 027	1,9
50 001 - 100 000	14	1,7	1 226 117	1,4
100 001 - 500 000	13	1,6	3 104 005	3,7
500 001 - 1 000 000	4	0,5	2 985 545	3,5
1 000 001 and above	10	1,3	74 952 611	88,2
	808	**100,0**	**85 000 000**	**100,0**

Shareholders with a holding of greater than 5% of the issued capital of the Company at 31 March 2004

	Number of shares held	**% of shares in issue**
AB Hogg and LM Hogg	42 438 776	49,9
Moneyweb (Pty) Ltd	6 020 076	7,1
Liberty Group Limited	5 000 000	5,9
Pharoah Limited	4 595 474	5,4

Directors' shareholding

The following directors have a direct or indirect beneficial holding in the Company:

	As at 31 March 2004			
	Aggregate number of shares held	% of shares in issue	Nature of interest Beneficial	Non-beneficial
Direct				
AB Hogg and LM Hogg	42 438 776	49,93	42 438 776	-
A Smith	58 900	0,07	58 900	-
EA Jay	20 000	0,02	20 000	-
	42 517 676	50,02	42 517 676	-

	Effective holding of shares	% of shares in issue	Nature of interest Beneficial	Non-beneficial
Indirect				
AB Hogg - 43% interest in Pacer Investments CC	303 795	0,36	303 795	-
EA Jay - 14% interest in Pacer Investments CC	98 910	0,12	98 910	-
P Desmidt - 100% interest in Llandudno Securities (Pty) Ltd	3 626 300	4,27	3 626 300	-
	4 029 005	4,75	4 029 005	-

	As at 31 March 2003			
	Aggregate number of shares held	% of shares in issue	Nature of interest Beneficial	Non-beneficial
Direct				
AB Hogg and LM Hogg	42 438 776	49,93	42 438 776	-
DA McKay (Resigned 8 May 2003)	325 000	0,38	325 000	-
EA Jay	20 000	0,02	20 000	-
	42 783 776	50,33	42 783 776	-

	Effective holding of shares	% of shares in issue	Nature of interest Beneficial	Non-beneficial
Indirect				
AB Hogg - 43% interest in Pacer Investments CC	303 795	0,36	303 795	-
EA Jay - 14% interest in Pacer Investments CC	98 910	0,12	98 910	-
P Desmidt - 100% interest in Llandudno Securities (Pty) Ltd	3 626 300	4,27	3 626 300	-
	4 029 005	4,75	4 029 005	-

Shareholders' diary

Financial Year End	31 March 2004
Annual General Meeting	16 August 2004

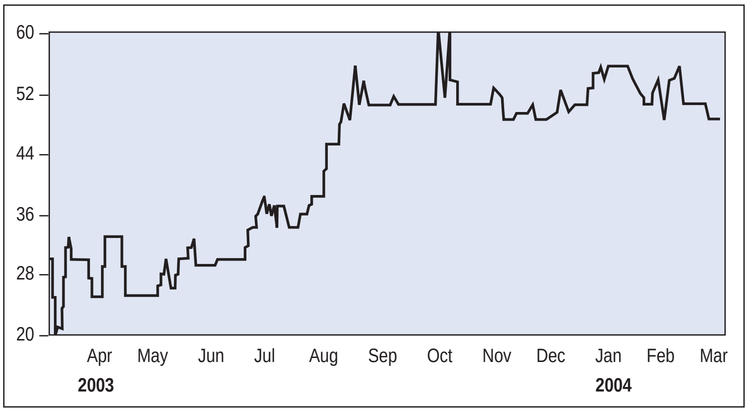
Stock exchange performance

Share Price Data

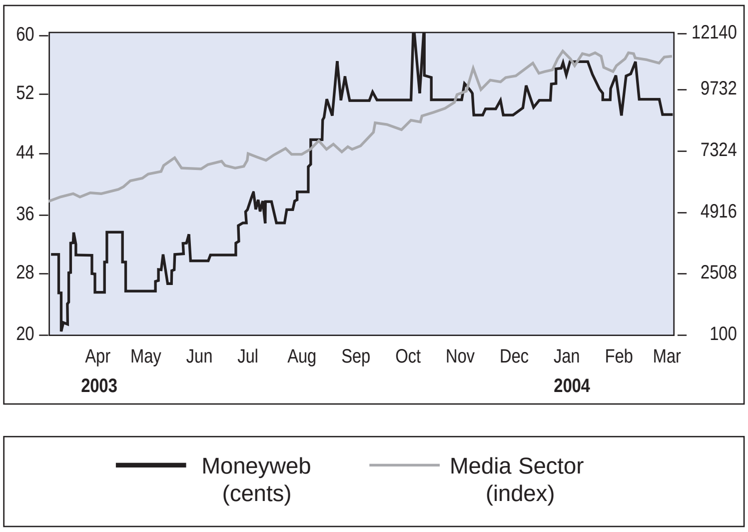
Period 1 April 2003 to 31 March 2004

Opening Price as at 1 April 2003	30c
12 Month High	60c
12 Month Low	20c
Closing Price as at 31 March 2004	48c

Share price



Share price performance versus sector performance



CHAIRMAN'S STATEMENT

Fellow shareholders,

Paging through this annual report, you will have noticed some not-so-subtle changes. It's quite a contrast from the Spartan approach of our previous efforts. I trust you will read this as a further reflection of progress your company has made since taking that tentative first-step into the public arena five years ago.

This year we posted revenues almost five times those reported in the 12 months to end-March 2000, Moneyweb's first year as a listed entity. Headline earnings per share rose strongly to 3,2c while the capital distribution of 1,6c a share reflects strong cash-flows.

At listing, we had hoped for a lot more. Those were the days of the Internet bubble, when cyberspace was a platinum-paved highway and popular opinion said the biggest threat was to miss out on the land grab. It was a disastrous recipe that led to the early demise of nine in ten start-ups.

Moneyweb benefited by resisting most of the bubble's excesses. Although the business's development has not matched those unrealistic early-expectations, by any other measure the progress has been and remains exceptional. Most gratifying is management's ability to find a balance between investment for growth and posting profits which are pleasing to shareholders.

Roughly two thirds of Moneyweb's costs are people-related, making staff by far the most important factor of production. The brand's development is directly proportionate to the quality of the product delivered by its editorial team. Journalists can only perform to the highest standards if properly guided by their editors, and supported by colleagues in sales, administration and management.

During the past year, investment in both the editorial team and support functions was sustained. This brought further progress in leveraging Moneyweb's on-line and broadcasting dominance, allowing the company to participate seriously for the first time in the competitive print media arena.

Partnerships established during the year with The Citizen newspaper and independent broadcaster e.tv are developing well. Revenue streams from these alliances helped to fund a virtuous circle of higher investment leading to improved content. These new partnerships required modest capital investment.

There was further confirmation that the company's output is attractive. Online readership growth remains strong and the company achieved its best ever year in the two financial journalism competitions, landing three of the top-four honours in the Citadel Awards. Agreements secured with two higher education institutions will provide Moneyweb with journalism interns, ensuring the company gets first pick of new graduates, securing a flow of fresh talent.

Business relationships with numerous high-profile organisations were strengthened. Every company needs early-adopters, but it is especially relevant for those breaking new ground in the notoriously moribund media sector. This is especially so in South Africa where limited credible research leads to exaggeration of market penetration, especially by long-established players.

We have found the most effective way of countering wilful misrepresentation and the revenue inertia it causes, is by proving the superiority of a medium through innovative partnerships.

Successful on-going sponsorship relationships with major South African groups like Standard Bank, First National Bank, Deloittes, Ernst & Young, GIBS, Arivia.kom, MTN and EDS are helping us make the point.

Where we've come from

The key to assessing the past year lies in understanding the company's current stage of development.

Moneyweb is a young business having developed from a one-person start-up seven years ago. Growth was accelerated through the listing of its shares on the Johannesburg Stock Exchange in July 1999 at which time capital of R10m was entrusted by investors to the tiny team operating from 100 square metres of offices.

Looking back, the decision to list was consistent with the mood of the time. Elsewhere, deals were cobbled together at an astonishing rate. Several billion rand was thrown at the new Internet phenomenon. Asset managers and corporate bankers were cheerleaders of the "new economy", encouraging players to spend today because tomorrow would take care of the losses.

Swimming against the tide of the time was made easier by some simple logic: the Internet's expansion was so rapid that growth would surely happen anyway. We believed the real challenge was to avoid spending yourself into oblivion - just being around in future would be sufficient to ensure success.

Happily, time has shown the strategy to be correct. At the end of our first year as a listed entity (March 2000), audited figures showed the Moneyweb online network to be attracting 20 000 unique visitors every month. Heartening for a media business established just three years earlier.

The growth since has been astonishing. This Community trebled to 60 000 unique visitors monthly by end 2001; and more than doubled the following year to 136 000. By March 2003 the audited figures reported monthly visitors of 200 000 - a tenfold improvement in three years.

It is my pleasure to disclose in this report that during the past year the online audience had risen to another new record with the monthly reach approaching 300 000 unique visitors. Combined with other media channels where Moneyweb is a joint-venture partner, the company's content now reaches an audience of many millions.

Such expansion stands in stark contrast to the continually contracting "old media" alternatives. In the US, official figures from its own association show newspapers lost millions of readers last year with overall circulation down 6%. There is a similar trend among South African print publications which serve Moneyweb's target market.

While the contraction of old media is clearly a long-term trend, it is nonsensical to suggest that newspapers will disappear anytime soon. Revolutions, especially those in the corporate arena, tend to creep rather than gallop.

As a result, we are continuing to take advantage of the opportunities offered by old media, specifically in the highly successful agreement with The Citizen newspaper, a national daily with 100 000 circulation. In addition, the tightly focused Moneyweb Digest weekly newspaper remains a significant part of the business.

But what remains abundantly clear is that the economics, reach and immediacy of the Internet make it a superior distribution mechanism to newsprint and ink. Cost advantages are massive. Moneyweb's Internet activities remain the core of the business. Our longer-term strategy reflects this view.

Last year

The 12 months under review were devoted to building the existing operations and bedding down two major initiatives - partnerships with The Citizen and e.tv - which kicked off early in the financial year. The editorial and support staff was expanded as a consequence. Moneyweb now employs more than 20 full-time financial journalists worldwide, up from just six at the time of listing.

Although the financial performance was affected by depressed profitability among its South African base of advertisers, Mineweb.com's excellent editorial offering ensured strong growth in its worldwide community. This boosted the Moneyweb network of sites to a new record of 278 000 unique visitors in March 2004, year-on-year growth of 37%.

Moneyweb.co.za itself continued to expand its user base with unique users topping 100 000 a month towards the end of the financial year reflecting growth of almost 20%. The site which serves the media and marketing community, Marketingweb.co.za, turned in a steady performance.

After five years of excellent service, the company's proprietary Moneyweb Internet Publishing System (MIPS) has started showing its age and susceptibility to pressure from the enlarged operations. During the year, first Marketingweb and then Mineweb were moved to an outsourced alternative offered by Metropolis, a division of Primedia. The transfer progressed satisfactorily and response from users has been positive.

The company's radio activities were quieter during the year. While our award-winning Classic Business programme expanded its footprint through a new partnership with Durban-headquartered Highway Radio, other efforts to expand the company's offerings on radio were frustrated. This was largely due to the reluctance of primary broadcast partner, Classic FM, to allocate additional time for Moneyweb-produced programming.

The print media side produced satisfactory returns, highlighted by a positive start to the relationship with The Citizen newspaper. Moneyweb produces the newspaper's business section in return for a share of advertising revenue. Citizen Business provided Moneyweb's sales team with an additional channel to offer advertisers. Revenue generated from this partnership has already become significant in the overall mix.

The Moneyweb Digest joint-venture did not perform up to expectations, but did make a positive contribution. As expected, contraction of the financial-newsletter division continued, but it also made a profit and the original investment has been handsomely repaid.

The highly-competitive television environment resulted in numerous changes being implemented in the newly-established relationship with e.tv. The challenge of getting business content aired on a free-to-air channel is considerable. As a result, Moneyweb's share of advertising revenue did not reach what had been hoped for.

The year ahead

The company has set itself a testing agenda in the year to March 2005. While sustained organic growth remains an obvious priority, management will be judged on its ability to deliver on two enterprise-changing challenges.

The first of these will be leveraging the company's expertise and facilities in the radio arena. During the next 12 months, various commercial radio licences are to be made available by the industry's regulator ICASA. Moneyweb intends participating in the process.

For the longer-term, however, the company has identified satellite radio as an ideal channel through which to deliver Moneyweb's high-value, business and investment-focused content.

Satellite radio is expanding rapidly in the US. In June 2004 market leader XM Satellite Radio signed up its two millionth subscriber and announced that it expects to hit 20m within six years. XM launched in September 2001, breaching the 500 000 only a year ago. Much of the growth has been due to improved affordability with portable and car receivers now retailing at $120 (R770).

XM's potential is reflected in its stock exchange market capitalisation of US$4,5bn (R29bn). The other major player, Sirius Satellite Radio, has 350 000 subscribers and a market capitalisation of $3,6bn.

The satellite radio industry is growing rapidly. In the US, General Motors, Ford, Daimler Chrysler, BMW and Honda have agreed to install satellite radios as standard in many models. Leading American car-hire firm Hertz is also offering the service. Analysts expect the explosive growth to continue for some years.

It is expected that South Africa will follow the US experience. To ensure that it remains at the forefront of such developments, Moneyweb has secured a partnership with Africa's satellite radio leader, WorldSpace, to produce a business-focused radio channel which launches on August 1.

Most of the programming will be delivered from Moneyweb's existing broadcast studio in Rosebank, Johannesburg. WorldSpace reaches over 300 000 satellite radios on the African continent. Its reach is expected to grow dramatically over the next few years as South African motor manufacturers follow their US counterparts in offering satellite receivers in new cars.

To complement the satellite-radio offering, Moneyweb has entered into a partnership with community broadcaster Radio Today, which is licensed to serve mature listeners in the Johannesburg area. It has also managed to secure a channel on the DSTV audio network.

Through delivering high-quality content, Moneyweb is confident that it can help this small radio station attract more listeners and the advertising life-blood it requires to become profitable. As part of the deal, Moneyweb has introduced the Aids-orphans charity NOAH as an additional beneficiary for Radio Today.

Moneyweb-produced programming will be aired on the station from July 1. As with Classic FM, the financial turnaround is expected to take time, with little benefit expected this financial year. However, the satellite-radio and Radio Today initiatives are a critical part of Moneyweb's long-term strategic objectives.

The second key area of focus for 2004/5 is to resuscitate the global expansion programme spearheaded by Mineweb.com. These plans were on hold for most of the past financial year because of negotiations with a potential US-based partner for Mineweb.com.

After discussions lasting some months, agreement was reached for Moneyweb to sell 80% of Mineweb.com to a private American company in return for a cash sum and significant profit shares thereafter, a minimum level guaranteed for the next two years.

Even though the deal would have led to a substantial net inflow of foreign currency into South Africa, the Exchange Control authorities of the SA Reserve Bank refused to approve the transaction. This was based on a regulation that SA-based businesses cannot hold minority stakes in foreign companies. Moneyweb would not contemplate selling entirely out of Mineweb.com, and therefore terminated the negotiations.

The aborted Mineweb transaction, though disappointing, may eventually prove to be a blessing. The global mining sector appears to be in long-term upward cycle, due primarily to sustained economic growth in China.

To ensure that Mineweb maintains dominance in its targeted niche, in the course of the year the company plans to establish a more-permanent presence abroad. New offices in Asia and perhaps South America would complement Mineweb's existing presence in New York, Johannesburg, Perth, London and Moscow, positioning it to provide an improved service to its global audience.

Closer to home, building a base in states neighbouring South Africa remains a priority on the agenda. Apart from the small start in Zimbabwe, securing the right partners has proved elusive, although renewed efforts will be made in Mozambique, Botswana and Namibia in the year ahead.

Conclusion

High barriers to entry; the ever-present potential for conflict between advertising and editorial; and disruptions caused by ego-driven rather than commercially-based ventures makes media a notoriously difficult sector within which to operate. These challenges are exacerbated in South Africa through perpetuated past privileges that are compounded by politically-driven agendas for the future.

We remain committed to the principle of providing an ever-improving service to those we serve. It is with the confidence bred of past experience that we can forecast this will ensure continued growth in the greater Moneyweb Community and, as a consequence, deliver the required revenue stream through advertisers which want to reach them.

Management will strive to maintain the balance between investing for growth and producing the level of profitability demanded by shareholders. In spite of stiff operational and strategic challenges, it is with confidence that satisfactory financial returns are expected in the year to end March 2005.

Thanks

It is with sincere gratitude that we thank each member of the Moneyweb family - community members, advertisers, suppliers and shareholders. Because of your unstinting support, those of us who produce the information and manage the operation are just as excited today as when the first story was published on the Moneyweb Internet website in 1997.

My personal appreciation to every member of the Moneyweb team, including the directorate, for your effort, counsel and companionship. The past seven years have prepared us well for the challenges of the future. Our company has never been better placed to address the opportunities that the changing media environment will keep presenting.

Alec Hogg
14 June 2004

CHIEF EXECUTIVE'S OVERVIEW

Financial results

Turnover

Turnover increased by 9% to R20,128m. This increase is satisfactory considering the discontinuation of the general news bulletins produced (at a loss) for Classic FM, and the anticipated decline in revenues from the newsletter operations. Revenues from new partnerships with The Citizen and e-tv contributed to the increase in turnover.

Expenses

Operating expenses rose 19% year-on-year mostly due to the increased investment in editorial staff.

EBITDA

EBITDA increased significantly to R3,047m up 57% over the prior year.

Headline earnings per share

Headline earnings per share improved by 68% from 1,9c to 3,2c in 2004.

Balance Sheet

The Group's cash position continues to be sound with the balance sheet reflecting unimpaired cash of R7,858m. The Company has no debt.

Cashflow

Cash generated from operating activities improved by 218% to R3,730m.

Share Repurchase

During the year, the Group invested R1,990m through the buy-back of 6,02 million Moneyweb shares in the open market at an average price of 33c.

Associates

Classic FM's attributable income fell by 25%. This was due to the prior year's income being boosted by an exceptional tax item. Classic FM did however declare a maiden distribution to shareholders post 31 March 2004 of which Moneyweb's share was R587 000. This cash was received after the year-end. Vestact continues to trade ahead of budget and reached break-even on a monthly basis shortly before the year-end.

Operating Activities

Text

The text division consists of all the publications which are content driven and which share the same resource base.

Moneyweb.co.za's revenues have not kept pace with the growth in users, but did rise modestly in the year.

The Citizen Business - Powered by Moneyweb has shown impressive growth off a small base.

Revenues from the weekly joint-venture newspaper Moneyweb Digest fell slightly. Steps have been taken to invigorate sales in the product.

Mineweb

Mineweb continues to grow impressively. Advertising revenue from the South African mining community was impacted by the firmer Rand (which hurt local mining profits). This was offset, however, by strong growth in offshore mining advertising.

Newsletters

The newsletters continue a slow decline. Cash-flow generation is still good, however, and the products remain profitable.

Broadcasting

Broadcasting, which includes Classic Business and e-tv, continues to perform profitably. The Classic Business programme remains a significant revenue contributor but has limited scope for growth as the advertising time on the show is fully subscribed and rate increases are not possible off an already premium level. Other broadcasting opportunities are being aggressively pursued. Ways to expand the relationship with e-tv are continuously investigated.

Numerous other opportunities were considered during the year under review, including the sale of a substantial part of Mineweb.com to a foreign partner. The transaction was turned down by the Exchange Control authorities at the SA Reserve Bank.

Edwin Jay
14 June 2004

CORPORATE GOVERNANCE

The Moneyweb Group is committed to the principles of integrity and accountability in its dealings with all stakeholders.

The Board subscribes to the principles incorporated in the amended Code of Corporate Practices and Conduct, as set out in the King Report on Corporate Governance for South Africa 2002 (King II) and the JSE Securities Exchange Listing Requirements.

The Board of Directors

The Board is chaired by an executive director. The role and person of the executive chairman is however, separate from that of the chief executive. The Board includes three executive directors and three independent directors who have been carefully chosen for their wide range of business skills.

The Board is responsible for formulating and implementing overall Group strategy and policies, planning of resources, monitoring of performance and maintaining standards of business conduct. The Board meets quarterly for these purposes.

Certain functions of the Board are facilitated through the main sub-committees of the Board which include the Audit and Remuneration Committees. The Audit Committee meets three times annually and the Remuneration Committee meets annually. The Chairmen of these committees report directly to the Board. In addition, management of the various strategic business units meet weekly.

All directors have access to the services and advice of the company secretary who provides the Board and individual directors with guidance regarding their duties and responsibilities.

Communication

The Group acknowledges that it operates within a community and values a good working relationship with its stakeholders. The Group consistently strives to strengthen links through regular communication with all its stakeholders which conforms with the criteria of timeous, objective, relevant and transparent communication.

Committees of the Board

The Board has delegated certain of its responsibilities to sub-committees of the Board.

Audit Committee

The Audit Committee comprises the three independent directors, Andrew Smith (Chairman), Pierre Desmidt and Victor Nosi.

The terms of reference of the Audit Committee include:

- reviewing financial information
- assessment of the risk of fraudulent reporting
- review of the code of ethics
- compliance procedures
- appointment, oversight and evaluation of the external auditors
- determination of audit fees
- reporting to the Board
- setting the principles for recommending the use of the external auditors for non-audit purposes

Remuneration Committee

The Remuneration Committee comprises of an executive director, Louise Hogg, and the three independent directors Victor Nosi (Chairman), Andrew Smith and Pierre Desmidt.

The terms of reference of the Remuneration Committee include:

- appointment/discharge of executive directors
- all matters relating to remuneration of employees
- all matters relating to conditions of service of employees
- staff participation in bonus scheme
- staff participation in share option scheme
- adherence to employment equity

Internal Control

The directors are responsible for the Group's systems of internal financial and operational control and for ensuring that the Group maintains adequate records that disclose, with reasonable accuracy, the financial performance and position of the Group. To enable the directors to meet these responsibilities, the Board sets standards and management implements systems of internal control, comprising policies, standards, procedures, systems and information to assist in:

- safeguarding assets and reducing the risk of loss, error, fraud and other irregularities;
- ensuring the accuracy and completeness of accounting records; and
- the timely preparation of reliable financial statements and information in compliance with relevant legislation and South African Statements of Generally Accepted Accounting Practice.

Employee Participation

The Group implements the increasing empowerment of its employees through participative structures on employee-related matters, training, development and information sharing.

Employment Equity

The Group is committed to providing equal opportunities for its employees regardless of their ethnic origin or gender. Affirmative action strategies are in place to ensure that employee profiles will be more representative of the demographics of the region in which the Group conducts its business activities. An aggressive intern training programme has been adopted as the most suitable manner to bring the staffing profile to an acceptable level.

Code of Ethics

The Group endorses a code of ethics which commits the Group to the highest standards of integrity, behaviour and ethics in all dealings with its stakeholders. An ethical decision-making model has been adopted, which engenders sound business decisions by encouraging staff members to take all relevant aspects into consideration.

Directors and employees who become aware of sensitive financial information cannot directly or indirectly deal in the relevant company's shares until the information is in the public arena.

ANNUAL FINANCIAL STATEMENTS

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REPORT OF THE INDEPENDENT AUDITORS

To the members of

MONEYWEB HOLDINGS LIMITED

We have audited the group and company annual financial statements of Moneyweb Holdings Limited for the year ended 31 March 2004. These financial statements are the responsibillity of the company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

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

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

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

Audit opinion

In our opinion, the group and company financial statements fairly present, in all material respects, the financial position of the group and company at 31 March 2004 and the results of its operations, changes in equity and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the Companies Act in South Africa.

Grant Thornton

GRANT THORNTON

Registered Accountants and Auditors
Chartered Accountants (S.A.)

JOHANNESBURG
14 June 2004

DIRECTORS' RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS

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 reponsibilities, management has developed and continues to maintain a system of internal control. The Board has ultimate responsibility for the system of internal control and reviews its operation, primarily through the Audit Committee and various other risk-monitoring committees.

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 Group's policies and procedures. These controls are implemented by trained, skilled personnel with an appropriate segregation of duties, 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 South African statements of Generally Accepted Accounting Practice and incorporate disclosure in line with the accounting philosophy of the Group. They are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors believe that the Group will be a going concern in the year ahead. For this reason they continue to adopt the going concern basis in preparing the Group annual financial statements.

The annual financial statements for the year ended 31 March 2004, set out on pages 18 to 39, were approved by the Board of directors on 14 June 2004 and signed on its behalf by -

EA Jay
Chief Executive Officer

AB Hogg
Chairman

DECLARATION BY COMPANY SECRETARY

In my capacity as Company Secretary, I hereby confirm, in terms of the Companies Act, 1973, that for the year ended 31 March 2004, the Company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of this Act and that all such returns are true, correct and up to date.

E Venter
Company Secretary

REPORT OF THE DIRECTORS

The directors present their report together with the audited annual financial statements of the Company and of the Group for the year ended 31 March 2004.

Nature of Business

Moneyweb Holdings Limited is incorporated in the Republic of South Africa and is an integrated media company with interests in the electronic and print publishing fields. The Group's focus is on supplying independent high quality and credible information to targeted communities.

Operating Results

The headline earnings for the Group amounted to R2,5 million, an increase of 56% year on year. The Group achieved a headline earnings per share of 3,2c per share, an increase of 68% on 1,9c in the previous year.

Distribution to shareholders and payment out of the share premium account

The board of directors has proposed a capital distribution of 1,6 cents per share be paid to shareholders out of the company's share premium account in terms of Section 90 of the Companies Act, on the basis that approval is given by shareholders at a general meeting to be convened for this purpose. Further details of the payment, including the salient dates, will be included in the circular to shareholders which is in the course of preparation and will be announced on SENS.

Share Capital

The authorised and issued share capital remained unchanged during the year.

Share Repurchase

During the financial year the Company repurchased 6 020 076 shares on the open market. The shares are being held as treasury stock by a wholly owned subsidiary of Moneyweb.

Share Incentive Scheme

Summary of the details and terms of the Company's share incentive scheme.	
Maximum number of shares that may be allocated – 10% of issued share capital	8 500 000
Number of share options allocated at 31 March 2003	2 905 000
Allocated during the year	-
Lapsed since 1 April 2003	(895 000)
Number of share options allocated at 31 March 2004	2 010 000
Number of share options available for distribution	6 490 000

In terms of the rules of the share incentive scheme the aggregate number of shares which may be acquired under this scheme shall not be more than 10% of the Company's entire issued ordinary share capital from time to time and the aggregate number of shares that may be acquired by any one participant in terms of this scheme shall not exceed 2% of the Company's share capital.

Share Incentive Trust

947 394 issued shares remained unallocated in the share trust. It is intended to use these unallocated shares to partially facilitate the shares required in terms of the share incentive scheme.

Directorate

The following acted as directors during the year:

AB Hogg	Chairman
EA Jay	Chief Executive Officer
LM Hogg	
DA McKay	(Resigned 8 May 2003)
P Desmidt*	
V Nosi*	
A Smith*	(Appointed 7 May 2003)

* *Independent non-executive director*

A Smith was appointed a non-executive director on 7 May 2003. The details of the remuneration and indirect interests of directors in the shares of the Company are set out in note 23 of the annual financial statements.

There has been no change in the directors' shareholdings, as set out on page 5 of this report, since the end of the financial year to the date of this report.

On 31 March 2004 the total beneficial shareholdings of the directors was 54,8% of the issued capital.

The Company Secretary is E Venter whose business and postal addresses are:

Business Address:	First Floor, West Wing President Place Corner Jan Smuts Avenue & Bolton Road Rosebank, 2196	Postal Address:	P O Box 102 Parklands 2121

Subsidiaries

The following information relates to the Company's interest in its subsidiaries:

	Issued Ordinary Capital	Percentage Holding		Cost of Investment		Indebtedness by/ (to) Subsidiary	
	2004	2004 %	2003 %	2004 R'000	2003 R'000	2004 R'000	2003 R'000
Directly Held							
Moneyweb Investments (Pty) Ltd	R100	100	100	58 800	58 800	-	-
Prescon Publishing Corporation (Pty) Ltd	R100	100	100	6 443	6 443	112	102
Moneyweb Internet Publishing Ltd*	£100	100	100	1 748	1 748	(197)	(226)
Indirectly Held							
Moneyweb (Pty) Ltd	R100	100	100			3 039	3 295
				66 991	66 991	2 954	3 171

*Unlisted

All subsidiaries, except Moneyweb Internet Publishing Limited which is incorporated in the United Kingdom, are incorporated in the Republic of South Africa.

The attributable interest of the Company in the aggregate net profits after tax of its subsidiaries for the year amounted to R1 974 000 (2003: R583 000). This amount excludes the net fair value adjustment on the treasury shares held by Moneyweb (Pty) Ltd which is eliminated on consolidation.

Special Resolutions

On 28 July 2003, the date of the last Annual General Meeting, shareholders approved amendments to the Company's articles of association and granted directors a general authority to:-

– repurchase shares in Moneyweb Holdings Limited
– make payments to shareholders of the Company

No other special resolutions were passed during the year under review.

Post-Balance Sheet Activity

The directors are not aware of any other matter or circumstance arising since the end of the financial year and date of this report, not otherwise dealt with in these annual financial statements that would materially affect the results or financial position of the Group, as at 31 March 2004.

INCOME STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

	Notes	Group		Company	
		2004	2003	2004	2003
		R'000	R'000	R'000	R'000
REVENUE		20 128	18 495	49	53
OPERATING PROFIT FROM OPERATIONS BEFORE DEPRECIATION AND AMORTISATION (EBITDA)		3 047	1 941	-	-
Depreciation		(444)	(499)	-	-
Amortisation of website development costs		(511)	(914)	-	-
PROFIT FROM OPERATIONS	1	2 092	528	-	-
Net investment income	2	477	526	(6)	-
Net income from associates (net of taxation)	7	577	1 033	-	-
Exceptional items		-	(126)	-	-
PROFIT BEFORE GOODWILL AMORTISATION AND IMPAIRMENTS		3 146	1 961	(6)	-
Impairment of investment		-	-	-	(12 855)
Goodwill amortisation		(15 081)	(15 081)	-	-
– Subsidiaries		(13 550)	(13 549)	-	-
– Associates		(1 531)	(1 532)	-	-
NET LOSS BEFORE TAXATION		(11 935)	(13 120)	(6)	(12 855)
Income tax expense	3	(604)	(461)	(3)	(116)
NET LOSS FOR THE YEAR		(12 539)	(13 581)	(9)	(12 971)
BASIC LOSS PER SHARE (cents)	4	(15,7)	(16,3)		
FULLY DILUTED LOSS PER SHARE (cents)	4	(15,7)	(16,1)		
HEADLINE EARNINGS PER SHARE (cents)	4	3,2	1,9		
FULLY DILUTED HEADLINE EARNINGS PER SHARE (cents)	4	3,2	1,9		
DIVIDENDS PER ORDINARY SHARE (cents)			1,0		

BALANCE SHEETS AT 31 MARCH 2004

	Notes	Group		Company	
		2004 R'000	2003 R'000	2004 R'000	2003 R'000
ASSETS					
Non-current assets					
Tangible assets	5	909	1 001	-	-
Intangible assets	6	14 315	28 376	-	-
Investment in associates	7	6 587	7 334	7 865	7 658
Investment in subsidiaries	8			30 338	30 555
Other investment	9	12	10	-	-
Deferred taxation	12	12	-	-	-
		21 835	36 721	38 203	38 213
Current assets					
Trade and other receivables		4 382	3 098	-	-
Income tax prepaid		28	49	-	-
Cash and cash equivalents	10	7 858	6 523	1	-
		12 268	9 670	1	-
Total assets		34 103	46 391	38 204	38 213
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital and premium	11	10 543	12 379	12 817	12 817
Accumulated profit		17 524	30 063	25 385	25 394
		28 067	42 442	38 202	38 211
Non-current liabilities					
Deferred taxation	12	-	168	-	-
Shareholders' loan	13	438	438	-	-
		438	606	-	-
Current liabilities					
Trade and other payables		3 575	2 398	-	-
Provisions	14	117	75		
Deferred revenue	15	1 444	595	-	-
Income tax payable		460	273	-	-
Shareholders for dividend		2	2	2	2
		5 598	3 343	2	2
Total equity and liabilities		34 103	46 391	38 204	38 213

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2004

Group	Share Capital	Share Premium	Accumulated Profit	Total
	R'000	R'000	R'000	R'000
Balance as at 1 April 2002	**85**	**12 732**	**44 494**	**57 311**
Net loss for the year			(13 581)	(13 581)
Ordinary dividends paid			(850)	(850)
Consolidation of the share incentive trust	(1)	(437)		(438)
Balance as at 1 April 2003	**84**	**12 295**	**30 063**	**42 442**
Net loss for the year			(12 539)	(12 539)
Treasury shares purchased	(6)	(1 984)		(1 990)
Disposal of share incentive trust shares	*	154		154
Balance as at 31 March 2004	**78**	**10 465**	**17 524**	**28 067**

*Nominal amount

Company	Share Capital	Share Premium	Accumulated Profit	Total
	R'000	R'000	R'000	R'000
Balance as at 1 April 2002	**85**	**12 732**	**39 215**	**52 032**
Net loss for the year			(12 971)	(12 971)
Ordinary dividends paid			(850)	(850)
Balance as at 1 April 2003	**85**	**12 732**	**25 394**	**38 211**
Net loss for the year			(9)	(9)
Balance as at 31 March 2004	**85**	**12 732**	**25 385**	**38 202**

CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

	Notes	Group		Company	
		2004 R'000	2003 R'000	2004 R'000	2003 R'000
Cash flows from operating activities					
Cash generated by operations	21.1	3 894	2 217	-	-
(Increase)/decrease in working capital	21.2	(65)	363	-	-
Cash generated by operating activities		3 829	2 580	-	-
Net investment income		477	526	(6)	-
Normal taxation paid	21.3	(576)	(979)	(3)	(10)
STC paid		-	(106)	-	(106)
Dividend paid	21.4	-	(848)	-	(848)
Net cash inflows/(outflows) from operating activities		3 730	1 173	(9)	(964)
Cash flows from investing activities					
Acquisition of tangible assets		(355)	(855)	-	-
Additions to intangible assets		-	(585)	-	-
Acquisition of treasury shares		(1 990)	-	-	-
Loan advanced to associate		(207)	-	(207)	-
Reduction in loans advanced to subsidiaries		-	-	217	964
Disposal of share trust shares		154	-	-	-
Proceeds on disposal of tangible assets		3	29	-	-
Net cash (outflows) / inflows from investing activities		(2 395)	(1 411)	10	964
Net movement in cash and cash equivalents for the year		1 335	(238)	1	-
Cash and cash equivalents at beginning of the year		6 523	6 761	-	-
Cash and cash equivalents at end of year		7 858	6 523	1	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

ACCOUNTING POLICIES

The financial statements incorporate the principal accounting policies set out below, which are consistent with those adopted in the previous financial year, except as disclosed in note 17. The accounting policies of the subsidiaries and associates are consistent with those of the holding company.

STATEMENT OF COMPLIANCE

The financial statements and group financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice and the requirements of the Companies Act in South Africa.

BASIS OF PREPARATION

The financial statements and group financial statements are prepared on the historical cost basis, except for financial instruments. The financial statements are prepared on a going concern basis.

- **Accounting for foreign currencies**

Foreign currency transactions

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Exchange rate differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the periods, are recognised in the income statement in the period in which they arise.

Foreign operations

Where a foreign subsidiary is determined to be an integrated foreign operation, transactions and resulting non-monetary items are translated at the exchange rates ruling when the transactions occurred. Income statement items are translated at the appropriate weighted average exchange rates for the period. Monetary items are translated at the ruling exchange rates at the balance sheet dates. Translation gains and losses are taken to income for the period.

- **Basis of consolidation**

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 Company and its subsidiaries. The results of subsidiaries acquired and disposed of during a financial year are included from the effective dates of acquisition and to the effective dates of disposal.

Investment in associates

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 associates is adopted in the Group 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 and up to the effective date of disposal.

Goodwill arising on the acquisition of associates is included in the carrying amount of the associate and is treated in accordance with the Group’s accounting policy for goodwill.

The share of associates’ retained earnings and reserves is generally determined from the associate's latest financial statements.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

- **Borrowing costs**

Borrowing costs are recognised as an expense when incurred.

- **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.

- **Cost of sales**

Cost of sales consists of agency commissions, sales commissions, content costs of services provided, production costs for advertising and broadcasting as well as the cost of mailing lists. The cost of sales of printed publications includes commissions, editorial, printing and distribution costs.

- **Deferred revenue**

Subscriptions and advertising revenues received in advance are only recognised for revenue purposes once the service has been provided.

- **Employee benefits**

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.

The provisions for employee entitlements to salaries and annual leave represent the amount which the Group has a present obligation to pay as a result of employees' services provided to the balance sheet date. The provisions have been calculated at undiscounted amounts based on current salary rates.

Equity compensation benefits

The Group grants share options to certain employees under an employee share plan. Other than costs incurred in administering the scheme which is expensed as incurred, the scheme does not result in any expense to the Group.

- **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:

Investments

Listed investments classified as available-for-sale financial assets are carried at fair value, which is calculated by reference to stock exchange quoted bid prices at the close of business on the balance sheet date. Unlisted investments are shown at fair value, unless their fair value cannot be reliably determined, in which case they are shown at cost less accumulated impairment losses.

Investments that meet the criteria for classification as held-to-maturity financial assets are carried at amortised cost.

Trade and other receivables

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

Cash and cash equivalents

Cash and cash equivalents are measured at fair value, based on the relevant exchange rates at balance sheet date.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisations.

Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of financial instruments that are not part of a hedging relationship are included in net profit or loss in the period in which the change arises.

Offset

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when the Company has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

- **Goodwill**

Goodwill represents the excess of the cost of an acquisition over the Group's interest in the fair value of the identifiable assets and liabilities acquired. Goodwill is carried at cost, less accumulated amortisation and accumulated impairment losses. Goodwill is amortised, on a straight line basis, over a five year period commencing in the year after the acquisition. The unamortised balance is reviewed on a regular basis and, if an impairment in value has occurred, it is written off in the period in which the circumstances have been determined.

- **Impairment**

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 there is any indication that an asset may be impaired, its recoverable amount is estimated. The recoverable amount is the higher of its net selling price and its value in use.

In assessing value in use, the expected future cash flows from the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a change in the estimates used to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior years. For goodwill a recognised impairment loss is not reversed, unless the impairment loss was caused by a specific external event of an exceptional nature that is not expected to recur and the increase relates clearly to the reversal of the effect of that specific event.

- **Investment income**

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 group.

Dividends are recognised when the right to receive payment is established.

- **Operating lease**

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

- **Provisions**

A provision is recognised when, and only when, the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

- **Revenue recognition**

Revenue comprises the invoiced sales from trading operations and excludes value added tax. Revenue earned from advertisements is recognised on a monthly basis as they are placed. Revenue from newsletters and broadcasting is recognised in the month earned. Commission on e-commerce is recognised when the transaction is completed.

- **Tangible assets**

Tangible assets are stated at historical cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided for on a straight line basis estimated to write each asset down to estimated residual value over the term of its useful life.

The principal annual rates used for this purpose are :

Furniture	20%
Computer hardware and software	33%
Other assets	20%
Office equipment	20%
Studio equipment	14,29%

Subsequent expenditure relating to a tangible asset is capitalised when it is probable that future economic benefits from the use of the asset will be increased. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Surpluses or deficits on the disposal of tangible assets are credited or charged to income as appropriate. The surplus or deficit is the difference between the net disposal proceeds and the carrying amount of the asset.

- **Taxation**

Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rates enacted at the balance sheet date, and any adjustment of tax payable for previous years.

Deferred tax is provided using the balance sheet liability method, based on temporary differences. Temporary differences are differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the balance sheet date. Deferrred tax is charged to the income statement except to the extent that it relates to a transaction that is recognised directly in equity, or a business combination that is an acquisition. The effect on deferred tax of any changes in tax rates is recognised in the income statement, except to the extent that it relates to items previously charged or credited directly to equity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

- **Website development costs**

Development costs include the direct costs of personnel, materials and services consumed in the setting up of the infrastructure for products and services to be offered by the Group. Development costs are recognised as an asset only when it is probable that the costs will give rise to future economic benefits. Development costs are amortised on the straight line basis over a two year period, from the time of the release of the product or service concerned. The unamortised balance is reviewed on a regular basis and, if an impairment in value has occurred, it is written off in the period in which the circumstances have been determined.

Subsequent expenditure on website development costs after its completion is recognised as an expense when it is incurred unless it is probable that this expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance, and this expenditure can be measured and attributed to the asset reliably.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

1. Profit from operations

	Group		Company	
	2004 R'000	2003 R'000	2004 R'000	2003 R'000
1.1 Profit from operations is stated after charging:				
Cost of sales	5 499	6 789		
Auditors' remuneration	134	213	-	-
- for services as auditors	21	175	-	-
- prior year underprovision	6	-	-	-
- for website audit	30	30	-	-
- for other services	77	8	-	-
Depreciation	444	499		
Furniture	15	33	-	-
Computer hardware	275	279	-	-
Computer software	57	78	-	-
Other assets	6	25	-	-
Office equipment	35	63	-	-
Studio equipment	56	21	-	-
Net foreign exchange losses	77	81	-	-
Operating lease charges – Property	466	292	-	-
Staff Costs (including freelance journalists)	9 435	7 480	-	-
Average number of employees during the year (including freelance journalists)	44	31	-	-

1.2 Directors' emoluments

	Group	
	2004 R'000	2003 R'000
Directors' emoluments paid by a subsidiary company (See note 23)		
– directors' emoluments	1 164	1 343
	1 164	1 343

2. Net investment income

Interest received from cash deposits	461	519
Other interest and income	14	7
Fair value adjustment on investment	2	-
Total	477	526

3. Income tax expense

	Group		Company	
	2004	2003	2004	2003
	R'000	R'000	R'000	R'000
South African normal tax	784	510	3	10
– current	971	477	-	-
– prior year	(187)	33	3	10
Deferred	(180)	(155)	-	-
– current year	(180)	(117)	-	-
– prior year	-	(38)	-	-
Total normal tax	604	355	3	10
Secondary tax on companies	-	106	-	106
	604	461	3	116
Reconciliation of tax rate	%	%	%	%
Standard tax rate	30,0	30,0	30,0	30,0
Adjusted for:				
Secondary tax on companies	-	(0,7)	-	-
Prior year adjustment	1,5	(0,2)	-	-
Permanent differences	(36,3)	(32,4)	-	-
Effective tax rate	(4,8)	(3,3)	30,0	30,0

The reconciliation of the rate of taxation is based on net loss before income from associate.

4. Loss per share and headline earnings per share

The calculation of loss per share is based on Group losses of R12,539 million (2003: R13,581 million) and a weighted average number of issued shares of 79 653 457 (2003: 83 539 000).

The calculation of fully diluted loss per share is based on Group losses of R12,539 million (2003: R13,581 million) and a fully diluted weighted average number of shares of 80 094 291 (2003: 84 327 667).

The calculation of headline earnings per share is based on the Group earnings before goodwill amortisation and exceptional losses of R2,542 million (2003: R1,626 million) and the weighted average number of issued shares of 79 653 457 (2003: 83 539 000).

The calculation of fully diluted headline earnings per share is based on Group earnings before goodwill amortisation and exeptional losses of R2,542 million (2003: R1,626 million) and the fully diluted weighted average number of shares of 80 094 291 (2003: 84 327 667).

	Group	
	2004	2003
	R'000	R'000
Reconciliation of headline earnings:		
Net loss for the year	(12 539)	(13 581)
Goodwill amortisation	15 081	15 081
Other items of a capital nature	-	126
Headline earnings for the year	2 542	1 626

5. Tangible assets

	Group 2004 Cost R'000	Accumulated Depreciation R'000	Net Book Value R'000
Furniture	202	(160)	42
Computer hardware	1 778	(1 449)	329
Computer software	460	(368)	92
Other assets	105	(69)	36
Office equipment	244	(146)	98
Studio equipment	389	(77)	312
Total	3 178	(2 269)	909

	Group 2003 Cost R'000	Accumulated Depreciation R'000	Net Book Value R'000
Furniture	170	(145)	25
Computer hardware	1 563	(1 174)	389
Computer software	384	(311)	73
Other assets	91	(63)	28
Office equipment	232	(111)	121
Studio equipment	386	(21)	365
Total	2 826	(1 825)	1 001

Movement Summary 2004

	Group				
	Net Book Value 2003 R'000	Additions R'000	Depreciation R'000	Disposals/ Impairment R'000	Net Book Value 2004 R'000
Furniture	25	32	(15)	-	42
Computer hardware	389	215	(275)	-	329
Computer software	73	76	(57)	-	92
Other assets	28	14	(6)	-	36
Office equipment	121	15	(35)	(3)	98
Studio equipment	365	3	(56)	-	312
Total	1 001	355	(444)	(3)	909`

Movement Summary 2003

	Group				
	Net Book Value 2002 R'000	Additions R'000	Depreciation R'000	Disposals/ Impairment R'000	Net Book Value 2003 R'000
Furniture	45	13	(33)	-	25
Computer hardware	520	285	(279)	(137)	389
Computer software	126	25	(78)	-	73
Other assets	24	29	(25)	-	28
Office equipment	92	117	(63)	(25)	121
Studio equipment	-	386	(21)	-	365
Total	807	855	(499)	(162)	1 001

6. Intangible assets

6.1. Goodwill

	Group 2004 R'000	Group 2003 R'000
Opening carrying amount	27 447	40 996
Gross carrying amount	67 748	67 748
Accumulated amortisation	(40 301)	(26 752)
Goodwill amortised for the year	(13 550)	(13 549)
Closing carrying amount	13 897	27 447
Gross carrying amount	67 748	67 748
Accumulated amortisation – subsidiaries	(53 851)	(40 301)

6.2. Website development costs

	Group 2004 R'000	Group 2003 R'000
Opening carrying amount	929	1 258
Gross carrying amount	4 241	3 656
Accumulated amortisation	(3 312)	(2 398)
Additions	-	585
Amortisation for the year	(511)	(914)
Closing carrying amount	418	929
Gross carrying amount	4 241	4 241
Accumulated amortisation	(3 823)	(3 312)

Amortisation is charged to the income statement on a straight-line basis over two years from when the website is completely developed.

	Group 2004 R'000	Group 2003 R'000
Total intangibles	14 315	28 376

7. Investment in associates

	Group 2004 R'000	Group 2003 R'000	Company 2004 R'000	Company 2003 R'000
Cost price	7 658	7 658	7 658	7 658
Net asset value at acquisition	-	-		
Goodwill	7 658	7 658		
Cumulative post acquisition reserves	1 785	1 208		
To beginning of current year	1 208	175		
Current year	577	1 033		
Goodwill amortised	(3 063)	(1 532)		
Loan to associate	207	-	207	-
	6 587	7 334	7 865	7 658

The investment in associates is a 19,6% interest in the equity of Classic FM South Africa (Pty) Ltd – the classical music radio station which hosts the "Classic Business" show – and a 25% interest in the equity of Vestact (Pty) Ltd – an online financial management service which allows clients to accumulate JSE shares and invest in the money market.

The loan is to Vestact (Pty) Ltd and is unsecured, bears interest at 11,5% and no fixed dates of repayment have been determined.

	Group	
	2004	2003
The assets, liabilities and results of operations of the associate companies are summarised as follows:	R'000	R'000
Revenue	25 954	20 475
Share of associate's current year income	577	1 033
Tangible assets	290	473
Deferred tax	230	1 608
Net current (liabilities)/assets (excluding cash)	406	(95)
Cash and cash equivalents	6 499	5 584
Total assets	7 425	7 570
Long-term liabilities	-	(4 058)
Total shareholders' funds	7 425	3 512

8. Investment in subsidiaries

	Company	
	2004	2003
	R'000	R'000
Shares at cost less amounts written off	27 384	27 384
Loans to subsidiaries	2 954	3 171
Total Company interest	30 338	30 555

Loans to subsidiaries are unsecured, interest free and are repayable by mutual agreement.

9. Other investment

	Group	
Listed investment	2004	2003
	R'000	R'000
Old Mutual plc (1 000 Shares)	12	10

10. Cash and cash equivalents

Cash on hand and balances with banks	1 971	1 353
Short term money-market instruments	5 887	5 170
	7 858	6 523

11. Share capital and premium

	Group		Company	
	2004	**2003**	**2004**	**2003**
	R'000	**R'000**	**R'000**	**R'000**
Authorised				
500 000 000 ordinary shares of R0,001 each	500	500	500	500
Issued				
85 000 000 ordinary shares of R0,001 each				
Balance at beginning of the year	84	85	85	85
6 020 076 treasury shares held by subsidiary	(6)	-		
947 394 (2003: 1 461 000) treasury shares held by share incentive trust	-	(1)		
Balance at end of the year	78	84	85	85
Share premium				
Balance at beginning of the year	12 295	12 732	12 732	12 732
6 020 076 treasury shares held by subsidiary	(1 984)	-		
947 394 (2003: 1 461 000) treasury shares held by share incentive trust	154	(437)		
Balance at end of the year	10 465	12 295	12 732	12 732
Total share capital and premium	10 543	12 379	12 817	12 817

All un-issued shares remains under the control of the directors until the next Annual General Meeting.

12. Deferred taxation

	Group	
	2004	**2003**
	R'000	**R'000**
Research and development	126	279
Balance at the beginning of the year	279	378
Movement for the year	(153)	(99)
Income received in advance	(76)	(63)
Balance at the beginning of the year	(63)	(33)
Movement for the year	(13)	(30)
Other temporary differences	(62)	(48)
Balance at the beginning of the year	(48)	(22)
Movement for the year	(14)	(26)
Deferred tax (asset)/liability	(12)	168

13. Shareholders' loan

13. Shareholders' loan	438	438

The shareholders' loan is unsecured, interest free and no fixed date of repayment has been determined.

14. Provisions

Leave pay		
At beginning of the year	75	-
Additional	60	75
Utilised during the year	(18)	-
At end of the year	117	75

15. Deferred revenue

	Group 2004 R'000	Group 2003 R'000
Annual subscriptions	213	306
Advertising contracts	1 231	289
	1 444	595

16. Contingent liability

A contingent liability of R150 000 exists in respect of an amount disallowed by SARS in respect of the 2000 tax year. An objection has been made and the directors are of the opinion that the objection should be successful. Further, the Company has recourse against the previous owners of Prescon Publishing Corporation (Pty) Ltd should the objection prove to be unsuccessful.

17. Prior year adjustments

In order to provide a more appropriate presentation of events and transactions the following changes in accounting policies have been made:

Group

17.1 Group revenue recognition

In the prior year, net revenue from the sale of mailing lists was included in revenue. The group's policy is now to include gross revenue from the sale of mailing lists in revenue. The effect is to increase 2003 reported revenue by R 2 994 593. There is no impact on net income.

17.2 Cost of sales

The recognition of gross revenues from the sale of mailing lists referred to in 17.1 above results in an increase in 2003 reported cost of sales of R 2 994 593. There is no impact on net income.

17.3 Investment in associates

In 2003, goodwill on acquisition of associates was transferred to goodwill. In the current year, group policy is not to make this transfer. The effect is that the investment in associate for 2003, previously reported at R1 208 000, has been restated at R7 334 000. There is a corresponding reduction in goodwill. There is no impact on net income.

17.4 Disclosure of goodwill in balance sheet

In the prior year, goodwill was disclosed as a deduction in arriving at total capital and reserves. The group's policy is now to reflect goodwill as a non-current asset. The effect is to increase 2003 reported non-current assets, total assets, total capital and reserves and total equity and liabilities by R33 573 000. There is no impact on net income.

17.5 Share incentive trust

The group's policy is now to consolidate the share incentive trust. The effect on the 2003 financial statements is as follows:

	R
Shareholder's loan (non-current liability) is increased by	438 300
Share capital and premium is reduced by	438 300

The impact on 2003 reported earnings per share is as follows:

	cents	As previously reported cents
Loss per share	(16,3)	(16,0)
Headline earnings per share	1,9	1,9
Diluted loss per share	(16,1)	(16,0)
Diluted headline earnings per share	1,9	1,9

Company

17.6 Investment in subsidiaries

In 2003, the investment in subsidiaries was carried at cost less provisions and amounts written off, plus loan, less accumulated goodwill amortisation.

In the current year, company policy is to show interest in subsidiaries at cost less impairment. Accumulated goodwill amortisation reported in 2003 at R39 607 000 as well as 2003 reported amortisation of R12 855 000 have been reversed and an impairment loss recognised. The impact on the 2003 financial statements is not significant.

18. Financial instruments

The Group's objectives in using financial instruments is to reduce the uncertainty of the future cash flows (as a result of movements in currency and interest rates) arising from the financing of its operations and from its sources of finance.

The Group finances its operations through a mixture of accumulated profits and cash balances.

The Group does not write any derivatives and it has a policy that no trading in derivative instruments may take place.

The main risks arising from the Group's financial instruments are currency risk, interest rate risk, credit risk and liquidity risk.

Currency risk management

The Group has limited currency risk as a result of purchases, sales and bank balances in foreign currencies. The currencies in which the Group primarily deals are Pounds Sterling, US Dollars and Australian Dollars.

Interest rate management

As part of the process of managing the Group's interest rate risk, interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates. Given the large net cash holdings of the Group, it is exposed to the effects of fluctuating deposit interest. Whilst it is corporate policy to remain as liquid as possible to take advantage of acquisition opportunities, certain funds have been invested in term deposits / investments to minimise the effects of fluctuating interest rates and to achieve a satisfactory return for shareholders.

Credit risk management

The Group has no significant concentration of credit risk. Financial assets, which potentially subject the Group to concentrations of credit risk, consist principally of cash, deposits and trade receivables. The Group's cash equivalents and short-term deposits are placed with high quality financial institutions. Trade receivables are presented net of the provision for doubtful receivables. Credit risk with respect to trade receivables is reduced due to the large number of customers comprising the Group's customer base and their dispersion across different industries and geographical areas. Accordingly the Group has no significant concentration of credit risk.

Liquidity risk management

The Group has minimised its liquidity risk by ensuring that it has adequate banking facilities and reserve borrowing capacity. Liquidity risk also arises from the possibility that customers may not be able to settle obligations to the Group within the normal terms of trade. To manage this risk the Group periodically assesses the financial viability of its customers.

Fair value

The directors are of the opinion that the book value of financial instruments approximates fair value.

19. Related party transactions

Related party transactions exist within the Group. All purchasing and selling transactions with related parties are concluded at arm's length.

Directors

The following persons held the position of directors of Moneyweb Holdings Limited during all of the past two financial years, unless otherwise stated:

AB Hogg	Chairman (With effect from 1 January 2003 – Previously CEO)
EA Jay	Chief Executive Officer (With effect from 1 January 2003 – Previously Non-executive director)
LM Hogg	
P Desmidt*	(Appointed 3 February 2003)
V Nosi*	(Appointed 27 March 2003)
A Smith*	(Appointed 7 May 2003)

* Non-executive director

Directors' shareholdings

The aggregate number of shares held by directors of the Company and their director-related entities are disclosed in the Shareholder Information section on page 4.

Amounts due to and receivable from related parties in the Group

These amounts are set out in the respective notes to the financial statements.

Ownership interests

The ownership interests in subsidiaries are set out in the directors' report.

20. Borrowing powers

In terms of the articles of association the Company's borrowing powers are unlimited. The Group's corporate bankers have granted R200 000 overdraft facilities to the Group.

21. Cash Flow Statements

The following convention applies to figures other than adjustments: Outflows of cash are represented by figures in brackets. Inflows of cash are represented without brackets.

	Group	
	2004	2003
	R'000	R'000
21.1 Cash generated by operations		
Operating profit from operations before depreciation and amortisation	3 047	1 941
Adjustments:		
Fair value adjustment on investment included in net investment income	(2)	-
Re-instatement cost included in capital losses	-	(3)
Movement in deferred revenue	849	279
	3 894	2 217

	Group		Company	
	2004	2003	2004	2003
	R'000	R'000	R'000	R'000
21.2 (Increase)/decrease in working capital				
Increase in trade and other receivables	(1 284)	(452)	-	-
Increase in trade and other payables	1 219	815	-	-
	(65)	363	-	-
21.3 Taxation paid				
Amounts owing at the beginning of the year	(224)	(693)	-	-
Amounts charged per the income statement	(784)	(510)	(3)	(10)
Net amounts owing at the end of the year	432	224		-
Amounts paid	(576)	(979)	(3)	(10)
21.4 Dividend paid				
Amounts owing at the beginning of the year	2	-	2	-
Dividend declared	-	(850)	-	(850)
Amount outstanding at the end of the year	2	2	2	2
	-	(848)	-	(848)

22. Operating lease

The Company and its subsidiaries have an operating lease agreement for offices. The lease contains a renewal option and an escalation clause. Lease terms do not contain restrictions on the Company's activities concerning dividends, additional debt or further leasing. Rent expense consisted of the following:

	Group	
	2004 R'000	2003 R'000
Basic expense	466	292

Future minimum lease payments under non-cancellable operating lease are as follows:	R'000	R'000
Not later than one year	521	489
Later than one year and not later than five years	2 221	2 126
Later than five years	484	1 084

23. Directors' emoluments

	Paid to March 2004				
	For services as director R'000	Salary R'000	Bonus and performance related payments R'000	Medical aid contribution R'000	Total R'000
AB Hogg	-	272	-	29	301
LM Hogg	-	301	4	0	305
EA Jay	-	344	-	17	361
P Desmidt+	8	-	-	-	8
V Nosi+	8	-	-	-	8
A Smith+	8	-	-	-	8
DA McKay**	-	55	113	5	173
Total	24	972	117	51	1 164

	Paid to March 2003				
	Salary R'000	Expense allowances R'000	Medical aid contribution R'000	Other R'000	Total R'000
AB Hogg	-	57	-	-	57
TJ Wood*	-	-	-	868	868
DA McKay**	300	8	20	-	328
EA Jay (From 1 January 2003)	87	-	3	-	90
	387	65	23	868	1 343

No other directors received any benefit during the periods under review.

Share options granted to executive directors

			Number of shares				
	Expiry date	Strike price	Outstanding 2003	Granted	Exercised	Lapsed	Outstanding 2004
L Hogg	31 March 2007	R0,64	325 000	-	-	-	325 000
L Hogg	7 May 2008	R0,26	75 000	-	-	-	75 000
DA McKay**	31 March 2007	R0,64	325 000	-	-	(325 000)	-
DA McKay**	7 May 2008	R0,26	75 000	-	-	(75 000)	-
			800 000	-	-	(400 000)	400 000

Notes

1. None of the directors exercised any of their options or were granted further share options in either the current or previous financial years.
2. There were no pensions paid to directors or past directors of the Company.
3. No compensation was paid to any director or past director for loss of office.
4. There are no service contracts with any directors which have a notice period of longer than one month.
5. Other than stated above no other emoluments were received from any other entity associated with the Company.

* Resigned as director 21 February 2003.

**Resigned as director 8 May 2003.

+Independent non-executive directors.

24. Employee benefits

Share incentive scheme

Moneyweb offers share options to certain of the employees of the Company or its subsidiary companies.

Participants are entitled to exercise their options as follows:

After two years - up to 25% of the shares

After three years - up to 50% of the shares

After four years - up to 75% of the shares

After 5 years - up to 100% of the shares

If an option is not exercised within 7 years from the date such option was granted, it will lapse.

In the event that the participant ceases to be an employee otherwise than as a result of death, retirement or other reasons approved by the trustees, any option not yet exercised will lapse.

Details of outstanding share options at 31 March 2004:

		Number of shares				
Expiry date	**Option price**	**Outstanding 2003**	**Granted**	**Exercised**	**Lapsed**	**Outstanding 2004**
1 April 2007	R0,64	1 725 000	-	-	(425 000)	1 300 000
9 November 2007	R0,46	270 000	-	-	(135 000)	135 000
8 May 2008	R0,26	800 000	-	-	(300 000)	500 000
26 September 2008	R0,26	110 000	-	-	(35 000)	75 000
		2 905 000			(895 000)	2 010 000

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of the members of Moneyweb Holdings Limited will be held at the Company offices, First Floor, West Wing, President Place, Corner Jan Smuts Ave & Bolton Rd (Entrance in Hood Street) Rosebank 2196, on 16 August 2004 at 10h00 to conduct the following business:

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

Ordinary resolutions

1. To receive and consider the annual financial statements of the Company for the year ended 31 March 2004.
2. To re-elect the directors set out in ordinary resolution number 3 by way of a single resolution.
3. To re-elect the following directors who require re-election in accordance with the provisions of the Company's articles of association:

   A Hogg

   L Hogg
4. To approve the directors' emoluments for the year ended 31 March 2004.
5. To reappoint Grant Thornton as auditors and authorise the directors to determine the remuneration of the auditors.
6. To place the unissued share capital of the Company under the control of the directors in terms of Section 221 of the Companies Act, 1973 (as amended), and to renew the authority of the directors to allot and issue any of the shares of the Company on such terms and conditions as they may deem fit, subject to the provisions of the Companies Act, 1973 (as amended) and the requirements of the JSE Securities Exchange South Africa.
7. Resolved that, subject to meeting the requirements of the JSE Securities Exchange South Africa, the directors are hereby authorised to issue ordinary shares for cash as and when suitable opportunities arise, subject to the following conditions:
   - that this authority shall not extend beyond the next annual general meeting or 15 months from the date of this annual general meeting, whichever date is the earlier;
   - that there will be no restrictions in regard to the persons to whom the shares may be issued, provided that such shares are to be issued to public shareholders and not to related parties;
   - that a press announcement giving full details, including the impact on net asset value and earnings per share, will be published at the time of any issue representing, on a cumulative basis within one financial year, 5% or more of the number of shares in issue prior to the issue/s;
   - that issues in the aggregate in any one financial year may not exceed 15% of the Company's relevant number of ordinary shares in issue (for purposes of determining the securities comprising the 15% number in any one year, account must be taken of the dilution effect, in the year of issue of options, by including the number of any equity securities which may be issued in future arising out of the issue of such options); and
   - that in determining the price at which an issue of ordinary shares may be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price of such ordinary shares, measured over the 30 business days prior to the date that the price of the issue is determined or agreed by the directors. The JSE Securities Exchange South Africa will be consulted for a ruling if the shares have not traded in such 30 business days.

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

8. **To transact such other business as may be transacted at an annual general meeting.**

   Certificated and dematerialised members with "own name" registration who are unable to attend the annual general meeting but wish to be represented thereat, are entitled to appoint a proxy or proxies to attend, speak and vote in their stead. The person so appointed need not be a member of the Company.

   In order to be effective, proxy forms must reach the registered office of the Company or the office of the transfer secretaries at least 48 hours before the time fixed for the meeting.

   Members who have dematerialised their Moneyweb shares and do not have "own name" registration must inform their CSDP or broker of their intention to attend the general meeting and request their CSDP or broker to issue them with the necessary authorisation to attend or provide their CSDP or broker with their voting instructions should they not wish to attend the general meeting in person but wish to be represented thereat.

By order of the board

EA Jay – Chief Executive Officer
14 June 2004

Moneyweb Holdings Limited

Registration Number 1998/025067/06
Incorporated in the Republic of South Africa

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Fax: 011 327 1279

Postal Address

PO Box 102
Parklands
2121

Directors

AB Hogg (Chairman)
EA Jay (Chief Executive Officer)
LM Hogg
P Desmidt*
V Nosi*
A Smith*

* Non-Executive Director

Audit Committee

A Smith* (Chairman)
P Desmidt*
V Nosi*

* Non-Executive Director

Remuneration Committee

V Nosi* (Chairman)
LM Hogg
P Desmidt*
A Smith*

* Non-Executive Director

Company Secretary

E Venter

Transfer Secretaries

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(Registration number 2004/003647/07)
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Chartered Accountants (SA)
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