



 **Cashbuild**

ANNUAL REPORT 2005



Contents

Mission	1
Vision and prospects	2
Group financial highlights	3
Chairman's report	4
Chief executive's report	6
Directorate	26
Group five year financial review	28
Group value-added statement	30
Cashbuild stores	31
Divisions, stores and managers	32
Corporate governance	34
Shareholders' diary	40
Annual financial statements	42
Notice of annual general meeting	83
Form of proxy	87
Administration and offices	IBC



Mission

We are the leading mass retailer of building materials and associated products and services, predominantly for cash, to the full spectrum of consumers, in urban and rural areas of southern Africa.

We continuously seek to maximise returns to all our stakeholders through:

- Our ability to understand our customers and markets, which enables us to offer a focused range of products and services suited to the specific requirements of each of these markets;
- Our mutually beneficial relationships with our suppliers, substantial buying power and ability to control costs which enables us to offer quality products at the lowest prices to our customers at all times;
- Our responsible human resources practices, which make us an employer of choice, and create a challenging and productive working environment, where all our people develop to their fullest potential and are recognised and rewarded for outstanding performance;
- Bringing to the communities in which we trade, lowest priced quality building materials and associated products and services, employment opportunities, and providing support to selected community projects;
- Optimally utilising all our resources thereby providing a superior, sustainable financial return to our shareholders;
- A responsible expansion programme and continued growth in profitable market share;
- Applying the highest standards of business ethics in all our dealings in line with appropriate corporate governance and international accounting standards and acting in an environmentally and socially responsible manner; and
- Applying business processes in line with international best practices through “The Cashbuild Way”.



Vision

Our vision is to be the first choice retailer and supplier of building materials and associated products and services in every region of southern Africa and selected regions in African countries and to make a positive contribution in every community in which we trade.

Prospects

Cashbuild strives to continue to increase its revenue by profitably growing market share to a minimum of 30%. Our prime target customer remains the cash-paying individual intent on necessary domestic improvements and structural repairs – and the contractor who services him. We are also making headway in our efforts to increase the volume of revenue generated from government-related contracts.

Management is confident that Cashbuild's markets will continue to grow, supported by government drives to increase home ownership and the continued striving of private home builders and developers to meet the aspirations of more and more home owners for larger homes and better housing.

In all the countries in which Cashbuild trades, home ownership is increasingly seen as a reliable and profitable investment.

Cashbuild is the first-choice supplier of quality building materials in all the markets in which it is represented.

Our permanent strategy of expansion, store relocations and refurbishments continually increases the size of the market to which we have access.

The group is confident that it will be able to maintain its record of rewarding its stakeholders and share owners with consistently improving and sustainable results into the foreseeable future.



Group financial highlights

	2005	2004
Group summary (R'000)		
Revenue	2 208 902	1 635 233
Operating profit before financing income	116 990	81 856
Profit before taxation	123 944	89 858
Attributable earnings	75 941	53 303
Headline earnings	76 131	53 964
Net increase in cash and cash equivalents	23 774	37 006
Market capitalisation*	990 925	534 171
Total assets	769 860	587 378
Cash and cash equivalents	167 170	143 396
Interest-bearing borrowings	47	492
Share performance (cents per share)		
Headline earnings*	347.5	251.3
Dividends	107	78
Cash and cash equivalents*	647.8	617.4
Net asset value*	773	664
Market price - high	3 980	2 300
Market price - low	2 250	1 430
Market price - at year end	3 840	2 300
Statistics		
Number of employees	2 712	1 978
Number of stores	134	124
Number of trading weeks	52	52
Turnover per employee (R'000)	814	827
Profit before tax on sales (%)	5.6	5.5
Return on shareholders' funds (%)	38.0	34.6

* Calculations based on issued share capital prior to consolidation of treasury shares (see note 8 of annual financial statements)

Headline earnings (Rm)



Net asset value per share (cents)



Revenue (Rm)





Chairman's report



**These new stores
should increase our
geographical coverage
and we all look forward
to the day when most
citizens can rightfully
claim to be served by
conveniently located
Cashbuild stores**

I am privileged and delighted to be able to repeat last year's complimentary comments regarding Cashbuild's results. The staff of Cashbuild has once again excelled in most spheres of the business resulting in a growth of 35% in revenue and 41% in headline earnings.

All stakeholders continue to share in these excellent results, namely suppliers, with an increase in exposure for their products; staff, with a share of dividends and increased stability and increasing opportunities for promotion and career advancement; government, due to increased taxes; and the shareholders in increased dividends and enhanced market value in their shares.

No doubt we will continue to drive our successful business model with appropriate adjustments to ensure that we adapt to changing circumstances but maintaining the long-term sustainability of the enterprise.

Some of these adjustments during the past year include extended trading hours (seven days a week) and free local deliveries. The latter initiative has meant a considerable increase in overheads, but has undoubtedly led to an increase in volumes particularly cement and bricks.

Although we realize that the rapid growth in business (from R1.1 billion in 2002 to R2.2 billion in 2005) has necessitated a complete update and revision of our information and IT needs, it has been a source of some disappointment that the changeover and integration of these systems have taken longer than anticipated and are only likely to be fully operational (support office and stores) by the end of the 2007 financial year. The necessary management decisions have been taken and will now be closely monitored and managed to ensure a successful completion, on time.

ENVIRONMENT

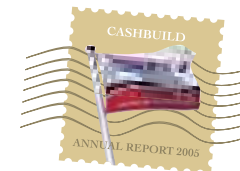
The government's promise of houses for all, will continue to underpin our market and even if the building boom slows down, we should be in a position to take advantage of the build-on and/or renovation sector.

We will continue to open in excess of ten stores per annum and refurbish our existing stores at a rate of five to ten per annum.

These new stores should increase our geographical coverage and we all look forward to the day when most citizens can rightfully claim to be served by conveniently located Cashbuild stores.

Irrespective of the rate of growth, we will continue to build our business on the proven concepts of:

- lowest prices
- best service
- extended trading hours
- best quality products (no seconds or rejects)
- free local deliveries
- always in stock.



Chairman's report continued

CORPORATE GOVERNANCE

Cashbuild is committed to and broadly complies with the Code of Corporate Practices and Conduct enunciated in the King Report on Corporate Governance 2002.

In the previous annual report I mentioned that we had appointed two new directors to the board, namely N Simamane and J Molobela. I am delighted to say that they have both quickly fitted in and have made considerable input at board level. They have grasped the complexity of our business and have already contributed by means of new ideas and suggestions.

One of the major events in our corporate governance compliance has been a broad-based black empowerment deal which allowed all our staff (90% previously disadvantaged) to purchase 10% of the shares of the company by means of a share scheme. The scheme allows for accrual dividends to all staff members and an eventual capital gain on an equal basis. This scheme has been greatly appreciated by all staff and should assist in motivating staff in the long term.

LONG TERM SUSTAINABILITY

Shareholders will undoubtedly ask whether Cashbuild can sustain these excellent results. There is no doubt in my mind that this present business model can be sustained for the long term.

The factors contributing to this confidence on my part include:

- the realisation of the successful implementation of our new IT systems
- the enhanced programme of stores being opened
- the application and adherence to the basic fundamentals of the business by management at all levels
- the continuous management effort in ensuring adequate succession at all levels of the business
- the intense application of the "correct person for the job" principle.

I thus look forward to a long and continuous sustainability of profits in real growth of 7% - 10% per annum.

I wish to thank all the stakeholders for their contribution to the success of Cashbuild.

I congratulate and thank all staff and management for their specific outstanding performance. I realize how much effort has gone into these excellent results.

D Masson

Chairman

28 September 2005



Chief executive's report



Cashbuild carries an
in-depth quality
product range
tailored to the
specific needs
of the communities
it serves

The objectives and key initiatives for the year were to:

- Improve customer service
 - ensure that we were always in stock
 - ensure that we are always the lowest local price (without debasing the market)
 - utilise buying power (to achieve above by purchasing from local suppliers and in full loads)
 - understand Cashbuild's customer profile
 - implement local customer free delivery service
- Retain/recruit and develop good people
 - implement the Integrated People Management system (IPM)
 - improve internal communication
- Protect and grow profitable market share
 - recapture the trader/builder market (V.I.C.)
 - explore and develop new markets (sand, trusses)
 - target large contractors
 - acquire local government business
 - implement a competitor strategy
- Build the Cashbuild brand
- Implement the new IT system

OVERVIEW OF PERFORMANCE

The results for the year were solid and the best ever in the 26 year history of the company, achieving three key milestones:

- Revenue exceeded R2 billion for the first time;
- Profit before tax exceeded R100 million for the first time;
- Also for the first time a dividend in excess of 1 Rand was paid.

Revenue of R2.2 billion, an impressive improvement of 35% (9% attributable to new stores and 26% to pre-existing stores) on the previous year which equates to 18% compound growth over the last five years.



Chief executive's report continued

This growth was achieved as a result of our focus on customer service and ensuring our proven core and new strategies were constantly in place:

- Always in stock
- Always lowest price
- Free local customer delivery service (new)
- Extended shopping hours (new)

Operating expenses of R366.8 million were 35.1% higher than the previous year. Whilst we continuously tightly control and challenge for improvement, this year and particularly the last three quarters, have seen much higher operating costs as a result of new key initiatives to drive our business forward which required extra resources, for example:

- Free local customer delivery service;
- Extra staffing to service our customers during our extended trading hours;
- Additional professional costs as a result of running behind and bringing back on track our new support office IT implementation;
- Additional people employed and extra shifts worked in our creditors department to ensure our suppliers got paid timeously whilst pulling the IT implementation back on track.

Operating profits before financing income of R117 million was a 43% improvement on the previous year and 36% compound growth over the previous five years.

Fully diluted headline earnings per share of 313.3 cents (before Share Incentive Trust consolidation) on a comparable basis is up 34.8% on last year's 232.4 cents.

The dividend policy was amended for the year as follows:

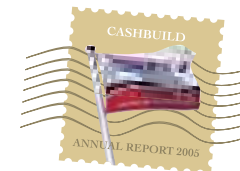
Previous policy		New policy
1st half	4 times cover	3 times cover
2nd half	3 times cover based on full year results	2.5 times cover based on 2nd half results

A total dividend of 107 cents per share was declared, an improvement of 37.2%.

The total value of Rand dividend paid to shareholders for the year is R27.6 million, a growth of 52.4% on the previous year.

A representative accepts the donation of R10 000 in building materials on behalf of the Elsie Ngidi Primary School at a recent store opening





Chief executive's report continued

NATURE OF BUSINESS

Cashbuild is southern Africa's largest retailer of quality building materials and associated products, selling direct to a cash-paying customer base through its constantly expanding chain of stores (134 at the end of this reporting year). Cashbuild carries an in-depth quality product range tailored to the specific needs of the communities it serves.

Customers are typically home builders and improvers, contractors (plumbers, electricians, general builders and decorators), farmers, traders and increasingly, large construction companies and government-related infrastructure developers, as well as any person looking for quality building materials at lowest prices.

Cashbuild has built its credibility and reputation by never failing to offer quality products fit for purpose at the lowest prices everyday and through a purchasing and inventory policy that ensures that customers' requirements are always in stock.

Our store staff continue to play an invaluable role in our success through their commitment to a consistently outstanding level of customer service.

CASH FLOW AND WORKING CAPITAL MANAGEMENT

Working capital continues to receive constant management focus and attention resulting in inventories and trade liabilities being in line with management plans and business model.

Cashbuild's successful stocking policy of "always in stock" plus store organic expansion and refurbishment/relocation programme is now entrenched throughout the organisation and practices as per the Cashbuild Way.

Cashbuild continues to utilise excess cash to negotiate beneficial settlement discounts for the group.

Management expects the business to continue to be adequately cash positive and capable of funding store expansion, refurbishment/relocation and the installation of the new IT system.

GROWING PROFITABLE MARKET SHARE

Cashbuild will continue to grow sales and profit each year by implementing the business strategy through its Cashbuild Way process (aligned with ISO 9001 standards) and fulfilling the needs of the customer in every facet of our business.

We are committed and determined that all our customers, whether rural or urban in southern Africa, will find Cashbuild a pleasure to do business with.

Store management and staff are employed from the communities in which we trade and therefore have a thorough understanding of their local customer needs. All employees are fully trained and certified to carry out their specific duties and responsibilities, which include product knowledge, reading of building plans and providing customers with priced quotations.

Each store prices its products to be the most competitive in the catchment area but never debases a market, and offers a dependable, free local delivery service with the flexibility to meet the needs of all customers.



Chief executive's report continued



Cashbuild customer strategy has encouraged and enabled communities to build, renovate, repair and decorate their homes and businesses throughout southern Africa

Divisional managers are employed in the countries and regions in which they live, each division being managed (with the exception of Malawi at present) by a local citizen of the country.

GROWING OUR CUSTOMERS

Customers are and will always be the lifeblood of our business.

Cashbuild management and staff are fully aware that our customers have a choice on where and how to spend their money. Once again Cashbuild has succeeded in growing its shopping transactions for the financial year from 5.5 million to 6.9 million, a growth of 26%.

This consistent customer shopping transaction growth is attributed to:

- trusted and respected brand;
- focused micro-marketing;
- clearly identifying and meeting the specific needs of all our customers in each of the locations in which we trade;
- delivering consistent quality customer service;
- everyday lowest prices (will beat any local price or quotation);
- always in stock;
- stocking quality product fit for purpose (never sell seconds);
- convenient and dependable delivery service at each store;
- management and staff are trained and passionate about giving predictable and quality service to all customers both external and within the business; and
- Cashbuild sets out its business to be a pleasure to do business with.

Cashbuild customer strategy has encouraged and enabled communities to build, renovate, repair and decorate their homes and businesses throughout southern Africa. Cashbuild is without doubt the first choice retailer of building materials.

Cashbuild will for the foreseeable future, continue to deliver sustainable growth through well developed business models, its large geographic spread of existing stores, plus planned expansion, people, cash flow and information technology. We will grow profitable market share by continuing to employ, develop and challenge the right people as well as the careful selection of value-adding outsource business partners.



Chief executive's report continued

Our proven methods (which are constantly refined and updated) of communicating to all our customers will continue together with greater emphasis on exposing more people to Cashbuild and encouraging and teaching people how to carry out their own home building and improvements through written simple steps, the production of instruction videos, television broadcasts of “Cashbuild Building Your Dream” series, plus the latest reality programme of four couples each building a 140m² house from scratch whilst living on site and carrying out their normal careers. This programme is televised each week for 30 minutes on SABC 2.

Our chosen proactive outsource professional specialised retail advertising partner works tirelessly and effectively carrying out regular customer surveys throughout our stores which enables Cashbuild to be proactive in establishing shopping trends and customer expectations.

MANAGING THE BUSINESS AT STORE LEVEL

Cashbuild is totally customer focused and all our stores are located, merchandised, stocked, staffed and equipped to meet the needs of a particular store customer base.

Revenue and overhead expense budgets, together with business plans, are developed each year by the store manager for presentation in detail, by the appropriate divisional manager to the executive directors prior to submission to the board for approval. Operations director, divisional and store managers are held accountable for delivery of their budgets.

Store systems are in place to enable the store and divisional manager to monitor performance from summary to detail levels enabling swift corrective action.

Product ranging selection and selling price setting are the responsibility of the store manager under the strict control of the relevant divisional manager, who is fully conversant with company pricing policy and local market needs.

The operating of stores has been greatly simplified, tram-lined and disciplined by the introduction of a standard store layout, product ranges which are adjusted by line items based on previous revenue and planograms (which provides detailed product line positioning on racks). Racking is designed to cater for products and incorporates a product display and a “How to Use” guide for customers.

Each store and divisional manager reports daily on its performance. The relevant divisional manager carries out a performance review on a monthly basis and formal two-day store visits at least eight times per year.

PROTECTION AND MANAGING OF ASSETS

At Cashbuild, growing a successful business is about day-in and day-out managing and protection of assets.

Cashbuild has developed and implemented policies, processes, procedures and disciplines which are incorporated in “The Cashbuild Way” (aligned with ISO 9001 quality standards) ensuring the protection of assets.

Each Cashbuild store carries about 3 200 different line items varying in size from 13.2 meters of corrugated iron to 100mm carpentry pencil, with a price range of 75 cents for a brick to R5 500 for a quality 10 000 litre water tank.



Chief executive's report continued

All stock is checked and tracked from point of receipt (Cashbuild takes ownership) to point of sales or delivery to customer's residence (customer takes ownership). Between these two stages there are varying time scales and processes for handling and stocking the product. These processes, which are incorporated in "The Cashbuild Way", are designed to eliminate product damage and stock loss (shrinkage).

Cashbuild has developed and instituted policy, processes and procedures to ensure that every line item in each store is counted on a cyclical base not exceeding six weeks, with lines recognised as vulnerable, counted daily. All variances are investigated by store management. Wall-to-wall stock counts take place in every store at least once per quarter; unsatisfactory variances result in immediate investigation, which could lead to the imposition of monthly stock counts, disciplinary action, and possible dismissals. As a result of our zero tolerance of breaches of company procedures, Cashbuild has reduced and maintained shrinkage to 0.4% of revenue and has kept it down to this level for the past 5 years.

All movable assets are tagged and bar coded and tracked throughout the business.

In line with good corporate governance and to ensure there is limited room for non-adherence, the Cashbuild internal audit and loss prevention department periodically carries out a five day extensive audit at each store at least three times per year. Non-compliance with company policy and "The Cashbuild Way" is addressed swiftly by the appropriate line management. The Cashbuild internal audit manager reports directly to the chief executive and is also present and reports at all audit committee meetings.

Cashbuild is proud to be recognised as a cash business, but this requires discipline in cash handling and recording policies, processes and procedures. Each night, cash is reconciled with daily sales and again within two working days of the return of banking slips.

Strict segregation of duties is in place in paying out money, whether for payrolls or creditors.

The entire company is subjected to a full external audit each half-year carried out by PricewaterhouseCoopers Inc. prior to publication of results.

SUPPORT OFFICE MANAGEMENT

Cashbuild support office is located, equipped, staffed and managed to support the stores and operations management as they strive to grow profitable market share. All costs associated with running the support office are challenged and allocated to each store in line with a strict transfer pricing policy. As per stores, support office department heads and line management are responsible for submitting detailed budgets to the executive directors for scrutiny and justification prior to presentation to the board for approval.

During the financial year it was necessary to increase the personnel in support office and in particular the creditors department. During the week two shifts operate with one shift on Saturday and occasionally Sundays. This was necessary as a direct result of the new IT system not being implemented as planned.

Department and line management are accountable for managing their budgets plus achieving the objectives and goals of the department function.

The total personnel based in support office is 161 and the total cost of running the support office including professional and audit fees for the year under review was R59.9 million (2.7% of revenue).



The Manager's Choice Award
for the Art-At-Heart
competition is held high by
Napoleon Nthute of
Dikgabane Primary School



Chief executive's report continued

MANAGEMENT STRUCTURE

Cashbuild's success can be attributed to its simple business model and the excellent people culture, work ethic and in particular living what we preach. For a number of years Cashbuild has been recognised as being one of the best companies to work for and this year achieved 6th position in SA's Best Companies 2006, published by the Corporate Research Foundation in association with Business Report.

Wherever possible we promote from within, appointing the right people for the job, empowering management to make decisions, creating a culture where everyone takes responsibility and accountability, constructively challenging and taking swift corrective action for non-compliance with policy or falling short in terms of service level agreements. It is our policy to openly recognise and acknowledge a job well done together with long-term reward for excellence.

"The Cashbuild Way", managing and holding outsourced partners responsible, together with the culture of doing things right first time, is enabling and supporting the business to grow on all fronts without creating additional and unnecessary layers of management.

Our current 19 divisional managers (another eight in training) are driving our business forward backed by a competent and capable support office team and professional outsource partners.

The flat management structure works effectively at Cashbuild.



Promotion from within the company is expected and widely practiced. During the past year two divisional managers, 25 store managers (of which four were women) were promoted from within the company and there are currently 44 store managers (including 10 women) in training.

THE MARKET

The market for the supply of quality building materials is worth in the region of R60 billion per annum and is being driven forward which is evident from the ever-growing value of building plans passed on many fronts for example:

- Owning or buying a family home is very high on the list of aspirations of the people and comes before a car or other luxuries. Where the cell phone was a must four to five years ago, today a home is more important;
- The majority of the population having cash or access to funds to build or extend their homes;
- The ability to obtain title or formal permission to occupy land on which to live and build a home;
- The government's renewed efforts to build or make funds available for housing is a higher priority; and
- The feel good factor and positive vibe from most people throughout our country.

Chief executive's report continued

STORE EXPANSION / RELOCATION / REFURBISHMENT

Cashbuild is committed to aggressively protect and grow profitable market share. Critical to the success of our business growth is the number of stores, and the physical location of each store within its catchment.

Cashbuild plans to add a minimum of 10 extra stores per year. Additional stores are only approved when identified locations show clear potential to meet strict financial and operational criteria.

During the year under review 11 new stores were added. At the end of the financial year 134 stores were trading. Since the year-end (now at the end of September) a further four stores have opened, with three to be opened during October 2005.

The existing store base is constantly reviewed and critically analysed as leases come up for renewal. At that time, a decision is made on whether to extend the lease or relocate to a site with greater potential.

Cashbuild's strategy is to refurbish/upgrade all stores on a rolling five year period. During the financial year seven stores (Windhoek, Bloemfontein, Manzini, Hazyview, Highgate, Pretoria West and Strand) were refurbished and one store (Groblersdal) was relocated. Since the financial year-end one store (Nhlangano) has been refurbished and one store (Makopane) relocated. All seven stores, since their refurbishment, have traded in line with and ahead of expectations.

At the end of September 2005 seven are in the process of being refurbished with a further 32 at different stages of planning for refurbishment or relocation.

Refurbishment/relocation is only approved if it meets strict operational and financial criteria.

PRODUCT

Suppliers

Cashbuild has a policy of purchasing product from local suppliers in the areas and countries in which it trades. By implementing this policy it supports local employment, distribution of wealth, reduces transport costs and enables Cashbuild to offer local store customers more competitive prices, provided those local suppliers are committed and capable, together with our support to provide a predictable supply of quality products at competitive prices.

Cashbuild also purchases products from national brand suppliers. However, due to the demographical spread of our expanding store base, the number of suppliers who are capable of supplying product to all our stores is limited. Those suppliers are selected on a strict basis on their ability to produce and deliver timeously, products of consistently high quality at competitive prices direct to a selection of stores.



Suppliers are selected on a strict basis on their ability to produce and deliver timeously, products of consistently high quality at competitive prices direct to a selection of stores



School children enthusiastically entertain the crowds at the Protea Gardens store opening in April of this year



Chief executive's report continued

Supply Chain Management

Total availability of all ranged products within all our stores is critical to Cashbuild's success and is a constant top of mind awareness.

In the interest of good consistent practices and to avoid any misunderstanding all our suppliers are given written contracts clearly setting out both parties' commitments and responsibilities with regard to the supply of quality products, trading and payment terms.

To enable all our suppliers to plan and ensure continuity of quality product supply to all our stores, Cashbuild gives each supplier a volume commitment by line item and a rolling three month forecast. Delivery lead times are specific for each store and a supplier's failure to comply will lead to corrective action and possible delisting of a non-performing supplier.

Importing of product is a last resort and is only considered when local manufacturers are incapable or unwilling to supply quality products fit for purpose on a dependable basis at competitive prices.

PRODUCT BRANDS AND PRODUCT PRICE

Cashbuild is committed to supplying its customers with quality products (fit for purpose) at competitive and value-for-money prices everyday and does not offer limited special offers or otherwise debase the market. The customer must always be able to obtain quality building materials wherever required, at the lowest prices. Cashbuild is committed to meeting and fulfilling the local customer's needs. Recognised quality brands are always important. The market is driven by the consumer with aspirations and the need to get value for money. During the past five years Cashbuild has developed Cashbuild branded quality products to meet the needs of customers at competitive prices. The Cashbuild brand is strong and is respected as a retailer of quality and integrity.

PRICE INCREASES AND THE CONSUMER

Inflation for the financial year over the product range was in the region of 7% - 8%. However this was not the case with structural timber with two price increases throughout the year with a total inflicted price increases of 23%, which is disappointing. What is further disappointing is the threatened shortage of logs in the country to produce timber, plus the high closure of sawmills as a result of log shortage. Now the balance of the sawmills are unable to cope with demand as a result of the lack of investment in the saw milling industry.

To say the least, the industry is in a mess and appears to lack a clear or comprehensive strategy to fulfil its obligations to the consumer.

EMPLOYEES AND MANAGEMENT

Cashbuild employs 2 954 excellent permanent people who have demonstrated through their understanding of our customers' needs, that they are the right people for the Cashbuild business.

The Employee Steering Committee put in place during the previous financial year has settled in well and is beginning to show benefits across the entire business. The purpose of the forum is to identify business opportunities, eliminate any weaknesses, manage and protect all assets, develop our people further and have the resources to grow the company into the foreseeable future.



Chief executive's report continued

All our employees are fully trained and certificated to carry out the functions for which they are employed and are encouraged to become multi-skilled to enhance their prospects for career advancement throughout the company. Continued adherence to "The Cashbuild Way" and the incentive and reward schemes based on revenue and profitable growth have improved productivity.

Cashbuild acknowledges and rewards exceptional performance throughout the business. In particular, the employees of the month in each store are recognised and there are annual prestigious awards for exceptional performance by individuals and teams throughout our business, including our outsource partners.

As mentioned earlier in my report, Cashbuild is proud that it can promote from the growing wealth of enthusiastic, committed and capable talent it has attracted over the years, and retained at all levels throughout the business.

The company continues to outsource its industrial relations support needs to a private specialist organisation, but line management is responsible for employment, training and development of all employees. Cashbuild strongly promotes and supports the training and development of its people.

At Cashbuild an employment equity task team, comprised of employees of all occupational categories and levels, is the custodian of the employment equity plan, as submitted to the Department of Labour. The plan is reviewed regularly and reports progress to the board. Cashbuild is proactively committed to the principles promoted by The Employment Equity Act.

I am extremely proud of our employees and it gives me a great feeling of pride to meet such committed, dedicated and good people when I visit our stores and other work places throughout our organisation. I am confident that, with this unrelenting commitment from our people, our company will continue to deliver sustainable growth into the future for the benefit of all Cashbuild stakeholders.

Absenteeism for the year under review was 1.6% with total staff turnover of 24% (excluding dismissals: 17.3%). Whilst these statistics are better than the industry norm, there will be incentives put in place to improve.

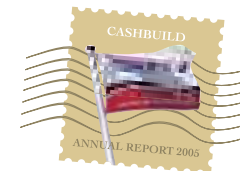
All employees are informed of developments within Cashbuild through a weekly newsletter and will be further enhanced in the forthcoming financial year.

TRANSFORMATION AND SOCIAL IMPACT

Cashbuild is committed to the principles of empowerment and transformation throughout the organisation. The geographical distribution of the Cashbuild stores provides us with a richly diverse workforce. We focus on recruiting local people into all our stores and employ all divisional managers from the regions in which we trade.

Cashbuild continues to give preference to the use of local suppliers and is constantly increasing its support of black economic empowerment initiatives. Cashbuild is continuing a programme that initiates projects within the communities within which we trade, offering entrepreneurs the opportunity to produce bricks, blocks and lintels. These products are then purchased and on-sold by Cashbuild. Cashbuild also currently offers glass-cutters and fitters the opportunity to work on Cashbuild premises and during the financial year under review Cashbuild introduced a free local customer delivery service which once again created local employment by utilising local labour and transport services and in this way provides a service to Cashbuild customers and supports local job creation. These and other projects will continue to be supported by Cashbuild as we contribute to the development of the communities surrounding our stores.

Cashbuild's vision recognises the need to make a positive contribution to every community in which we trade and we consider involvement in selected community projects to be a key aspect of our mission. Responsibility for corporate social investment initiatives has been delegated to divisional management.



Chief executive's report continued

HIV AND AIDS

Recognising the impact that HIV and AIDS could have on the organisation, Cashbuild has approved a corporate HIV and AIDS strategy and an actuarial impact analysis has been developed from this strategy. Cashbuild has also obtained the services of a short-term project co-ordinator with many years of experience in this field. The co-ordinator reports directly to the strategy director and has the responsibility to initiate the strategic programme and train a replacement to take over project management responsibilities at the end of the contract.

The first phase of the strategy was the performance of an actuarial impact analysis, which took place during 2003. An estimation from the study shows a prevalence rate of 13%, with a high concentration in the lower job grades. This estimate was based on national and provincial models, the demographic composition of the workforce, and the experience of the actuaries.

The financial impact to Cashbuild of employee benefits and health care is strictly contained by Cashbuild's "cost to company" compensation package. It is expected that the costs of these benefits will increase as HIV and AIDS escalates, but Cashbuild's participation in the increased costs is contained and will be completely discretionary.

The HIV and AIDS strategy going forward incorporates the following important steps:

- an HIV/AIDS committee and working group have been established. Members of these forums include directors and senior executive management, as well as staff at all levels of the business. All decisions with regards to policy, interventions and roll out of the finalised HIV and AIDS strategy will be the responsibility of these forums;
- determination of the HIV and AIDS policy within the group;
- determination of the final operational strategy and the relevant interventions;
- roll out mechanisms; and
- investigating partnership with the government and with private and non-governmental organisations to support the process.

OCCUPATIONAL HEALTH AND SAFETY

As chief executive I understand and perform my role as custodian of occupational health and safety. In fulfilling my duty I have delegated responsibility to all levels of staff within the organisation. This has been achieved through proper training of staff by the company's outsource partner with specialist skills in health and safety. A health and safety representative has been appointed and a first-aider is appropriately trained and qualified at each store. The outsource partner provides the audit guidelines and checklists for ensuring compliance with all issues, not only legal requirements. With the use of the guidelines and checklist, internal audits are used to ensure compliance. Cashbuild maintains its commitment to applicable legal occupational safety and health requirements. No breaches of the legal requirements were identified during the year under review.

ENVIRONMENTAL IMPACT

Our business puts demands on natural resources and we are aware of the need to educate both our consumers and suppliers in the best management of these resources throughout their lifecycle. Cashbuild seeks to ensure that, to the best of its ability, its activities and those of its suppliers have minimal adverse environmental impact. Cashbuild has developed a corporate governance handbook which contains key environmental guidelines, policies, and a number of possible interventions.



Chief executive's report continued

INNOVATIONS, THE CASHBUILD WAY AND EMPLOYEE STEERING COMMITTEE

Continued improvement and finding smart ways of doing business are part of the Cashbuild culture. Cashbuild has in place a process aligned with the ISO 9001 quality standard known as "The Cashbuild Way" which is designed to formalise change, improvement and innovation and to ensure compliance with these set standards throughout the organisation. This greatly benefits the work flow and quality of output and is resulting in greater customer satisfaction in all aspects of our business.

Cashbuild has in place an Employee Steering Committee comprising staff and management across the entire business. The purpose of the committee is to identify business opportunities, eliminate any weaknesses, manage and protect all assets, develop our people further and have the resources to grow the company into the foreseeable future.

CASHBUILD CODE OF ETHICS

Cashbuild has a documented Code of Ethics with which all employees are expected to comply. The code is effectively enforced throughout the organisation by the board and by all line management. As chief executive, I have overall responsibility for ethical behaviour within Cashbuild. Line management throughout the organisation is responsible for ensuring compliance with the company's Code of Ethics.

Each store and support office department facilitates communication and training programmes for employees on values, standards and compliance procedures. Proficiency in these areas is taken into consideration when assessing the suitability of prospective employees and candidates for promotion and in delegating discretionary authority. Cashbuild adopts a zero-tolerance approach to non-adherence to our Code of Ethics. Any employee found behaving in a manner contrary to our Code of Ethics is subject to disciplinary proceedings, which can lead to dismissal. 188 employees were dismissed from the company's employment as a result of such proceedings during the year under review, as against last year's 175. These dismissals relate to fraud, unauthorised removal of company property, absenteeism, non-conformance to company policy and procedures and non-adherence to Cashbuild's Code of Ethics.

Cashbuild has contracted Tip-offs Anonymous, which provides a secure system for the reporting of unethical or risky behaviour. This in turn assists the Internal Audit and Loss Prevention Department with the monitoring and auditing of compliance with our Code of Ethics.

PROSPECTS

Cashbuild at the end of September has 138 stores, all trading successfully, and is in its best ever position to grow profitable market share.

Our experienced operations director and 19 divisional managers are focused on improving results in existing stores while adding new stores on a planned and controlled basis.

Cashbuild's experienced and well managed procurement department concentrates on sourcing quality products at competitive prices to meet our customers' needs.

Our small but efficient store development team (seven people) is professional and qualified to cater for our store expansion and refit programme.

The need for quality building materials is growing. As the rate of new-home building increases in all the countries in which we trade the market is further enhanced as home owners' aspirations lead them to extend and improve on their current structures. Each of our host countries' governments are committed to supporting home ownership and this will continue to increase the size of the market.

Cashbuild's culture of excellence and commitment will continue to have a positive impact on the profits of the organisation, leading to improved growth for the foreseeable future in returns for all our stake holders.

Chief executive's report continued

COMMUNITY RELATIONS

Cashbuild is committed to the upliftment of all the communities in which we trade, employing staff, utilising contractors, and purchasing product and services.

For each new/relocated/refurbished store opened, Cashbuild donates building materials to the value of R70 000 to build or extend schools within the community. During the past 12 months Cashbuild has donated R3.21 million consisting of building material to the value of R1.35 million to schools in southern Africa and R1.86 million to other unique projects.

Two unique Cashbuild donations

August 2004 - ZCC – Old Cashbuild Louis Trichardt building donation worth R1 767 000
 March 2005 - Northern Railway Project – Namibia – N\$100 000

Building material donations made from 1 July 2004 to 30 June 2005

Store	New/ refurbished	Date	No. of schools	Total R	Store	New/ refurbished	Date	No. of schools	Total R
1 Tzaneen	Refurbished	05/08/04	6	60 000	4 Kwa Thema	New	19/08/04	8	60 000
Magoza Secondary School				10 000	Redumeletswe Primary School				7 500
Nkowankowa Primary School				10 000	Ntokozweni Primary School				7 500
Laerskool Duiwelskloof				10 000	Thembalikazulu Primary School				7 500
Unicorn Preparatory School				10 000	Kristo Nkosi Primary School				7 500
DZJ Mtebule High School				10 000	Zithembeni Primary School				7 500
Dududu Junior Primary School				10 000	Muzomsha Primary School				7 500
2 Groblersdal	Relocate	06/08/04	5	60 000	Gorogang Primary School				7 500
Matsephiri Primary School				10 000	Job Maseko Primary School				7 500
Njoma Primary school				15 000	5 Meadowlands	Refurbished	21/09/04	3	30 000
Makeke Primary School				15 000	Thabang Primary School				10 000
St Paul's High School				10 000	Boikanyo Primary School				10 000
Ngwanakwena Secondary School				10 000	Dr Mary Malahlela Primary School				10 000
3 Daku	New	12/08/04	8	60 000	6 Tembisa	New	29/10/04	9	67 500
Mfesane Senior Secondary School				7 500	Mvelaphanda Primary School				7 500
Molefe Primary School				7 500	Mashemong Primary School				7 500
Dumani Primary School				7 500	Thuthuka Primary School				7 500
Ntyatyambo Primary School				7 500	Phuthumani Primary School				7 500
Isaac Booi Primary School				7 500	Sedibeng Primary School				7 500
Emfundweni Primary School				7 500	Moduopo Primary School				7 500
Zanoxolo Primary School				7 500	Ipontshe Primary School				7 500
Empumalanga Primary School				7 500	Shukumani Primary School				7 500
					Endulweni Primary School				7 500



Chief executive's report continued

Store	New/ refurbished	Date	No. of schools	Total R	Store	New/ refurbished	Date	No. of schools	Total R
7 Windhoek	Refurbished	04/11/04	10	80 000	11 Orange Farm	New	10/03/05	6	60 000
Bet-El Primary School				8 000	Imbali Primary School				10 000
Otjozondou Primary School				8 000	Tshebetso High School				10 000
Ruimte Primary School				8 000	Sinqobile Intermediate School				10 000
Schlip Primary School				8 000	Raphela Secondary School				10 000
Rehoboth Primary School				8 000	Qoqizizwe Intermediate				10 000
St. George's Primary School				8 000	Madume Primary				10 000
Highlands Christian School				8 000					
Eros Primary School				8 000	12 Manzini	Refurbished	16/03/05	7	60 200
Moses Garoeb Primary School				8 000	Phonjwane High School				8 600
Namibia Primary School				8 000	Salesian Primary				8 600
					St. Paul's Methodist Primary				8 600
8 Kempton Park	New	03/02/05	5	60 000	Mhubhe High School				8 600
Laerskool Edleen				12 000	St Theresa's High School				8 600
Laerskool Mooifontein Primary				12 000	Ngwane Park Primary				8 600
Chloorkop Laerskool				12 000	Manzini Practising Primary				8 600
Kempton Park Laerskool				12 000					
Van Riebeeck Laerskool				12 000	13 Hazyview	Refurbished	18/03/05	7	60 200
					Mpunzana Higher Primary				8 600
9 Bloemfontein	Refurbished	16/02/05	6	60 000	Inkhambeni Primary				8 600
Credence Primary School				10 000	Ifalethu				8 600
Wilgehof Primary School				10 000	Siphumelele Secondary				8 600
Brebner Primary School				10 000	Sibukosethu Secondary				8 600
Batho Primary School				10 000	Khomindlela Primary				8 600
Kgabane Primary School				10 000	Summerhill Preparatory				8 600
Calculus Primary School				10 000					
					14 Ondangwa	New	14/04/05	6	60 000
10 Ficksburg Central	New	17/02/05	5	60 000	Heroe's Primary School				10 000
Bet-el Akadamie vir Christelike Onderwys				12 000	Olukolo Primary School				10 000
Megheleng Public School				12 000	Oneputa Combined School				10 000
St. Joseph's RC				12 000	Onamulunga Combined School				10 000
Caledonpark Primêr				12 000	Nangolo Junior School				10 000
Tlotlisong Secondary School				12 000	Oniipa Primary School				10 000

Chief executive's report continued

Store	New/ refurbished	Date	No. of schools	Total R	Store	New/ refurbished	Date	No. of schools	Total R
15 Protea Gardens	New	28/04/05	7	70 000	19 Pretoria	Refurbished	26/05/05	8	80 000
Protea South Primary				10 000	Seshegong Primary School				10 000
Elsie Ngidi Primary				10 000	Banareng Primary School				10 000
Dikgabane Primary				10 000	Phuthaditshaba Primary School				10 000
Mveledzandivho Primary				10 000	Seaparankwe Primary School				10 000
Almont Technical High				10 000	St. Annes Primary School				10 000
Vuwani Secondary School				10 000	Thohoyandou Primary School				10 000
Khuthala Primary				10 000	Makgatho Primary School				10 000
					Bud Mbele Primary School				10 000
16 Ziyabuya	New	05/05/05	6	60 000	20 Giyani Central	New	02/06/05	8	80 000
Kama Public School				10 000	Pfunanani Special School				10 000
Dumani Primary				10 000	Khomisani School				10 000
Sithembile J.S. School				10 000	Leleni School				10 000
Mzimhlophe Primary				10 000	Babangu Primary School				10 000
Emafini Primary School				10 000	Mehleketo Primary School				10 000
Khanyisa School for the Blind				10 000	Mhlanganganisweni Primary School				10 000
					Dingamanzi Primary School				10 000
17 Burgersfort Central	New	12/05/05	8	80 000	Maswanganyi Primary School				10 000
Calvin College				10 000	21 Strand	Refurbished	09/06/05	6	60 000
Wem School				10 000	Strand Moslem Primary				10 000
Itirele Primary School				10 000	Firgrove Primère Skool				10 000
Ikhwezi Primary School				10 000	Vuzamanzi Public Primary				10 000
Madinoge Primary School				10 000	Sakumlandela Junior Secondary				10 000
Mafemane Primary School				10 000	Sosebenza Primary				10 000
Laerskool Burgersfort				10 000	Homba Public Primary				10 000
Kabishi Primary School				10 000					
18 Highgate	Refurbished	19/05/05	8	80 000	Total			142	1 347 900
Wilhelmina Hoskins Primary School				10 000					
Dowling Avenue Primary School				10 000					
Noordgesig Primary School				10 000					
Everest Primary School				10 000					
T.C. Esterhuysen Primary School				10 000					
Riverlea Primary School				10 000					
Westbury Primary				10 000					
G.R. Harris Primary				10 000					



Chief executive's report continued

The donation of building material is strictly controlled and is only allocated to selected schools in need in each area when a new store is opened, relocated or refurbished.

Cashbuild is proud to be associated with such development and we look forward to eventually employing students from the schools we have helped to develop.

INSTALLATION AND IMPLEMENTATION OF NEW IT SYSTEM

Cashbuild set out in the 2003 financial year, to upgrade the information technology system to support the growth of the business. Unfortunately this installation did not go as intended and had a severe impact on the managing of the business, plus unnecessary cost at our support office, **not stores** and is currently running at least 12 months behind plan.

This unacceptable situation has now been fully addressed and both Cashbuild business owner and our outsource partner are fully committed and focused to progress to finalise the implementation to a quality standard.

THANK YOU

Once again Cashbuild management and all its employees have worked exceptionally hard and smart to produce exemplary customer satisfaction and again, grow profitable market share.

The entire team has worked cohesively with commitment and pride to take Cashbuild to the current levels whilst having fun in the process.

I am proud of my Cashbuild team and say with sincerity and pride a big "thank you" to each and every employee and I look forward with great confidence and expectation to the years ahead.

To our long standing outsource partners, you kept us all professionally advised and helped us in our striving for excellence and smarter ways. Your knowledge, hard work, expert contributions and patience have done you proud. Well done and thank you.

To suppliers of products and contracting services, our companies' constructive challenging working relationships are going from strength to strength. I sincerely thank you for your commitment and willing support and I look forward to our mutual profitable future growth together.

To our customers, a particular "thank you" for the many times you shopped in our stores. We at Cashbuild are committed to bringing you quality products at the best price every day in each of your communities and are fully aware and acknowledge with thanks that it is you who pay all our wages.

P K GOLDRICK

Chief executive

28 September 2005



Protea South Primary learners enjoy a morning of fun and prizes at the recent opening of one of our stores in Soweto



Directorate

EXECUTIVE DIRECTORS

P K Goldrick (56) (Irish) - *Chief executive*

Appointed 19 August 1996

- Over 40 years of retail experience with Thomas Archer Ltd and Joseph Murphy Ltd - Ireland
- Selfridges Ltd, J W Carpenter Ltd and The Wickes Group - U K and since 1996 Cashbuild

A van Onselen (43) - *Operations director*, Dip MDP - Unisa Business School

Appointed 20 September 2004

- Over 20 years of retail experience

C T Daly (38) - *Commercial director*, CA (SA)

Appointed 1 December 2000

- Completed board exam 1990 and completed articles with KPMG. 10 years experience in commerce working for AECL, Afrox and Malbak and joined Cashbuild Limited in 2000

W F de Jager (34) - *Finance director*, CA (SA)

Appointed 1 December 2004

- Completed board exam 1994 and completed articles with PWC. 9 years post article experience, working specifically in the retail sector

NON-EXECUTIVE DIRECTORS

D Masson* (74) - *Chairman*, ACIS

Appointed 22 June 1988

- 37 years experience as CEO, director and chairman of companies in a variety of business sectors and parastatals. Currently a director of Bidvest, Faritec and Alacrity Financial Services Ltd
Serves as a trustee on various pension funds and share trusts.

N Simamane** (46) - BSc Chemistry and Biology

Appointed 1 September 2004

- Currently a non-executive director of Zanusi Investments, Zanusi Marketing Consultants and Primedia Face-2-Face.

* Remuneration committee member

** Audit committee member

*** Audit and remuneration committee

F M Rossouw*** (68) - CA (SA)

Appointed 7 May 2001

- Prior to his semi-retirement in 2001, was a member of the board of Oceana, Fedfood, Premier Group, Checkers, Airports Company and joined Cashbuild in 2001. Mr Rossouw remains a director of various private companies.

J Molobela** (49) - Bsc (Hons), MBA

Appointed 1 September 2004

- Currently a non-executive director of Growthpoint Properties, Decillion, N3TC and CEO Blacktop Holdings. Appointed to the audit committee on 19 September 2005



Standing L to R: P K Goldrick, C T Daly, F M Rossouw, A van Onselen, W F de Jager and J Molobela • Seated: N Simamane and D Masson



Group five year financial review

as at 30 June 2005

Operating profit (Rm)



Cash & cash equivalents (Rm)



Net financing income (Rm)

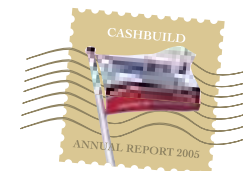


R'000	Five year compound growth % p.a.	2005 (52 weeks)	2004 (52 weeks)	* 2003 (52 weeks)	* 2002 (52 weeks)	* 2001 (53 weeks)
GROUP INCOME STATEMENT						
Revenue	18	2 208 902	1 635 233	1 394 783	1 122 692	982 544
Profit before taxation	37	123 944	89 858	73 345	39 372	26 019
Earnings attributable to shareholders	37	75 941	53 303	45 548	24 685	15 516
GROUP BALANCE SHEET						
Shareholders' funds	26	199 542	154 238	114 253	80 389	63 230
Minority interest	28	20 836	16 350	11 586	7 966	6 153
Interest-bearing borrowings	(30)	47	492	63	178	279
TOTAL EQUITY AND INTEREST-BEARING BORROWINGS	26	220 425	171 080	125 902	88 533	69 662
Tangible and intangible assets	27	153 808	111 852	75 551	50 737	47 359
Net deferred tax asset	(8)	5 378	6 169	8 663	8 125	8 342
Loans and investments	-	-	-	-	-	505
Current and non-current assets	18	610 260	468 996	398 324	364 077	266 986
TOTAL ASSETS	19	769 446	587 017	482 538	422 939	323 192
CURRENT LIABILITIES	17	549 021	415 937	356 636	334 406	253 530
NET ASSETS	26	220 425	171 080	125 902	88 533	69 662

* Year has not been adjusted for the straight lining of operating leases.

Group five year financial review

as at 30 June 2005



	Five year compound growth % p.a.	2005 (52 weeks)	2004 (52 weeks)	* 2003 (52 weeks)	* 2002 (52 weeks)	* 2001 (53 weeks)
Share performance (cents per share)						
Headline earnings per share	36	347.5	251.3	224.1	126.8	75.8
Dividends per share	35	107	78	65	35	24
Net asset value per share	18	773	664	492	346	272
Returns and productivity						
Profit before tax on revenue (%)	16	5.61	5.50	5.26	3.51	2.65
Return on shareholders' funds (%)	9	38.06	34.56	39.87	30.71	24.54
Return on average capital employed (%)	12	42.93	39.71	46.80	34.38	24.67
Total asset turn (times)	(1)	2.87	2.79	2.89	2.65	3.04
Turnover per employee (R'000)	4	814	827	770	707	685
Profit before taxation per employee (R'000)	20	46	45	40	25	18
Total assets per employee (R'000)	5	284	297	266	266	225
Solvency and liquidity						
Dividend cover (times)		2.75	2.94	3.00	3.04	2.78
Current ratio		1.11	1.13	1.12	1.09	1.05
Total liabilities to total shareholders' funds		2.75	2.70	3.12	4.16	4.01
Interest-free liabilities to total assets		0.71	0.71	0.74	0.79	0.78
Stock Exchange performance						
Number of shares in issue ('000)		25 805	23 225	23 225	23 225	23 225
Market price						
- high (cents)	63	3 980	2 300	1 445	489	350
- low (cents)	88	2 250	1 430	435	220	95
- at year end (cents)	77	3 840	2 300	1 435	435	220
Price earnings ratio at year-end	31	11.05	9.15	6.40	3.43	2.90
Market capitalisation at year-end (R'000)	81	990 925	534 175	333 279	101 029	51 095
Other statistics						
Number of employees		2 712	1 978	1 812	1 589	1 435
Number of stores		134	124	113	102	98

Headline earnings (Rm)



Net asset value per share (cents)



Revenue (Rm)



* Year has not been adjusted for the straight lining of operating leases.

Group value-added statement

2005

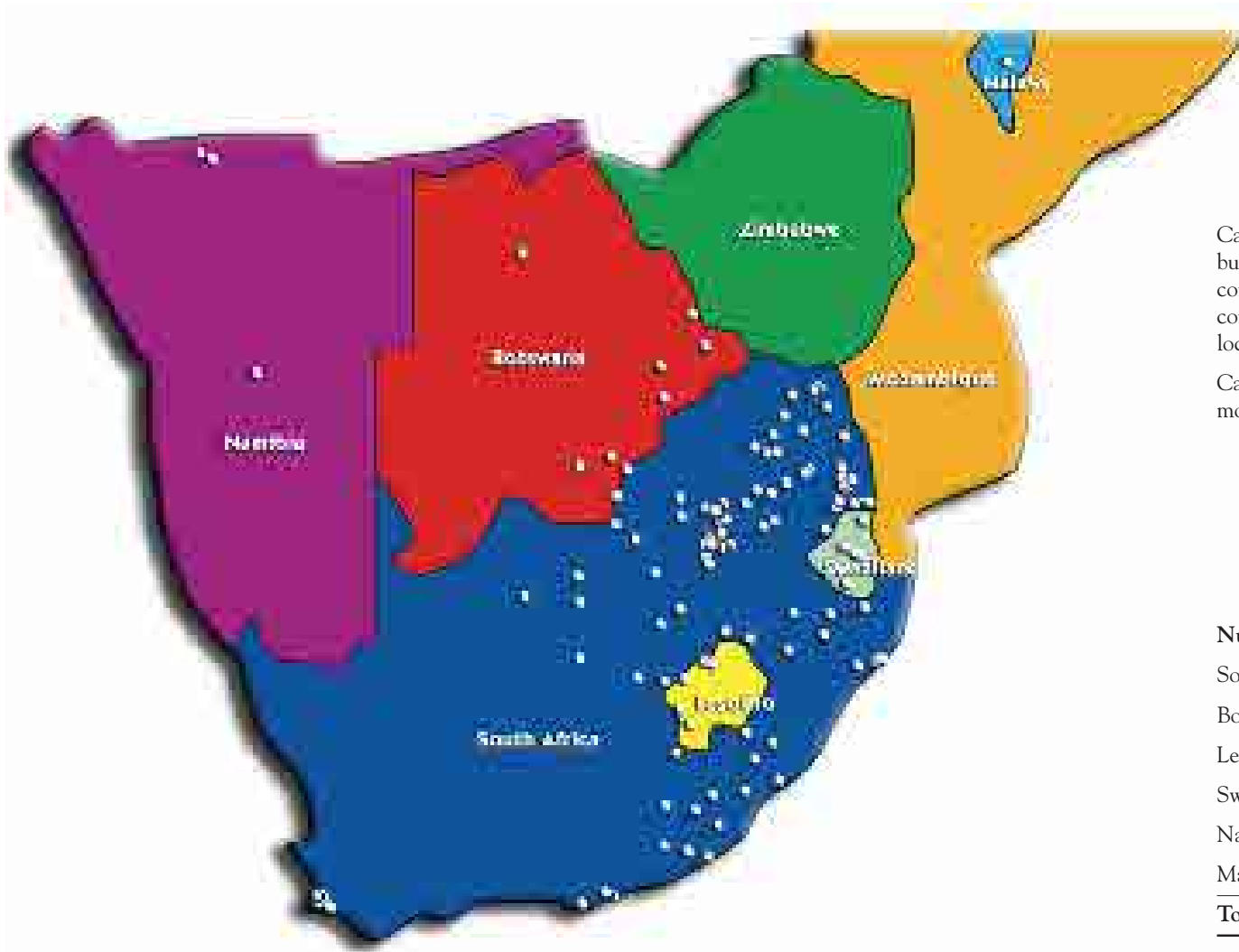


2004



R'000	2005	%	2004	%
Revenue	2 208 902		1 635 233	
Less: Cost of merchandise and expenses	1 918 019		1 419 387	
Value added from trading operations	290 883		215 846	
Interest received on investments	7 599		8 683	
Total wealth created	298 482		224 529	
To employees - salaries and benefits	157 637	52.8	122 773	54.7
To government - company taxation:	42 034	14.1	31 903	14.2
- Normal	38 410	12.9	27 105	12.1
- Deferred	492	0.2	2 529	1.1
- Secondary tax on companies	3 132	1.0	2 269	1.0
To providers of capital:	29 594	9.9	20 633	9.2
- Dividend to shareholders	22 980	7.7	15 300	6.8
- Interest on borrowings	645	0.2	681	0.3
- Minorities' interest	5 969	2.0	4 652	2.1
To retain for reinvestment in the group	69 217	23.2	49 220	21.9
- Depreciation, amortisation and impairment of property	16 256	5.5	11 191	5.0
- Income retained in the business	52 961	17.7	38 029	16.9
Total wealth distribution	298 482	100.0	224 529	100.0

Cashbuild stores



Cashbuild positions its stores to bring quality building materials at affordable prices to local communities and strives to enhance each community in which it trades, by offering the local people employment and development.

Cashbuild plans to expand its business to more communities in southern Africa.

Number of outlets	2005	2004
South Africa	110	100
Botswana	10	10
Lesotho	5	6
Swaziland	5	5
Namibia	3	2
Malawi	1	1
Total	134	124



Divisions, stores and managers

CAPE TOWN

DIVISIONAL MANAGER	-	ROELF PRINSLOO
BRACKENFELL	-	NAUDE BLIGNAUT
PHILLIPI	-	TRACY MEYER*
MITCHELLS PLEIN	-	LEON ABRAHAMS
MONTAGUE GARDENS	-	RAVI CHETTY
STRAND	-	PIERRE FOURIE

EASTERN CAPE

DIVISIONAL MANAGER	-	JEFF MAAS
DAKU	-	ERICA KELLY
HUMANSDORP	-	JACO SMITH
UITENHAGE	-	MIKE WOLMARANS
ZIYABUYA	-	BERNO MACCARIO

BORDER

DIVISIONAL MANAGER	-	CROUS DE BEER
ALICE	-	JOHN BROWN
BUTTERWORTH	-	MVEZA MANA
COFIMVABA	-	JOHNSON DLAMINI
EAST LONDON	-	MARK SUTHERLAND
ENGCOBO	-	PAUL TSHATSHU
KOMANI	-	DRIES VAN DER WALT
KING WILLIAM'S TOWN	-	EDDIE PROLLIUS
QUEENSTOWN	-	JULIET McPHERSON

TRANSKEI

DIVISIONAL MANAGER	-	MANOJ RAMBOROSA
KOKSTAD	-	GOODMAN NKOSIYAPANTS
LUSIKISIKI	-	TERENCE BILOSE
MATATIELE	-	THEO JANTJIES
MOUNT FRERE	-	THANDO HOYANA
UMTATA CENTRAL	-	WAYNE THURSTON
UMTATA	-	MARILYN GOODMAN*

FREE STATE

DIVISIONAL MANAGER	-	GERRIT VILJOEN
BLOEMFONTEIN	-	CHARLES SNOER
BETHLEHEM	-	NEELS HERBST
FICKSBURG CENTRAL	-	GERRIT STRYDOM
FICKSBURG	-	JOHN VAUGHN
KROONSTAD	-	HENTIE KRIEL
QWA QWA C/B	-	JANUARY TSOTETSI
QWA QWA H/C	-	WILIAM TSABALALA
STERKSPRUIT	-	JAN DE BEER
THABA 'NCHU	-	JOHNNY NHLAPO
WELKOM	-	CROUS KRUGER

NORTH WEST / NORTHERN CAPE

DIVISIONAL MANAGER	-	GERT PRETORIUS
KIMBERLEY	-	JACO MARITZ
KLERKSDORP	-	THYS SMITH
LICHTENBURG	-	KOBUS NORTJE
MAFIKENG	-	PETER MEGOJE
MMABATHO	-	SAM PEJANE
MOTHEBIKOP	-	ROLAND LUCAS
TAUNG	-	STEVEN SMIT
VRYBURG CENTRAL	-	KETTA DU PLOOY
VRYBURG	-	JOHAN VAN DER WALT

NORTHERN NATAL

DIVISIONAL MANAGER	-	WAYNE GRAVEN
EMPANGENI	-	NAVIN GOVENDER
ESHOWE CENTRAL	-	TOMMY NAIDOO
LADYSMITH	-	RYNO VAN STADEN
NEWCASTLE	-	TIM MOONSAMY
NQUTU	-	SIVA MOODLEY
PONGOLA	-	AGRIPPA BITELA
RICHARDS BAY	-	ROB COLLUM
VRYHEID	-	MARK WILLIAMS

MPUMALANGA

DIVISIONAL MANAGER	-	ANDRÉ VAN DER WALT
BURGERSFORT	-	ALEX CONRADIE
BURGERSFORT CENTRAL	-	REUBEN MOTHUTSI
ELUKWATINI	-	HENRY MATHEBULA
KABOKWENI	-	BONGANI LEYANE
KAMHLUSHWA	-	MDUDUZI MANTSHINTSHI
NELSPRUIT	-	RIAAN DEDEKIND
NAAS	-	ALEX MABUZA
SCHOEMANSDAL	-	BABILE MBHAMALI
STEELPOORT	-	AMOS NARE
WHITE RIVER	-	DRIES VAN WYK

LIMPOPO SOUTH

DIVISIONAL MANAGER	-	ANDRE VAN DER MERWE
ACORNHOEK	-	FANIE MAKOFANE
BUSHBUCKRIDGE	-	MICHAEL MASHILE
HAZYVIEW	-	WILLEM COETZEE
MKHUHLU CENTRAL	-	PETRUS NKUNA
MKHUHLU	-	ZODWA SITHOLE
PHALABORWA	-	MARTINI BRAND
THULAMAHASHE	-	RICHARD KHOSA

* Acting store manager

Divisions, stores and managers



LIMPOPO

DIVISIONAL MANAGER	-	JOHAN LAMPRECHT
GROBLERSDAL	-	GRAHAM MITCH
KORINGPUNT	-	CLIFTON MPOBANE
LEBOWAKGOMO	-	ARNOUS THABA
MALAITA	-	SONNY MOGADIME
MIDDELBURG	-	BETS OTTO
SIYABUSWA	-	THELMA BOSHOMANE
TWEEFONTEIN	-	NOMUSA MALAZA
WITBANK 2	-	RENIER SMITH
WITBANK	-	WILLY FUNCHAL

LIMPOPO NORTH

DIVISIONAL MANAGER	-	BARRY JOHNSON
BOTLOKWA	-	REBECCA MAKGATO*
GIYANI	-	RONALD NELUHENI
LOUIS TRICHARDT CENTRAL	-	FRIK DELPORT
MUKULA	-	MAURICE MDABULA
POLOKWANE CENTRAL	-	LEN RAUTENBACH
POLOKWANE INDUSTRIAL	-	BENNIE VAN DER MERWE
MOKOPANE	-	LEON WESSELS
SIBASA	-	PRINCE BALOYI
SIBASA HOME CENTRE	-	CHRIS DEMANA
TZANEEN	-	WYNABD LOMBARD

CENTRAL EAST GAUTENG

DIVISIONAL MANAGER	-	SPIKE ENGELBRECHT
BOKSBURG	-	PETER VENTER
EDENVALE	-	POTIPHAR ESAU
KEMPTON PARK	-	BRUCE CLARK
KWA THEMA	-	FRANS MAHLANGU
SPRINGS	-	CHRIS GROVE
THEMBISA	-	MUSA MKHWEBANE
VOSLOORUS	-	ABEL MAKWAKWA

GAUTENG WEST

DIVISIONAL MANAGER	-	TYRON MYBURG
AEROTON	-	LEROY NGWENYA
HIGHGATE	-	GORDON MTSHALI
HILLFOX	-	JOE DESAI
MEADOWLANDS	-	LEON VAN WIJK
PROTEA GARDENS	-	BRIAN FRAZENBURG
PROTEA GLEN	-	RAY VAN COLLER*
ORANGE FARM	-	TSIETSI LENGUABALA
SEBOKENG	-	SARAH MDLULI
VEREENIGING	-	SUSAN HATTINGH

LESOTHO

DIVISIONAL MANAGER	-	NORBERT MOKOBORI
LERIBE	-	SIMON SEPHOFANE
MAFETENG	-	ARIEL LEKHOOANA
MAPUTSOE	-	KHOMO KHOMONGOE
MASERU HOME CENTRE	-	SIDWELL MALEFETSANE
MOHALE'S HOEK	-	KENNETH KHATI

GAUTENG NORTH WEST

DIVISIONAL MANAGER	-	CHRISTO BASSON
HAMMANSKRAAL	-	ANDREW MATJIU
LETHLABILE	-	TOBIAS WILLIS*
RUSTENBURG	-	JOHAN VAN DER MERWE
MOGWASE	-	EDWARD RAKGOKONG
MORETELE	-	JOHN MORENA
HEBRON	-	ZANELE MEYIWA
MABOPANE	-	AHMED KHUMALO
PRETORIA WEST	-	GERT MARAIS
SILVERTONDALE	-	ROBERT HOFFMAN
SOSHANGUVE	-	MATHEW NTHITE

SWAZILAND

DIVISIONAL MANAGER	-	WAYNE GRAVEN
MANZINI	-	DES HENWOOD
MBABANE	-	SIMON NDZINISA

SWAZILAND

DIVISIONAL MANAGER	-	VUSI DLAMINI
MATSAPHA	-	ALFRED TSABEDZE
NHLANGANO	-	THEMBA MATSEBULA
TSHANENI	-	JANUARY NGWENYA

NAMIBIA

DIVISIONAL MANAGER	-	LUCKY NAMPUPOLO
ONDANGWA	-	JOHN ALFRED
OSHAKATI	-	KAUTA TJIYENDA
WINDHOEK	-	HENNIE RUST

BOTSWANA

DIVISIONAL MANAGER	-	TEFO DAMBE
FRANCISTOWN	-	SHATANI MAJUMANE
MAHALAPYE	-	KEFILWE MOALOSI
MAUN	-	BENSON RAMANGWEGA
SELEBI PHIKWE	-	ALEC MANDEVU
SEROWE	-	REUBEN SITHILO

BOTSWANA

DIVISIONAL MANAGER	-	EPHARIM TOALO
LOBATSE	-	NKOTSO PHETO
GABORONE WEST	-	CLEMENT MOOKETSI
GABORONE NORTH	-	EDWIN PHUTHEGO
JWANENG	-	MASEGO MABE
MOLEPOLOLE	-	NTSHELELANG KELOBOPETSW

MALAWI

DIVISIONAL MANAGER	-	A. VAN ONSELEN
MALAWI	-	HENNIE ROOS



Corporate governance



CORPORATE GOVERNANCE STATEMENT

Cashbuild complies in all material respects to the principles and spirit of the Code of Corporate Practices and Conduct contained within the King Report on Corporate Governance for South Africa 2002 ("King Report 2002"). Variations from compliance are outlined below. Directors are well briefed on the company's activities and active in the discharge of its direction and oversight.

THE CONSTITUTION AND OPERATION OF THE BOARD OF DIRECTORS

Responsibility and compliance

The board is accountable and responsible for the performance and affairs of the company. The board has adopted a charter outlining its responsibilities. The Cashbuild board takes responsibility for guiding and monitoring compliance with all applicable laws, regulations and codes of business practice. The board delegates responsibilities for compliance on an operational basis to senior management and maintains oversight thereof. It has defined levels of materiality for the business and has delegated relevant matters to senior management based on detailed authority levels. The board believes it has full and effective control over the company and oversight of management activities.

Board constitution

Cashbuild operates a unitary board, consisting of four executive and four independent non-executive directors, one of whom is the board chairman.

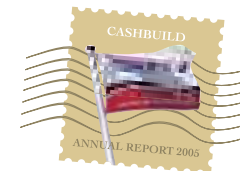
Non-executive directors are sufficiently experienced and bring considerable insight and expertise to board deliberations. The board believes it has sufficient skills and experience to balance conformance to governance and entrepreneurial performance. The roles of chief executive and chairman are separated.

Company secretary

The company secretary provides guidance to the board as a whole and individual directors in the discharge of their responsibilities. The board believes that the company secretary is empowered to fulfill his duties and is satisfied that he discharges his responsibilities in a meaningful and complete manner.

Access to information

Directors have full and unrestricted access to all company information they require. Non-executive directors enjoy unrestricted access to executive management and meet with them to discuss company affairs on a frequent basis. All directors have unrestricted access to independent professional advice at the company's expense whenever necessary. No professional external advice was sought during the year under review.



Corporate governance continued

Conflicts of interest

The directors are required to declare possible conflicts of interest on the register which is maintained by the company secretary for that purpose. There were no conflicts of interest declared during the year under review.

Succession planning

The board actively participates in the succession planning for key senior executive positions. The directors periodically discuss succession planning among themselves and are comfortable that in the event of executive and senior management transition, plans are in place to ensure smooth transition.

Directors' appointments

Directors are appointed and re-appointed on a staggered, rotational basis on a three-year cycle by shareholders. Full details of the board, including summary resumés are listed on page 26 of this report.

Other directorships

Executive directors do not hold other directorships outside the Cashbuild group, other than in relation to companies established relating to the structure of their personal finances. The board believes that other directorships held by non-executive directors do not affect their ability to fully discharge their responsibilities as Cashbuild directors. Details of other directorships held by Cashbuild directors are provided on page 26 of this report.

Board meetings

The board met seven times during the year under review. All directors are encouraged to attend each meeting and gatherings where their presence is required. Board members are well-briefed in advance of each board meeting. Details of board attendance for the year under review are included in the directors' report on page 49.

Board committees

The board has established three board committees covering defined aspects of its responsibilities. The committees, namely remuneration, audit and nomination committees are each chaired by a non-executive director and operate to terms of reference approved by the board. The committees operate transparently and report to the full board as required. Each committee has unimpeded access to independent outside professional advice whenever required. The board is satisfied that the committees fulfilled their responsibilities under their respective terms of reference for the year under review. There is no formal process for evaluating committees' performance. However, because of the size and interaction between the board and executive management, the board believes that a process to monitor committee effectiveness is in place.

Remuneration committee

The remuneration committee comprises two non-executive directors, Mr D Masson (committee chair) and Mr F M Rossouw. It determines performance measurement criteria and remuneration packages for Cashbuild's executive management. Details of each director's attendance at committee meetings for the year under review are detailed in the directors' report on page 49.



Corporate governance continued

Audit committee

Messrs FM Rossouw, J Molobela and Ms N Simamane are members of the audit committee and are financially literate. The audit committee is responsible for review of effectiveness of internal control systems and the activities of the internal audit function. The audit committee reports to the board on matters relating to financial information. Details of each director's attendance at committee meetings for the year under review are detailed in the directors' report on page 49. The chief executive and the finance director were invited and attended meetings as per the directors' report on page 49. The internal and external auditors were invited and attended all meetings during the year under review.

Nomination committee

Mr D Masson (committee chair) and Mr F M Rossouw are members of the nomination committee. The nomination committee is responsible for developing selection criteria and identifying appropriate candidates for application to the board. Details of each director's attendance at committee meetings for the year under review are detailed in the directors' report on page 49.

DIRECTORS' AND EXECUTIVE MANAGEMENT PERFORMANCE EVALUATION AND REWARD

Remuneration in particular, as it relates to executive management, is highly motivated by the dual criteria of delivering sustainable financial return to shareholders and also recognition and reward for outstanding performance. Executive compensation is also linked to the achievement of the organisation's non-financial goals. The remuneration committee is responsible to the board for ensuring that the remuneration policy is kept current, for the development of criteria for performance measurement and determination of remuneration packages for Cashbuild's executive management. In addition, the committee facilitates a transparent process of performance review and evaluation for executive directors within the full board.

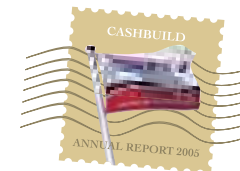
No share options have been granted to non-executive directors. All executive directors are on contracts requiring one month's notice.

Details of the remuneration of each individual director are provided on page 68 of the report.

RISK MANAGEMENT AND INTERNAL CONTROL

The board is responsible and accountable for risk management and internal control. Executive management assumes responsibility for the integration of risk practices into operational activities while the board maintains oversight. The board is satisfied that management is attuned to both the negative and positive aspects of business risk. The board believes it has adequate information to facilitate a balanced assessment of significant risks and the effectiveness of the internal control systems to manage those risks.

The board believes that in the year under review and up to the date of approval of annual reports and financial statements, Cashbuild operated an adequate system of internal control to identify and manage operational and financial risks, with the exception of the implementation problems experienced with the creditors IT module. Management implemented compensating controls to ensure that the operational and financial risks in the creditors IT module were adequately identified and managed. The system of internal control is risk based, designed and regularly reviewed and tested to sufficiently manage the company risks that have a significant impact on the business. The board believes that the system of internal control provides reasonable, but not absolute assurance, on the effectiveness and efficacy of controls throughout the business.



Corporate governance continued

Cashbuild has a documented and tested information technology business continuity plan, designed to secure a key aspect of the company's operational capability in the event of a disaster. Cashbuild intends to develop a group-wide business continuity plan to cover the support office.

Responsibility for monitoring and reviewing controls lies with the internal audit department whose head reports directly to the chief executive. The internal audit function also reports at all audit committee meetings. The internal audit function operates to a charter approved by the audit committee. It contains a formal definition of the function. Currently the internal audit function focuses primarily on identifying deficient or ineffective controls, and plays a lesser role in advising management on improvements to risk management practices and operational efficiency.

The board believes that the relationship between the internal and external auditors is mutually supportive and facilitates proper coverage of financial, operational and compliance controls.

SUSTAINABILITY

The board appreciates that it needs to continually develop its understanding of the non-financial value drivers of business, including its stakeholders – customers, employees, government agencies and communities - and socio-economic issues such as employment equity, occupational health and safety and HIV and AIDS. The board has developed clear supporting principles or standards to guide future operational management and reporting practices in a sustainability context. However more importantly, Cashbuild will strive to behave and report to its stakeholders in a manner that reflects how it practices its values on an operational basis, conforming to defined principles and in alignment with business strategy.

Sustainability reports with regards to human capital development, transformation, social responsibility, HIV and AIDS, occupational health and safety and environmental impact can be found on pages 6 to 24 of the chief executive's report.

ORGANISATIONAL INTEGRITY AND THE CASHBUILD CODE OF ETHICS

Cashbuild operates to established and well-entrenched organisational values. The chief executive assumes responsibility and ownership for organisational compliance. Compliance to the code is encouraged and monitored through training and communication programmes for employees. The code is used to assess suitability of employees, specifically in the areas of values, standards and compliance. Every Cashbuild employee is expected to comply with the code. Cashbuild has a zero-tolerance approach to deviations from compliance and employees are subject to disciplinary hearings which can lead to dismissal. To enable employees to freely inform the company of transgressions to the code, Cashbuild has contracted with the Tip-offs Anonymous hotline. This system is linked to the internal audit and loss prevention departments to provide monitoring and auditing of compliance within our code.

ACCOUNTING AND AUDITING

The audit committee plays an active role in deliberations relating to the appointment of external auditors. The board is aware of its responsibility pertaining to the preparation and contents of the financial statements of Cashbuild and its subsidiaries. It believes the company maintains adequate accounting records, which are supported by an effective system of internal controls and risk management. The board is satisfied that there is good co-operation between the internal and external auditors and external and internal auditors enjoy unrestricted access to the audit committee.



Cashbuild operates
to established and
well-entrenched
organisational values

Corporate governance continued

Cashbuild audits its interim and year-end results, which are both subject to review by both the audit committee and the board.

There is currently no formal policy related to the use of the external auditor for the provision of non-audit services, however the board is satisfied with the ethical standards and independence demonstrated by the external auditor.

Cashbuild currently does not subject non-financial aspects of reporting to external validation or assurance.

DISCLOSURE PRACTICES

The directors are responsible for the preparation of financial statements of Cashbuild and its subsidiaries. The directors believe that the financial statements which are presented on pages 44 to 82 fairly present the state of affairs at Cashbuild as at the end of the financial year. The financial statements have been prepared in accordance with, and are compliant to, South African Statements of Generally Accepted Accounting Practice. The statements include amounts based on judgements and estimates made by management. In terms of the JSE Limited Listing Requirements, compliance with IFRS is required for financial years beginning on or after 1 January 2005. Accordingly, the group is required to produce IFRS compliant financial interim results for six months ending 31 December 2005 and compliant financial statements for the year ending 30 June 2006 as well as restated comparatives. To this end the group has initiated an IFRS conversion project, which is on track to meet the required deadlines.

Cashbuild releases regular and timely communication with regard to the prohibition on dealing in company securities during closed periods.

The board believes that Cashbuild will be a going concern in the foreseeable future, based on the existing forecasts and current cash resources.

PricewaterhouseCoopers Inc. was the external auditor of Cashbuild during the reporting year. They are responsible for reporting on whether the financial statements are fairly presented. Cashbuild has provided the auditors with unrestricted access to all financial records and data as required.

The board is satisfied that the financial statements fairly present the state of affairs of Cashbuild as at the end of the financial year and the profit and loss and cash flows for the financial year.

The audit report of PricewaterhouseCoopers Inc. is presented on page 43 of this report. The annual financial statements were approved by the board on 28 September 2005 and signed on its behalf.

D MASSON
Chairman

P K GOLDRICK
Chief executive



Cashbuild store manager presents the Dikgabane Primary School representative with a cheque for R10 000 worth of building materials



Shareholders' diary

Final dividend paid	-	24 October 2005
Annual general meeting	-	28 November 2005
Interim report	-	March 2006
Financial year-end	-	30 June 2006
Audited results	-	September 2006



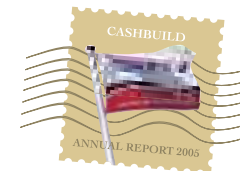
Learners from one of the
local schools cheer the
winner of the Art-At-Heart
competition at the opening
of our Protea Gardens store



Index to annual financial statements



Report of the independent auditors	43
Certificate by company secretary	43
Directors' report	44
Accounting policies	50
Balance sheets	56
Income statements	57
Statements of changes in equity	58
Cash flow statements	59
Notes to the financial statements	60



Report of the independent auditors

TO THE MEMBERS OF CASHBUILD LIMITED

We have audited the annual financial statements and group annual financial statements of Cashbuild Limited for the year ended 30 June 2005, set out on pages 44 to 82. These financial statements are the responsibility 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. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

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

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

AUDIT OPINION

In our opinion, the financial statements fairly present, in all material respects, the financial position of the company and the group at 30 June 2005, and the results of its operations 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 South African Companies Act 1973, as amended.

PricewaterhouseCoopers Inc.
Registered Accountants and Auditors
Chartered Accountants (SA)
Johannesburg
28 September 2005

Certificate by company secretary

In my opinion, as company secretary, I hereby confirm, in terms of the South African Companies Act 1973, as amended, that for the year ended 30 June 2005, 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.

Alan C Smith
Company secretary
Johannesburg
28 September 2005



Directors' report

The directors have pleasure in presenting their report, which forms part of the audited financial statements of the group for the year ended 30 June 2005.

Nature of business

Cashbuild is southern Africa's largest retailer of quality building materials and associated products, selling directly to a cash-paying customer base through our constantly expanding chain of stores (134 at the end of this reporting year). Cashbuild carries an in-depth quality product range tailored to the specific needs of the communities we serve. Our customers are typically home builders and improvers, contractors, farmers, traders and increasingly, large construction companies and government-related infrastructure developers, as well as all discerning customers requiring quality building materials at lowest prices.

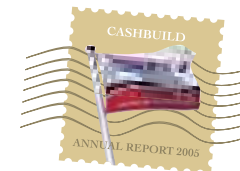
Cashbuild has built its credibility and reputation by consistently offering lowest everyday prices, and through a purchasing and inventory policy that ensures that customers' requirements are always in stock.

Group results summary

R'000	2005	2004	% change
Income statement			
Revenue	2 208 902	1 635 233	35.1
Operating profit before financing income	116 990	81 856	42.9
Net financing income	6 954	8 002	(13.1)
Attributable earnings	75 941	53 303	42.5
Headline earnings	76 131	53 964	41.1
Basic earnings per share (cents)	346.7	248.2	39.7
Basic headline earnings per share (cents)	347.5	251.3	38.3
Balance sheet			
Total assets (excluding cash and cash equivalents)	602 690	443 982	35.7
Cash and cash equivalents	167 170	143 396	16.6
Total liabilities	549 482	416 790	31.8
Total liabilities to shareholders' funds	2.75	2.70	1.9
Net asset value per share (cents)	773	664	16.4

The group results split by geographical segment are presented in note 27 of the financial statements.

The financial statements on pages 44 to 82 set out the financial position, results of operation and cash flows of the group for the year ended 30 June 2005 in more detail.



Directors' report continued

Financial highlights

Headline earnings increased by 41% and operating profit before financing income by 43% for the year ended 30 June 2005. Net asset value per share has, notwithstanding the issue of an additional 2.6 million shares, increased by 16%, from 664 cents (June 2004) to 773 cents. On a comparable basis the increase would have been 29%.

Revenue for the first time exceeded R2 billion, an impressive increase of 35% on the previous year. Stores in existence since the beginning of the prior reporting period (pre-existing stores) accounted for a healthy 26% of the increase with the remaining 9% increase due to the 21 new stores the company has opened since July 2003 (new stores).

This increase has been achieved as a result of the company's ability to continue to grow market share through its proven core strategies of 'always in stock', 'lowest everyday prices' and the addition of its latest core strategies of a free local delivery service and extended shopping hours. Our successful marketing campaign of "Life offers no guarantees, but Cashbuild does" has also had a positive effect on the top line growth.

Although there is a suggestion of a slow-down in the construction industry, Cashbuild in its market segment has not seen any evidence of this. The macroeconomic environment is still conducive to growth in this sector and Cashbuild continues to be optimistic. Margins remain at acceptable levels.

The exceptional growth in market share has been achieved with a planned resultant step-up in the cost base of the company. Operating expenses, as expected, showed an increase of 35% on the prior year, with pre-existing stores adding 26% of the increase, whilst new stores added 9%. This increase is attributable to costs associated with our core strategies and other costs in support of the future growth of the business, i.e. free local deliveries, pro-active investment in additional employees to support our future expansion plans, extended shopping hours, property expenses and expenditure on new IT infrastructure.

The effective tax rate for the year is at anticipated levels, but lower than that of the prior year, mainly due to the reduction in the South African companies tax rate.

Cashbuild's balance sheet remains solid. Stock levels have increased by 42% on the back of higher trading volumes (48% increase in the 4th quarter) with the Cashbuild stock model being adhered to by line management. This increase is further attributable to the stocking of 11 new stores opened during the last financial year (accounting for 10% of the increase). Overall stockholding remains well managed at 73 days (June 2004: 69 days). The company's strong cash generating ability resulted in an overall increase in cash levels to R167 million, representing a 17% improvement on the prior year (with no long-term interest-bearing borrowings).

Cashbuild's expansion plans continue in a controlled manner with 11 new stores opened, seven refurbished and one relocated during this financial year.

Broad-based BEE transaction

In terms of the broad-based BEE transaction approved by the shareholders on 7 February 2005, 2 580 535 shares were issued to The Cashbuild Empowerment Trust, bringing the total issued shares to 25 805 347 (June 2004: 23 224 812). The shares were issued for a total consideration of R75.1 million (R29.09 per share). The trust was funded by way of an interest-free loan from one of the group companies.

The first dividend payment to the beneficiaries of the Cashbuild Empowerment Trust was effected during May 2005. This was very well received by the new "shareholders" and has had a positive effect on staff morale and motivation.



Directors' report continued

Dividends

The board has resolved to amend the company's dividend policy to a 3 times cover based on 1st half results and a 2.5 times cover based on 2nd half results. The dividend declared by the board, has been based on the amended policy. The increase in total dividend per share compared to the prior year, amounted to 37%.

The board has declared an ordinary dividend (No. 25) of 54 cents per ordinary share to all shareholders of Cashbuild. (2004 (No. 23): a final dividend of 49 cents per ordinary share). An interim dividend of 53 cents per share (No. 24) (2004: 29 cents (No. 22) has also been paid.

The relevant dates for the dividend are as follows:- Date dividend declared: 28/09/2005; Last day to trade "CUM" the dividend: 14/10/2005; Date to commence trading "EX" the dividend: 17/10/2005; Record date: 21/10/2005; Date of payment: 24/10/2005. Share certificates may not be dematerialised or rematerialised between Monday, 17 October 2005, and Friday, 21 October 2005, both dates inclusive.

Events subsequent to balance sheet date

No events took place between the year-end period and the date of the report that would have a material effect on the financial statements as disclosed.

Subsidiary companies

The attributable interest of the holding company in the aggregate income earned and losses incurred after taxation by its subsidiaries, is as follows:

R'000	June 2005	June 2004
Income	90 416	55 420
Losses	(14 475)	(2 117)

Subsidiary companies are as follows:

Name of company	Issued capital	Effective holding		Nature
		Jun-05	Jun-04	
DIRECTLY HELD				
Cashbuild Management Services (Pty) Ltd	R 1	100%	100%	1
INDIRECTLY HELD				
Cashbuild (Botswana) (Pty) Ltd - A	P 1 500 000	100%	100%	2
Cashbuild Kanye (Pty) Ltd - A	P 2	100%	100%	3
Cashbuild (Lesotho) (Pty) Ltd - B	M 100 000	80%	80%	2
Cashbuild (Namibia) (Pty) Ltd - C	N\$ 1	100%	100%	2
Cashbuild (South Africa) (Pty) Ltd	R 54 000	100%	100%	2
Cashbuild (Swaziland) (Pty) Ltd - D	E 500	50%	50%	2
Cashbuild Lilongwe Ltd - E	MK 100000	51%	51%	2
Tradebuild (Pty) Ltd	R 4	100%	100%	3

Nature

Domicile

- Investment and management company
 - Trading company
 - Dormant
- South African, unless otherwise stated:
 A. Botswana B. Lesotho
 C. Namibia D. Swaziland E. Malawi

Directors' report continued

Directorate

The names of the directors at the date of this report are as follows:

Executive directors

P K Goldrick (56) (Irish)	Chief executive	Appointed 19 August 1996
C T Daly (38)	Commercial director CA (SA)	Appointed 1 December 2000
A van Onselen (43)	Operations director	Appointed 20 September 2004
W F de Jager (34)	Finance director CA (SA)	Appointed 1 December 2004

Non-executive directors

D Masson* (74)	Chairman ACIS	Appointed 22 June 1988
F M Rossouw*** (68)	CA (SA)	Appointed 7 May 2001
J Molobela** (49)	BSc (Hons), MBA	Appointed 1 September 2004
N V Simamane** (46)	BSc Chemistry and Biology	Appointed 1 September 2004

* Remuneration committee member

** Audit committee member

*** Audit and remuneration committee

J Molobela was appointed to the Audit committee 19 September 2005

Directors' shareholding

The directors held in aggregate, direct and indirect beneficial interests, and non-beneficial interests, of 10.2% (2004: 11%) in the issued share capital of the company at the balance sheet date. The company has not been notified of any material change in these interests during the year ended 30 June 2005 to the date of this report. The closed period for dealing in shares was from 1 July 2005 to 28 September 2005.



Directors' report continued

The beneficial interest both direct and indirect and non-beneficial interest of the directors in office at the date of this report, are as follows:

	Beneficial	Ordinary shares Non-beneficial	Options
At 30 June 2005	1 505 400	1 135 478	50 000
At 30 June 2004	1 300 000	1 135 230	200 000
Comprising:			
Non-executive directors	5 400	25 448	-
D Masson	-	15 448	-
J Molobela	5 400	-	-
F M Rossouw	-	10 000	-
Executive directors	1 500 000	1 110 030	50 000
C T Daly	200 000	-	-
P K Goldrick	1 300 000	1 110 030	-
A van Onselen	-	-	50 000
	1 505 400	1 135 478	50 000

Directors' interests in contracts

No material contracts involving directors' interest were entered into in the current year. A register on other directorships and interests are disclosed and circulated at every board meeting.

The Cashbuild Share Incentive Trust

The Trust makes shares available to executive directors and employees of the group in accordance with the rules of the Trust. The shares subject to the Trust have been dealt with as follows:

	2005	2004
Shares subject to the scheme at the beginning of year	2 233 796	3 989 546
Shares acquired in the scheme	360 500	46 500
Shares transferred to employees	(1 385 000)	(1 802 250)
Shares subject to the scheme at the end of year	1 209 296	2 233 796
Dealt with as follows:		
Shares allocated to employees:		
- Share purchase scheme	283 500	963 850
- Share option scheme	205 000	1 100 000
Shares held in trust for future allocations	720 796	169 946
	1 209 296	2 233 796

For a detailed analysis of shares held by public and non-public shareholders, refer to note 33 of the financial statements.





Directors' report continued

Type of meeting	Audit committee attended/held	Directors board attended/held	Remuneration committee attended/held	Nominations committee attended/held
Executive directors				
P K Goldrick	5/5*	7/7	1/1*	3/3*
C T Daly	5/5*	7/7		
W F de Jager	4/4*	4/4**		
A van Onselen	4/4*	5/5**		
Non-executive directors				
D Masson	3/3*	7/7	2/2	3/3
J Molobela	2/2***	5/5**	1/1*	
F M Rossouw	5/5	7/7	2/2	3/3
N V Simamane	4/4**	5/5**	1/1*	1/1*

* By invitation

** Based on number of meetings held since appointment.

*** Appointed to the audit committee on the 19 September 2005

Secretariat: The company secretary is Alan C Smith FCIS, FCIBM

Registered office: Cnr Aeroton and Aerodrome Roads
Aeroton, Johannesburg 2001

Postal address: PO Box 90115
Bertsham 2013

Website: www.cashbuild.co.za

Auditors: PricewaterhouseCoopers Inc.

Country of incorporation : Republic of South Africa

Accounting policies



The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below and are consistent with those of the previous year, except as stated in note 1 below. During the current financial year, there has been a change in interpretation of the accounting standard regarding leases. Refer to note 24 of the consolidated financial statements.

BASIS OF PREPARATION

The consolidated financial statements are prepared in accordance with and comply with South African Statements of Generally Accepted Accounting Practice. The consolidated financial statements are prepared under the historical cost convention as modified by the restatement of certain financial assets and liabilities to fair value.

1 CHANGE IN ACCOUNTING POLICY

During the current year the group adopted AC140-Business Combinations, which resulted in goodwill no longer being amortised but rather reviewed for impairment. The impact of this change is not material. There is no impact on headline earnings per share as goodwill amortisation is added back to the calculation.

2 GROUP ACCOUNTING

Subsidiaries

Subsidiaries are all entities (including special purpose entities) which are, directly or indirectly, controlled by the group. Control is established where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The equity and net profit attributable to the minority shareholders are shown separately in the balance sheets and income statements respectively. The results of subsidiaries are consolidated from the date on which control is transferred to the group and are no longer consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of acquisition is measured as the fair value of the assets given up, shares issued, or liabilities undertaken at the date of acquisition plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the net assets of the subsidiary acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the group's share of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

All inter-company transactions, balances and unrealised surpluses and deficits on transactions between group companies are eliminated on consolidation. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the group. In accordance with the advice of the GAAP monitoring panel to the JSE Limited, The Cashbuild Share Incentive Trust and The Cashbuild Empowerment Trust have been consolidated in the group annual financial statements for all periods presented in the financial statements.

Accounting policies continued

3 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

Items included in the financial statements of each entity in the group are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in rands, which is the functional and presentation currency of the parent.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement. The related monetary assets and liabilities are translated at the year-end exchange rates.

Group companies

The financial statements of the Botswana and Malawi subsidiary companies, classified as integrated foreign operations, are translated into the presentation currency on the following basis:

- non-monetary assets and liabilities at the rate ruling at the date of the transactions;
- monetary assets and liabilities at the ruling rate at year-end;
- income statement items at the weighted average rate for the year.

Exchange rate gains and losses are accounted for in the income statement in the year in which they occur.

4 DEFERRED TAXATION

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Currently enacted tax rates are used to calculate deferred taxation.

Deferred tax liabilities and deferred tax assets are recognised for all temporary differences, unless arising from goodwill for which amortisation/impairment is not deductible for tax purposes.

The principal temporary differences arise from the depreciation on property, plant and equipment and accruals. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

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

5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible assets held by the group for use in supply of goods or administrative purposes and are expected to be used during more than one year. Property, plant and equipment are initially recorded at cost.

Freehold properties are carried at cost less depreciation to their residual value on a straight-line basis over their useful lives. Each building has been assessed to determine its useful life with a maximum useful life of 50 years applied to any one building. Land is not depreciated as it is deemed to have an indefinite life.

Expenditure on improvements to leasehold premises is carried at cost and depreciated on a straight-line basis over the period of the lease.



Accounting policies continued

Furniture and equipment is carried at cost less depreciation to their residual value on the straight-line basis at rates estimated to write each asset off over the term of its useful life. Furniture and equipment is depreciated over a period of between three and ten years, depending on the nature of the asset.

Vehicles are carried at cost less depreciation to their residual value on the straight-line basis at rates estimated to write each asset off over the term of its useful life. Vehicles are depreciated over a period of five years.

The carrying value of assets is reviewed at each balance sheet date to assess whether there is an indication of impairment. If any indication exists, the recoverable amount of the asset is estimated. Where the carrying amount is greater than its estimated recoverable amount, the asset is written down to its estimated recoverable amount and an impairment loss is recognised in the income statement.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in operating profit.

Repairs and maintenance are charged to the income statement during the financial year in which they are incurred. The cost of major refurbishments is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the group. Major refurbishments are depreciated over the remaining useful life of the related asset.

6 INTANGIBLE ASSETS

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of net identifiable assets acquired at the date of the acquisition. Goodwill is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in profit or loss and is not subsequently reversed. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Cash-generating units represent the business operation from which goodwill was generated.

Trademarks

Trademarks are recognised at cost. They have a definite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful lives (10 years).

Computer software

Costs associated with the implementation and customisation of the new IT system are capitalised as intangible assets. These assets are amortised over their expected useful lives from the date they are brought into use (five years). Costs that are directly associated with the production of identifiable and unique software products controlled by the group and that will probably generate economic benefits exceeding the costs beyond one year, are recognised as intangible assets. Direct costs include costs of software development employees.

The carrying amount of each intangible asset is reviewed at each balance sheet date and adjusted for impairment where it is considered necessary. Intangible assets are not revalued.

7 IMPAIRMENT OF ASSETS

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment and whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Accounting policies continued

8 LEASES

A group company is the lessee

Leases of property, plant and equipment where the group has substantially all risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property to the present value of the minimum lease payments. Such assets are depreciated over the shorter of the useful life of the asset or the lease term. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other non-current liabilities. Lease finance charges are allocated to the income statement over the duration of the lease using the effective interest rate method.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of a penalty is recognised as an expense in the period in which termination takes place.

9 BORROWING COSTS

Borrowing costs are charged against income in the period in which they are incurred on the effective interest rate method.

10 INVENTORIES

Inventories comprise merchandise for resale and are valued at the lower of cost or net realisable value. Cost is calculated using the weighted average cost method. Net realisable value is the estimate of the selling price in the ordinary course of business, less selling expenses.

11 EMPLOYEE BENEFITS

The group provides for retirement benefits for employees by payments to independent defined contribution funds and contributions are charged against income as incurred. A defined contribution plan is a plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The group has an obligation to pay long service awards to employees who reach certain predetermined milestone periods of service. Costs incurred in relation to the obligation are debited against the liability as incurred. Movements in the liability arising from the valuation are charged to income upon valuation. Gains and losses are recognised immediately in full.

The group operates a staff incentive scheme through The Cashbuild Share Incentive Trust. Shares are offered under a share purchase and a share option scheme and can be taken up after a period of three years. The beneficiaries under the scheme are executive directors and management. The effect of all options issued under the share option scheme is taken into account when calculating the diluted basic and headline earnings per share.

12 FINANCIAL ASSETS AND LIABILITIES

Measurement

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



Accounting policies continued

Trade and other receivables

Trade and other receivables are carried at original invoice amount less provision made for impairment of these receivables. The provision for impairment is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount and recoverable amount, being the present value of expected future cash flows. Bad debts are written off during the period in which they are incurred.

Cash and cash equivalents

Cash and cash equivalents are carried at cost and if denominated in foreign currencies, are translated at closing rate. Cash comprises cash on hand and deposits held on call with banks. Actual bank balances are reflected. Outstanding cheques are included in trade and other liabilities and outstanding deposits in cash and cash equivalents.

Trade and other liabilities

Trade and other liabilities originated by the group are stated at amortised cost.

Derivative instruments

All foreign currency derivatives, including separated embedded derivatives, are stated at fair value. The fair values are calculated with reference to the current quoted market bid price for assets held or liabilities to be issued or the offer price for assets to be acquired or liabilities held. Gains and losses on subsequent measurement are recognised directly in net income or loss.

Investments

Unlisted equity investments are carried at fair value, which is determined by utilisation of an accepted valuation technique with reference to a recent market transaction. The company's investments in the ordinary shares of its subsidiaries are carried at cost. Other investments are carried at amortised cost.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently reported at amortised cost, namely original debt less principal repayments. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liabilities for at least 12 months after the balance sheet date.

13 PROVISIONS

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of the provision is the present value of the expenditures expected to be required to settle the obligation. The group recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

14 COST OF SALES

Cost of sales includes the historical cost of merchandise and overheads appropriate to the distribution thereof.



Accounting policies continued

15 REVENUE RECOGNITION

Revenue comprises invoiced sales to customers net of value-added tax, general sales tax and inter-group sales. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership are transferred to the buyer.

Other income earned by the group is recognised on the following basis:

- Interest income is recognised as it accrues (taking into account the effective yield on the asset) unless collectability is in doubt;
- Dividend income is recognised when the shareholders' right to receive payment is established;
- Rental income from operating leases in respect of property is recognised in the income statement on a straight-line basis over the term of the lease.

16 SEGMENT REPORTING

Geographical segments split amongst South Africa, Botswana, Malawi and members of the common monetary area (includes Lesotho, Swaziland and Namibia), provide products within a particular economic environment that is subject to risks and returns that are different from those of components operating in other economic environments. No split is required for business segments as the group's business is uniform.

17 SHARE CAPITAL

Where group companies purchase the company's share capital, the consideration paid, including attributable transaction costs net of income taxes, is deducted from shareholders' funds as treasury shares until they are sold. Where such shares are subsequently sold or re-issued, any consideration received is included in shareholders' funds. Dividends received on treasury shares are eliminated on consolidation, except the dividends on which participants are entitled to in terms of The Cashbuild Empowerment Trust deed, which is accounted for as a staff expense in the income statement.

18 REPORTING PERIOD

The group adopts the retail accounting calendar, which comprises the reporting period ending on the last Saturday of the month (2005: 25 June - 52 weeks; 2004: 26 June - 52 weeks).

19 DIVIDENDS

Dividends are recorded in the consolidated financial statements in the period in which they are declared.

20 RELATED PARTIES

Individuals or entities are related parties if one party has the ability, directly or indirectly, to control the other party in making financial and/or operating decisions.

21 COMPARATIVES

Comparative figures have been adjusted for the change in accounting interpretation for operating leases. Refer to note 24 of the consolidated financial statements for the effect of the change on prior year reported results.



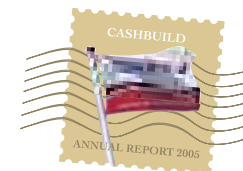
Balance sheets

as at 30 June 2005

R'000	Note	Group		Company	
		2005	2004	2005	2004
ASSETS					
Non-current assets		167 012	126 965	96 648	49 767
Property, plant and equipment	1	146 154	103 331	-	-
Intangible assets	2	7 654	8 521	-	-
Investment in subsidiary	3	-	-	80 896	39 798
Loans receivable	4	-	-	15 752	9 969
Deferred taxation	10	5 792	6 530	-	-
Other non-current asset	5	7 412	8 583	-	-
Current assets		602 848	460 413	19	78
Inventories	6	397 480	279 141	-	-
Trade and other receivables	7	38 198	37 876	19	-
Cash and cash equivalents		167 170	143 396	-	78
TOTAL ASSETS		769 860	587 378	96 667	49 845
EQUITY AND LIABILITIES					
Shareholders' funds		199 542	154 238	96 500	49 787
Share capital	8	224	220	258	232
Share premium		22 161	29 822	112 906	38 052
Foreign currency translation reserve		2 730	2 730	-	-
Distributable reserves		174 427	121 466	(16 664)	11 503
Minority interest		20 836	16 350		
Non-current liabilities		22 867	21 710	-	-
Interest-bearing borrowings	9	-	203	-	-
Deferred operating lease liability		22 453	21 146	-	-
Deferred taxation	10	414	361	-	-
Current liabilities		526 615	395 080	167	58
Short-term borrowings	9	47	289	41	-
Current tax liability	21.3	20 012	17 787	-	-
Trade and other liabilities	11	505 605	375 789	126	58
Employee benefits	12	951	1 215	-	-
TOTAL LIABILITIES		549 482	416 790	167	58
TOTAL EQUITY AND LIABILITIES		769 860	587 378	96 667	49 845

Income statements

for the year ended 30 June 2005



R'000	Note	Group		Company	
		2005 52 weeks	2004 52 weeks	2005 52 weeks	2004 52 weeks
Revenue	13	2 208 902	1 635 233	-	-
Cost of sales		1 725 135	1 281 919	-	-
Gross profit		483 767	353 314	-	-
Distribution expenses		84 253	46 537	-	-
Administrative expenses/(income)		280 117	223 605	(22)	6
Other operating expenses/(income)		2 407	1 316	-	(43 006)
Operating profit before financing income		116 990	81 856	22	43 000
Net financing income/(expenses)		6 954	8 002	-	(17)
Profit before taxation	14	123 944	89 858	22	42 983
Taxation	18	42 034	31 903	3 132	2 269
Profit/(loss) after taxation		81 910	57 955	(3 110)	40 714
Minority interest		5 969	4 652	-	-
Attributable earnings/(loss) for the year		75 941	53 303	(3 110)	40 714
Earnings per share (cents)					
Basic	19	346.7	248.2	(12.8)	175.3
Diluted	19	312.5	229.5	(12.8)	175.3
Headline earnings per share (cents)					
Basic	19	347.5	251.3	(12.8)	175.3
Diluted	19	313.3	232.4	(12.8)	175.3
Dividends per share (cents)					
Interim	20			53	29
Final	20			54	49
Total dividend				107	78
Number of shares in issue ('000)	8	25 805	23 225	25 805	23 225
Weighted average number of shares ('000)	19	21 906	21 477	24 300	23 225
Fully diluted weighted number of shares ('000)	19	24 300	23 225	24 300	23 225



Statements of changes in equity

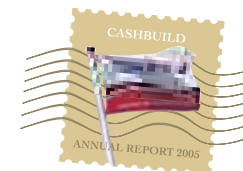
for the year ended 30 June 2005

				Group		
R'000	Note	Share capital	Share premium	Foreign currency translation reserve	Distributable reserves	Total
Balance at 1 July 2003		209	27 795	2 730	97 542	128 276
Attributable earnings for the year		-	-	-	53 303	53 303
Dividend paid	21.2	-	-	-	(15 300)	(15 300)
Net treasury shares movement		11	2 027	-	-	2 038
Operating lease adjustment (note 24)		-	-	-	(14 079)	(14 079)
Restated balance at 1 July 2004		220	29 822	2 730	121 466	154 238
Attributable earnings for the year		-	-	-	75 941	75 941
Dividend paid	21.2	-	-	-	(22 980)	(22 980)
Issue of shares		26	75 042	-	-	75 068
Share issue expenses written off		-	(188)	-	-	(188)
Net treasury shares movement		(22)	(82 515)	-	-	(82 537)
Closing balance at 30 June 2005		224	22 161	2 730	174 427	199 542

Company						
R'000	Note	Share capital	Share premium	Foreign currency translation reserve	Distributable reserves	Total
Balance at 1 July 2003		232	38 052	-	(13 186)	25 098
Attributable earnings for the year		-	-	-	40 714	40 714
Dividend paid	21.2	-	-	-	(16 025)	(16 025)
Balance at 1 July 2004		232	38 052	-	11 503	49 787
Issue of shares		26	75 042	-	-	75 068
Share issue expenses written off		-	(188)	-	-	(188)
Attributable earnings for the year		-	-	-	(3 110)	(3 110)
Dividend paid	21.2	-	-	-	(25 057)	(25 057)
Closing balance at 30 June 2005		258	112 906	-	(16 664)	96 500

Cash flow statements

for the year ended 30 June 2005



		Group		Company	
R'000	Note	2005	2004	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers		2 208 580	1 637 186	(19)	36 080
Cash paid to suppliers and employees		(2 063 322)	(1 520 988)	90	(3)
Cash generated from operations	21.1	145 258	116 198	71	36 077
Interest received	14	7 599	8 683	-	-
Interest paid	14	(645)	(681)	-	(17)
Dividends paid	21.2	(24 463)	(15 300)	(25 057)	(16 025)
Taxation paid	21.3	(39 018)	(28 002)	(3 132)	(2 269)
Net cash inflows/(outflow) from operating activities		88 731	80 898	(28 118)	17 766
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions to property, plant and equipment	1	(58 883)	(41 042)	-	-
Additions to system implementation	2	(398)	(6 442)	-	-
Additions to trademarks	2	-	(22)	-	-
Acquisition of subsidiary	22	-	4	-	-
Proceeds on disposal of property, plant and equipment		1 119	1 024	-	-
(Increase) in subsidiary loan account		-	-	(41 098)	(21 528)
(Decrease)/increase in loans receivable		-	-	(5 783)	3 839
Net cash (outflows) from investing activities		(58 162)	(46 478)	(46 881)	(17 689)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of ordinary shares		74 880	-	74 880	-
Net treasury shares movement		(82 537)	2 038	-	-
Increase in long-term borrowings		1 104	654	-	-
Decrease in short-term borrowings		(242)	(106)	-	-
Net cash (outflows)/inflows from financing activities		(6 795)	2 586	74 880	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		23 774	37 006	(119)	77
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		143 396	106 390	78	1
CASH AND CASH EQUIVALENTS AT END OF PERIOD		167 170	143 396	(41)	78



Notes to the annual financial statements

for the year ended 30 June 2005

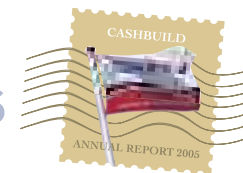
Group					
R'000	Land and buildings	Improvements to leasehold premises	Furniture and equipment	Vehicles	Total
1. PROPERTY, PLANT AND EQUIPMENT					
As at 30 June 2005					
Cost	62 209	19 752	140 591	53	222 605
Accumulated depreciation	(7 494)	(13 349)	(60 274)	(15)	(81 132)
Net book value	54 715	6 403	80 317	38	141 473
Year ended 30 June 2005					
Opening net book value	40 303	6 464	56 515	49	103 331
Additions	16 396	1 281	36 525	-	54 202
Transfers	-	-	-	-	-
Net book value of disposals	(1 033)	-	(36)	-	(1 069)
Depreciation	(951)	(1 342)	(12 687)	(11)	(14 991)
Closing net book value	54 715	6 403	80 317	38	141 473
Capital work in progress					4 681
Total					146 154
As at 30 June 2004					
Cost	46 951	18 573	104 750	53	170 327
Accumulated depreciation	(6 648)	(12 109)	(48 235)	(4)	(66 996)
Net book value	40 303	6 464	56 515	49	103 331
Year ended 30 June 2004					
Opening net book value	34 949	2 744	35 983	-	73 676
Additions	7 072	4 865	29 841	53	41 831
Transfers	(34)	34	-	-	-
Net book value of disposals	(645)	(37)	(523)	-	(1 205)
Depreciation	(732)	(1 142)	(8 786)	(4)	(10 664)
Impairment charge	(307)	-	-	-	(307)
Closing net book value	40 303	6 464	56 515	49	103 331

A register giving details of land and buildings is available for inspection by members or their representatives at the registered office of the company. The directors are of the opinion that the open market value of land and buildings is at least equal to their net book value. At year-end, the land and buildings and furniture and equipment had an insured value (based on estimated replacement cost) of R330 532 929 (June 2004: R280 237 140) which excludes input value-added tax where appropriate.

An impairment charge was recognised in the prior period as a result of an independent valuation done to bring land and buildings comprising Portion 96 (portion of portion 4) of the farm Doornrandje No. 386 Registration Division J.R. Province of Gauteng, in line with its recoverable amount. The valuation was done on the basis of open market value. The recoverable amount (the higher of the value in use and net selling price) was determined for the individual asset and represents the net selling price, determined by reference to market prices for equivalent assets.

Notes to the annual financial statements

for the year ended 30 June 2005



R'000	Group			
	Trademarks	* Goodwill	Computer software	Total
2. INTANGIBLE ASSETS				
As at 30 June 2005				
Cost	660	2 402	6 840	9 902
Accumulated amortisation/impairment	(637)	(590)	(1 021)	(2 248)
Net book value	23	1 812	5 819	7 654
Year ended 30 June 2005				
Opening net book value	27	2 052	6 442	8 521
Additions	-	-	398	398
Amortisation/impairment	(4)	(240)	(1 021)	(1 265)
Closing net book value	23	1 812	5 819	7 654
As at 30 June 2004				
Cost	660	2 402	6 442	9 504
Accumulated amortisation	(633)	(350)	-	(983)
Net book value	27	2 052	6 442	8 521
Year ended 30 June 2004				
Opening net book value	8	1 867	-	1 875
Additions	22	402	6 442	6 866
Amortisation	(3)	(217)	-	(220)
Closing net book value	27	2 052	6 442	8 521

* In view of the immateriality of these amounts, the additional disclosures required by IAS36 (AC128) have not been provided.



Notes to the annual financial statements

for the year ended 30 June 2005

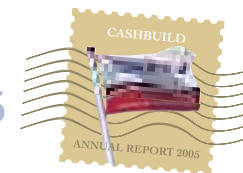
R'000	Group		Company	
	2005	2004	2005	2004
3. INVESTMENT IN SUBSIDIARY				
Shares at cost	-	-	-	-
Loan accounts	-	-	80 896	39 798
	-	-	80 896	39 798
4. LOANS RECEIVABLE				
The Cashbuild Share Incentive Trust	-	-	17 060	11 279
Impairment	-	-	(1 308)	(1 310)
	-	-	15 752	9 969
The loan to The Cashbuild Share Incentive Trust bears no interest, is unsecured and has no set date for repayment.				
5. OTHER NON-CURRENT ASSET				
Prepaid rental	8 583	9 695	-	-
Lease adjustment	417	416	-	-
Less: current portion included under trade and other receivables (refer note 7)	(1 588)	(1 588)	-	-
	7 412	8 583	-	-
6. INVENTORIES				
Merchandise at weighted average cost less provisions for impairment	397 480	279 141	-	-
	397 480	279 141	-	-
7. TRADE AND OTHER RECEIVABLES				
Trade accounts receivable	30 048	30 942	-	-
Provision for impairment of trade accounts receivable	(6 173)	(4 593)	-	-
Payments in advance	886	735	-	-
Staff loans receivable	51	137	-	-
Amounts owing by participants of The Cashbuild Share Incentive Trust	1 181	2 153	-	-
Current portion of prepaid rental (refer note 5)	1 588	1 588	-	-
Other accounts receivable and debit balances	10 617	6 914	19	-
	38 198	37 876	19	-

Trade and other receivables will be realised within a period of 12 months.

Amounts owing by participants of The Cashbuild Share Incentive Trust are secured by Cashbuild ordinary shares with a market value of R38.40 per share (2004: R23.00 per share). The loans are interest-free.

Notes to the annual financial statements

for the year ended 30 June 2005



R'000	Group		Company	
	2005	2004	2005	2004
8. SHARE CAPITAL				
Authorised				
35 000 000 (June 2004: 35 000 000) ordinary shares of 1 cent each	350	350	350	350
Issued				
25 805 347 (June 2004: 23 224 812) ordinary shares of 1 cent each	258	232	258	232
Less: Treasury shares held by The Cashbuild Empowerment Trust and The Cashbuild Share Incentive Trust	(34)	(12)	-	-
	224	220	258	232
<p>The remaining unissued shares are under the control of the directors until the forthcoming annual general meeting, subject to the rules and regulations of the JSE Limited. The directors have the authority from the shareholders to repurchase up to 20% of the issued share capital of the company.</p> <p>The Cashbuild Share Incentive Trust holds 1 209 296 (2004: 2 233 796) ordinary shares at year-end. The Cashbuild Empowerment Trust holds 2 580 535 (2004: nil) ordinary shares at year-end. The shares held by these trusts are eliminated on consolidation.</p>				
9. INTEREST-BEARING BORROWINGS				
National Finance Company Limited				
Amount outstanding	47	492	-	-
Less: Current portion included in short-term borrowings	(47)	(289)	-	-
Bank overdraft	-	-	41	-
Non-current portion included in interest-bearing borrowings	-	203	-	-

The loan is unsecured, bears interest at a variable rate of 49.5% per annum and is repayable in monthly instalments of R41 450 (2004: R41 450). This loan was entered into in Malawi for the opening of the Lilongwe store.



Notes to the annual financial statements

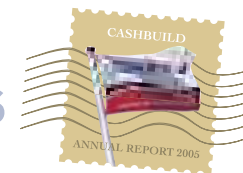
for the year ended 30 June 2005

R'000	Group		Company	
	2005	2004	2005	2004
10. DEFERRED TAXATION				
Deferred taxation comprises:				
Property, plant and equipment	(3 506)	(2 493)	-	-
Prepayments	(119)	(204)	-	-
Accruals	2 770	2 944	-	-
Straightlining of leases	6 233	5 922	-	-
Tax effect of temporary differences	5 378	6 169	-	-
Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet:				
Deferred tax assets	5 792	6 530	-	-
Deferred tax liability	(414)	(361)	-	-
	5 378	6 169	-	-
Reconciliation of movement:				
Balance at beginning of year	6 169	2 800	-	-
Current year charge	(1 364)	(1 919)	-	-
Prior year adjustment	251	(616)	-	-
Rate adjustment	-	-	-	-
Foreign currency translation difference	11	(18)	-	-
Straightlining of leases:				
- Current year	311	6	-	-
- Prior year	-	5 916	-	-
Balance at end of year	5 378	6 169	-	-
11. TRADE AND OTHER LIABILITIES				
Trade liabilities	460 504	321 142	-	-
Accruals	45 101	54 647	126	58
	505 605	375 789	126	58

Trade and other liabilities are unsecured and are payable within a period of 12 months.

Notes to the annual financial statements

for the year ended 30 June 2005



R'000	Group		Company	
	2005	2004	2005	2004
12. EMPLOYEE BENEFITS				
The amounts recognised in the balance sheet are as follows:				
Present value of the obligation	951	1 215	-	-
Reconciliation of movement:				
Balance at beginning of year	1 215	4 296	-	-
Long service awards paid	(670)	(522)	-	-
Amount charged/(released) to the income statement	406	(2 559)	-	-
Balance at end of year	951	1 215	-	-
The amounts recognised in the income statement are as follows:				
Interest cost	-	408	-	-
Service cost	406	519	-	-
Movement in liability	-	(3 486)	-	-
Total included in staff costs (refer note 15)	406	(2 559)	-	-
The principal assumptions used are as follows:				
Discount rate	12% p.a.	12% p.a.	-	-
Salary inflation	6% p.a.	8.5% p.a.	-	-
Average retirement age:				
Males	65	65	-	-
Females	63	63	-	-
13. REVENUE				
Revenue comprises the sale of merchandise	2 208 902	1 635 233	-	-
	2 208 902	1 635 233	-	-



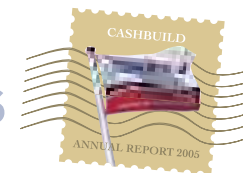
Notes to the annual financial statements

for the year ended 30 June 2005

R'000	Group		Company	
	2005	2004	2005	2004
14. PROFIT BEFORE TAXATION				
The following items have been charged in arriving at profit before taxation:				
Auditors' remuneration	4 990	3 360	-	-
- Current interim audit and prior year-end audit	3 285	2 002	-	-
- Prior year under provision	-	201	-	-
- Taxation services	842	502	-	-
- Consultation services	575	340	-	-
- Technical services	288	315	-	-
Dividend received				
- Unlisted investments	-	-	-	36 000
Depreciation of property, plant and equipment	14 991	10 664	-	-
- Buildings	951	732	-	-
- Furniture and equipment	12 687	8 786	-	-
- Improvements to leasehold premises	1 342	1 142	-	-
- Vehicles	11	4	-	-
Impairment of property	-	307	-	-
Impairment/amortisation of intangible assets	1 265	220	-	-
- Goodwill impairment/amortisation (2004)	240	217	-	-
- Trademarks amortisation	4	3	-	-
- Computer software amortisation	1 021	-	-	-
Net foreign exchange rate (gain)/loss	(676)	2 808	-	-
Fair value gain on financial instruments (unrealised)	-	(122)	-	-
(Profit)/loss on disposal of property, plant and equipment	(50)	181	-	-
- Buildings	-	-	-	-
- Furniture and equipment	(50)	144	-	-
- Improvements to leasehold premises	-	37	-	-

Notes to the annual financial statements

for the year ended 30 June 2005



	Group		Company	
R'000	2005	2004	2005	2004
Note 14 continued				
Net financing income	(6 954)	(8 002)	-	17
- Interest received	(7 599)	(8 683)	-	-
- Interest paid	645	681	-	17
Operating lease charges	36 842	29 585	-	-
- Premises	34 627	27 758	-	-
- Furniture and equipment	2 215	1 827	-	-
Outsourced services	8 761	5 983	-	-
- Administrative	7 342	4 912	-	-
- Technical	870	493	-	-
- Secretarial	549	578	-	-
Repairs and maintenance expenditure on property, plant and equipment	7 622	5 529	-	-
Reversal of impairment on loans originated by the enterprise	-	-	-	6 926
Staff costs (refer note 15)	157 637	122 773	-	-
15. STAFF COSTS				
Salary cost	146 661	117 782	-	-
Pension fund contributions - defined contribution fund	9 286	7 550	-	-
Employee benefits	406	(2 559)	-	-
Dividends paid to participants of The Casbuild Empowerment Trust	1 284	-	-	-
	157 637	122 773	-	-

The number of persons employed by the group at 30 June 2005 are 2 712 (June 2004: 1 978).



Notes to the annual financial statements

for the year ended 30 June 2005

Company								
R'000	Fees	Basic salary	Bonus*	Expenses and travelling allowance	Other material benefits**	Company's pension scheme contributions	*** Other	Total
16. DIRECTORS' INFORMATION								
16.1 Directors' emoluments, paid by the subsidiary company Cashbuild (South Africa) (Pty) Ltd, for the year ended 30 June 2005 are:								
Executive directors								
P K Goldrick	-	1 670	1 176	128	32	19	-	3 025
C T Daly	-	743	490	108	30	75	-	1 446
W F de Jager	-	340	-	53	10	36	-	439
A van Onselen	-	541	-	86	25	52	-	704
2005	-	3 294	1 666	375	97	182	-	5 614
2004	-	2 311	1 730	240	59	90	-	4 430
Non-executive directors								
D Masson	90	-	-	-	-	-	442	532
J Molobela	60	-	-	-	-	-	102	162
F M Rossouw	60	-	-	-	-	-	161	221
N V Simamane	60	-	-	-	-	-	113	173
2005	270	-	-	-	-	-	818	1 088
2004	96	-	-	-	-	-	485	581
Total directors' emoluments								
2005	270	3 294	1 666	375	97	182	818	6 702
2004	96	2 311	1 730	240	59	90	485	5 011

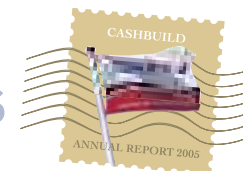
* Bonuses are authorised by the remuneration committee

** 'Other material benefits' include contributions to medical aid

*** 'Other' includes meeting attendance and special consultation fees

Notes to the annual financial statements

for the year ended 30 June 2005



	2005			2004		
	Beneficial	Non-beneficial	Options	Beneficial	Non-beneficial	Options
16.2 Directors' shareholding						
The directors held in aggregate, direct and indirect beneficial interests and non-beneficial interests of 10.2% (2004:10.6%) in the issued share capital of the company at 30 June 2005.						
The beneficial interest, direct and indirect, and non-beneficial interest of the directors in office at 30 June 2005 are as follows:						
Ordinary shares	1 505 400	1 135 478	50 000	1 300 000	1 135 230	200 000
Comprising:						
Non-executive directors	5 400	25 448	-	-	25 200	-
D Masson	-	15 448	-	-	25 200	-
J Molobela	5 400	-	-	-	-	-
F M Rossouw	-	10 000	-	-	-	-
Executive directors	1 500 000	1 110 030	50 000	1 300 000	1 110 030	200 000
C T Daly	200 000	-	-	-	-	200 000
P K Goldrick	1 300 000	1 110 030	-	1 300 000	1 110 030	-
A van Onselen	-	-	50 000	-	-	-
Total ordinary shares held	1 505 400	1 135 478	50 000	1 300 000	1 135 230	200 000

17 SHARE OPTIONS

17.1 Options granted at 30 June 2005 may be taken up during the following financial years

Year	Average grant price 2005 R	2005 '000	Average grant price 2004 R	2004 '000
2005	3.49	205	3.06	950
2006		205	6.65	150
				1 100
These options have vested during the 2005 financial year. The Cashbuild Share Incentive Trust, which administers the share option scheme, holds the following number of ordinary shares as a hedge against options granted by the scheme (refer note 32).		926	1 270	



Notes to the annual financial statements

for the year ended 30 June 2005

	C T Daly No. of options	A van Onselen No. of options	Issued price	Senior managers No. of options	Issued price	Total No. of options	Issued price
17.2.1 Summary of options granted as at 30 June 2005							
Granted at 1 July 2004	200 000	50 000	3.75	850 000	3.51	1 100 000	3.55
Exercised during the year	(200 000)	-	3.75	(545 000)	2.65	(745 000)	2.65
Transferred to share purchase scheme	-	-	-	(150 000)	6.65	(150 000)	6.65
Granted during the year	-	-	-	-	-	-	-
Exercised during the year	-	-	-	-	-	-	-
Lapsed during the year	-	-	-	-	-	-	-
Held at 30 June 2005	-	50 000	-	155 000	3.49	205 000	3.49

During the year 745 000 options were exercised.

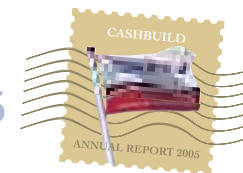
No new options were issued, no options lapsed due to resignations and some options transferred within The Cashbuild Share Incentive Trust from the share option scheme to the share purchase scheme.

	C T Daly No. of options	Issued price	Managers No. of options	Issued price	Total No. of options	Issued price
17.2.2 Summary of options granted as at 30 June 2004						
Granted at 1 July 2003	200 000	3.75	2 110 000	3.09	2 310 000	2.91
Exercised during the year	-	-	(360 000)	1.00	(360 000)	1.00
Transferred to share purchase scheme	-	-	(660 000)	2.81	(660 000)	2.81
Lapsed during the year	-	-	(190 000)	3.13	(190 000)	3.3
Held at 30 June 2004	200 000	3.75	900 000	3.51	1 100 000	3.55

During the year 360 000 options were exercised. Some options lapsed due to resignations and some options were transferred within The Cashbuild Share Incentive Trust. No movements apart from the aforementioned and no movements involving directors during the Closed Period of 14 May 2004 to 25 August 2004. Details of the share purchase scheme are disclosed in the director's report (page 48).

Notes to the annual financial statements

for the year ended 30 June 2005



R'000	Group		Company	
	2005	2004	2005	2004
18 TAXATION				
18.1 Taxation charge				
18.1.1 South African	25 458	18 430	-	-
Normal taxation				
- Current	23 810	16 525	-	-
- Under/(over) provision in prior year	1 044	(520)	-	-
Deferred taxation				
- Current year temporary differences	853	1 826	-	-
- Prior year adjustments	(249)	599	-	-
- Rate adjustment	-	-	-	-
18.1.2 Foreign	12 237	10 974	-	-
Normal taxation				
- Current	12 101	10 512	-	-
- (Over)/under provision in prior year	(50)	358	-	-
Deferred taxation				
- Current year temporary differences	188	93	-	-
- Prior year adjustments	(2)	11	-	-
18.1.3 Non-resident shareholders' tax	1 207	230	-	-
18.1.4 Secondary tax on companies	3 132	2 269	3 132	2 269
- Current	3 132	2 003	3 132	2 003
- Prior year adjustment	-	266	-	266
	42 034	31 903	3 132	2 269
18.2 Reconciliation of tax rate	%	%	%	%
South African normal rate	29.0	30.0	29.0	30.0
Allowances and disallowable expenses	0.3	1.0	(29.0)	(30.0)
Foreign tax at different rates	0.5	0.6	-	-
Non-resident shareholders' tax	1.0	0.3	-	-
Section 9D imputation	0.0	0.6	-	-
Secondary tax on companies	2.5	2.2	14 101.0	5.6
Under-provision in prior year	0.6	0.8	-	0.7
Effective tax rate	33.9	35.5	14 101.0	6.3



Notes to the annual financial statements

for the year ended 30 June 2005

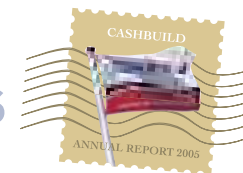
19. EARNINGS PER SHARE

Earnings per share is calculated by dividing the appropriate earnings by the weighted average number of ordinary shares in issue during the period (refer note 8). The weighted average number of shares in issue (group) is calculated net of treasury shares acquired/sold during the year. The Cashbuild Share Incentive Trust has been included in the calculation from date of acquisition and The Cashbuild Empowerment Trust has been included in the calculation from 7 February 2005.

	Group		Company	
	2005	2004	2005	2004
19.1 Weighted average number of ordinary shares in issue ('000)	21 906	21 477	24 300	23 225
Number of ordinary shares in issue	23 225	23 225	23 225	23 225
Weighted average number of shares issued during the year	1 075	(1 748)	1 075	-
Weighted average number of ordinary shares in issue at end of year	24 300	21 477	24 300	23 225
Less: Weighted average number of treasury shares:				
- The Cashbuild Share Incentive Trust	(1 319)	-	-	-
- The Cashbuild Empowerment Trust	(1 075)	-	-	-
19.2 Fully diluted weighted average number of ordinary shares in issue ('000)	24 300	23 225	24 300	23 225
The fully diluted number of ordinary shares do not exceed the current number of ordinary shares in issue as the directors do not intend issuing shares from authorised ordinary share capital when share options are exercised.				
19.3 Basic earnings per share (cents)	346.7	248.2	(12.8)	175.3
Attributable earnings (R'000)	75 941	53 303	(3 110)	40 714
Weighted average number of ordinary shares in issue ('000)	21 906	21 477	24 300	23 225
19.4 Fully diluted basic earnings per share (cents)	312.5	229.5	(12.8)	175.3
Attributable earnings (R'000)	75 941	53 303	(3 110)	40 714
Fully diluted weighted average number of ordinary shares in issue ('000)	24 300	23 225	24 300	23 225
19.5 Headline earnings per share (cents)	347.5	251.3	(12.8)	175.3
Attributable earnings (R'000)	75 941	53 303	(3 110)	40 714
Headline earnings adjusting items:				
Impairment/(amortisation : 2004) of goodwill (R'000)	240	217	-	-
Impairment of property (R'000)	-	307	-	-
(Profit)/loss on sale of assets after taxation (R'000)	(50)	137	-	-
Headline earnings (R'000)	76 131	53 964	(3 110)	40 714
Weighted average number of ordinary shares in issue ('000)	21 906	21 477	24 300	23 225
19.6 Fully diluted headline earnings per share (cents)	313.3	232.4	(12.8)	175.3
Headline earnings (R'000)	76 131	53 964	(3 110)	40 714
Fully diluted weighted average number of ordinary shares in issue ('000)	24 300	23 225	24 300	23 225

Notes to the annual financial statements

for the year ended 30 June 2005



	Cents	Cents
20. DIVIDENDS PER SHARE		
<i>Interim</i>		
No. 24 paid on 23 May 2005 (2004: No. 22 paid on 8 March 2004)	53	29
<i>Final</i>		
No. 25 payable on 24 October 2005 (2004: No. 23 paid on 20 September 2004)	54	49
For details of dividends declared after balance sheet date refer to the directors' report.		

R'000	Note	Group		Company	
		2005	2004	2005	2004
21. CASH FLOW STATEMENT					
21.1 Reconciliation of profit before taxation to cash generated from operations					
Profit before taxation		123 944	89 858	22	42 983
Adjustments for:					
Depreciation of property, plant and equipment	1	14 991	10 664	-	-
Impairment of property	1	-	307	-	-
Impairment/amortisation (2004) of intangible assets	2	1 265	220	-	-
Movement in employee benefits	12	406	(2 559)	-	-
Interest received	14	(7 599)	(8 683)	-	-
Interest paid	14	645	681	-	17
(Profit)/loss on disposal of property, plant and equipment	14	(50)	181	-	-
Employee benefits paid	12	(670)	(522)	-	-
Reversal of impairment on loans originated by the enterprise		-	-	-	(6 926)
Operating profit before working capital changes		132 932	90 147	22	36 074
Increase in inventories		(118 339)	(27 656)	-	-
Increase in trade and other receivables		(322)	(4 703)	(60)	85
Increase in trade and other liabilities		129 816	57 056	109	(82)
Working capital changes		11 155	24 697	49	3
Decrease in long-term prepaid rental		1 171	1 354	-	-
Cash generated from operations		145 258	116 198	71	36 077



Notes to the annual financial statements

for the year ended 30 June 2005

R'000	Note	Group		Company	
		2005	2004	2005	2004
21. CASH FLOW STATEMENT continued					
21.2 Dividends paid					
Amounts unpaid at beginning of year		-	-	-	-
Amounts charged to distributable reserves		22 980	(15 300)	(25 057)	(16 025)
Amounts paid to minority shareholders		1 483	-	-	-
Amounts unpaid at end of year		-	-	-	-
Cash amounts paid		24 463	(15 300)	(25 057)	(16 025)
21.3 Taxation paid					
Taxation owing at beginning of year		(17 787)	(16 433)	-	-
Amount charged to income statement		(42 034)	(31 909)	(3 132)	(2 269)
Movement in deferred taxation		791	2 553	-	-
Amount owing at end of year		20 012	17 787	-	-
Cash amounts paid		(39 018)	(28 002)	(3 132)	(2 269)

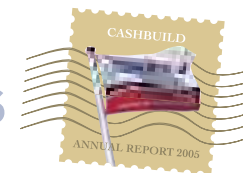
22. NET ACQUISITION OF SUBSIDIARY COMPANY

On 19 February 2004 the company acquired 51% of Cashbuild Lilongwe Limited, a company incorporated in Malawi. This interest was consolidated in the current year financial statements. The acquired business contributed revenues of R1 837 315 and an operating loss of R633 824 to the group for the year from 19 February 2004 to 30 June 2004, and its assets and liabilities at 30 June 2004 were R4 031 539 and R4 380 325 respectively. The fair value of the net assets approximated to the book value of the net assets acquired, and no restructuring provisions were established.

Net assets purchased are as follows:		
Borrowings	-	(565)
Goodwill	-	402
Property, plant and equipment	-	789
Inventories	-	2 222
Cash and cash equivalents	-	4
Trade and other liabilities	-	(3 292)
Trade and other receivables	-	440
Total cash consideration of acquisition	-	-
Less: Cash and cash equivalents in subsidiary acquired	-	(4)
Total net cash (inflow) on acquisition	-	(4)

Notes to the annual financial statements

for the year ended 30 June 2005



R'000	Group		Company	
	2005	2004	2005	2004
23. BORROWING POWER				
Total gross borrowings	47	492	41	-
Banking facilities:				
Flexible term general banking facilities	40 000	40 000	-	-
Utilised banking facilities	-	-	-	-
Unutilised banking facilities	40 000	40 000	-	-

In terms of the Articles of Association of the Company, the borrowing powers of Cashbuild Limited are unrestricted.

24. LEASES

The group previously accounted for operating leases by recognising the lease expense in the year in which the financial obligation arose. Due to the change in interpretation of the accounting standard regarding leases, lease payments under operating leases are now recognised as an expense on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

The impact of this change is that earnings for the year was reduced by R0.6 million and that of the prior year by R0.1million. Retained earnings at 1 July 2003 was reduced by R14 million.

25. COMMITMENTS

25.1 Capital commitments

Capital expenditure to be funded from internal resources as approved by the directors

- Contracted for new IT system implementation

- Authorised by directors, but not contracted for

	39 977	37 531	-	-
	-	15 690	-	-
Total commitments	39 977	53 221	-	-
Capital commitments for the 12 months after accounting date	551	19 810	-	-

25.2 Operating lease commitments

Leases on premises are contracted for periods between 5 and 15 years with renewal options for further 5 to 10 year periods. Rental escalations vary but average at a rate of 9% (June 2004: 9%) per annum.

The future minimum lease payments under non-cancellable operating leases for premises and equipment are as follows:

- Due in 1 year	39 228	31 633	-	-
- Due from 1 - 5 years	153 254	109 985	-	-
- Thereafter	164 556	96 798	-	-
Total future cash flows	357 038	238 416	-	-
Straight lining of leases already accrued in balance sheet	(22 070)	(21 145)	-	-
Future expenses	334 968	217 271	-	-



Notes to the annual financial statements

for the year ended 30 June 2005

R'000	Group		Company	
	2005	2004	2005	2004
26. CONTINGENT LIABILITIES				
The group has contingent liabilities in respect of bank and other guarantees in the ordinary course of business from which it is anticipated that no material liabilities will arise.				
The group has granted guarantees amounting to:	1 874	3 044	-	-

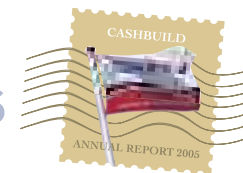
	South Africa	*Other members of common monetary area	Botswana & Malawi	Group
27. SEGMENT INFORMATION**				
Primary reporting format-geographical segments				
27.1 Segment information for the year ended 30 June 2005				
Income statement				
Revenue				
- External	1 739 638	263 224	206 040	2 208 902
- Internal	34 566	-	-	-
Operating profit before financing income	88 419	13 745	14 826	116 990
Balance sheet				
Segment assets	616 485	83 647	69 728	769 860
Segment liabilities	471 533	22 428	55 521	549 482
Depreciation	13 836	1 026	1 150	16 012
Impairment/amortisation	203	-	41	244
Capital expenditure	49 414	9 486	374	59 274

* Includes Namibia, Swaziland and Lesotho

** Cashbuild applies the cost plus method in determining transfer pricing between group companies

Notes to the annual financial statements

for the year ended 30 June 2005



R'000	South Africa	*Other members of common monetary area	Botswana & Malawi	Group
27.2 Segment information for the year ended 30 June 2004				
Income statement				
Revenue				
- External	1 239 762	215 291	180 180	1 635 233
- Internal	33 161	-	-	-
Operating profit before financing income	61 901	13 732	6 223	81 856
Balance sheet				
Segment assets	478 631	52 073	56 674	587 378
Segment liabilities	322 315	44 819	49 656	416 790
Other segment items				
Depreciation	8 945	566	1 153	10 664
Amortisation	202	-	18	220
Impairment of property	307	-	-	307
Capital expenditure	42 438	4 307	1 952	48 697

* Includes Namibia, Swaziland and Lesotho

28. FINANCIAL RISK MANAGEMENT

Fair value of financial instruments

At 30 June 2005, the carrying amounts of cash and short-term deposits, trade accounts receivable, trade accounts payable, accrued expenses and short-term borrowings approximated their values due to the short-term maturities of these assets and liabilities.

Interest rate risk management

As the group is operating with a small gearing ratio, interest rate risk on borrowings is minimised. Surplus funds are invested in call and other notice accounts in order to maximise interest potential. For exposure to interest rate risk on interest-bearing borrowings refer to note 9.

Credit risk management

Potential concentrations of credit risk consist mainly of cash and cash equivalents, trade and other receivables, investments and derivatives. The group limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high quality credit standing. Where a legally enforceable right to offset a financial asset against a financial liability exists, the liability is presented on the balance sheet net of the financial asset. Credit is only given to a small number of customers and therefore debtors are a small portion of the business. Accordingly the group has no significant concentrations of credit risk.

Foreign currency risk management

The group is party to financial instruments that reduce exposure to fluctuations in foreign currency exchange rates. Foreign currency forward exchange contracts protect the group from movements in exchange rates by establishing the rates at which a foreign currency asset or liability will be settled. It is company policy to enter into forward exchange contracts when adverse exposure to foreign currency exchange rate fluctuations exist. There were no open forward exchange contracts at year-end. There were no uncovered positions existing at the end of the financial year. (June 2004: \$18 636).



Notes to the annual financial statements

for the year ended 30 June 2005

Note 28 continued

Liquidity risk management

The group manages liquidity risk through the compilation and monitoring of cash flow forecasts, as well as ensuring that adequate borrowing facilities are maintained. Borrowing powers are disclosed in note 23.

29. RETIREMENT FUNDS

The Retirement Fund is a defined contribution fund established in terms of the Pension Funds Act, 1956, as amended. All employees who are eligible through qualifying service are members of the Fund. At 30 June 2005 there were 2 639 (June 2004: 1 750) members, equal to 97% (June 2004: 89%) of staff who were members of the Retirement Fund.

30. POST-RETIREMENT MEDICAL AID BENEFITS

The group has no post-retirement medical aid liability.

31. RELATED PARTY

Related party relationships exist between the companies in the group. All purchasing and selling transactions are concluded at cost price, except for Tradebuild (a division within the group) where transactions are concluded at arm's length.

Treasury shares

Cashbuild (South Africa) (Proprietary) Limited, a wholly-owned subsidiary within the group, purchased shares in Cashbuild Limited during the period December 2001 to February 2002. These shares were sold to The Cashbuild Share Incentive Trust in December 2002. The surplus realised on the sale of the shares has been transferred directly to equity.

In terms of the broad-based BEE transaction approved by the shareholders on 7 February 2005, 2 580 535 shares were issued to the Cashbuild Empowerment Trust, bringing the total issued shares to 25 805 347 (June 2004: 23 224 812). The shares were issued for a total consideration of R75.1 million (R29.09 per share). The trust was funded by way of an interest-free loan from one of the group companies.

Directors' emoluments

Directors' emoluments and interests in options are disclosed in notes 16 and 17.

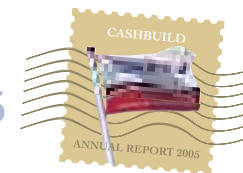
32. THE CASHBUILD SHARE INCENTIVE TRUST

The Trust makes shares available to executive directors and employees of the group in accordance with the rules of the Trust. The shares subject to the Trust have been dealt with as follows:

	June 2005	June 2004
Shares subject to the scheme at beginning of year	2 233 796	3 989 546
Shares acquired in the scheme	360 500	46 500
Shares transferred to employees	(1 385 000)	(1 802 250)
Shares subject to the scheme at end of year	1 209 296	2 233 796
Dealt with as follows:		
Shares allocated to employees:		
- Share purchase scheme	283 500	963 850
- Share option scheme	205 000	1 100 000
Utilised from authorised but unissued shares		
Shares held in the Trust for future allocations	720 796	169 946
	1 209 296	2 233 796

Notes to the annual financial statements

for the year ended 30 June 2005



	% holding	No. of shares	No. of shareholders
33. ANALYSIS OF SHAREHOLDERS			
33.1 Listed below is an analysis of holdings extracted from register of ordinary shareholders at 30 June 2005:			
33.1.1 Category			
Non-public			
Directors	10.23	2 640 878	7
Staff, The Cashbuild Share Incentive Trust	4.69	1 209 296	1
The Cashbuild Empowerment Trust	10.00	2 580 535	1
Own Pension Fund	0.39	100 500	1
Public			
Banks	1.05	271 926	16
Close corporations	0.97	250 376	31
Endowment funds	0.03	8 959	6
Individuals	7.16	1 848 863	1 334
Insurance companies	11.60	2 993 750	14
Investment companies	2.23	576 158	7
Medical aid schemes	0.03	7 661	4
Mutual funds	15.60	4 026 324	49
Nominees and trusts	18.29	4 719 388	210
Other corporations	1.15	294 460	36
Pension funds	8.66	2 235 885	48
Private companies	7.73	1 991 033	77
Public companies	0.19	49 355	12
	100.00	25 805 347	1 854
33.1.2 Portfolio size			
1 - 1 000	1.77	454 133	1 168
1 001 - 5 000	4.58	1 183 078	479
5 001 - 100 000	14.40	3 716 858	168
100 001 - 1 000 000	41.45	10 695 762	33
1 000 001 - over	37.80	9 755 516	6
	100.00	25 805 347	1 854



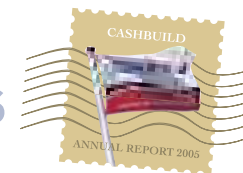
Notes to the annual financial statements

for the year ended 30 June 2005

		% holding	No. of shares
33.2 The following shareholders held in excess of 5% of the shares of the company at 30 June 2005			
Old Mutual Group		10.54	2 718 800
The Cashbuild Empowerment Trust		10.00	2 580 535
P K Goldrick		9.34	2 410 030
SRA Investments (Pty) Ltd		5.81	1 500 000
Investment Solutions		5.43	1 401 017
The Cashbuild Share Incentive Trust		4.69	1 209 296
		Holders	Shares
33.3 Directors' shareholding in main register			
P K Goldrick		1	2 410 030
D Masson		1	15 448
C T Daly		1	200 000
F M Rossouw		1	10 000
J Molobela		1	5 400
Move from other companies and general public to directors		5	2 640 878
	% holding	No. of shares	No. of shareholders
33.4 Listed below is an analysis of holdings extracted from register of ordinary shareholders at 30 June 2004			
33.4.1 Category			
Non-public			
Directors		10.49	2 435 230
Staff, The Cashbuild Share Incentive Trust		7.90	1 833 796
Public			
Insurance companies and pension funds		20.27	4 708 720
Investment and nominee companies		22.08	5 128 329
Other companies		23.11	5 367 082
General public		16.15	3 751 655
		100.00	23 224 812
			1 764

Notes to the annual financial statements

for the year ended 30 June 2005



	% holding	No. of shares	No. of shareholders
33.4.2 Portfolio size			
1 - 1 000	1.83	424 150	1 135
1 001 - 5 000	4.68	1 087 824	433
5 001 - 100 000	13.65	3 169 414	162
100 001 - 1 000 000	46.49	10 797 668	30
1 000 001 - over	33.35	7 745 756	4
	100.00	23 224 812	1 764
		% holding	No. of shares
33.5 The following shareholders held in excess of 5% of the shares of the company at 30 June 2004			
Old Mutual	15.30	3 552 382	
The Cashbuild Share Incentive Trust	9.62	2 233 796	
P K Goldrick	8.65	2 010 030	
SRA Investments (Pty) Ltd	6.46	1 500 000	
Investec	5.41	1 255 350	
Investment Solutions	5.09	1 182 926	
		Holders	Shares
33.6 Directors' shareholding in main register			
P K Goldrick	1	2 010 030	
Non-executive non-beneficial	1	25 200	
Move from other companies and general public to directors	2	2 035 230	
In share trust register:			
P K Goldrick	1	400 000	
Move from The Cashbuild Share Incentive Trust to directors	1	400 000	
Total	2	2 435 230	



Notes to the annual financial statements

for the year ended 30 June 2005

Name of company	Amount receivable 2005 R'000	Amount receivable 2004 R'000	Domicile	Issued capital	Effective holding 2005	Effective holding 2004	Nature
34. SUBSIDIARIES							
DIRECTLY HELD							
Cashbuild Management Services (Pty) Ltd	39 798	18 270		R1	100%	100%	1
INDIRECTLY HELD							
Cashbuild (Botswana) (Pty) Ltd			A	P1 500 000	100%	100%	2
Cashbuild Kanye (Pty) Ltd			A	P2	100%	100%	3
Cashbuild (Lesotho) (Pty) Ltd			B	M100 000	80%	80%	2
Cashbuild (Namibia) (Pty) Ltd			C	N\$1	100%	100%	2
Cashbuild (South Africa) (Pty) Ltd				R54 000	100%	100%	2
Cashbuild (Swaziland) (Pty) Ltd			D	E500	50%	50%	2
Cashbuild Lilongwe Ltd			E	MK 100 000	51%	51%	2
Tradebuild (Pty) Ltd				R4	100%	100%	3

Nature

1. Investment and management company
2. Trading company
3. Dormant

Domicile

South Africa unless otherwise stated:

- | | |
|-------------|--------------|
| A. Botswana | B. Lesotho |
| C. Namibia | D. Swaziland |
| | E. Malawi |

Notice of annual general meeting

Notice is hereby given that the annual general meeting of members of the company will be held at the registered office of the company, cnr. Aeroton and Aerodrome Roads, Aeroton, Johannesburg, on Monday, 28 November 2005 at 10:00 to transact the following business:

1. To consider and adopt the annual financial statements for the year ended 30 June 2005 together with the directors' and auditors' reports
2. To re-elect retiring directors by means of a single resolution
3. To re-elect the following directors, who retire in accordance with the Company's Articles of Association and, being eligible, offer themselves for re-election:
 - 3.1 Mr C T Daly;
 - 3.2 Mr D Masson; and
 - 3.3 Mr J Molobela

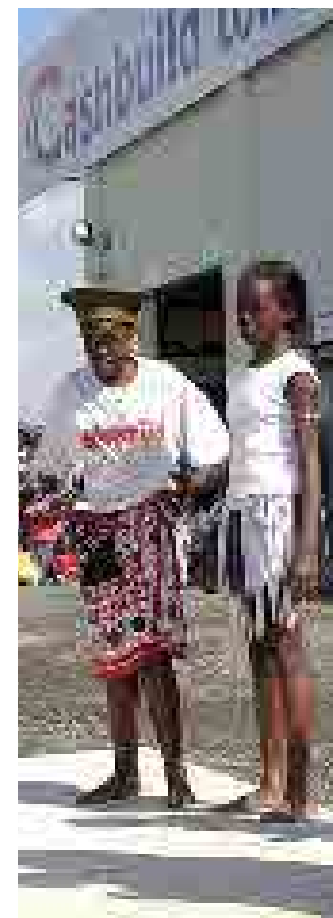
An abbreviated curriculum vitae in respect of each director offering himself for re-election appears on page 26 of this annual report.

4. To confirm the appointments of Messrs W F de Jager and A van Onselen, who were appointed during the year and who retire in accordance with the Company's Articles of Association, and being eligible, offer themselves for re-election:
 - 4.1 Mr W F de Jager; and
 - 4.2 Mr A van Onselen
5. To re-appoint the auditors, PricewaterhouseCoopers Inc, for the ensuing year

6. ORDINARY RESOLUTION NUMBER 1

To place the unissued shares under the control of the directors

"Resolved that 10% of the authorised but unissued shares in the capital of the company be and are hereby placed under the control and authority of the directors of the company until the next annual general meeting and the directors of the company be and are hereby authorised and empowered to allot, issue and otherwise dispose of such shares to such person or persons on such terms and conditions and at such times as the directors of the company may from time to time and in their discretion deem fit, subject to the provisions of the Companies Act (Act 61 of 1973) as amended ("the Act"), the Articles of Association of the Company and the Listings Requirements of the JSE Ltd ("the JSE"), where applicable."





Notice of annual general meeting continued

7. SPECIAL RESOLUTION NUMBER 1

Approval to repurchase shares

"Resolved that, as a general approval contemplated in section 85(2) and 85(3) of the Act, the acquisitions by the company or a subsidiary of the company, from time to time, of the issued ordinary shares of the company, upon such terms and conditions and in such amounts as the directors of the company may from time to time determine, but subject to the Articles of Association of the Company, the provisions of the Act and the JSE Listings Requirements, where applicable, and provided that:

- the repurchase of securities will be effected through the main order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counter party;
- the acquisitions of ordinary shares in the aggregate in any one financial year do not exceed 20% of the company's issued ordinary share capital from the date of the grant of this general authority;
- in determining the price at which the company's ordinary shares are acquired by the company in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% of the weighted average of the market price at which such ordinary shares are traded on the JSE, as determined over the five trading days immediately preceding the date of the repurchase of such ordinary shares by the company; and
- this general authority shall remain in force until the next annual general meeting of the company and, in any event, not later than 15 months from the date on which it was passed.

The directors, after considering the effects of the repurchase, are of the opinion that if such repurchase is effected:

- the company and the group are in a position to repay their debt in the ordinary course of business for the next twelve months;
- the consolidated assets of the company and the group, being fairly valued in accordance with Generally Accepted Accounting Practice, are in excess of the consolidated liabilities of the company and the group for the next twelve months;
- the ordinary capital and reserves of the company and the group are adequate for the next 12 months;
- the available working capital is adequate to continue the operations of the company and the group for the next twelve months;
- the company will ensure that the sponsor has complied with its responsibilities in terms of the JSE Listings Requirements prior to the commencement of any repurchase of the company's shares on the open market;
- after such repurchase the company will still comply with paragraphs 3.37 to 3.41 of the JSE Listings Requirements concerning shareholder spread requirements;
- the company or its subsidiaries will not repurchase securities during a prohibited period as defined in paragraph 3.67 of the JSE Listing Requirements;
- when the company has cumulatively repurchased 3% of the initial number of the relevant class of securities, and for each 3% in aggregate of the initial number of that class acquired thereafter, an announcement will be made; and
- the company only appoints one agent to effect any repurchase on its behalf.



Notice of annual general meeting continued

The JSE Listings Requirements require the following additional disclosures:

- directors and management - page 26;
- independent non-executive and executive directors - page 26;
- major shareholders of Cashbuild - page 79;
- directors' interests in securities - page 48; and
- share capital of Cashbuild - page 63.

7.1 Material changes

There have been no material changes in the financial position of Cashbuild and its subsidiaries since the date of signature of the audit report and the date of this notice.

7.2 Directors' responsibility statement

The directors, whose names are given on page 26 of the annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this Special Resolution and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this resolution contains all such information.

7.3 Litigation statement

In terms of section 11.26 of the JSE Listings Requirements, the directors whose names are given on page 26 of the annual report of which this notice forms part, are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have had in the recent past, being at least the previous 12 months, a material effect on Cashbuild's financial position.

Reasons for and effect of Special Resolution Number 1

The reasons for proposing this special resolution are to enable Cashbuild to reduce its capital in any way permitted by law and to permit and authorise Cashbuild to acquire its own shares.

The effect will be to authorise the company to purchase shares in Cashbuild.

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

Voting and proxies

A member entitled to attend and vote at this annual general meeting is entitled to appoint a proxy or proxies to attend and speak and, on a poll, to vote in his/her stead.

A proxy need not be a member of the company.



Notice of annual general meeting continued

On a show of hands, every member of the company present or represented by proxy shall have one vote only. On a poll, every member of the company present in person or represented by proxy shall have 1 (one) vote for every ordinary share held in Cashbuild by such member.

The attached form of proxy is only to be completed by those shareholders who are:

- holding shares in certificated form; or
- dematerialised with "own name" registration.

All other beneficial owners who have dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker other than "own name" and who wish to attend the annual general meeting, must instruct their CSDP or broker to provide them with a Letter of Representation, or they must provide their CSDP or broker with voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.

Proxy forms must reach the office of the transfer secretaries, Computershare Investor Services 2004 (Pty) Limited, not later than 10:00 on Friday, 25 November 2005.

By order of the board
Alan C Smith
Company secretary
28 September 2005

Registered office:
Cashbuild Limited
cnr Aeroton & Aerodrome Roads, Aeroton Johannesburg
PO Box 90115
Bertsham 2013

Transfer secretaries:
Computershare Investor Services 2004 (Pty) Ltd
Ground Floor
70 Marshall Street
Johannesburg 2001

PO Box 61051
Marshalltown 2107



Form of proxy

Cashbuild Limited • (Incorporated in the Republic of South Africa) • (Registration number 1986/001503/06) • JSE code: CSB • ISIN:ZAE000028320 • ("Cashbuild" or "the company")

For use only by Cashbuild ordinary certificated shareholders or ordinary dematerialised shareholders with "own name" registration, at the annual general meeting of members to be held at the registered office of the company, cnr Aeroton and Aerodrome Roads, Aeroton, Johannesburg at 10:00 on Monday, 28 November 2005 and at any adjournment thereof.

Dematerialised ordinary shareholders holding shares other than "own name" registration, must inform their CSDP or broker of their intention to attend the annual general meeting and request their CSDP or broker to issue them with the necessary Letter of Representation to attend the annual general meeting in person and vote or provide their CSDP or broker with voting instructions should they not wish to attend the annual general meeting in person, but wish to be represented there at. These shareholders must not use this form of proxy.

I/we _____ of (address) _____ being the holder of _____ Cashbuild ordinary shares, hereby appoint

1 _____ or failing him/her

2 _____ or failing him/her

3 the chairman of the annual general meeting

as my/our proxy to act for me/us and on my/our behalf at the annual general meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed there at and at any adjournment thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of the Cashbuild ordinary shares registered in my/our name(s), in accordance with the following instructions:

	For*	Against*	Abstain*
1 Adoption of annual financial statements			
2 Re-election of directors by means of a single resolution			
3 Re-election of directors:			
3.1 Mr. C T Daly			
3.2 Mr. D Masson			
3.3 Mr. J Molobela			
4 Confirmation of appointment during the year and re-election:			
4.1 Mr. W F de Jager			
4.2 Mr. A van Onselen			
5 Re-appointment of auditors PricewaterhouseCoopers Inc.			
6 Ordinary resolution number 1: to place unissued shares under the control of directors			
7 Special resolution number 1: approval to repurchase shares			

* Please indicate with an "X" how you wish your votes to be cast. If you do not do so, the proxy will vote or abstain at his/her discretion. A direction to vote for any resolution authorises the proxy to vote in favour of the resolution with or without modification as a proxy may approve.

** One vote for every ordinary share held.

Signed this _____ day of _____ 2005

Signature _____



Form of proxy continued

Notes:

1. This form of proxy must only be used by certificated ordinary shareholders or dematerialised ordinary shareholders who hold dematerialised ordinary shares with "own name" registration.
2. Dematerialised ordinary shareholders are reminded that the onus is on them to communicate with their CSDP or broker.
3. Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder(s) of the company) to attend, speak and, on a poll, vote in place of that shareholder at the annual general meeting.
4. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting "the chairman of the annual general meeting". The person whose name stands first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those names which follow.
5. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the shareholder in the appropriate box(es) provided. Failure to comply with the above will be deemed to authorise the chairman of the annual general meeting, if the chairman is the authorised proxy, to vote in favour of the ordinary or special resolutions at the annual general meeting, or any other proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit, in respect of all shareholder's votes exercisable thereat.
6. If the form of proxy is signed on behalf of a company, the authority, unless previously registered with the company, must accompany this form of proxy.
7. The chairman of the annual general meeting may reject or accept any form of proxy which is completed and/or received other than in accordance with these instructions, provided that he is satisfied as to the manner in which a shareholder wishes to vote.
8. Any alterations or corrections to this form of proxy must be initialled by the signatory(ies).
9. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms thereof, should such shareholder wish to do so.
10. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the company.
11. Where there are joint holders of any shares:
 - any one holder may sign this form of proxy; and
 - the vote(s) of the senior shareholder (for that purpose seniority will be determined by the order in which the names of the shareholders appear in the company's register of members) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).
12. Forms of proxy should be lodged with or mailed to Computershare Investor Services 2004 (Pty) Ltd

Hand deliveries	Postal deliveries
Ground Floor	P O Box 61051
70 Marshall Street	Marshalltown 2107
Johannesburg 2001	

to be received no later than 10:00 on Friday, 25 November 2005.



Administration and offices

CASHBUILD

Incorporated in the Republic of South Africa

Registration number 1986/001503/06

JSE code: CSB

ISIN: ZAE000028320

REGISTERED OFFICE

Cnr Aeroton and Aerodrome Roads

Aeroton

Johannesburg

2001

POSTAL ADDRESS

PO Box 90115

Bertsham

2013

COMPANY SECRETARY

Alan C Smith

TRANSFER SECRETARIES

Computershare Investor Services 2004 (Pty) Ltd

Ground Floor

70 Marshall Street

Johannesburg

2001

PO Box 61051

Marshalltown

2107

AUDITORS

PricewaterhouseCoopers Inc.

ATTORNEYS

Van der Heever and Associates

BANKERS

Standard Bank of South Africa Limited

Southdale Branch

SPONSOR

Nedbank Capital

WEBSITE

www.cashbuild.co.za

