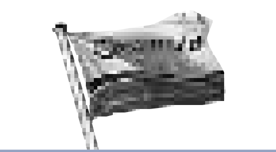
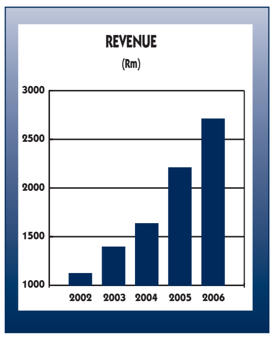
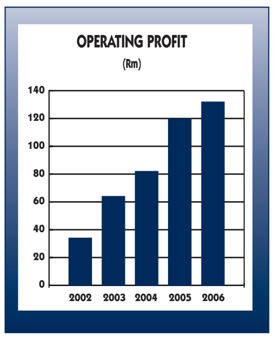
AUDITED ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2006

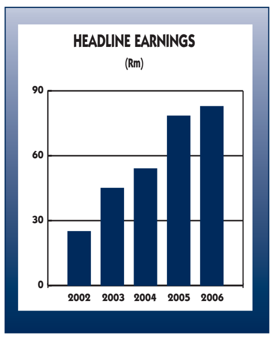


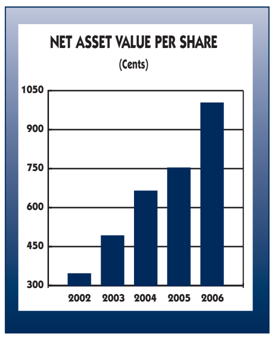
Net asset value per share ↑ 33% • Revenue ↑ 23% • Operating profit ↑ 10% • Dividend per share ↑ 8%

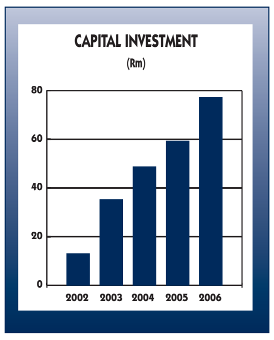
Cashbuild

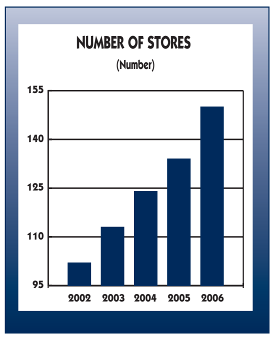












CONDENSED GROUP INCOME STATEMENT - AUDITED

R'000	Year ended 30 June 2006	Year ended 30 June 2005 (Restated)	% Change
Revenue	2 710 417	2 208 902	23
Cost of sales	(2 114 497)	(1 725 135)	23
Gross profit	595 920	483 767	23
Selling and marketing expenses	(394 323)	(303 431)	30
Administrative expenses	(72 223)	(61 271)	18
Other operating expenses	(1 931)	(2 407)	(20)
Other income	4 499	3 098	45
Operating profit	131 942	119 756	10
Finance cost	(1 336)	(645)	107
Finance income	4 807	7 599	(37)
Profit before income tax	135 413	126 710	7
Income tax expense	(45 547)	(42 546)	7
Profit for the year	89 866	84 164	7
Attributable to:			
Equity holders of the company	82 700	78 191	6
Minority interest	7 166	5 973	20
	89 866	84 164	7
Basic earnings per share (cents)	366.3	356.9	3
Diluted basic earnings per share (cents)	366.3	356.9	3

ADDITIONAL INFORMATION - AUDITED

R'000	Year ended 30 June 2006	Year ended 30 June 2005 (Restated)
Net asset value per share (cents)	1 003	753
Ordinary shares (000s):		
- In issue	25 805	25 805
- Weighted-average	22 575	21 906
- Diluted weighted-average	22 575	21 906
Capital expenditure	77 349	59 281
Depreciation of property, plant and equipment	20 403	14 760
Amortisation of intangible assets	1 734	1 025
Impairment of intangible assets	-	239
Capital commitments	52 633	39 977
Property operating lease commitments	530 936	334 585
Contingent liabilities	6 387	1 874

CONDENSED GROUP BALANCE SHEET - AUDITED

R'000	30 June 2006	30 June 2005 (Restated)
ASSETS		
Non-current assets	215 026	169 531
Property, plant and equipment	205 094	157 078
Intangible assets	6 852	7 648
Deferred income tax assets	3 080	4 805
Current assets	678 106	598 527
Assets held for sale	6 637	-
Inventories	482 836	394 747
Trade and other receivables	56 609	36 610
Cash and cash equivalents	132 024	167 170
Total assets	893 132	768 058
EQUITY AND LIABILITIES		
Shareholders' equity	286 845	215 196
Share capital and reserves	258 909	194 346
Minority interest	27 936	20 850
Non-current liabilities	29 358	26 247
Deferred operating lease liability	25 917	22 453
Deferred profit	1 959	2 011
Deferred income tax liability	28	414
Borrowings (non interest-bearing)	1 454	1 369
Current liabilities	576 929	526 615
Trade and other liabilities	540 438	505 605
Current income tax liabilities	35 542	20 012
Borrowings	-	47
Employee benefits	949	951
Total equity and liabilities	893 132	768 058

CONDENSED GROUP CASH FLOW STATEMENT - AUDITED

R'000	Year ended 30 June 2006	Year ended 30 June 2005 (Restated)
Cash flows from operating activities		
Cash generated from operations	84 324	146 565
Interest paid	(1 336)	(645)
Taxation paid	(28 678)	(39 018)
Net cash generated from operating activities	54 310	106 902
Cash flows from investing activities		
Net investment in assets	(76 533)	(58 162)
Interest received	4 807	7 599
Net cash used in investing activities	(71 726)	(50 563)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	-	74 880
Net treasury shares movement	7 662	(82 537)
Increase/(decrease) in other borrowings	38	(445)
Dividends paid		
- own equity	(25 350)	(22 980)
- minorities	(80)	(1 483)
Net cash used in financing activities	(17 730)	(32 565)
Net (decrease)/increase in cash and cash equivalents	(35 146)	23 774
Cash and cash equivalents at beginning of year	167 170	143 396
Cash and cash equivalents at end of year	132 024	167 170

RECONCILIATION OF PREVIOUS SA GAAP TO IFRS

R'000	Year ended 30 June 2005 (Restated) Net profit for the period	01 July 2004 (Restated) Equity attributable to equity holders of the parent	30 June 2005 (Restated)
As previously reported	75 941	154 238	199 542
SA GAAP adjustments	1 987	(1 671)	(6 085)
Reclassification of finance leases (note 3)	962	(1 671)	(708)
Effects of change to foreign exchange rates (note 4)	1 025	-	(5 377)
IFRS adjustments	263	626	889
Property, plant and equipment (note 5)	263	626	889
Restated under IFRS	78 191	153 193	194 346

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY - AUDITED

R'000	Share capital	Share premium	Cumm. translation adjustment	Retained earnings	Minority interest	Total equity
	Attributable to equity holders of the company					
Balance at 1 July 2004	220	29 822	-	123 151	16 360	169 553
Profit for the year	-	-	-	78 191	5 973	84 164
Dividend paid	-	-	-	(22 980)	(1 483)	(24 463)
Issue of shares	26	75 042	-	-	-	75 068
Share issue expenses written-off	-	(188)	-	-	-	(188)
Net treasury shares movement	(22)	(82 515)	-	-	-	(82 537)
Currency translation adjustments	-	-	(6 401)	-	-	(6 401)
Closing balance at 30 June 2005	224	22 161	(6 401)	178 362	20 850	215 196
Profit for the year	-	-	-	82 700	7 166	89 866
Dividend paid	-	-	-	(25 350)	(80)	(25 430)
Net treasury shares movement	4	7 658	-	-	-	7 662
Currency translation adjustments	-	-	(449)	-	-	(449)
Closing balance at 30 June 2006	228	29 819	(6 850)	235 712	27 936	286 845

CONDENSED GROUP SEGMENTAL ANALYSIS - AUDITED

	South Africa		Other members of common monetary area*		Botswana and Malawi		Group	
R'000	Year ended June 2006	Year ended June 2005	Year ended June 2006	Year ended June 2005	Year ended June 2006	Year ended June 2005	Year ended June 2006	Year ended June 2005
Income statement								
Revenue	2 197 666	1 739 638	332 807	263 224	179 944	206 040	2 710 417	2 208 902
Operating profit	111 068	90 097	16 800	13 786	4 074	15 873	131 942	119 756
Balance sheet								
Segment assets	693 185	619 900	116 145	83 719	83 802	64 439	893 132	768 058
Segment liabilities	498 203	474 913	47 048	22 428	61 036	55 521	606 287	552 862
Other segment items								
Depreciation	17 355	12 778	2 066	985	982	997	20 403	14 760
Amortisation	1 699	1 025	-	-	35	-	1 734	1 025
Impairment	-	198	-	-	-	41	-	239
Capital expenditure	57 129	49 421	13 377	9 486	6 843	374	77 349	59 281

* includes Namibia, Swaziland and Lesotho

NOTES TO THE CONDENSED GROUP ANNUAL FINANCIAL INFORMATION

1. Basis of preparation. The condensed consolidated financial information ("financial information") announcement is based on the audited financial statements of the group for the year ended 30 June 2006 which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), the Listings Requirements of the JSE Limited and the South African Companies Act (1973). The financial statements for the year ended 30 June 2006 are Cashbuild's first published financial statements stating compliance with IFRS. Refer to the reconciliation of previous GAAP to IFRS for the effects of IFRS compliance on previously reported financial statements. The nature of all items reconciling SA GAAP to IFRS has been described in detail in the financial statements for the year ended 30 June 2006.

2. Independent audit by the auditors. These condensed consolidated results have been audited by our auditors PricewaterhouseCoopers Inc., who have performed their audit in accordance with the International Standards on Auditing. A copy of their unqualified audit report is available for inspection at the registered office of the company.

3. Reclassification of finance leases. Based on the reinterpretation of IAS 17 in respect of the classification of operating leases as finance leases, certain operating leases were reclassified as finance leases. This reinterpretation was taken into account in compiling the results and assets and liabilities amounting to R 12.0 million and R 1.5 million respectively, have been accounted for on the balance sheet.

4. Effects of changes in foreign exchange rates. IAS 21 introduces the concept of "functional currency". This change affected the accounting for the African subsidiaries of Cashbuild, where there was reclassification of certain foreign exchange gains and losses from the income statement to the foreign currency translation reserve ("FCTR") in the balance sheet. The IFRS 1 exemption was elected, which had the effect of eliminating the FCTR on the date of transition (1 July 2004).

5. Property, plant and equipment. IAS 16 requires the reassessment of an asset's useful life and residual value at each balance sheet date. Applying this statement retrospectively has had the effect of the results being restated.

6. Reporting period. The group adopts the retail accounting calendar, which comprises the reporting period ending on the last Saturday of the month (2006: 24 June (52 weeks) 2005: 25 June (52 weeks)).

7. Earnings per share. Earnings per share is calculated by dividing the earnings attributable to shareholders for the period by the weighted average number of 22 575 442 ordinary shares in issue during the year. (June 2005: 21 905 687 shares).

8. Headline earnings per ordinary share. The calculations of headline earnings and diluted headline earnings per ordinary share are based on headline earnings of R 82.8 million (June 2005: R 78.4 million) and a weighted average of 22 575 442 (June 2005: 21 905 687) and fully diluted of 22 575 442 (June 2005: 21 905 687) ordinary shares in issue. Reconciliation between net profit attributable to the equity holders of the company and headline earnings:

R'000	June 2006	June 2005	% Change
Net profit attributable to the company's equity holders	82 700	78 191	6
Impairment of goodwill	-	239	
Loss/(profit) on sale of assets after taxation	78	(50)	
Headline earnings	82 778	78 380	6
Headline earnings per share (cents)	366.7	357.8	3
Diluted headline earnings per share (cents)	366.7	357.8	3

9. Declaration of dividend. The board has declared a final dividend (No. 27), of 58 cents (June 2005: 54 cents) per ordinary share to all shareholders of Cashbuild Limited. The dividend per share is calculated based on 25 805 347 shares in issue at date of dividend declaration. The total dividend for the year amounts to 116 cents (June 2005: 107 cents) an 8% increase year on year.

Date dividend declared: Monday, 18 September 2006; Last day to trade "CUM" the dividend: Friday, 6 October 2006; Date commence trading "EX" the dividend: Monday, 9 October 2006; Record date: Friday, 13 October 2006; Date of payment: Monday, 16 October 2006.

Share certificates may not be dematerialised or rematerialised between Monday, 9 October 2006 and Friday, 13 October 2006, both dates inclusive.

On behalf of the board

DONALD MASSON
Chairman

PAT GOLDRICK
Chief executive

Johannesburg
18 September 2006

COMMENTS

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 our constantly expanding chain of stores (150 at the end of this reporting period). 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, large construction companies and government-related infrastructure developers, as well as all other customers requiring quality building materials at lowest prices.

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

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The group is reporting its audited results in accordance with International Financial Reporting Standards ("IFRS"). Results for the prior financial year have been restated. The conversion to IFRS has had a limited effect on the group's results.

FINANCIAL HIGHLIGHTS

Revenue for the year increased by 23% whilst profit increased by 7%. Operating profit improved by 10% and headline earnings by 6%. Net asset value per share has increased by 33%, from 753 cents (June 2005) to 1 003 cents.

Stores in existence since the beginning of July 2004 (pre-existing stores) accounted for 11% of the increase in revenue with the remaining 12% increase due to the 28 new stores the company has opened since July 2004. The increase for the year has been achieved on the back of a positive 1st half with revenue growth for the second half of the year being a disappointing 11%. The result of a change from a free national customer delivery service to a free local service, as well as disappointing trading in our Botswana operation contributed to the revenue growth being lower than anticipated. Management has strategically addressed the 2nd half revenue growth and is pleased with the trading since year-end. Gross profit margins for the year remained at acceptable levels with some downward pressure being experienced in the latter part of the fourth quarter, combined with a shift in sales mix.

Operational expenses for the 2nd half of the financial year were well controlled with existing stores increasing by 1%. New stores contributed 13% with the total increase for the 2nd half being 14%. This, linked to the first half, resulted in an overall increase for the year of 28% (existing stores 14% and new stores 14%). The non-recurrence of certain once-off costs, e.g. brand advertising and the focus on managing the free customer delivery costs without compromising service levels, were the main contributors to the cost savings compared to the first half.

The effective tax rate for the year of 33.6% is at the expected level, with STC charges being the main contributor to the higher rate.

Cashbuild's balance sheet remains solid. Stock levels have increased by 22% on the back of higher trading volumes (10% 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 19 additional stores during this financial year (accounting for 15% of the increase). Overall stockholding remains well managed at 65 days (June 2005: 59 days). The company's cash levels decreased to R 132 million resulting from the step-up in the opening of new stores, the increase in operating expenses, as well as the utilisation of cash to early settle creditors at favourable discounts. Trade debtor balances remained well under control.

During the financial year Cashbuild opened a record number of 17 new stores. Cashbuild remains committed to open at least 10 new stores per year for the foreseeable future. Six stores were refurbished and three relocated during the financial year. The refurbishment plan and, where the opportunity arises, relocating of certain stores will remain an area of strategic focus.

PROSPECTS

Although indications are, based on lower building plans passed and lower bond granting, that the residential market will experience a slow-down, management is confident that, as in the past, the alteration and improvement segment will remain at solid growth levels which will support real revenue growth in the future. The first 9 trading weeks after year-end have reported an increase in revenue of 20% on that of the comparative 9 weeks.

INFORMATION TECHNOLOGY

An independent review of the current status of the IT within the business was commissioned at the end of the financial year. The findings of this review have confirmed management's belief regarding the long-term non-feasibility of the IT solution currently in place. A comprehensive strategic plan has been developed to address this matter.

NORTHERN GRAPHICS J6/00343

Directors: D Masson* (Chairman), P K Goldrick (Chief executive) (Irish), W F de Jager, J Molobela*, F M Rossouw*, N V Simamane*, A van Onselen (*Non-executive) • Company secretary: Alan C Smith • Registered office: cnr Aeroton and Aerodrome Roads, Aeroton, Johannesburg 2001 • PO Box 90115, Bertsham 2013
Transfer secretaries: Computershare Investor Services 2004 (Pty) Limited, 70 Marshall Street, Johannesburg 2001 • PO Box 61051, Marshalltown 2107 • Auditors: PricewaterhouseCoopers Inc. • Sponsor: Nedbank Capital
Cashbuild Limited (Registration number: 1986/001503/06) • (Incorporated in the Republic of South Africa) • JSE Share code: CSB • ISIN: ZAE000028320

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