

AUDITED INTERIM RESULTS DECEMBER 2002

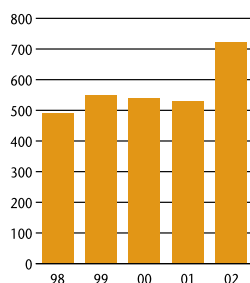


HEADLINE EARNINGS **↑ 187%**

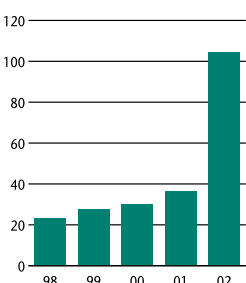
CASH RESOURCES **↑ 45%**

REVENUE **↑ 34%**

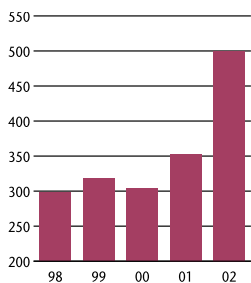
REVENUE (Rm)



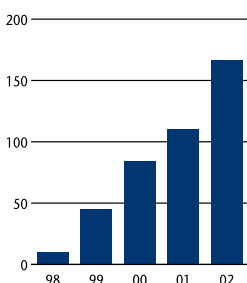
HEADLINE EARNINGS PER SHARE (cents)



NET ASSET VALUE PER SHARE (cents)



CASH RESOURCES (Rm)



GROUP INCOME STATEMENT

R'000	26 weeks ended 28 Dec 2002	26 weeks ended 29 Dec 2001	% Change	52 weeks ended 30 Jun 2002
Revenue	721 475	539 831	34	1 122 692
Cost of sales	565 831	418 374		873 572
Gross profit	155 644	121 457	28	249 120
Operating expenses	124 993	107 135	17	216 078
Operating profit before financing income	30 651	14 322	114	33 042
Net financing income	6 316	1 635	286	5 789
Profit before taxation	36 967	15 957	132	38 831
Taxation	11 116	6 404		11 847
Profit after taxation	25 851	9 553	171	26 984
Minority interest	2 272	1 102		2 955
Attributable earnings	23 579	8 451	179	24 029
Headline adjusting items:				
Loss/(profit) on sale of assets after taxation	57	(3)		931
Headline earnings	23 636	8 448	180	24 960
Earnings per share (cents):				
Headline	104,6	36,4	187	108,9
Fully diluted headline	101,8	36,4	180	107,5
Basic	104,3	36,5	186	104,9
Fully diluted basic	101,5	36,4	179	103,5
Dividend per share (cents) (note 5)	25	—		35
Number of shares in issue ('000)	23 225	23 225		23 225
Weighted number of shares ('000)	22 604	23 178		22 911
Fully diluted number of shares ('000)	23 225	23 225		23 225

CONDENSED GROUP BALANCE SHEET

R'000	28 Dec 2002	29 Dec 2001	30 Jun 2002
Assets			
Non-current assets	72 437	55 365	56 924
Property, plant and equipment	62 017	51 173	50 737
Loans and unlisted investments	8 400	2 866	3 625
Deferred taxation	2 020	1 326	2 562
Current assets	471 033	347 083	361 223
Inventories	266 933	199 443	198 238
Trade and other receivables	35 454	29 712	39 957
Tax paid in advance	87	1 836	438
Cash and cash equivalents	168 559	116 092	122 590
Total assets	543 470	402 448	418 147
Equity and liabilities			
Shareholders' funds	116 119	80 132	95 179
Minority interest	9 398	6 413	8 266
Non-current liabilities	329	426	349
Interest-bearing borrowings	64	165	63
Deferred taxation	265	261	286
Current liabilities	417 624	315 477	314 353
Short-term borrowings	60	66	115
Tax liability	7 058	1 717	1 887
Trade and other liabilities	410 506	313 694	312 351
Total liabilities	417 953	315 903	314 702
Total equity and liabilities	543 470	402 448	418 147
Capital expenditure	17 066	8 128	13 015
Depreciation	3 610	4 313	8 241
Net asset value per share (cents)	500	353	421
Capital commitments	17 633	2 184	4 390
Contingent liabilities	7 265	4 864	3 364

CONDENSED GROUP CASH FLOW STATEMENT

R'000	26 weeks ended 28 Dec 2002	26 weeks ended 29 Dec 2001	52 weeks ended 30 Jun 2002
Net cash inflows from operating activities	60 388	61 393	74 062
Net cash (outflows) from investing activities	(19 731)	(8 746)	(12 412)
Net cash inflows/(outflows) from financing activities	5 312	(48)	(2 553)
Net increase in cash and cash equivalents	45 969	52 599	59 097
Cash and cash equivalents at beginning of period	122 590	63 493	63 493
Cash and cash equivalents at end of period	168 559	116 092	122 590

GROUP STATEMENT OF CHANGES IN EQUITY

R'000	Share capital	Share premium	Foreign currency translation reserve	Distributable reserve	Total
Opening balance at 1/7/01	232	38 052	2 730	38 162	79 176
Attributable earnings for the year				24 029	24 029
Dividend paid				(5 574)	(5 574)
Costs of shares repurchased		(6)	(2 446)		(2 452)
Closing balance at 30/6/02	226	35 606	2 730	56 617	95 179
Effect of change in accounting policy				(97)	(97)
Attributable earnings for the period				23 579	23 579
Dividend paid				(8 129)	(8 129)
Dividend received on repurchased shares				221	221
Repurchased shares sold	6	2 446			2 452
Surplus on sale of repurchased shares		2 914			2 914
Closing balance at 28/12/02	232	40 966	2 730	72 191	116 119

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 its constantly expanding chain of stores (109 at the end of this reporting period). 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, farmers, traders and, increasingly, large construction companies and government-related infrastructure developers, as well as all discerning customers looking for quality building materials at lowest prices.

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

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

FINANCIAL HIGHLIGHTS Management is proud to announce a 187% increase in headline earnings for the 26 weeks to 28 December 2002.

This achievement is mainly attributable to a 34% increase in revenue over the comparative period last year. New stores contributed 8% to the increase but, more importantly, existing stores showed real revenue growth of another 8%. The 18% balance of the increase is attributable to inflation. Revenue growth in the first quarter is not directly comparable to that in the second. From a low base in the first quarter, revenue growth amounted to 43%. This was in line with management's expectations given that during the corresponding period of the previous financial year growth had been modest as a result of management's decision to withdraw all advertising while improving and reinforcing core strategies. A similar level of growth is therefore not expected going forward. Advertising was reinstated in the second quarter of the previous year with the result that a more representative and genuinely encouraging 26% growth in our business was recorded during this second quarter.

Gross profit percentage margin has dropped slightly, largely as a result of a greater demand for commodity items in our stores, such as cement. Management is nevertheless encouraged by the fact that the increased demand for commodities – coupled with our strict adherence to our core strategy of "every day lowest prices" – has resulted in increased revenue.

Operating expenses are well under control, the increase for the reporting period (excluding new stores) being only 8%.

Financing income showed a healthy increase from R1,6 million to R6,3 million for the period. This increase is attributable to high cash flows generated by the business, which resulted in an increase in cash resources year-on-year of 45% to R169 million. Higher interest rates also contributed to this increased income. These cash resources will continue to be utilised to finance Cashbuild's expansion strategy.

Working capital continues to be a focus of management's attention, with growth in inventories and trade liabilities in line with management's expectations, given current levels of sales, the group's "always in stock" strategy and the rate of organic expansion.

Net asset value per share has increased 42% to 500 cents (2001: 353 cents).

The board has resolved to pay both an interim and a year-end dividend.

EXPANSION STRATEGY In June of last year, Cashbuild undertook to open 10 new stores per year. In fact, seven new stores were opened within the first six months of this reporting period and Cashbuild is well on track to achieving its stated target.

Sites for new stores are identified on the basis of dependable demographic data that indicates unambiguously worthwhile sales potential in the proposed locality. Additionally, all financial investments must meet the strict criteria that have always characterised the Cashbuild business model, which has proved its ability to maximise returns in all the markets in which we are active – rural, urban, and mass housing. Cashbuild is building on its existing large customer base by successfully expanding its business model into urban areas.

MANAGEMENT The group's results show once again the continuing benefit it derives from the experience, specialised knowledge, and commitment of its management at all levels. Managers accept that they are personally responsible for delivering sustainable results and readily take ownership of issues to be resolved and opportunities to be exploited. Management style at Cashbuild is detailed and comprehensive. The team is cohesive and well equipped to accept and deal with challenges. Cashbuild's management, with its vested shareholder stake in the business, will continue to deliver steadily improving, sustainable results and will stay focussed on its proven key business strategies. Tight financial and operational controls will continue to be exercised.

Management has identified the Western Cape as an enormous growth opportunity. In order to undertake the challenge of developing and managing this potential, Billy Fourie has taken operational responsibility for both Western Cape and Namibia divisions. To enable him to devote the required attention to maximise this opportunity, Billy has resigned his position on the board of directors.

PROSPECTS Cashbuild plans to more than double its turnover by profitably growing market share to a minimum of 30%. As demonstrated in all our recent results, an increase in turnover is invariably accompanied by a significant improvement to profits and return to shareholders.

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 of the countries in which Cashbuild trades home ownership is increasingly seen as a dependable and profitable investment.

Cashbuild is now the first-choice supplier of quality building materials in all the markets in which it is represented. Our planned expansion and store relocations will considerably increase 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 shareholders with consistently excellent results into the foreseeable future.

NOTES TO THE CONDENSED GROUP INTERIM FINANCIAL STATEMENTS

1. Accounting policies. The group's financial information has been extracted from the audited condensed group interim financial statements, which have been prepared in accordance with the South African Statement of Generally Accepted Accounting Practice applicable to interim financial reporting. The accounting policies used in the preparation of the interim financial information is consistent with those used in the annual financial statements for the year ended 30 June 2002, except that AC 133 in respect of Financial Instruments: Recognition and Measurement, has been adopted.

2. Audited results. PricewaterhouseCoopers Inc.'s unmodified audit reports for the December 2002 condensed group interim financial statements and the summarised financial statements contained herein are available for inspection at the company's registered office.

3. Repurchased shares. The company purchased 631 296 ordinary shares of Cashbuild Limited through its subsidiary Cashbuild (SA) (Pty) Limited during the period December 2001 to February 2002. These shares were sold to The Cashbuild Share Incentive Trust in December 2002 and the surplus realised on the sale of shares has been transferred directly to equity.

Number of shares reconciliation:

	Dec 02	Dec 01	Jun 02
Shares in issue/fully diluted number of shares	23 224 812	23 224 812	23 224 812
Weighted number of shares repurchased	621 003	46 417	313 480
Weighted number of shares	22 603 809	23 178 395	22 911 332

4. Earnings per share. Basic earnings per share is calculated by dividing the earnings attributable to shareholders by the weighted average number of 22 603 809 ordinary shares in issue during the period (2001: 23 178 395 shares; 2002 financial year 22 911 332 shares). To calculate the headline earnings per share, the earnings attributable to shareholders is adjusted for the loss/profit on sale of assets. This headline earnings calculation is in compliance with SAICA Circular 7/2002 as directed by the JSE Securities Exchange South Africa.

5. Declaration of dividend. The board has resolved to change its dividend policy to allow for continued future interim dividends. In line with this policy change the board has declared a dividend (No. 20) of 25 cents per ordinary share (2001: nil) to the shareholders of Cashbuild Limited. The following dates are applicable:

Date dividend declared:	10 February 2003
Last day to trade "CUM" the dividend:	28 February 2003
Date commence trading "EX" the dividend:	03 March 2003
Record date:	07 March 2003
Date of payment:	10 March 2003

Share certificates may not be dematerialised or rematerialised between Monday 3 March 2003 and Friday 7 March 2003, both dates inclusive.

On behalf of the board

DONALD MASSON
Chairman

10 February 2003

PAT GOLDRICK
Chief executive

Directors: D Masson* (Chairman), P K Goldrick (Chief executive) (Irish), C B Fourie, C T Daly, F M Rossouw* (*Non-executive) • **Company Secretary:** Alan C Smith
Registered office: cnr Aeroton and Aerodrome Roads, Aeroton, Johannesburg 2001 • PO Box 90115, Bertsam 2013 • **Auditors:** PricewaterhouseCoopers Inc.
Transfer Secretaries: Computershare Investor Services Limited, 70 Marshall Street, Johannesburg 2001 • PO Box 61051, Marshalltown 2107
Registration number: 1986/001503/06 (Incorporated in the Republic of South Africa). Listed on the JSE Securities Exchange • **JSE Share code:** CSB • **ISIN code:** ZAE000028320

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