

AUDITED INTERIM RESULTS & DIVIDEND DECLARATION DECEMBER 2009



REVENUE Δ 9% • NET ASSET VALUE PER SHARE Δ 15%
CASH & CASH EQUIVALENTS Δ 9%
HEADLINE EARNINGS ∇ 27% • DIVIDEND PER SHARE ∇ 26 %

CONDENSED GROUP INCOME STATEMENT - AUDITED

	Six months ended 31 December 2009 (26 weeks)	Six months ended 31 December 2008 (26 weeks)	% Change	Year ended 30 June 2009 (52 weeks)
R'000				
Revenue	2 803 003	2 572 840	9	5 065 843
Cost of sales	(2 232 835)	(2 018 516)	11	(4 003 162)
Gross profit	570 168	554 324	3	1 062 681
Selling and marketing expenses	(390 409)	(343 987)	13	(694 145)
Administrative expenses	(62 352)	(53 376)	17	(114 001)
Other operating expenses	(1 244)	(2 725)	(54)	(3 883)
Other income	1 205	321	275	626
Operating profit	117 368	154 557	(24)	251 278
Finance cost	(787)	(1 813)	(57)	(1 864)
Finance income	9 753	15 764	(38)	25 622
Profit before income tax	126 334	168 508	(25)	275 036
Income tax expense	(39 910)	(51 561)	(23)	(86 309)
Profit for the period	86 424	116 947	(26)	188 727
Attributable to:				
Equity holders of the company	82 013	111 162	(26)	177 056
Minority interest	4 411	5 785	(24)	11 671
	86 424	116 947	(26)	188 727
Earnings per share (cents)	361.1	489.5	(26)	779.7
Diluted earnings per share (cents)	360.3	489.5	(26)	779.5

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION - AUDITED

	31 December 2009	31 December 2008	30 June 2009
R'000			
ASSETS			
Non-current assets	443 324	362 912	377 757
Property, plant and equipment	410 614	318 739	344 176
Intangible assets	24 065	21 734	22 280
Deferred income tax assets	8 645	22 439	11 301
Current assets	1 581 375	1 615 425	1 340 639
Assets held for sale	659	2 740	2 740
Inventories	868 689	952 802	907 712
Trade and other receivables	73 604	75 027	82 057
Cash and cash equivalents	638 423	584 856	348 130
Total assets	2 024 699	1 978 337	1 718 396
EQUITY AND LIABILITIES			
Shareholders' equity	687 537	594 798	628 234
Share capital and reserves	640 885	555 191	584 555
Minority interest	46 652	39 607	43 679
Non-current liabilities	65 541	47 279	58 338
Deferred operating lease liability	61 493	43 458	54 409
Deferred profit	1 777	1 829	1 803
Borrowings (non interest-bearing)	2 271	1 992	2 126
Current liabilities	1 271 621	1 336 260	1 031 824
Trade and other liabilities	1 244 942	1 284 950	1 005 771
Current income tax liabilities	24 634	49 075	23 703
Employee benefits	2 045	2 235	2 350
Total equity and liabilities	2 024 699	1 978 337	1 718 396

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY - AUDITED

	Attributable to equity holders of the company										
	Share capital	Treasury share capital	Share premium	Treasury share premium	Share based payments reserve	Cum. translation adjustment	Retained earnings	Minority interest	Total equity		
R'000											
Balance at 1 July 2008	258	(29)	115 817	(83 686)	-	(4 167)	442 774	34 142	505 109		
Total comprehensive income for the period	-	-	-	-	-	2 132	111 162	5 785	119 079		
Dividend paid - final 2008	-	-	-	-	-	-	(29 070)	(320)	(29 390)		
Recognition of share based payments	-	-	-	-	-	-	-	-	-		
Balance at 31 December 2008	258	(29)	115 817	(83 686)	-	(2 035)	524 866	39 607	594 798		
Total comprehensive income for the period	-	-	-	-	-	(4 531)	65 894	5 886	67 249		
Dividend paid - interim 2009	-	-	-	-	-	-	(32 474)	(1 814)	(34 288)		
Recognition of share based payments	-	-	-	-	475	-	-	-	475		
Balance at 30 June 2009	258	(29)	115 817	(83 686)	475	(6 566)	558 286	43 679	628 234		
Total comprehensive income for the period	-	-	-	-	-	(3 251)	82 013	4 411	83 173		
Dividend paid - final 2009	-	-	-	-	-	-	(23 270)	(1 438)	(24 708)		
Recognition of share based payments	-	-	-	-	838	-	-	-	838		
Balance at 31 December 2009	258	(29)	115 817	(83 686)	1 313	(9 817)	617 029	46 652	687 537		

CONDENSED GROUP SEGMENTAL ANALYSIS - AUDITED

	South Africa			Other members of common monetary area*			Botswana and Malawi			Group		
	Six months ended 31 December 2009	Six months ended 31 December 2008	Year ended 30 June 2009	Six months ended 31 December 2009	Six months ended 31 December 2008	Year ended 30 June 2009	Six months ended 31 December 2009	Six months ended 31 December 2008	Year ended 30 June 2009	Six months ended 31 December 2009	Six months ended 31 December 2008	Year ended 30 June 2009
R'000												
Income statement												
Revenue	2 356 361	2 112 890	4 182 746	278 744	251 936	487 327	167 898	208 014	395 770	2 803 003	2 572 840	5 065 843
Operating profit	93 266	107 172	169 122	13 931	18 279	29 503	10 171	29 106	52 653	117 368	154 557	251 278
Financial position												
Segment assets	1 691 293	1 592 314	1 394 443	201 332	223 857	192 720	132 074	162 166	131 233	2 024 699	1 978 337	1 718 396
Segment liabilities	1 170 526	1 151 900	920 939	92 003	127 861	90 936	74 633	103 778	78 287	1 337 162	1 383 539	1 090 162
Other segment items												
Depreciation	21 743	17 238	35 365	1 472	1 542	3 028	843	723	1 391	24 058	19 503	39 784
Amortisation	347	944	2 592	-	-	-	-	-	44	347	944	2 636
Capital expenditure	89 683	62 868	111 401	349	9 528	10 210	3 913	958	1 293	93 945	73 354	122 904

* Includes Namibia, Swaziland and Lesotho

CONDENSED GROUP CASH FLOW STATEMENT - AUDITED

	Six months ended 31 December 2009	Six months ended 31 December 2008	Year ended 30 June 2009
R'000			
Cash flows from operating activities			
Cash generated from operations	432 754	337 158	223 577
Interest paid	(787)	(1 813)	(1 864)
Taxation paid	(36 323)	(45 522)	(94 504)
Net cash generated from operating activities	395 644	289 823	127 209
Cash flows from investing activities			
Net investment in assets	(90 541)	(72 843)	(122 659)
Interest received	9 753	15 764	25 622
Net cash used in investing activities	(80 788)	(57 079)	(97 037)
Cash flows from financing activities			
Increase in borrowings	145	125	259
Dividends paid	-	-	-
- own equity	(23 270)	(29 070)	(61 544)
- minorities	(1 438)	(320)	(2 134)
Net cash used in financing activities	(24 563)	(29 265)	(63 419)
Net increase/(decrease) in cash and cash equivalents	290 293	203 479	(33 247)
Cash and cash equivalents at beginning of period	348 130	381 377	381 377
Cash and cash equivalents at end of period	638 423	584 856	348 130

ADDITIONAL INFORMATION - AUDITED

	Six months ended 31 December 2009	Six months ended 31 December 2008	Year ended 30 June 2009
R'000			
Net asset value per share (cents)	2 484	2 151	2 265
Ordinary shares ('000):			
- In issue	25 805	25 805	25 805
- Weighted-average	22 709	22 709	22 709
- Diluted weighted-average	22 764	22 709	22 715
Capital expenditure	93 945	73 354	122 904
Depreciation of property, plant and equipment	24 058	19 503	39 784
Amortisation of intangible assets	347	944	2 636
Capital commitments	133 303	99 670	211 612
Property operating lease commitments	789 928	811 470	801 165
Contingent liabilities	15 265	2 950	7 434

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME - AUDITED

	Six months ended 31 December 2009	Six months ended 31 December 2008	Year ended 30 June 2009
R'000			
Profit for the period	86 424	116 947	188 727
Other comprehensive income:			
Foreign currency translation adjustments	(3 251)	2 132	(2 399)
Other comprehensive income for the period, net of tax	(3 251)	2 132	(2 399)
Total comprehensive income for the period	83 173	119 079	186 328
Total comprehensive income attributable to:			
Equity holders of the company	78 762	113 294	174 657
Minority interest	4 411	5 785	11 671
	83 173	119 079	186 328

NOTES TO THE CONDENSED GROUP INTERIM FINANCIAL INFORMATION

- Basis of preparation.** The condensed consolidated interim financial information ("financial information") announcement is based on the audited interim financial statements of the group for the period ended 31 December 2009 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the presentation and disclosure requirements of IAS 34 - Interim Financial Reporting, the Listings Requirements of the JSE and the South African Companies Act (1973). The accounting policies are consistent with those used in the annual financial statements for the financial year ended June 2009 with the following exceptions: The group adopted the revised IAS 1, Presentation of Financial Statements, IFRS 8, Operating Segments and Circular 3/2009 on Headline Earnings during the period under review. The presentation of the financial statements and operating segments disclosures have been changed accordingly to the changes in IAS 1 and IFRS 8 respectively, with no adjustment necessary on the adoption of Circular 3/2009.
- Independent audit by the auditors.** These condensed consolidated interim 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.
- Reporting period.** The group adopts the retail accounting calendar, which comprises the reporting period ending on the last Saturday of the month (2009: 26 December (26 weeks); 2008: 27 December (26 weeks); June 2009: 27 June (52 weeks)).
- Earnings per share.** Earnings per share is calculated by dividing the earnings attributable to shareholders for the period by the weighted average number of 22 709 487 ordinary shares in issue during the period. (December 2008: 22 709 487 shares; June 2009: 22 709 487 shares).
- Headline earnings per ordinary share.** The calculations of headline earnings and diluted headline earnings per ordinary share are based on headline earnings of R81.0 million (December 2008: R111.4 million; June 2009: R177.4 million) and a weighted average of 22 709 487 (December 2008: 22 709 487; June 2009: 22 709 487) and fully diluted of 22 763 737 (December 2008: 22 709 487; June 2009: 22 715 519) ordinary shares in issue. Reconciliation between net profit attributable to the equity holders of the company and headline earnings:

R'000	Dec-09	Dec-08	% Change	Jun-09
Net profit attributable to the company's equity holders	82 013	111 162	(26)	177 056
(Profit)/loss on sale of assets after taxation	(1 035)	258		353
Headline earnings	80 978	111 420	(27)	177 409
Headline earnings per share (cents)	356.6	490.6	(27)	781.2
Diluted headline earnings per share (cents)	355.7	490.6	(27)	781.0
- Declaration of dividend.** The board has declared an interim dividend (No. 34), of 106 cents (December 2008: 143 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.
Date dividend declared: Monday, 15 March 2010
Last day to trade "CUM" the dividend: Friday, 9 April 2010
Date commence trading "EX" the dividend: Monday, 12 April 2010
Record date: Friday, 16 April 2010
Date of payment: Monday, 19 April 2010
Share certificates may not be dematerialised or rematerialised between Monday, 12 April 2010 and Friday, 16 April 2010, both dates inclusive.
On behalf of the board
DONALD MASSON
Chairman
Johannesburg
15 March 2010
PAT GOLDRICK
Chief executive

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 (188 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 quality building materials at the lowest prices and through a purchasing and inventory policy that ensures customers' requirements are always met.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The group is reporting its audited interim results in accordance with International Financial Reporting Standards ("IFRS").

FINANCIAL HIGHLIGHTS

Revenue for the half-year increased by 9% whilst profit decreased by 26%. This decrease in profit was as a result of a decrease in gross profit margins in percentage terms of 1.2%, resulting in a decrease in operating profit of 24%. Finance income decreased by 36%. Basic earnings per share decreased by 26%, whilst headline earnings per share decreased by 27%. Net asset value per share has shown a 15% increase, from 2 151 cents (December 2008) to 2 484 cents. Cash and cash equivalents increased by 9% to R638 million.

Stores in existence since the beginning of July 2008 (pre-existing stores - 170 stores) accounted for 3% of the increase in revenue with the remaining 6% increase due to the 18 new stores the group has opened since July 2008. This increase for the half-year has been achieved in tough trading conditions with selling price inflation of 1%. The excellent growth in customer transactions of 13%, of which 6% is from the existing store base, is encouraging and bodes well for the future.

Due to the competitive environment, gross profit margins of 20.3% remained under pressure throughout this trading period and were 1.2% lower than the 21.5% achieved for the comparative half year. They were however, at similar levels to that of the 2nd half of the prior financial year.

Operational expenses for the half-year remained well controlled with existing stores accounting for 8% of the increase and new stores 5%. The total increase for the year amounted to 13%. The main contributor to the increase on existing stores, is the continued investment in people to maintain and improve customer service standards.

The effective tax rate for the half-year of 31.6% is 1% higher than that of the previous half-year, mainly due to assessed losses in a subsidiary having now been fully utilised.

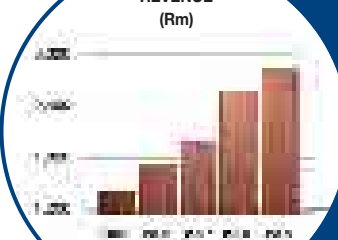
Cashbuild's financial position remains solid. Stock levels have decreased by a pleasing 9%, in spite of the stocking of seven additional stores since the previous half year-end. Overall stockholding at 68 days (December 2008: 79 days; June 2009: 84 days) showed an improvement on the position as at December 2008. Management of stock will remain a focus area for the year to come. Trade receivables remain well under control.

During the half-year Cashbuild opened five new stores. Four stores were refurbished and none relocated. Cashbuild will continue its store expansion, relocation and refurbishment strategy in a controlled manner, applying the same rigid process as in the past.

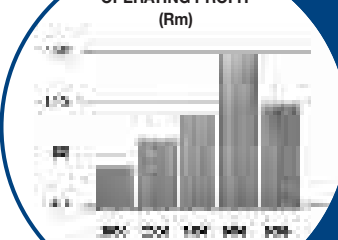
PROSPECTS

Management remains optimistic about the top line trading prospects for the next quarter based on the fact that the first nine trading weeks since half year-end have shown an increase in revenue of 6% on that of the comparable nine weeks. Gross profit margins are expected to remain under pressure for the quarter under review.

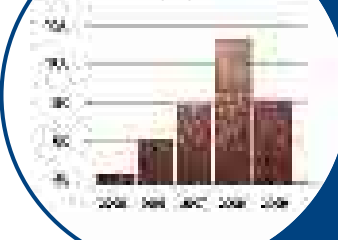
REVENUE (Rm)



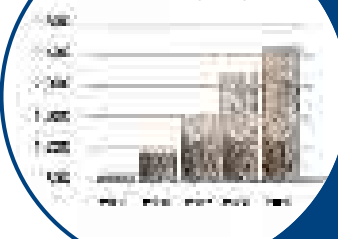
OPERATING PROFIT (Rm)



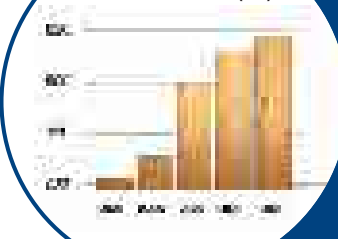
HEADLINE EARNINGS (Rm)



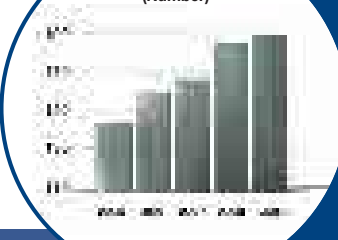
NET ASSET VALUE PER SHARE (Cents)



CASH AND CASH EQUIVALENTS (Rm)



STORES (Number)



Directors: D Masson* (Chairman), PK Goldrick (Chief executive) (Irish), WF de Jager, J Molobela*, KB Pomario, FM Rossouw*, NV Simamane*, SA Thoresson, A van Onselen (Non-executive) • **Company secretary:** Corporate Governance Leaders CC • **Registered office:** cnr Aeroton and Aerodrome Roads, Aeroton, Johannesburg 2001
PO Box 90115, Bertsham 2013 • **Transfer secretaries:** Computershare Investor Services (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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www.cashbuild.co.za