



NET ASSET VALUE PER SHARE \uparrow 17% • **REVENUE** \uparrow 7% • **OPERATING PROFIT** \downarrow 1% • **OPERATING PROFIT EXCL BEE TRANSACTION** \uparrow 43%
INTERIM DIVIDEND \uparrow 48% • **HEADLINE EARNINGS** \downarrow 21% • **HEADLINE EARNINGS EXCL BEE TRANSACTION** \uparrow 48%

CONDENSED GROUP INCOME STATEMENT - AUDITED

R'000	Six months ended 31 December 2010 (26 weeks)	Six months ended 31 December 2009 (26 weeks)	% change	Year ended 30 June 2010 (52 weeks)
Revenue	2 986 823	2 803 003	7	5 369 146
Cost of sales	(2 322 104)	(2 232 835)	4	(4 216 241)
Gross profit	664 719	570 168	17	1 152 905
Selling and marketing expenses	(472 292)	(390 409)	21	(776 838)
Administrative expenses	(76 293)	(62 352)	22	(132 470)
Other operating expenses	(2 227)	(1 244)	79	(5 398)
Other income	2 149	1 205	78	1 245
Operating profit	116 056	117 368	(1)	239 444
Finance cost	(538)	(787)	(32)	(5 700)
Finance income	15 563	9 753	60	21 936
Profit before income tax	131 081	126 334	4	255 680
Income tax expense	(62 333)	(39 910)	56	(82 005)
Profit for the period	68 748	86 424	(20)	173 675
Attributable to:				
Owners of the company	62 482	82 013	(24)	163 776
Non-controlling interests	6 266	4 411	42	9 899
	68 748	86 424	(20)	173 675
Earnings per share (cents)	275.2	361.1	(24)	721.2
Diluted earnings per share (cents)	273.4	360.3	(24)	717.7

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME - AUDITED

R'000	Six months ended 31 December 2010 (26 weeks)	Six months ended 31 December 2009 (26 weeks)	Year ended 30 June 2010 (52 weeks)
Profit for the period	68 748	86 424	173 675
Other comprehensive income:			
Foreign currency translation adjustments	(3 698)	(3 251)	(5 075)
Other comprehensive income for the period, net of tax	(3 698)	(3 251)	(5 075)
Total comprehensive income for the period	65 050	83 173	168 600
Total comprehensive income attributable to:			
Owners of the company	59 468	78 762	158 701
Non-controlling interests	5 582	4 411	9 899
	65 050	83 173	168 600

ADDITIONAL INFORMATION - AUDITED

R'000	Six months ended 31 December 2010	Six months ended 31 December 2009	Year ended 30 June 2010
Net asset value per share (cents)	2 894	2 484	2 703
Ordinary shares ('000):			
- In issue	25 190	25 805	25 805
- Weighted-average	22 707	22 709	22 709
- Diluted weighted-average	22 850	22 764	22 821
Capital expenditure	97 461	93 945	137 849
Depreciation of property, plant and equipment	26 561	24 058	48 002
Amortisation of intangible assets	357	347	709
Capital commitments	87 516	133 303	104 744
Property operating lease commitments	808 555	789 928	891 907
Contingent liabilities	30 303	15 265	17 910

CONDENSED GROUP SEGMENTAL ANALYSIS - AUDITED

	South Africa			Other members of common monetary area*			Botswana and Malawi			Group		
	Six months ended 31 December 2010	Six months ended 31 December 2009	Year ended 30 June 2010	Six months ended 31 December 2010	Six months ended 31 December 2009	Year ended 30 June 2010	Six months ended 31 December 2010	Six months ended 31 December 2009	Year ended 30 June 2010	Six months ended 31 December 2010	Six months ended 31 December 2009	Year ended 30 June 2010
Income statement												
Revenue	2 566 826	2 356 361	4 533 300	271 192	278 744	521 264	148 805	167 898	314 582	2 986 823	2 803 003	5 369 146
Operating profit	94 079	93 266	195 314	17 221	13 931	27 653	4 756	10 171	16 477	116 056	117 368	239 444
Statement of financial position												
Segment assets	1 876 151	1 691 293	1 543 791	234 436	201 332	196 137	142 433	132 074	121 333	2 253 020	2 024 699	1 861 261
Segment liabilities	1 278 059	1 170 526	976 272	115 021	92 003	75 096	81 079	74 633	60 287	1 474 159	1 337 162	1 111 655
Other segment items												
Depreciation	24 045	21 743	43 447	1 590	1 472	2 795	926	843	1 760	26 561	24 058	48 002
Amortisation	357	347	674	-	-	-	-	-	35	357	347	709
Capital expenditure	82 080	89 683	131 755	13 043	349	1 967	2 338	3 913	4 127	97 461	93 945	137 849

*Includes Namibia, Swaziland and Lesotho

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY - AUDITED

	Attributable to owners of the company			Non-controlling interests	Total equity
R'000	Share capital	Treasury share capital	Share premium	Treasury share premium	Share based payments reserve
Balance at 1 July 2009	258	(29)	115 817	(83 686)	475
Total comprehensive income for the period	-	-	-	-	(3 251)
Dividend paid - final 2009	-	-	-	-	(23 270)
Recognition of share based payments	-	-	-	-	838
Balance at 31 December 2009	258	(29)	115 817	(83 686)	1 313
Total comprehensive income for the period	-	-	-	-	(1 824)
Dividend paid - interim 2010	-	-	-	-	(24 196)
Recognition of share based payments	-	-	-	-	838
Balance at 30 June 2010	258	(29)	115 817	(83 686)	2 151
Total comprehensive income for the period	-	-	-	-	(3 014)
Share buy back	(6)	6	(49 994)	49 994	-
Dividend paid - final 2010	-	-	-	-	(28 834)
Recognition of share based payments	-	-	-	-	839
Balance at 31 December 2010	252	(23)	65 823	(33 692)	2 990

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION - AUDITED

R'000	31 December 2010	31 December 2009	30 June 2010
ASSETS			
Non-current assets	529 957	443 324	462 763
Property, plant and equipment	489 980	410 614	425 293
Intangible assets	30 497	24 065	28 149
Deferred income tax asset	9 480	8 645	9 321
Current assets	1 723 063	1 581 375	1 398 498
Assets held for sale	659	659	659
Inventories	842 736	868 689	784 445
Trade and other receivables	76 813	73 604	71 114
Cash and cash equivalents	802 855	638 423	542 280
Total assets	2 253 020	2 024 699	1 861 261
EQUITY AND LIABILITIES			
Shareholders' equity	778 861	687 537	749 606
Share capital and reserves	728 939	640 885	697 466
Non-controlling interests	49 922	46 652	52 140
Non-current liabilities	76 218	65 541	71 496
Deferred operating lease liability	71 754	61 493	67 318
Deferred profit	1 725	1 777	1 751
Deferred income tax liability	143	-	-
Borrowings (non interest-bearing)	2 596	2 271	2 427
Current liabilities	1 397 941	1 271 621	1 040 159
Trade and other liabilities	1 388 163	1 244 942	1 018 360
Current income tax liabilities	7 765	24 634	19 781
Employee benefits	2 013	2 045	2 018
Total equity and liabilities	2 253 020	2 024 699	1 861 261

CONDENSED GROUP CASH FLOW STATEMENT - AUDITED

R'000	Six months ended 31 December 2010	Six months ended 31 December 2009	Year ended 30 June 2010
Cash flows from operating activities	454 525	434 213	448 595
Cash generated from operations	(538)	(787)	(5 700)
Interest paid	(74 365)	(36 323)	(83 947)
Taxation paid			
Net cash generated from operating activities	379 622	397 103	358 948
Cash flows from investing activities	(96 681)	(90 541)	(134 373)
Net investment in assets	15 563	9 753	21 936
Interest received	(81 118)	(80 788)	(112 437)
Net cash used in investing activities	(81 118)	(80 788)	(112 437)
Cash flows from financing activities	169	145	301
Increase in other borrowings			
Dividends paid			
- own equity	(28 834)	(23 270)	(47 466)
- non-controlling interests	(7 800)	(1 438)	(1 438)
Net cash used in financing activities	(36 465)	(24 563)	(48 603)
Net increase in cash and cash equivalents	262 039	291 752	197 908
Effect of exchange rate movements on cash and cash equivalents	(1 464)	(1 459)	(3 758)
Cash and cash equivalents at beginning of period	542 280	348 130	348 130
Cash and cash equivalents at end of period	802 855	638 423	542 280

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 2010 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) and consistently applied to the prior year.
- 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 (2010: 25 December (26 weeks); 2009: 26 December (26 weeks); June 2010: 26 June (52 weeks)).
- Earnings per share.** Earnings per share is calculated by dividing the earnings attributable to owners of the company for the period by the weighted average number of 22 706 987 ordinary shares in issue during the period. (December 2009: 22 709 487 shares; June 2010: 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 R63.7 million (December 2009: R81.0 million; June 2010: R162.9 million) and a weighted average of 22 706 987 (December 2009: 22 709 487; June 2010: 22 709 487) and fully diluted of 22 849 556 (December 2009: 22 763 737; June 2010: 22 820 888) ordinary shares in issue.

R'000	Dec-10	Dec-09	% change	Jun-10
Net profit attributable to owners of the company	62 482	82 013	(24)	163 776
Loss/(profit) on sale of assets after taxation	1 217	(1 035)	(902)	
Headline earnings	63 699	80 978	(21)	162 874
Headline earnings per share (cents)	280.5	356.6	(21)	717.2
Diluted headline earnings per share (cents)	278.8	355.7	(22)	713.7

Reconciliation between net profit attributable to the owners of the company and headline earnings:

Date dividend declared: Monday, 28 March 2011
Last day to trade "CUM" the dividend: Thursday, 14 April 2011
Date commence trading "EX" the dividend: Friday, 15 April 2011
Record date: Thursday, 21 April 2011
Date of payment: Tuesday, 26 April 2011
Share certificates may not be dematerialised or rematerialised between Friday, 15 April 2011 and Thursday, 21 April 2011, both dates inclusive.

On behalf of the board
DONALD MASSON
Chairman
Johannesburg
28 March 2011

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 (192 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").

BEE TRANSACTION
In terms of a special resolution adopted by shareholders on 6 December 2010, shares to the value of R50 million were repurchased by the company from the Cashbuild Empowerment Trust ("the Trust"). The value realised by this transaction was distributed to the beneficiaries of the Trust. This distribution is reported as a personnel expense in the group interim income statement. The associated transactional costs, including the tax effects of the transaction are also accounted for. The financial effects can be summarised as follows:

	Before	% change on 2009	After	% change on 2009
Operating profit	167 325	43	116 056	(1)
Attributable earnings	118 751	45	62 482	(24)
Net asset value per share (cents)	3 117	25	2 894	17
Headline earnings per share (cents)	528.3	48	280.5	(21)

The financial highlights below should be read in conjunction with this table.

FINANCIAL HIGHLIGHTS

Revenue for the half-year increased by 7% whilst operating profit decreased by 1%. This decrease in profit is a result of an increase in gross profit of 17%, whilst operating expenses increased by 21%, largely as result of the effects of the BEE transaction described above. Basic earnings per share decreased by 24% and headline earnings per share decreased by 21%. Net asset value per share has shown a 17% increase, from 2,484 cents (Dec 2009) to 2,894 cents. Cash and cash equivalents increased by 26% to R802 million.

Stores in existence since the beginning of July 2009 (pre-existing stores - 180 stores) accounted for 4% of the increase in revenue with the remaining 3% increase due to the 12 new stores the group has opened since July 2009. This increase for the year has been achieved in tough trading conditions with selling price inflation of 2%. The growth in customer transactions of 5% (of which 2% is from the existing store base) is encouraging and bodes well for the future.

Despite the competitive environment, gross profit percentage margin increased to 22.3% during this period and was 2.0% higher in percentage terms than the 20.3% achieved for the comparative period of the prior year.

Operational expenses (excluding BEE transaction) for the period remained well controlled with existing stores accounting for 7% of the increase and new stores 3%. The total increase for the period amounted to 10%.

The effective tax rate for the period of 48% is 16% higher than that of the comparable period, largely due to the non deductibility of the people cost component of the BEE transaction. The normalised effective tax rate is 31.7%.

Cashbuild's statement of financial position remains solid. Stock levels have decreased by 3%. This decrease is in spite of the stocking of seven additional stores since the previous half year-end. Overall stockholding at 61 days (December 2009: 68 days; June 2010: 72 days) showed an improvement on the position as at December 2009 and June 2010. Trade receivables remain well under control.

During the period, Cashbuild opened four new stores. Five stores were refurbished and one store 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 revenue prospects for the next quarter. The first nine trading weeks since year-end have reported an increase in revenue of 5% on that of the comparable nine weeks. It is anticipated that gross profit percentage margins will be under pressure during the second half trading.

Directors: D Masson* (Chairman), PK Goldrick (Chief executive) (Irish), WF de Jager, KB Pomario, AE Prowse, FM Rossouw*, NV Simamane*, SA Thoresson, A van Onselen (*non-executive)
Company secretary: Corporate Governance Leaders CC
Registered office: cnr Northern Parkway & Crownwood Road, Ormonde, Johannesburg 2001
PO Box 90115, Bertschman 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: 1986/00150