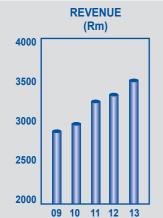
# Cashbuild



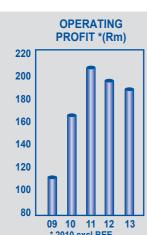


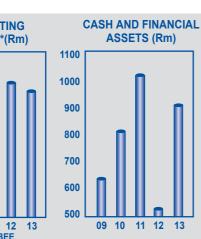


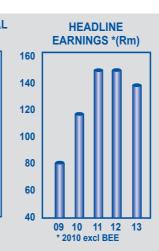


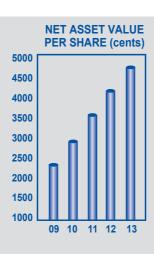
Earnings per share (cents)

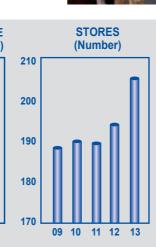
Diluted earnings per share (cents)











- REVENUE 4 7%
- HEADLINE EARNINGS < → 8%
- NET ASSET VALUE PER SHARE 
  13%

NOTES TO THE SUMMARY CONSOLIDATED INTERIM FINANCIAL INFORMATION

### SUMMARY CONSOLIDATED INTERIM INCOME STATEMENT - AUDITED Six months Six months Year ended 30 Jun ended 31 Dec 2013 31 Dec 2012 2013 R'000 (26 weeks) (26 weeks) change (52 weeks) 3 550 787 Revenue 3 317 770 6 376 945 Cost of sales (2 736 277) (2 556 647) 7 (4 921 664) 814 510 Gross profit 761 123 1 455 281 Selling and marketing expenses (526971)(486 825) (966965)(76 286) 32 (100602)(163700)Administrative expenses (1909)(2251)(15)(4 154) Other operating expenses 5 952 Other income 349 >100 2 078 190 980 196 110 322 540 Operating profit (3) Finance cost (836) (441)90 (1225)10 824 18 695 30 718 Finance income (42)Profit before income tax 200 968 214 364 352 033 Income tax expense $(63\ 007)$ (103482) $(60\ 179)$ Profit for the period 140 789 151 357 (7) 248 551 Attributable to: Owners of the company 138 691 149 750 (7) 245 490 Non-controlling interests 2 098 1 607 31 3 061 140 789 151 357 (7) 248 551 600.6 649.1 1 063.2

R'000	Six months ended 31 Dec 2013	Six months ended 31 Dec 2012	Year ended 30 Jun 2013
Profit for the period	(26 weeks)	(26 weeks)	(52 weeks 248 551
Other comprehensive income:			2.000.
Foreign currency translation reserve (FCTR) adjustments	2 872	(1 677)	4 240
Other comprehensive income for the period, net of tax	2 872	(1 677)	4 240
Total comprehensive income for the period	143 661	149 680	252 791
Total comprehensive income attributable to:			
Owners of the company	142 728	149 221	249 996
Non-controlling interests	933	459	2 795
	143 661	149 680	252 791

587.1

641.6

1 038.3

(8)

ADDITIONAL INFORMATION - AUDITED						
R'000	Six months ended 31 Dec 2013 (26 weeks)	Six months ended 31 Dec 2012 (26 weeks)				
Net asset value per share (cents)	4 799	4 233	4 379			
Ordinary shares ('000):						
- In issue	25 190	25 190	25 190			
- Weighted average	23 090	23 071	23 091			
- Diluted weighted average	23 623	23 339	23 643			
Capital investment	133 056	127 892	198 042			
Depreciation of property, plant and equipment	42 683	34 815	75 008			
Amortisation of intangible assets	6 649	3 080	6 773			
Capital commitments	174 454	184 810	164 995			
Property operating lease commitments	1 040 423	860 587	953 363			
Contingent liabilities	1 411	1 831	6 307			

R'000	31 Dec 2013	31 Dec 2012	30 Jui 2013
ASSETS	20.0	2012	201
Non-current assets	777 606	669 799	692 72
Property, plant and equipment	704 584	598 735	618 59
Intangible assets	47 885	47 225	50 33
Rent prepayments	24 870	17 027	20 55
Deferred income tax assets	267	6 812	3 23
Current assets	2 092 428	1 623 440	1 376 27
Assets held for sale	12 397	17 656	15 64
Inventories	1 028 496	950 212	986 709
Trade and other receivables	138 236	138 583	115 196
Financial assets at fair value	124 868	-	125 628
Cash and cash equivalents	788 431	516 989	123 818
Current income tax assets	-	-	9 279
Total assets	2 870 034	2 293 239	2 069 000
EQUITY AND LIABILITIES			
Shareholders' equity	1 222 729	1 078 000	1 116 436
Share capital and reserves	1 208 816	1 066 376	1 102 976
Non-controlling interests	13 913	11 624	13 460
Non-current liabilities	101 666	92 186	96 099
Deferred operating lease liability	97 412	87 865	92 016
Deferred profit	1 569	1 621	1 598
Borrowings	2 685	2 700	2 488
Current liabilities	1 545 639	1 123 053	856 465
Trade and other liabilities	1 510 846	1 080 182	853 929
Current income tax liabilities	32 182	40 378	
Employee benefits	2 611	2 493	2 536
Total equity and liabilities	2 870 034	2 293 239	2 069 00

SUMMARY CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION - AUDITED

SUMMARY CONSOLIDATED INTERIM CA	ASH FLOW S	TATEMENT -	AUDITED
	Six months	Six months	Year
	ended	ended 31 Dec 2012	ended 30 Jun 2013
R'000	(26 weeks)	(26 weeks)	(52 weeks)
Cash flows from operating activities	,	(	( = = = = )
Cash generated from operations	836 521	226 130	156 378
Interest paid	(836)	(441)	(1 225)
Taxation paid	(15 747)	(27 051)	(113 610)
Net cash generated from operating activities	819 938	198 638	41 543
Cash flows from investing activities			
Net investment in assets	(126 480)	(124 737)	(179 743)
Decrease/(increase) in financial assets	5 000	-	(125 628)
Interest received	10 824	18 695	30 718
Net cash used in investing activities	(110 656)	(106 042)	(274 653)
Cash flows from financing activities			
Increase in other borrowings	197	228	16
Shares purchased by The Cashbuild Operations Management Member Trust	-	(1 349)	(2 546)
Shares sold by The Cashbuild Share Incentive Trust	-	1 841	1 842
Dividends paid			
- own equity	(44 168)	(62 955)	(131 762)
- non-controlling interests	(480)	(680)	(1 180)
Increase in shareholding of subsidiary	-	(60)	(60)
Net cash used in financing activities	(44 451)	(62 975)	(133 690)
Net increase/(decrease) in cash and cash equivalents	664 831	29 621	(366 800)
Effect of exchange rate movements on cash and cash equivalents	(218)	(578)	2 672
Cash and cash equivalents at beginning of period	123 818	487 946	487 946
Cash and cash equivalents at end of period	788 431	516 989	123 818

SUMMARY CONSOLIDATED INTERIM SEGMENTAL ANALYSIS - AUDITED												
		South Africa		Other members of common monetary area*		Botswana and Malawi		Group				
	Six months 31 Dece		Year ended 30 June	Six months 31 Dece		Year ended 30 June	Six months 31 Decer		Year ended 30 June	Six months 31 Dece		Year ended 30 June
R'000	2013	2012	2013	2013	2012	2013	2013	2012	2013	2013	2012	2013
Income statement												
Revenue	3 089 049	2 917 466	5 583 424	299 442	257 682	505 499	162 296	142 622	288 022	3 550 787	3 317 770	6 376 945
Operating profit	166 007	173 248	277 733	19 504	12 618	31 610	5 469	10 244	13 197	190 980	196 110	322 540
Statement of financial position												
Segment assets	2 318 384	1 849 484	1 626 670	368 597	301 144	299 468	183 053	142 611	142 862	2 870 034	2 293 239	2 069 000
Segment liabilities	1 394 376	1 025 756	786 355	177 609	137 674	121 066	75 320	51 809	45 143	1 647 305	1 215 239	952 564
Other segment items												
Depreciation	38 199	31 020	67 159	2 537	2 338	4 688	1 947	1 456	3 161	42 683	34 814	75 008
Amortisation	6 649	3 080	6 773	-	-	-	-	-	-	6 649	3 080	6 773
Capital investment	123 209	108 391	179 506	6 341	16 226	13 259	3 506	3 275	5 277	133 056	127 892	198 042

SUMMA	ARY CONSOL	LIDATED INTE	ERIM STATEM	ENT OF CHA	ANGES IN EQU	ITY - AUDITE	D		
			A		5.0				
		T	Attributa		of the company			Nan	
	Share	Treasury share	Share	Treasury share	Share based payments		Retained	Non- controlling	Total
R'000	capital	capital	premium	premium	reserve	FCTR	earnings	interests	equity
Balance at 1 July 2012	252	(20)	65 823	(28 332)	12 618	(14 842)	941 175	11 408	988 082
Total comprehensive income for the period	-	-	-	-	-	(529)	149 750	459	149 680
Dividend paid	-	-	-	-	-	-	(62 955)	(680)	(63 635)
Increase in shareholding of subsidiary	-	-	-	-	-	-	(497)	437	(60)
Recognition of share based payments	-	-	-	-	3 441	-	-	-	3 441
Shares sold by The Cashbuild Share Incentive Trust	-	-	-	766	-	-	1 075	-	1 841
Shares purchased by The Cashbuild Operations Management Member Trust	_	_	-	(1 349)	_	_	_	-	(1 349)
Balance at 31 December 2012	252	(20)	65 823	(28 915)	16 059	(15 371)	1 028 548	11 624	1 078 000
Total comprehensive income for the period	-	-	-	-	-	5 035	95 740	2 336	103 111
Dividend paid	-	-	-	-	-	-	(68 807)	(500)	(69 307)
Shares purchased by The Cashbuild Operations Management Member Trust	-	-	-	(1 196)	-	-	-	-	(1 196)
Recognition of share based payments	-	-	-	-	5 828	-	-	-	5 828
Balance at 30 June 2013	252	(20)	65 823	(30 111)	21 887	(10 336)	1 055 481	13 460	1 116 436
Total comprehensive income for the period	-	-	-	-	-	4 037	138 691	933	143 661
Dividend paid	-	-	-	-	-	-	(44 168)	(480)	(44 648)
Recognition of share based payments	-	-	-	-	7 280	-		-	7 280
Balance at 31 December 2013	252	(20)	65 823	(30 111)	29 167	(6 299)	1 150 004	13 913	1 222 729

### 1. Basis of preparation. The summary consolidated interim financial statements are prepared in accordance with the requirements of International Financial Reporting Standard, (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial

- Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa applicable to summary financial statements. The accounting policies applied in the preparation of the consolidated interim financial statements from which the summary consolidated interim financial statements were derived are in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements. The financial statements have been prepared under the supervision of the financial director, Mr AE Prowse CA(SA), and approved by the board on 3 March 2014.
- 2. Independent audit by the auditor. These summary consolidated interim financial statements for the six month period ended 31 December 2013 have been audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the consolidated interim financial statements from which these summary consolidated interim financial statements were derived. A copy of the unmodified audit report is available for inspection at the registered office of the company.
- 3. Reporting period. The Group adopts the retail accounting calendar, which comprises the reporting period ending on the last Sunday of the month (2013: 29 December (26 weeks); 2012: Saturday 29 December (26 weeks); June 2013: 30 June (52 weeks)).
- 4. 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 23 090 396 ordinary shares in issue during the period. (December 2012: 23 071 449 shares; June 2013: 23 090 567 shares).
- 5. Headline earnings per ordinary share. The calculations of headline earnings and diluted headline earnings per ordinary share are based on headline earnings of R138.6 million (December 2012: R150.1 million; June 2013: R237.4 million) and a weighted average of 23 090 396 (December 2012: 23 071 449; June 2013: 23 090 567) and fully diluted of 23 622 629. (December 2012: 23 339 190; June 2013: 23 643 228) ordinary shares in issue

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

R'000	Dec 13	Dec 12	% change	Jun 13
Net profit attributable to the owners of the company	138 691	149 750	(7)	245 490
(Profit)/loss on sale of assets after taxation	(122)	398		(8 046)
Headline earnings	138 569	150 148	(8)	237 444
Headline earnings per share (cents)	600.1	650.8	(8)	1 028.3
Diluted headline earnings per share (cents)	586.6	643.3	(9)	1 004.3

6. Declaration of dividend. The board has declared an interim dividend (No. 42), of 275 cents (December 2012: 296 cents) per ordinary share out of income reserves to all shareholders of Cashbuild Limited. The dividend per share is calculated based on 25 189 811 (2012: 25 189 811) shares in issue at date of dividend declaration. Net local dividend amount is 233.75 cents per share for shareholders liable to pay Dividends Tax and 275 cents per share for shareholders exempt from paying Dividends Tax. Local dividend tax is 15% and there are no STC credits available for use

Cashbuild Limited's tax reference number is 9575168712.

Date dividend declared:	Monday, 3 March 2014
Last day to trade "CUM" the dividend:	Thursday, 20 March 2014
Date commence trading "EX" the dividend:	Monday, 24 March 2014
Record date:	Friday, 28 March 2014
Date of payment:	Monday, 31 March 2014

Share certificates may not be dematerialised or rematerialised between Monday, 24 March 2014 and Friday, 28 March 2014, both dates inclusive

On behalf of the board

**WERNER DE JAGER** DONALD MASSON Chief Executive Chairman Johannesburg 3 March 2014

## **COMMENTARY**

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 (207 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

## FINANCIAL HIGHLIGHTS

Revenue for the period increased by 7% whilst gross profit increased by 7%. Operating profit decreased by 3% largely due to operating expenses increasing by 10%. Basic earnings per share decreased by 7% and headline earnings per share decreased by 8%. Net asset value per share has shown a 13% increase, from 4 233 cents (December 2012) to 4 799 cents.

Cash and cash equivalents increased by 53% to R788 million as a result of payments to suppliers (R528m) being effected after half year-end close

Stores in existence since the beginning of July 2012 (191 stores) increased by 3% in revenue and the 16 new stores contributed 4%. This increase for the period has been achieved in tough trading conditions with selling price inflation of 4%. Within the competitive environment, gross margin percentage remained

Operational expenses for the period remained well controlled with existing stores accounting for 6% of the increase and new stores 4%. The total increase for the period amounted to 10%. The main contributor to the increase on existing stores remains the people cost component in order to maintain and improve customer

service standards. The effective tax rate for the period of 30% is 1% higher than that of the previous comparative period, mainly due to the increase in non-allowable expenditure.

Cashbuild's statement of financial position remains solid. Stock levels have increased by 8%. 7% contributed by new stores, with overall stockholding at 71 days (December 2012: 70 days). Trade receivables remain well

During the period. Cashbuild opened seven new stores. 13 stores were refurbished and four stores were relocated. Cashbuild will continue its store expansion, relocation and refurbishment strategy in a controlled manner, applying the same rigorous process as in the past.

# **PROSPECTS**

Despite the first six weeks trading since period-end having increased by 10% to the prior comparative period, management remains cautious about top line trading prospects for the remainder of the financial year.

Directors: D Masson\* (Chairman), WF de Jager (Chief Executive), IS Fourie\*, HH Hickey\*, AGW Knock\*, Dr DSS Lushaba\*, AE Prowse, NV Simamane\*, SA Thoresson, A van Onselen. (\*non-executive) Company secretary: Corporate Governance Leaders CC

Registered office: 101 Northern Parkway, Ormonde, Johannesburg 2091 PO Box 90115, Bertsham 2013 Transfer secretaries: Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg 2001 PO Box 61051, Marshalltown 2107

Auditor: PricewaterhouseCoopers Inc. • Sponsor: Nedbank Capital Cashbuild Limited (Registration number: 1986/001503/06) • (Incorporated in the Republic of South Africa) JSE code: CSB • ISIN: ZAE000028320

\* Includes Namibia, Swaziland and Lesotho