



- REVENUE  $\uparrow$  7%
- OPERATING PROFIT  $\downarrow$  3%
- HEADLINE EARNINGS  $\downarrow$  8%
- NET ASSET VALUE PER SHARE  $\uparrow$  13%

**SUMMARY CONSOLIDATED INTERIM INCOME STATEMENT - AUDITED**

R'000	Six months ended 31 Dec 2013 (26 weeks)	Six months ended 31 Dec 2012 (26 weeks)	% change	Year ended 30 Jun 2013 (52 weeks)
Revenue	3 550 787	3 317 770	7	6 376 945
Cost of sales	(2 736 277)	(2 556 647)	7	(4 921 664)
Gross profit	814 510	761 123	7	1 455 281
Selling and marketing expenses	(526 971)	(486 825)	8	(966 965)
Administrative expenses	(100 602)	(76 286)	32	(163 700)
Other operating expenses	(1 909)	(2 251)	(15)	(4 154)
Other income	5 952	349	>100	2 078
Operating profit	190 980	196 110	(3)	322 540
Finance cost	(836)	(441)	90	(1 225)
Finance income	10 824	18 695	(42)	30 718
Profit before income tax	200 968	214 364	(6)	352 033
Income tax expense	(60 179)	(63 007)	(4)	(103 482)
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
Earnings per share (cents)	600.6	649.1	(7)	1 063.2
Diluted earnings per share (cents)	587.1	641.6	(8)	1 038.3

**SUMMARY CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME - AUDITED**

R'000	Six months ended 31 Dec 2013 (26 weeks)	Six months ended 31 Dec 2012 (26 weeks)	Year ended 30 Jun 2013 (52 weeks)
Profit for the period	140 789	151 357	248 551
Other comprehensive income:			
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

**ADDITIONAL INFORMATION - AUDITED**

R'000	Six months ended 31 Dec 2013 (26 weeks)	Six months ended 31 Dec 2012 (26 weeks)	Year ended 30 Jun 2013 (52 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

**SUMMARY CONSOLIDATED INTERIM SEGMENTAL ANALYSIS - AUDITED**

R'000	South Africa		Other members of common monetary area*		Botswana and Malawi		Group	
	Six months ended 31 Dec 2013	Year ended 30 Jun 2013	Six months ended 31 Dec 2012	Year ended 30 Jun 2012	Six months ended 31 Dec 2013	Year ended 30 Jun 2013	Six months ended 31 Dec 2012	Year ended 30 Jun 2012
	2013	2012	2013	2012	2013	2012	2013	2012
<b>Income statement</b>								
Revenue	3 089 049	2 917 466	5 583 424	299 442	257 682	505 499	162 296	142 622
Operating profit	166 007	173 248	277 733	19 504	12 618	31 610	5 469	10 244
<b>Statement of financial position</b>								
Segment assets	2 318 384	1 849 484	1 626 670	368 597	301 144	299 468	183 053	142 611
Segment liabilities	1 394 376	1 025 756	786 355	177 609	137 674	121 066	75 320	51 809
<b>Other segment items</b>								
Depreciation	38 199	31 020	67 159	2 537	2 338	4 688	1 947	1 456
Amortisation	6 649	3 080	6 773	-	-	-	6 649	3 080
Capital investment	123 209	108 391	179 506	6 341	16 226	13 259	3 506	3 275

\* Includes Namibia, Swaziland and Lesotho

**SUMMARY CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY - AUDITED**

R'000	Attributable to owners of the company							Non-controlling interests	Total equity
	Share capital	Treasury share capital	Treasury share premium	Share based payments reserve	FCTR	Retained earnings			
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)	(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)	(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)	(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

**SUMMARY CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION - AUDITED**

R'000	31 Dec 2013	31 Dec 2012	30 Jun 2013
<b>ASSETS</b>			
Non-current assets	777 606	669 799	692 725
Property, plant and equipment	704 584	598 735	618 597
Intangible assets	47 885	47 225	50 333
Rent prepayments	24 870	17 027	20 557
Deferred income tax assets	267	6 812	3 238
Current assets	2 092 428	1 623 440	1 376 275
Assets held for sale	12 397	17 656	15 645
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
<b>EQUITY AND LIABILITIES</b>			
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	1 595
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	2 069 000

**SUMMARY CONSOLIDATED INTERIM CASH FLOW STATEMENT - AUDITED**

R'000	Six months ended 31 Dec 2013 (26 weeks)	Six months ended 31 Dec 2012 (26 weeks)	Year ended 30 Jun 2013 (52 weeks)
<b>Cash flows from operating activities</b>			
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
<b>Cash flows from investing activities</b>			
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)
<b>Cash flows from financing activities</b>			
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

**NOTES TO THE SUMMARY CONSOLIDATED INTERIM FINANCIAL INFORMATION**

- 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.
- 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.
- 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)).
- 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).
- 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

- 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

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

**COMMENTARY**

**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 (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 always met.

**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 at 22.9%.

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 under control.

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.