



CHAIRMAN'S REPORT

"This is my last report as Chairman of Cashbuild. It has been an honour and privilege to serve the Company in this capacity and I leave this position with fond memories and pride given the growth of the Group over my 27-year tenure. The market capitalisation of Cashbuild has increased by 141% over this financial year thanks to the hard work and dedication of the Cashbuild team."

This year was marked by several achievements with the Group again posting new record results in a tough economic environment marked by increased competitive conditions. The success of the "Cashbuild Way" model and proven strategy adopted by the Group are reflected in our results.

Cashbuild continues to invest in the communities in which we operate by supporting sustainable initiatives. We invested R133 million during the financial year ended 30 June 2015 compared to the R127 million spent in the previous financial year. These CSI initiatives are set out in detail in the Sustainability Report.

Cashbuild remains committed to maintaining high standards of corporate governance. Our ongoing efforts around stakeholder engagement and maintaining transparency and open communication, is viewed as critical to our long-term success. Our Corporate Governance Report sets out our principles and policies in more detail.

Promoting the interdependence of performance and transformation, I am pleased to report that the Group has maintained its Level 5 B-BBEE rating. Although the ongoing success of the business is not dependent on a low B-BBEE rating, we will strive to improve our rating, especially given the negative impact of the new B-BBEE Charter for the retail sector in the coming financial year.

Whilst mindful of the risks associated with operating in the construction and building retail sector, the Group expects solid operating conditions to continue in the short to medium term.

Cashbuild's strategy remains growing our market share through increasing our store numbers. On average, we aim to open about 10 new stores per annum, but given the economic climate, this is not always achievable.

APPRECIATION

I must express my thanks to Werner de Jager and his team for their hard work and dedication during another challenging year. I would also like to extend a special thank you to my fellow Board members for their support during my tenure as Chairman and as always, your experience and knowledge have contributed significantly to the success of this Company. Although I am retiring as Chairman, I hope to continue making a contribution to the Board of Cashbuild going forward in the capacity as Non-Executive Director.



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Chairman

31 August 2015