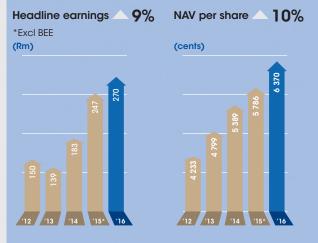
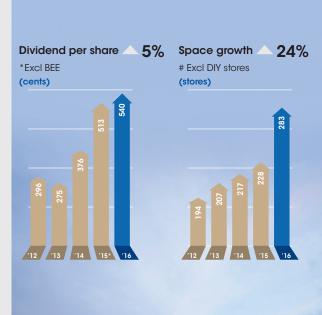


# Revenue \( \text{15}\) Operating profit 10%















# Audited Interim Results and Dividend Declaration December 2016

SUMMARY CONSOLIDATED INTERIM INCOME	STATEMENT - AUDITEI	D		
R'000	Six months ended 31 December 2016 (26 weeks)	*Restated Six months ended 31 December 2015 (26 weeks)	% change	Year ended 30 June 2016 (52 weeks)
Revenue	5 170 907	4 509 710	15	8 669 643
Cost of sales	(3 859 712)	(3 370 211)	15	(6 404 966)
Gross profit Selling and marketing expenses Administrative expenses Other operating expenses BEE transaction expense (note 7) Other income	1 311 195	1 139 499	15	2 264 677
	(812 037)	(710 398)	14	(1 418 609)
	(138 296)	(111 218)	24	(241 142)
	(801)	(1 061)	(25)	(3 123)
	-	(63 052)	(100)	(63 052)
	1 944	11 472	(83)	9 773
Operating profit Finance cost Finance income	362 005	265 242	36	548 524
	(3 365)	(317)	>100	(921)
	24 507	33 987	(28)	71 084
Profit before income tax Income tax expense Profit for the period	383 147	298 912	28	618 687
	(110 593)	(105 743)	5	(176 685)
	272 554	193 169	41	442 002
Profit attributable to: - Owners of the company - Non-controlling interests	269 963	191 240	41	437 442
	2 591	1 929	34	4 560
Earnings per share (cents) Diluted earnings per share (cents)	272 554	193 169	41	442 002
	1 189.0	843.8	41	1 920.4
	1 188.3	838.2	42	1 919.5

SUMMARY CONSOLIDATED INTERIM STATEMENT OF COMPREHENS	SIVE INCOME - AL	IDITED	
R'000	Six months ended 31 December 2016 (26 weeks)	*Restated Six months ended 31 December 2015 (26 weeks)	Year ended 30 June 2016 (52 weeks)
Profit for the period Other comprehensive income: Total movement in foreign currency translation reserve (FCTR) Aftributable to:	272 554 (15 483)	193 169 12 071	442 002 12 898
- Owners of the company - Non-controlling interests	(14 621) (862)	13 385 (1 314)	14 934 (2 036)
Total comprehensive income for the period	257 071	205 240	454 900
Total comprehensive income attributable to: - Owners of the company - Non-controlling interests	255 342 1 729 257 071	204 625 615 205 240	452 376 2 524 454 900

R'000	Six months ended 31 December 2016	*Restated Six months ended 31 December 2015	Year ended 30 June 2016
Net asset value per share (cents)	6 370	5 786	5 776
Net asset value per share (excluding treasury shares)	7 011	6 431	6 337
Ordinary shares ('000s):			
- In issue	24 990	25 190	24 990
- Weighted-average	22 706	22 665	22 779
- Diluted weighted-average	22 719	22 815	22 789
Capital investment	90 926	98 469	592 155
Depreciation of property, plant and equipment	63 931	54 500	117 181
Amortisation of intangible assets	6 378	7 857	11 590
Capital commitments	293 998	697 367	83 697
Property operating lease commitments	1 436 346	1 443 571	1 484 197
Contingent liabilities	35 526	1 411	41 727

SUMMARY CONSOLIDATED INTERIM STATEMENT OF FINAN R'000	CIAL POSITION - AUDITED  31 December 2016	*Restated 31 December 2015	30 June 2016
ASSETS Non-current assets	1 439 163	1 010 410	1 430 879
Investment property Property, plant and equipment Intangible assets Rent prepayments Deferred income tax assets	942 385 396 946 79 769 20 063	873 028 35 987 79 237 22 158	1 900 929 163 399 689 81 339 18 788
Current assets	2 799 087	2 672 696	2 108 067
Assets held for sale Inventories Trade and other receivables Prepayments Cash and deposits	5 169 1 605 660 171 223 15 187 1 001 848	916 1 211 063 104 858 14 910 1 340 949	4 510 1 225 580 90 994 11 029 775 954
Total assets	4 238 250	3 683 106	3 538 946
EQUITY AND LIABILITIES Shareholders' equity	1 615 642	1 478 545	1 465 425
Share capital and reserves Non-controlling interests	1 591 965 23 677	1 457 511 21 034	1 443 477 21 948
Non-current liabilities	199 582	131 642	184 432
Finance lease obligation Deferred operating lease liability Deferred income tax liability Contingent consideration (note 8)	1 644 126 558 36 905 34 475	110 416 21 226 -	2 243 118 475 30 706 33 008
Current liabilities	2 423 026	2 072 919	1 889 089
Trade and other liabilities Finance lease obligation Current income tax liabilities Bank overdraft Employee benefits	2 317 850 1 169 76 398 22 078 5 531	1 986 483 - 81 347 - 5 089	1 784 043 1 110 71 858 26 715 5 363
Total equity and liabilities	4 238 250	3 683 106	3 538 946
* Certain comparative amounts shown do not correspond to the 2015 into	erim financial statements and refle	ct adjustments made. I	Refer to note 2.

SUMMARY CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS - AUDITED

SUMMARY CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS	- AUDITED		
R'000	Six months ended 31 December 2016	Six months ended 31 December 2015	Year ended 30 June 2016
Cash flows from operating activities Cash generated from operations Interest paid Interest received - non-investing Taxation paid  Net cash generated from operating activities	512 752 (1 898) 282 (101 129) 410 007	557 869 (317) - (54 887) 502 665	761 718 (921) 11 781 (150 157) 622 421
Net cash generated in operating activities  Net investment in assets Business combinations Interest received  Net cash used in investing activities	(83 244) - 24 225 (59 019)	(71 849) - 33 987 (37 862)	(163 434) (378 901) 59 303 (483 032)
Cash flows from financing activities Shares purchased by The Cashbuild Share Incentive Trust and Cashbuild (South Africa) Proprietary Limited Shares sold by The Cashbuild Share Incentive Trust Finance lease payments Dividends paid: - Own equity - Non-controlling interests	2 526 (540) (110 933)	- - - (76 192) -	(244 541) 95 716 - (192 519) (1 059)
Net cash used in financing activities	(108 947)	(76 192)	(342 403)
Net increase/(decrease) in cash and cash equivalents  Cash and cash equivalents at beginning of period  Effect of exchange rate movements on cash and cash equivalents	242 041 749 239 (11 510)	388 611 938 917 13 421	(203 014) 938 917 13 336
Cash and cash equivalents at end of period	979 770	1 340 949	749 239

SUMMARY CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY - AUDITED

	Attributable to owners of the company								
R'000		Treasury share capital	Share premium	Treasury share premium	Share-based payments reserve	FCTR	Retained earnings	Non- controlling interests	Total equity
Balance at 1 July 2015 (*Restated)	252	(25)	65 823	(192 382)	45 091	(4 289)	1 410 081	20 483	1 345 034
Total comprehensive income for the period (*Restated)	-	· -	-		-	13 385	191 240	615	205 240
Dividends paid	-	-	-	-	-	-	(76 192)	-	(76 192)
Recognition of share-based payments	-	-	-	-	4 463	-	_	-	4 463
Balance at 31 December 2015	252	(25)	65 823	(192 382)	49 554	9 096	1 525 129	21 098	1 478 545
Total comprehensive income for the period	-	-	-	-	-	1 549	246 202	1 909	249 660
Buy-back of shares for empowerment transaction	(2)	2	(61 888)	61 888	_	-	_	_	-
Shares purchased by The Cashbuild Share Incentive Trust and Cashbuild (South Africa) Proprietary Limited	7	(7)	· -	(244 534)	-	-	-	_	(244 541)
Shares sold by The Cashbuild Share Incentive Trust	_	7	_	95 709	_	-	_	_	95 716
Dividends paid	_	-	-	_	-	-	(116 327)	(1 059)	(117 386)
Recognition of share-based payments	-	-	-	-	3 431	-			3 431
Balance at 30 June 2016	250	(23)	3 935	(279 319)	52 985	10 645	1 655 004	21 948	1 465 425
Total comprehensive income for the period	-	_	-	-	-	(14 621)	269 963	1 729	257 071
Dividends paid	-	-	-	-	-	` -	(110 933)	-	(110 933)
Shares sold by The Cashbuild Share Incentive Trust	-	-	-	2 526	-	-		-	2 526
Recognition of share-based payments	-	-	-	-	1 553	-	-	-	1 553
Balance at 31 December 2016	250	(23)	3 935	(276 793)	54 538	(3 976)	1 814 034	23 677	1 615 642

SUMMARY CONSOLIDATED INTERIM SEGMENTAL ANALYSIS - AUDITED

						South	Africa								
	Group			Co	Cashbuild business P&L Hardware business				Other members of common monetary area**			Botswana, Malawi and Zambia			
		onths December	Year ended 30 June		onths December	Year ended 30 June	Six m ended 31	onths December	Year ended 30 June		onths December	Year ended 30 June		onths December	Year ended 30 June
R'000	2016	*Restated 2015	2016	2016	*Restated 2015	2016	2016	2015	2016	2016	*Restated 2015	2016	2016	*Restated 2015	2016
Income statement															
Revenue	5 170 907	4 509 710	8 669 643	4 140 318	3 985 947	7 587 742	500 982	_	61 458	317 896	315 062	601 403	211 711	208 701	419 040
Operating profit	362 005	265 242	548 524	310 482	220 934	453 292	20 193	_	1 601	22 369	20 485	51 995	8 961	23 823	41 636
Statement of financial position															
Segment assets	4 238 250	3 683 106	3 538 946	3 172 813	2 985 408	2 622 873	312 054	_	209 408	478 581	427 073	434 769	274 802	270 625	271 896
Segment liabilities	2 622 608	2 204 561	2 073 521	2 104 550	1 935 213	1 676 048	247 164	-	157 873	170 105	166 681	148 937	100 789	102 667	90 663
Other segment items															
Depreciation	63 931	54 500	117 181	55 657	48 695	104 970	2 026	-	298	3 178	2 787	5 600	3 070	3 018	6 313
Amortisation	6 378	7 857	11 590	6 244	7 857	11 389	-	-	-	55	-	68	79	-	133
Capital investment	90 926	98 469	592 155	63 854	78 902	564 443	8 503	_	677	13 828	9 244	15 442	4 741	10 323	11 593

Includes Namibia, Swaziland and Lesotho

# NOTES TO THE SUMMARY CONSOLIDATED INTERIM FINANCIAL INFORMATION

Basis of preparation. The summary consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), the presentation and disclosure requirements of IAS 34 – Interim Financial Reporting as required by the JSE Limited Listings Requirements, 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 interim 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 interim financial statements have been prepared under the supervision of the Finance Director, Mr AE Prowse CA(SA), and approved by the board on 27 February 2017.

Restatement of comparative figures and additional disclosures. During the prior period, the group changed its accounting policy with respect to the treatment of advertising rebates in line with the guidance provided by the newly issued IFRS 15. Restatement of comparative rigures and additional discussions. See that the guidance provided by the newly issued IFRS 15. The change in policy allows for symmetry in the accounting treatment of rebates by suppliers i.e. if the supplier is treating the rebate as a reduction of revenue, Cashbuild as the customer should account for rebates as a reduction in the purchase price of inventory, which will result in a reduction of cost of sales when inventory is sold. Cashbuild previously reflected these rebates as a reduction of its selling and marketing expenses. Further, in accordance with IAS 8, this results in information that is more relevant to the financial position and performance. The change in accounting policy was included in the June 2016 year-end annual financial statements and was applied retrospectively. This has therefore resulted in a restatement of the comparative 2015 and 2014 figures on the balance sheet and income statement, for which the impact on December 2015 is summarised as follows:

R'000	Restated 2015	Movement	Audited 2015
Statement of financial position			
Inventories	1 211 063	(27 959)	1 239 022
Retained income	1 524 552	(20 280)	1 544 832
Income statement		• • •	
Cost of sales	(3 370 211)	72 656	(3 442 867)
Gross profit	ì 139 499	72 656	1 066 843
Gross profit percentage	25.3	1.6	23.7
Selling and marketing expenses	(710 398)	(75 223)	(635 175)
Operating profit	265 242	(2 567)	267 809
Attributable earnings	191 240	(1 928)	193 168
Net asset value per share (cents)	5 786	` (81)	5 867
Earnings per share (cents)	843.8	(8.5)	852.3
Headline earnings per share (cents)	811.3	(8.5)	819.8

Independent audit by the auditor. These summary consolidated interim financial statements for the six months ended 31 December 2016 have been audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion on the consolidated interim financial statements from which these summary consolidated interim financial statements were derived. 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 Sunday of the month (2016: 25 December (26 weeks); 2015: 27 December (26 weeks); June 2016: 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 22 705 620 ordinary shares in issue at period end (2015: 22 665 552 shares; June 2016:
- 22 779 353). **Headline earnings per ordinary share.** The calculations of headline earnings and diluted headline earnings per ordinary share are based on headline earnings of R270.0 million (2015: R183.9 million; June 2016: R430.9 million) and a weighted average of 22 705 620 (2015: 22 665 552 shares; June 2016: 22 779 353) shares and fully diluted of 22 718 913 (2015: 22 815 173; June 2016: 22 788 839) cardinary shares in issue.

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

R'000	Dec 16	Dec 15	% change	June 16
Net profit attributable to the owners of the company Loss/(Profit) on sale of assets after taxation	269 963	191 240	41	437 422
	53	(7 356)	(>100)	(6 566)
Headline earnings	270 016	183 884	47	430 876
Headline earnings per share (cents)	1 189.2	811.3	47	1 891.5
Diluted headline earnings per share (cents)	1 188.5	806.0	47	1 890.7

**BEE transaction.** A special resolution was adopted by shareholders on 30 November 2015, whereby 200 000 shares were repurchased by the company from the Cashbuild Empowerment Trust ("the Trust"). The related cost of R61.890 million has been classified as a personnel expense in the prior periods group results and the related transaction costs were R1.162 million. The specific repurchase of shares was effected on 29 January 2016.

The financial impact can be summarise	ed as follows:				
R′000	Dec 2016	Dec 2015 Before BEE	Dec 2015 After BEE	% 2016 increase on 2015	
Operating profit Attributable earnings	362 005 269 963	328 294 254 292	10 6	265 242 191 240	36 41
Net asset value per share (cents)	6 370	6 036	6	5 786	10
Headline earnings	270 016	246 936	9	183 884	47
Headline earnings per share (cents)	1 189.2	1 089.5	9	811.3	47

Acquisition of business. On 1 June 2016 the group acquired 100% of the business of P&L Hardware for a consideration of R350 million and a further R80 million (fair value: R34 million) payable if certain profit targets are met over a three-year period. In line with Cashbuild's strategy for growing market share, the rationale for the acquisition is to expand Cashbuild's geographical footprint and market share. It is intended that P&L Hardware will remain and grow as a separate brand to Cashbuild. Property, plant and equipment of R38 million, trademarks of R96 million, inventories of R169 million, trade and other receivables of R12 million, cash and cash equivalents of R29 million, trade and other payables of R137 million, taxation of R33 million and goodwill of R267 million has been provisionally recognised at date of acquisition. These values are provisional and approximate the fair values as determined under IFRS 3.

The acquired business of P&L Hardware contributed revenue of R501 million and profit before tax of R19.6 million to the group for

**Declaration of dividend.** The board has declared an interim dividend (No. 48), of 540 cents (2015: 513 cents) per ordinary share out of income reserves to all shareholders of Cashbuild Limited. The dividend per share is calculated based on 24 989 811 (2015: 24 989 811) shares in issue at date of dividend declaration. Net local dividend amount is 432 cents per share for shareholders liable to pay Dividends Tax and 540 cents per share for shareholders exempt from paying Dividends Tax. Local dividend tax is 20%. Cashbuild Limited's tax reference number is 9575168712. Monday, 27 February 2017 Monday, 20 March 2017 Date dividend declared: Last day to trade "CUM" the dividend:

Wednesday, 22 March 2017 Date commence trading "EX" the dividend: Record date:

Share certificates may not be dematerialised or rematerialised between Wednesday, 22 March 2017 and Friday, 24 March 2017, both

On behalf of the board STEFAN FOURIE **WERNER DE JAGER** Chairman Johannesburg 27 February 2017

### 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 (293 at the end of this financial period which includes the 10 DIY stores and 44 P&L Hardware stores). 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, 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 results in accordance with International Financial Reporting Standards ("IFRS")

**FINANCIAL HIGHLIGHTS** Revenue and gross profit for the period increased with 15%. Revenue for stores in existence prior to July 2015 (pre-existing stores - 229 stores) remained the same while our 20 new stores contributed 4% and P&L Hardware contributed 11% to revenue growth. This increase for the period has been achieved in tough trading conditions with selling price inflation of 3%. Gross profit percentage has

increased to 25.4% from the 25.3% of the prior period (Refer to note 2). Operating expenses, excluding the BEE transaction in the prior year, remained well controlled and increased by 17% which resulted in an operating profit increase of 36%. Existing stores accounted for 4% of the increase in operating costs, new stores 4% and P&L Hardware 9%.

Earnings per share increased by 41% and headline earnings per share increased by 47%. The effective tax rate for the period of 29% is 6% lower than that of the previous period, mainly due to non-deductibility of the BEE

transaction in the prior year. Cash and cash equivalents decreased by 27% to R980 million due to the acquisition of P&L Hardware from own resources. Stock levels have increased by 33% mainly as a result of new stores and the acquisition of P&L Hardware, with overall stockholding at 81 days (December 2015: 70 days) at period end. Trade receivables remain well under control. Net asset value per share has shown a 10% increase, from 5 786 cents (December 2015) to 6 370 cents.

During the first half, Cashbuild opened nine new stores, two stores were refurbished and two stores were relocated. Two stores were closed, one traded in close proximity to another Cashbuild store and the other reached the end of its lease term. P&L Hardware opened two new stores during this period. The DIY pilot continues with 10 Cashbuild DIY pilot stores. Cashbuild will continue its store expansion, relocation and refurbishment strategy in a controlled manner, applying the same rigorous process as in the past.

Cashbuild stores revenue for the subsequent six weeks after half year end has decreased by 4% on the comparable six week period. The Group, including P&L Hardware, has an increase of 7% on the comparable six week period. As a result management is cautiously optimistic about the top line trading prospects for the Group for the remainder of the financial year. This information has not been reviewed nor audited by the company's auditor.

Directors: IS Fourie\* (Chairman), WF de Jager (Chief Executive), HH Hickey\*, AGW Knock (British)\*, 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 Proprietary Limited, Rosebank Towers, 15 Bierman Avenue, Rosebank, Johannesburg, 2196

Auditor: PricewaterhouseCoopers Inc. Sponsor: Nedbank CIB

Cashbuild Limited (Registration number: 1986/001503/06) (Incorporated in the Republic of South Africa)

JSE code: CSB ISIN: ZAE000028320