Cashbuild

Annual
REPORT *2007*

Contents

MISSION

WE ARE THE LEADING MASS RETAILER OF BUILDING MATERIALS AND ASSOCIATED PRODUCTS AND SERVICES, PREDOMINANTLY FOR CASH, TO THE FULL SPECTRUM OF CONSUMERS, IN URBAN AND RURAL AREAS OF SOUTHERN AFRICA.

WE CONTINUOUSLY SEEK TO MAXIMISE RETURNS TO ALL OUR STAKEHOLDERS THROUGH:

- Our ability to understand our customers and markets, which enables us to offer a focused range of products and services suited to the specific requirements of each of these markets;
- Our mutually beneficial relationships with our suppliers, substantial buying power and ability to control costs which enables us to offer quality products at the lowest prices to our customers at all times;
- Our responsible human resources practices, which make us an employer of choice, and create a challenging and productive working environment, where all our people develop to their fullest potential and are recognised and rewarded for outstanding performance;
- Bringing to the communities in which we trade, lowest priced quality building materials and associated products and services, employment opportunities, and providing support to selected community projects;
- Optimally utilising all our resources thereby providing a superior, sustainable financial return to our shareholders;
- A responsible expansion programme and continued growth in profitable market share;
- Applying the highest standards of business ethics in all our dealings in line with appropriate corporate governance and international accounting standards and acting in an environmentally and socially responsible manner; and
- Applying business processes in line with international best practices through “The Cashbuild Way”.

VISION

Our vision is to be the first-choice retailer and supplier of building materials and associated products and services in every region of southern Africa and selected regions in African countries and to make a positive contribution in every community in which we trade.

PROSPECTS

Cashbuild strives to continue to increase its revenue by profitably growing market share to a minimum of 30%. Our prime target customer remains the cash-paying individual intent on necessary domestic improvements and structural repairs – and the contractor who services him. We are also making headway in our efforts to increase the volume of revenue generated from government-related contracts.

Management is confident that Cashbuild's markets will continue to grow, supported by government's drive to increase home ownership and the continued striving of private home builders and developers to meet the aspirations of more and more home owners for larger homes and better housing.

In all the countries in which Cashbuild trades, home ownership is increasingly seen as a reliable and profitable investment.

Cashbuild is the first-choice supplier of quality building materials in all the markets in which it is represented.

Our permanent strategy of expansion, store relocations and refurbishments continually increases the size of the market to which we have access.

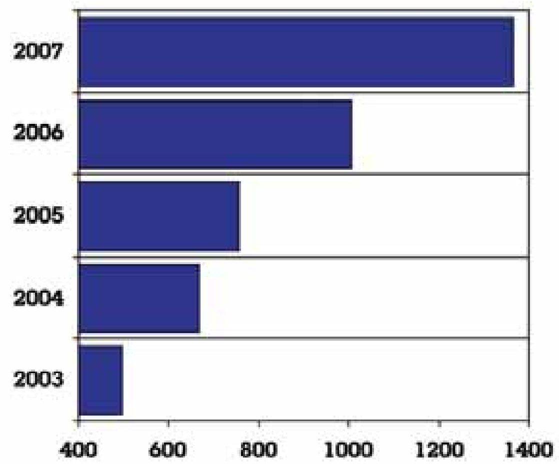
The group is confident that it will be able to maintain its record of rewarding its stakeholders and share owners with consistently improving and sustainable results into the foreseeable future.

GROUP FINANCIAL HIGHLIGHTS

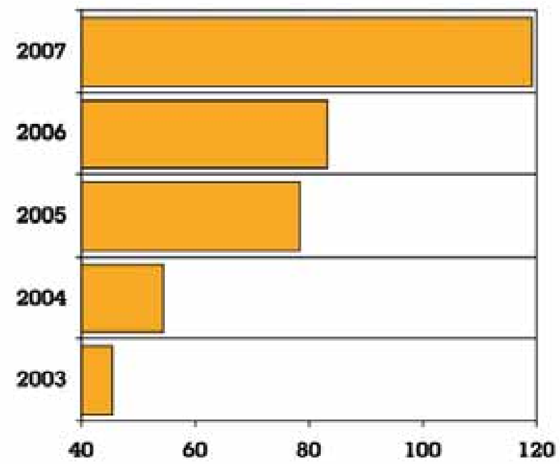
	June 2007	June 2006
Group summary (R'000)		
Revenue	**3 448 386**	2 710 417
Operating profit before financing income	**182 348**	131 942
Profit before taxation	**191 671**	135 413
Attributable earnings	**121 640**	82 700
Headline earnings	**119 751**	82 778
Net (decrease)/increase in cash and cash equivalents	**(32 444)**	(35 146)
Market capitalisation*	**1 599 932**	1 083 825
Total assets	**1 034 304**	893 132
Cash and cash equivalents	**99 580**	132 024
Interest-bearing borrowings	**1 645**	1 454
Share performance (cents per share)		
Headline earnings	**528.0**	366.7
Dividends	**173**	116
Cash and cash equivalents	**439.0**	582.0
Net asset value*	**1 361**	1 003
Market price - high	**6 500**	5 600
Market price - low	**3 875**	3 750
Market price - at year-end	**6 200**	4 200
Statistics		
Number of employees	**3 681**	3 162
Number of stores	**164**	150
Number of trading weeks	**53**	52
Turnover per employee (R'000)	**970**	857
Profit before tax on sales (%)	**5.6**	5.0
Return on shareholders' funds (%)	**34.6**	31.3

* Calculations based on issued share capital prior to consolidation of treasury shares (see note 12 of annual financial statements)

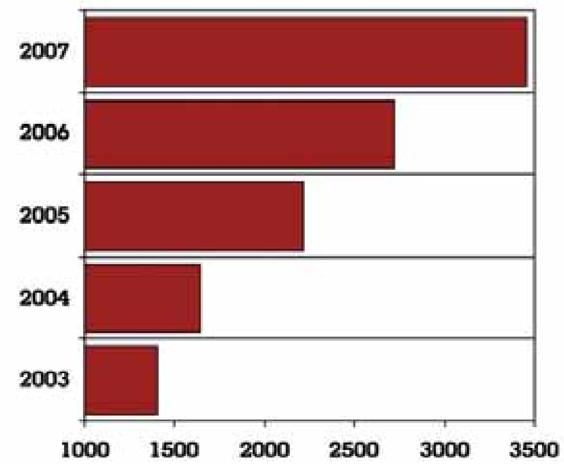
Net asset value per share (cents)



Headline earnings (Rm)



Revenue (Rm)



Chairman's Report

WHAT AN EXCELLENT YEAR AS FAR AS FINANCIAL RESULTS GO!

In last year's review I mentioned that there was a temporary blip in the traditional strong earnings growth, but that management were confident that the 2006/7 year would restore the normal pattern.

Furthermore, we must remember that this year includes a 53rd week of trading (a windfall that appears every sixth year in the retail world).

The financial results as reported were briefly as follows:

- Revenue up 27% to R 3.448 billion;
- Profit (after tax) up 43% to R 128 million;
- H.E.P.S. up 44% to 528 cents;
- Dividends up 49% to 173 cents.

For comparative purposes (i.e. excluding the 53rd week) the results would have been:-

- Revenue up 25% to R 3.381 billion;
- Profit (after tax) up 33% to R 119 million.

No matter how we interpret these results, they are excellent and management deserves the credit for their efforts.

Our customers continue to show support for those core concepts which have traditionally distinguished Cashbuild from other building material retailers:

- lowest prices;
- best quality products (we don't sell seconds);
- excellent service;
- free local deliveries (for a specified area);
- extended trading hours;
- always in stock;
- fit for purpose products;
- adequate basic range of quality products.

One of the problems that has plagued us for some time is the lack of a reliable IT system that could deliver one version of the truth and could allow management to make decisions instantaneously if any problems are identified and quantified.

We sincerely believed that new systems could be installed within a short period of time both at store level and at support office level on an integrated basis. We also decided to install a "vanilla" system which has been tried and tested to South African conditions.

The search for the above-mentioned system has taken longer than anticipated, but we have persisted and refused to be rushed into making hasty decisions and having to regret the decision subsequently.

I wish to thank management for all the effort that has gone into this exercise and we are now pleased to announce that the Heads of Agreement has been signed with SAP – All-in-One System for support office and UCS as the vendor of Active Retail for implementation at store level.

Once we have gone through a lengthy process of blue-printing, pilot schemes, etc., we should roll out at store level. This whole process should take approximately two years and we should have a fully operational IT system by November 2009. We will, at that stage, be able to bank/feel the full benefits of an efficient IT system.

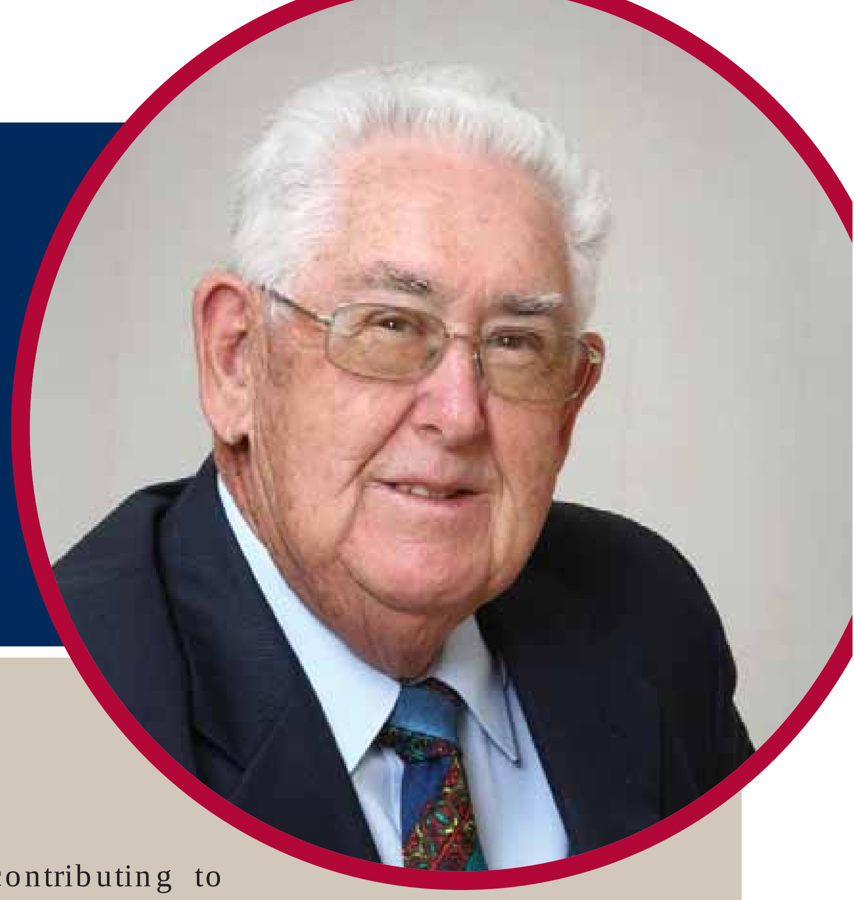
Although it has almost become a cliché – namely that our staff are our most precious assets - I can sincerely and truthfully report that at Cashbuild it is a reality.

Through our Integrated People Management (IPM) process and with the excellent cooperation of our Employee Steering Committee, every member of staff is kept informed of the strategic principles on which Cashbuild is built. All members of staff share equally in the successes and are constantly informed of our progress and how we are performing against pre-determined objectives. The IPM process allows staff, inter alia, to plan their own succession and career paths.

All stores determine their own individual objectives, as part of the overall strategy, and develop their own targets.

By means of the employee incentive trust each and every member of staff has an equal stake in the company and shares equally in dividends declared.

Chairman's Report Continued



CORPORATE GOVERNANCE

Cashbuild is committed to and broadly complies with the Code of Corporate Practices and Conduct enunciated in the King Report on Corporate Governance 2007.

All members of the board attend board meetings when possible and participate in sub-committees as well as the annual strategic session.

We have during the year, appointed certain senior members of management to the board and we are confident that they will make a material contribution at that level.

It is our intention and we are already giving it some considerable effort, to appoint one or two additional non-executive directors.

The senior appointment of a Group Risk and Audit Executive has already shown positive results and this department will be fully staffed so as to fulfill responsibilities assigned. The increase in fraud, theft and violent robberies remains a serious problem, but in Cashbuild we are doing everything humanly possible to reduce the incidents.

An area of non-compliance which the board is satisfied does not impair the governance integrity is that the chairman of the board is also the chairman of the remuneration committee. It is our sincere belief that the group's remuneration policy remains in line with the companies strategic objectives.

I also act as an independent advisor to management and attend certain exco-meetings as an advisor. I wish to give the assurance that this arrangement has at this stage never compromised my position as chairman of the board. Conversely it allows me to be aware of what is happening in the company on a day-to-day basis and acts as comfort to shareholders.

Succession planning is addressed in a formal and detailed manner.

FUTURE PROSPECTS AND LONG-TERM SUSTAINABILITY

I am convinced and confident that the company is excellently managed and shareholders can look forward to continued steady growth.

The factors contributing to this confidence on my part include:-

- the enhanced programme of stores being opened;
- the strict application of certain minimum criteria (in line with a well considered and time tested financial model) in determining the correct site/s for new stores;
- the ruthless control of costs in line with budgets;
- the application and adherence to the basic fundamentals of the business;
- the application and continued enhancement of the IPM process;
- the commitment of all staff to the values and objectives of Cashbuild;
- the quality of management at all levels;
- the positive cash flow generated enable us an almost unrestricted store development programme in line with our strategic plan;
- the focus by a recently appointed executive director on developing the neighbouring territories (Botswana, Namibia, Lesotho, Swaziland, Malawi) to their full potential.

Excellent results such as experienced this year, does not just happen. It is a direct result of good planning, clear objectives and then implementing and executing those plans. I wish to congratulate and thank all staff for their individual and collective efforts that has led to this success.

I want to thank all our stakeholders viz, suppliers, customers, outsource partners, etc., for their continued support. Without them we cannot be as successful.

The immediate next year could result in a slow-down in the economy with inflationary pressures building up, but I am confident that Cashbuild will overcome these temporary setbacks.

D MASSON
Chairman
17 September 2007

CHIEF EXECUTIVE'S REPORT

The objectives and key initiatives for the year were to:

- conduct a comprehensive competitive analysis on all levels of the business;
- develop a comprehensive financial model;
- develop and implement comprehensive customer service standards;
- ensure The Cashbuild Way is implemented throughout the company; and
- address all IT issues to support the business strategy.

OVERVIEW OF PERFORMANCE

The results for the year included an extra trading week (53 weeks) which was budgeted for and as expected generated real revenue and profit for the benefit of all stakeholders and were, with all modesty excellent and the best ever in the 29 year history of the company, achieving three key milestones:

- revenue exceeded R 3.4 billion for the first time;
- profit before tax exceeded R 190 million for the first time;
- also for the first time a dividend of 173 cents was declared.

Revenue of R 3.4 billion, an improvement of 27% (11% attributable to new stores and 16% to pre-existing stores) on the previous year equates to 25% compound growth over the last five years. This revenue growth was achieved as a result of our focus on customer service and ensuring our proven core strategies were constantly in place:

- always in stock;
- quality products at lowest prices;
- free local customer delivery service; and
- extended shopping hours.

Operating expenses of R 556.2 million were 19.9% higher than the previous year, which we tightly control and challenge for improvement, enabling our company to achieve operating profits before financing income of R 182.3 million which was an improvement of 38% on the previous year and 40% compound growth over the previous five years.

Diluted headline earnings per share of 528.0 cents improved by 46% on last year's 366.3 cents.

The dividend policy was unchanged at:

- 1st half: 3 times cover based on 1st half results;
- 2nd half: 2.5 times cover based on 2nd half results;
- A total dividend of 173 cents per share was declared, an improvement of 49%.

The total value of rand dividend paid to shareholders for the year is R 44.6 million, a growth of 49.2% on the previous year.

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 its constantly expanding chain of stores (164 at the end of this reporting year). Cashbuild carries an in-depth quality product range tailored to the specific needs of the communities it serves. Customers are typically home builders and improvers, contractors (plumbers, electricians, general builders and decorators), farmers, traders and increasingly, large construction companies and government-related infrastructure developers, as well as any person looking for quality building materials at lowest prices. Cashbuild has built its credibility and reputation by continuously offering quality products fit for purpose at the lowest prices through a purchasing and inventory policy that ensures customers' requirements are always in stock and not resorting to limited special offers on short-term crazy deals, which confuses customers and debases markets. Our store staff continues to play an invaluable role in our success through their commitment to a consistently outstanding level of customer service.

GROWING OUR CUSTOMERS

To work at Cashbuild one must like people and always be willing to help. Cashbuild values its customers who are and will always be the lifeblood of our business. Cashbuild management and staff are fully aware that our customers have the choice of where and how to spend their money. Once again Cashbuild has succeeded in growing its shopping transactions for the financial year from 8.4 million to 10.6 million, a growth of 25%.

This consistent customer shopping transaction growth is attributed to:

- trusted and respected brand;
- correctly located stores;
- focused micro-marketing;
- clearly identifying and meeting the specific needs of all customers in each of the locations in which we trade;
- providing consistent quality customer service;
- everyday lowest prices (will beat any local price or quotation);
- always in stock;
- stocking quality product fit for purpose (never sell seconds);
- convenient and dependable delivery service at each store;
- management and staff are trained to give predictable and quality service to all customers, both external and within the business; and
- Cashbuild sets out to be a pleasure to do business with.

Cashbuild customer strategy has encouraged and enabled communities to build, renovate, repair and decorate their homes and businesses throughout southern Africa. Cashbuild is without doubt the first choice retailer of quality building materials.

Cashbuild will for the foreseeable future, continue to deliver sustainable growth through well-developed business models, its large geographic spread of existing stores, plus planned store expansion, people, cash flow and information technology. We will grow profitable market share by continuing to employ, develop and challenge the right people as well as the careful selection of value-adding outsource business partners. Our proven methods (which are constantly refined and updated) of communicating to all our customers will continue, with greater emphasis on exposing more people to Cashbuild, encouraging people to carry out their own home building and improvements. Our chosen proactive outsource professional specialised retail advertising partner works tirelessly and effectively strategising, researching and piloting initiatives, which enables Cashbuild to be proactive in establishing shopping trends and delivering customer expectations.

GROWING PROFITABLE MARKET SHARE

Cashbuild will continue to grow sales and profit each year by implementing the business strategy through The Cashbuild Way process (aligned with ISO 9001 standards) and fulfilling the needs of the customer in every facet of our business. We are committed and determined that all our customers, whether rural or urban in southern Africa, will find Cashbuild a pleasure to do business with. Store management and staff are employed from the communities in which we trade and therefore have a thorough understanding of their local customer needs. All employees are fully trained and certified to carry out their specific duties and responsibilities, which include product knowledge, reading of building plans and providing customers with priced quotations. Each store prices its products to be the most competitive in the catchment area but never debases a market and offers a dependable, free local delivery service with the flexibility to meet the needs of all customers. Divisional managers are employed in the countries and regions in which they live, each division being managed by a local citizen of the country.

CASH FLOW AND WORKING CAPITAL MANAGEMENT

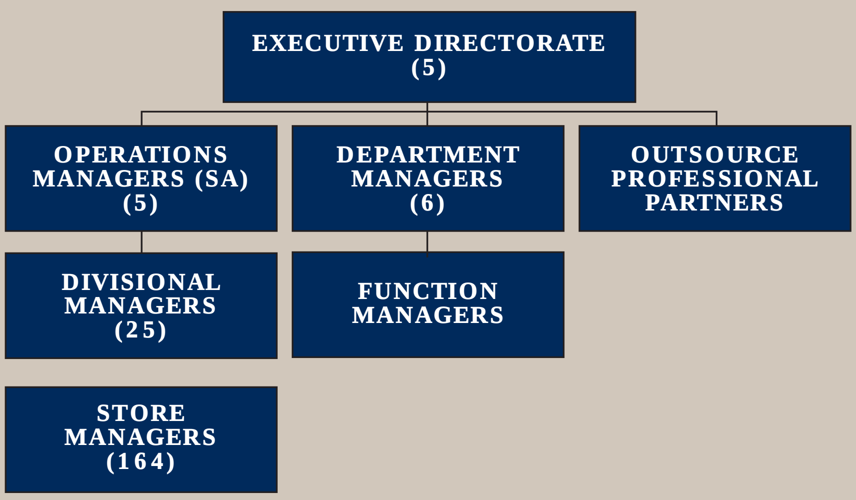
Working capital continues to receive management focus and attention resulting in inventories and trade liabilities being in line with the Cashbuild business model. Cashbuild's successful stocking policy of 'always in stock' plus store organic expansion and refurbishment/relocation programme is now entrenched throughout the organisation and practices as per The Cashbuild Way. Cashbuild continues to utilise excess cash to negotiate beneficial settlement discounts for the group. Management expects the business to continue to be adequately cash positive and capable of funding store expansion, refurbishment/relocation and the installation of the new IT system.

MANAGEMENT STRUCTURE

Cashbuild's success can be attributed to its simple business model and the excellent people culture, work ethic and in particular living what we preach. For a number of years Cashbuild has been recognised as one of the best companies to work for. For the year under review Cashbuild did not participate as our organisation is midway through the implementation of a Cashbuild People Succession and Development process which will enable our organisation to take a quantum leap in this key focus and business critical area. Wherever possible we promote from within - during this year 18% of our staffing complement was promoted from within - appointing the right people for the job, empowering management to make decisions, creating a culture where everyone takes responsibility and accountability, constructively challenging and taking swift corrective action for non-compliance with policy or falling short in terms of service level agreements. It is our policy to openly recognise and acknowledge a job well done together with long-term reward for excellence.

The Cashbuild Way, managing and holding outsource partners responsible, together with the culture of doing things right first time, is enabling and supporting the business to grow on all fronts without creating additional and unnecessary layers of management. Our current 25 divisional managers (another five in training) are driving our business forward, backed by a competent and capable support office team and professional outsource partners.

The flat management structure works effectively at Cashbuild.



Promotion from within the company is expected and widely practiced. During the past year 19 store managers (including one lady) were promoted from within the company. There are currently 51 store managers (including 11 ladies) in training.

SENIOR MANAGEMENT TEAM

L to R: Etienne Prowse, Bryan Blieden, Matthew Earle-Robertson, Peter Champion, and André Havenga

MANAGING THE BUSINESS AT STORE LEVEL

Cashbuild is totally customer-focused and all our stores are located, merchandised, stocked, staffed and equipped to meet the needs of a particular store customer base. Revenue and overhead expense budgets, together with business plans, are developed each year by the store manager for presentation in detail, by the appropriate divisional manager to the executive directors prior to submission to the board for approval. Operations directors (South Africa and neighbouring countries), divisional and store managers are held accountable for delivery of their budgets. Store systems are in place to enable the store and divisional managers to monitor performance from summary to detail levels enabling swift corrective action.

Product ranging selection and selling price setting are the responsibility of the store manager under the strict control of the relevant divisional manager, who is fully conversant with company pricing policy and local market needs. The operating of stores has been greatly simplified, streamlined and disciplined by the introduction of a standard store layout, product ranges which are adjusted by line items based on previous revenue and planograms (which provide detailed product line positioning on racks). Racking is designed to cater for products and incorporates a product display and a "How to Use" guide for customers. Each store and divisional manager reports daily on its performance. The relevant divisional manager carries out a performance review on a monthly basis and formal two to three day store visits approximately eight times per annum.

SUPPORT OFFICE MANAGEMENT

Cashbuild support office is located, equipped, staffed and managed to support the stores and operations management as they strive to grow profitable market share. All costs associated with running the support office are challenged and allocated to each store in line with a strict transfer pricing policy. As with stores, support office department heads and line management are responsible for submitting detailed budgets to the executive directors for scrutiny and justification prior to presentation to the board for approval. Department and line management are accountable for managing their budgets plus achieving the objectives and goals of the department function. The total personnel based in support office is 181 and the total cost of running the support office including professional and audit fees for the year under review was R 84.1 million (2.4% of revenue).

EMPLOYEES AND MANAGEMENT

Cashbuild employs 3 681 excellent permanent people who have demonstrated through their understanding of our customers' needs, that they are the right people for the Cashbuild business. The Employee Steering Committee put in place during the 2004 financial year is bringing benefits across the entire business. The purpose of the steering committee is to identify business opportunities, eliminate any weaknesses, manage and protect all assets, develop our people further and have the resources to grow the company into the foreseeable future. All our employees are fully trained and certificated to carry out the functions for which they are employed and are encouraged to become multi-skilled to enhance their prospects for career advancement within the company. Continued adherence to The Cashbuild Way and the incentive and reward schemes based on revenue and profitable growth have improved productivity. Cashbuild acknowledges and rewards exceptional performance throughout the business. In particular, the employees of the month in each store are recognised and at the

Cashbuild Hall of Fame, annual prestigious awards for exceptional performance by individuals and teams throughout our business, including our outsource partners. As mentioned earlier in my report, Cashbuild is proud that it can promote from the growing wealth of enthusiastic, committed and capable talent it has attracted and retained over the years at all levels throughout the business. The company continues to outsource its industrial relations support needs to a private specialist organisation, but line management is responsible for employment, training and development of all employees. Cashbuild strongly promotes and supports the training and development of its people.

At Cashbuild an employment equity task team, comprised of employees of all occupational categories and levels, is the custodian of the employment equity plan, as submitted to the Department of Labour. The plan is reviewed regularly and reports progress to the board. Cashbuild is proactively committed to the principles promoted by The Employment Equity Act. I am extremely proud of our employees and it gives me a great feeling of pride to meet such committed, dedicated and good people when I visit our stores and other work places throughout our organisation. I am confident that, with this unrelenting commitment from our people, our company will continue to deliver sustainable growth into the future for the benefit of all Cashbuild stakeholders. Absenteeism for the year under review was 1.8% with total staff turnover of 22.9% (excluding dismissals: 9.4%). Whilst these statistics are better than the industry norm, they fall well short of our business requirements and initiatives are in place to address these weaknesses. All employees are informed of developments within Cashbuild through a weekly newsletter.

CARING FOR OUR EMPOYEES

The same philosophy is well-practised within the organisation when it comes to rewarding our complement of 3 600-plus employees. All employees (including management) share equally in the empowerment trust which owns 10% of the company and receives the full dividend twice a year. The dividend is equally distributed, regardless of status or years of service. Employees have during the last 12 months, shared R 4.46 million in dividends. This trust was the first equally sharing, genuine broad-based black empowerment trust in the country.

Annual cost-of-living increases are discussed and motivated by the Steering Committee of the Cashbuild Employee Forum. This year, a 7% cost-of-living increase was applied to all job grades. These grades were scientifically developed and reviewed annually. An additional percentage increase will be added to rural salary bands each year for the next three years to close the wage gap of approximately 15% which had developed between rural and urban areas over the years. This year, rural salary bands were adjusted by 12%.

Recognition and reward is practiced widely in different forms, the most distinctive of those during the past 12 months being over-target performance bonuses in excess of R 30 million being paid to around 3 500 members of the workforce.

Cashbuild's annual Hall of Fame Award Ceremony, celebrated in September, is talked about throughout the organisation and inspires the full workforce. Employees celebrating 20 years service are rewarded, and another approximately 25 coveted awards are ceremoniously bestowed on deserving candidates accompanied by their proudly supportive spouses or partners.

EMPLOYEE STEERING COMMITTEE

Chairman: Theo Jantjies

Cashbuild strongly believes that many of its successes are attributable to the manner in which it puts its communities and employees at the heart of its strategy. The strategy is sincere, modest and whilst it can be copied, there are few organisations that have the same determination and passion to deliver with such modesty and professionalism.

Cashbuild's competencies will gather even more momentum as it expands its organisation and philosophies into communities which have been neglected for so long.

PROTECTION AND MANAGING OF ASSETS

At Cashbuild, growing a successful business is about day-in and day-out managing and protection of assets. Cashbuild has developed and implemented policies, processes, procedures and disciplines which are incorporated in The Cashbuild Way (aligned with ISO 9001 quality standards) maximising the protection of assets. Each Cashbuild store carries about 3 200 different line items varying in size from 13.2 metres of corrugated iron to 100mm carpentry pencil, with a price range of 82 cents for a brick to R 5 500 for a quality 10 000 litre water tank. All stock is checked and tracked from point of receipt (Cashbuild takes ownership) to point of sale or delivery to customer's residence (customer takes ownership). Between these two stages there are varying time scales and processes for handling and stocking the product. These processes, which are incorporated in The Cashbuild Way, are designed to eliminate product damage and stock loss (shrinkage). Cashbuild has developed and instituted policy, processes and procedures to ensure that every line item in each store is counted on a cyclical basis not exceeding six weeks, with lines recognised as vulnerable, counted daily. All variances are investigated by store management. Wall-to-wall stock counts take place in every store at least once per quarter; unsatisfactory variances result in immediate investigation, which could lead to monthly stock counts, disciplinary action and possible dismissals. As a result of our zero tolerance of breaches of company procedures, Cashbuild has budgeted to reduce and maintain shrinkage to 0.4% of revenue and to keep it down to this level, which has been achieved frequently during the past five years.

All movable assets are tagged and barcoded and tracked throughout the business. In line with good corporate governance and to ensure there is limited room for non-adherence, the Cashbuild risk internal audit and loss prevention department carries out a five day extensive audit at each store at least three times per annum. Non-compliance with company policy and The Cashbuild Way is addressed swiftly by the appropriate line management. The Cashbuild risk manager reports directly to the chief executive and is also present and reports at all audit committee meetings.

Cashbuild is proud to be recognised as a cash business, but this requires discipline in cash handling and recording policies, processes and procedures. Each night cash is reconciled with daily sales and again within two working days of the return of banking slips. Strict segregation of duties is in place in paying out money, whether for payrolls or creditors. The entire company is subjected to a full external audit each half-year carried out by PricewaterhouseCoopers Inc. prior to publication of results.

THE MARKET

The market for the supply via distribution of quality building materials is worth in the region of R 65 billion per annum and is being driven forward, which is evident from the ever growing number of buildings recently been completed or in the process of being built, as well as:

- Owning or buying a family home is very high on the list of aspirations of the people;
- The majority of the population having cash or access to funds to build or extend their homes;
- The ability to obtain title or formal permission to occupy land on which to live and build a home;
- The government's renewed efforts to build or make funds available for housing is a higher priority;
- The higher employment and greater distribution of wealth; and
- The feel good factor and positive vibe from most people throughout our country.

STORE EXPANSION / RELOCATION / REFURBISHMENT

Cashbuild is committed to aggressively protect and grow profitable market share. Critical to the success of our business growth is the number of stores, and the physical location of each store within its catchment area. Cashbuild plans to add a minimum of 10 additional stores per year. Additional stores are only approved when identified locations show clear potential to meet strict financial and operational criteria. During the year under review 15 additional stores were added. At the end of the financial year 164 stores were trading. Since the year-end (now at the end of September) no new stores have opened, but three are planned to open by the end of 2007. A further twelve stores are in construction phase. The existing store base is constantly reviewed and critically analysed as leases come up for renewal. At that time, a decision is made on whether to extend the lease or relocate to a site with greater potential. Cashbuild's strategy is to refurbish / upgrade all stores on a rolling five year period. During the financial year two stores (Maseru and Mt Frere) were refurbished and six relocated (Montague Gardens, Tshaneni, Kabokweni, Nqutu, Serowe and Kokstad). Currently five stores (Vosloorus, Hammanskraal, Umtata Central, Edenvale and Springs) are in the process of being refurbished and three are in the process of being relocated (Thoyandou, Vryheid, and Bethlehem Central). Relocation is only approved if it meets strict operational and financial criteria.

PRODUCT SUPPLIERS

Cashbuild has a policy of purchasing products from local suppliers in the areas in which it trades. By implementing this policy it supports local employment, distribution of wealth, reduces transport costs and enables Cashbuild to offer local store customers more competitive prices, provided those local suppliers are committed and capable, together with our support, to provide a predictable supply of quality products at competitive prices. Cashbuild also purchases products from national brand suppliers. However, due to the demographical spread of our expanding store base, the number of suppliers who are capable of supplying product to all our stores is limited. Those suppliers are selected on a strict basis on their ability to produce and deliver timeously, products of consistently high quality at competitive prices direct to a selection of stores.

SUPPLY CHAIN MANAGEMENT

Total availability of all ranged products within all our stores is critical to Cashbuild's success and is a constant top of mind awareness. In the interest of good consistent practices and to avoid any misunderstanding all our suppliers are given written contracts clearly setting out both parties' commitments and responsibilities with regard to the supply of quality products, trading and payment terms. To enable all our suppliers to plan and ensure continuity of quality product supply to all our stores, Cashbuild gives each supplier a volume commitment by line item and a rolling three month forecast. Delivery lead times are specific for each store and a supplier's failure to comply will lead to corrective action and possible delisting of a non-performing supplier. Importing of product is a last resort and is only considered when local manufacturers are incapable or unwilling to supply quality products fit for purpose on a dependable basis at competitive prices.

PRODUCT BRANDS AND PRODUCT PRICE

Cashbuild is committed to supplying its customers with quality products (fit for purpose) at competitive and value-for-money prices everyday and does not offer 'crazy deals', special offers with limited quantities or otherwise debase the market. The customer must always be able to obtain quality building materials wherever required, at the lowest prices. Cashbuild is committed to meeting and fulfilling the local customer's needs. Recognised quality brands are always important. The market is driven by the consumer with aspirations and the need to get value for money. During the past 10 years Cashbuild has developed Cashbuild branded quality products to meet the needs of customers at competitive prices. The Cashbuild brand is strong and is respected as a retailer of quality and integrity.

PRICE INCREASES AND THE CONSUMER

Inflation for the financial year over the product range was in the region of 10 - 11%. However this was not the case with cement, timber and copper related products, with price increases during the year resulting in a total price increase of 16%, 22% and 27% respectively, which is disappointing.

TRANSFORMATION AND SOCIAL IMPACT

Cashbuild is committed to the principles of empowerment and transformation throughout the organisation. The wide geographical footprint of the Cashbuild stores provides us with a richly diverse workforce. We focus on recruiting local people into all our stores and employ all divisional managers from the regions in which we trade. Cashbuild continues to give preference to the use of local suppliers and is constantly increasing its support of black economic empowerment initiatives. Cashbuild is continuing a programme that initiates projects within the communities within which we trade, offering entrepreneurs the opportunity to produce bricks, blocks and lintels. These products are then purchased and on-sold by Cashbuild. Cashbuild also currently offers glass-cutters and fitters the opportunity to work on Cashbuild premises. Cashbuild's free local customer delivery service which once again created local employment by utilising local labour and transport services provides a service to Cashbuild customers and supports local job creation. During the past 12 months R 49 million was paid to local community delivery contractors for this service. These and other projects will continue to be supported by Cashbuild as we contribute to the development of the communities surrounding our stores. Cashbuild's vision recognises the need to make a positive contribution to every community in which we trade and we consider involvement in selected community projects to be a key aspect of our mission. Responsibility for corporate social investment initiatives has been delegated to divisional management.

COMMUNITY RELATIONS

We are passionate about Cashbuild's 29 year history!

Cashbuild always has been and will continue to be a community and people-focused organisation. Its social investments and the development of its people (with particular emphasis on the distribution of wealth) are visible, but modestly spoken about.

Throughout the financial year, Cashbuild donated building material to the value of R 1.7 million to 165 schools in the communities in which it opened its 15 new stores (a further nine stores were either relocated or refurbished). The company undertook a special project in Diepsloot, north of Johannesburg, where it contributed R 90 000 in building materials to build two classrooms for a deserving, self-motivated community.

Building material donations made from 1 July 2006 to 30 June 2007

	Store/Name of school	Province	New refurbished/ relocated	Date	No. of Schools	Total
1	**Northriding**	Central West/Gauteng	New	11 August 2006	8	**R80 000**
	Golang Primary School					R10 000
	Paradise Bend Primary School					R10 000
	Diepsloot Combined School					R10 000
	St Angar's Combined School					R10 000
	Muzomuhle Primary School					R10 000
	Musenga Bhadziu Primary School					R10 000
	Witkoppen Combined School					R10 000
	Blair Atholl Primary School					R10 000
2	**Mkhaza**	Western Cape	New	17 August 2006	9	**R90 000**
	Masiphumelele Primary School					R10 000
	Ikhwezi Lesizwe Primary School					R10 000
	Umangaliso Primary School					R10 000
	Encotsheni Primary School					R10 000
	Soyisile Primary School					R10 000
	Isikhokelo Primary School					R10 000
	Nompumelelo Pre-School					R10 000
	Vuselela Primary School					R10 000
	Khayelitsha Special School					R10 000
3	**Montague Gardens**	Western Cape	Relocation	18 August 2006	5	**R60 000**
	Milnerton Primary School					R12 000
	Hidayatul Islam School					R12 000
	Facreton Primary School					R12 000
	Windermere Primary School					R12 000
	St John R.C. School					R12 000
4	**Thaba Nchu**	Free State	New	24 August 2006	8	**R80 000**
	Ratau Primary School					R10 000
	Moipone Primary School					R10 000
	Refentse Primary School					R10 000
	Ereskuld Primary School					R10 000
	Tshipinare Primary School					R10 000
	Mokwena Primary School					R10 000
	Mokae Primary School					R10 000
	Emang Primary School					R10 000

	Store/Name of school	Province	New refurbished/ relocated	Date	No. of Schools	Total
5	**Zamdela**	Gauteng South	New	19 October 2006	7	**R70 000**
	Tsatsi Primary School					R10 000
	Isaac Mhlambi Primary School					R10 000
	Iketsetseng Secondary School					R10 000
	Malakabeng Primary School					R10 000
	Bofula Primary School					R10 000
	Credo Primary School					R10 000
	Theha – Setjhaba Primary School					R10 000
6	**Apel**	Limpopo North	New	25 October 2006	7	**R70 000**
	Kgoedi Primary School					R10 000
	Nkwana Primary School					R10 000
	Moloke Primary School					R10 000
	Moenyane Primary School					R10 000
	Mankopane Primary School					R10 000
	Nkotsane Primary School					R10 000
	Tseke Primary School					R10 000
7	**Makhado**	Limpopo North	New	26 October 2006	7	**R70 000**
	Magau Primary School					R10 000
	Velelambe Secondary School					R10 000
	Magezi Majosi Primary School					R10 000
	Djunane Primary School					R10 000
	Tondani Primary School					R10 000
	Nyatema Primary School					R10 000
	Litshovhu Secondary School					R10 000
8	**Katlehong**	Central West Gauteng	New	27 October 2006	8	**R80 000**
	Keketso Primary School					R10 000
	Kabelo Primary School					R10 000
	Sonqoba Primary School					R10 000
	Abram Hlophe Primary School					R10 000
	Chivirani Primary School					R10 000
	Manzini Primary School					R10 000
	Lungisani Primary School					R10 000
	Cathula Primary School					R10 000

	Store/Name of school	Province	New refurbished/ relocated	Date	No. of Schools	Total
9	**Tshaneni**	Swaziland	Relocation	23 November 2006	8	**R80 000**
	Tshaneni Central Primary School					R10 000
	Ekuhlamkeni Primary School					R10 000
	Mhlume Primary School					R10 000
	Mangweni Primary School					R10 000
	Tsambokhulu Primary School					R10 000
	Mananga Primary School					R10 000
	Mangedla Primary School					R10 000
	Nhlanguyavuka Nazarene Primary School					R10 000
10	**Moloto**	Limpopo	New	28 November 2006	6	**R60 000**
	Mkhanyo Primary School					R10 000
	Moloto Primary School					R10 000
	Makerana Primary School					R10 000
	Retang Primary School					R10 000
	Motoaneng Primary School					R10 000
	Thulani Primary School					R10 000
11	**Evaton Plaza**	Gauteng South	New	29 November 2006	8	**R80 000**
	Beverly Hills Secondary School					R10 000
	Evaton Primary School					R10 000
	Letsema – Ilima Primary School					R10 000
	Poelano Secondary School					R10 000
	Chief Bambata Primary School					R10 000
	Sedibeng Pre-School					R10 000
	Thabeng Primary School					R10 000
	Khunoana Primary School					R10 000
12	**Hartswater**	North West/ Northern Cape	New	1 December 2006	8	**R80 000**
	C.W. Kies Primary School					R10 000
	Voorspoed Primary School					R10 000
	Valspan Intermediate School					R10 000
	Laerskool Analusia					R10 000
	Motswedi-Thuto Primary School					R10 000
	Jan Kempdorp Primary School					R10 000
	Reaipela Primary School					R10 000
	Bontleng Primary School					R10 000

Store/Name of school	Province	New refurbished/ relocated	Date	No. of Schools	Total
13 Montana	Gauteng North West	New	22 February 2007	8	**R80 000**
Die Poort Laerskool					R10 000
Charis Christian School					R10 000
Nuwe Wending School					R10 000
Magalieskruin Laerskool					R10 000
Wonderboom Laerskool					R10 000
Laerskool Derdepoort					R10 000
Aqe Private School					R10 000
Sonitus Skool					R10 000
14 Maseru	Lesotho	Refurb	28 February 2007	8	**R80 000**
New Millenium Primary School					R10 000
Motimposo Primary School					R10 000
Mejametalana Primary School					R10 000
Iketsetseng Primary School					R10 000
Mazenod Primary School					R10 000
Mabote RC Primary School					R10 000
Makoanyane Primary School					R10 000
St. Bernadette Primary School					R10 000
15 Komani - Queenstown	Border	New	23 March 2007	8	**R80 000**
Nonesi Public Primary School					R10 000
Louis Rex Primary School					R10 000
Welcome Valley Senior Primary School					R10 000
Lonwabo Senior Primary School					R10 000
Lukhanji Senior Primary School					R10 000
Mpendulo Public School					R10 000
Van Coller Pre-primary School					R10 000
Thembelihle Pre-primary School					R10 000
16 Serowe	Botswana	Relocation	4 April 2007	7	**R116 900**
Makolo Primary School					R16 700
Adelaide Primary School					R16 700
Mannathoko Primary School					R16 700
Swaneng Primary School					R16 700
Serowe central Primary School					R16 700
Motalaote Lekhutile Primary School					R16 700
Newtown Primary School					R16 700

Store/Name of school	Province	New refurbished/ relocated	Date	No. of Schools	Total
17 Kabokweni	Mpumalanga (Limpopo South)	Relocation	25 March 2007	8	**R80 000**
Makoko Primary School					R10 000
Cophetsheni Primary School					R10 000
Malekutu Primary School					R10 000
Embonisweni Primary School					R10 000
Entokozweni Primary School					R10 000
Mandundu/Livelethu Primary School					R10 000
Sifunindlela Primary School					R10 000
Mthunzi Primary School					R10 000
18 Kroonstad	Free State	Relocation	10 May 2007	6	**R60 000**
Maokeng Primary School					R10 000
Voorwaarts Get School					R10 000
Reatumela Primary					R10 000
Kroonheuwel Skool					R10 000
Sentrale Volksskool					R10 000
Seeisoville Public School					R10 000
19 Nqutu	Kwa-Zulu Natal	Relocation	18 May 2007	8	**R80 000**
Nomashaka Primary School					R10 000
Siyabonga Primary School					R10 000
Qediphika Primary School					R10 000
Luvisi Primary School					R10 000
Cassino Primary School					R10 000
Hlalele Primary School					R10 000
Nkwe Primary School					R10 000
Buzubona Primary School					R10 000
20 Kokstad	Transkei	Relocation	1 June 2007	7	**R70 000**
Mnceba Secondary Senior School					R10 000
Carl Malcomess School					R10 000
Rivermead Preparatory School					R10 000
Kokstad College					R10 000
Daluhlanga Senior Secondary School					R10 000
Senyukele Senior Secondary School					R10 000
Nomzomo Primary					R10 000

Store/Name of school	Province	New refurbished/ relocated	Date	No. of Schools	Total
21 Mount Frere	Transkei	Refurb	20 June 2007	8	**R80 000**
Ikwezi Junior Secondary School					R10 000
Nkulisa Junior Secondary School					R10 000
Simekweni Junior Secondary School					R10 000
Qanqu Junior Secondary School					R10 000
Mzamo Secondary Primary School					R10 000
Sulenkama Junior Secondary School					R10 000
Mbodleni Junior Secondary School					R10 000
Roseland Primary School					R10 000
22 Mkuze	Kwa-Zulu Natal	New	22 June 2007	8	**R80 000**
Mkuze Primary School					R10 000
Mhlekazi Primary School					R10 000
Vulamehlo Primary School					R10 000
Mthwazi Combined School					R10 000
Velakukhanya Primary School					R10 000
Obani Primary school					R10 000
Ubombo Primary School					R10 000
Maphaya Primary School					R10 000
23 Diepsloot - 2 classrooms					**R90 000**
Total				**166**	**R1 796 000**

The donation of building materials is strictly controlled and is only allocated to selected schools in need in each area when a new store is opened, relocated or refurbished.

Cashbuild is proud to be associated with such development and we look forward to eventually employing students from the schools we have helped to develop.

OCCUPATIONAL HEALTH AND SAFETY

As chief executive I understand and perform my role as custodian of occupational health and safety. In fulfilling my duty I have delegated responsibility to all levels of staff within the organisation. This has been achieved through proper training of staff by supporting the company's outsource partner with specialist skills in health and safety. A health and safety representative has been appointed and a first-aider is appropriately trained and qualified at each store and support office departments. The outsource partner provides the audit guidelines and checklists for ensuring compliance with all issues, not only legal requirements. With the use of the guidelines and checklists, internal audits are used to ensure compliance. Cashbuild maintains its commitment to applicable legal occupational safety and health requirements. No breaches of the legal requirements were identified during the year under review.

ENVIRONMENTAL IMPACT

Our business puts demands on natural resources and we are aware of the need to educate both our consumers and suppliers in the best management of these resources throughout their lifecycle. Cashbuild seeks to ensure that, to the best of its ability, its activities and those of its suppliers have minimal adverse environmental impact.

CASHBUILD CODE OF ETHICS

Cashbuild has a documented Code of Ethics with which all employees are expected to comply. The code is effectively enforced throughout the organisation by the board and by all line management. As chief executive, I have overall responsibility for ethical behaviour within Cashbuild. Line management throughout the organisation is responsible for ensuring compliance with the company's Code of Ethics.

Each store and support office department facilitates communication and training programmes for employees on values, standards and compliance procedures. Proficiency in these areas is taken into consideration when assessing the suitability of prospective employees and candidates for promotion and in delegating discretionary authority. Cashbuild adopts a zero-tolerance approach to non-adherence to our Code of Ethics. Any employee found behaving in a manner contrary to our Code of Ethics is subject to disciplinary proceedings, which can lead to dismissal. 315 employees were dismissed from the company's employment as a result of such proceedings during the year under review, as against last year's 310. These dismissals relate to fraud, unauthorised removal of company property, absenteeism, non-conformance to company policy and procedures and non-adherence to Cashbuild's Code of Ethics.

Cashbuild has contracted Tip-offs Anonymous, which provides a secure system for the reporting of unethical or risky behaviour. This in turn assists the risk internal audit and loss prevention department with the monitoring and auditing of compliance with our Code of Ethics.

INNOVATIONS, THE CASHBUILD WAY AND EMPLOYEE STEERING COMMITTEE

Continued improvement and finding smart ways of doing business are part of the Cashbuild culture. Cashbuild has in place a process aligned with the ISO 9001 quality standard known as The Cashbuild Way which is designed to formalise change, improvement and innovation and to ensure compliance with these set standards throughout the organisation. This greatly benefits the work flow and quality of output and is resulting in greater customer satisfaction in all aspects of our business.

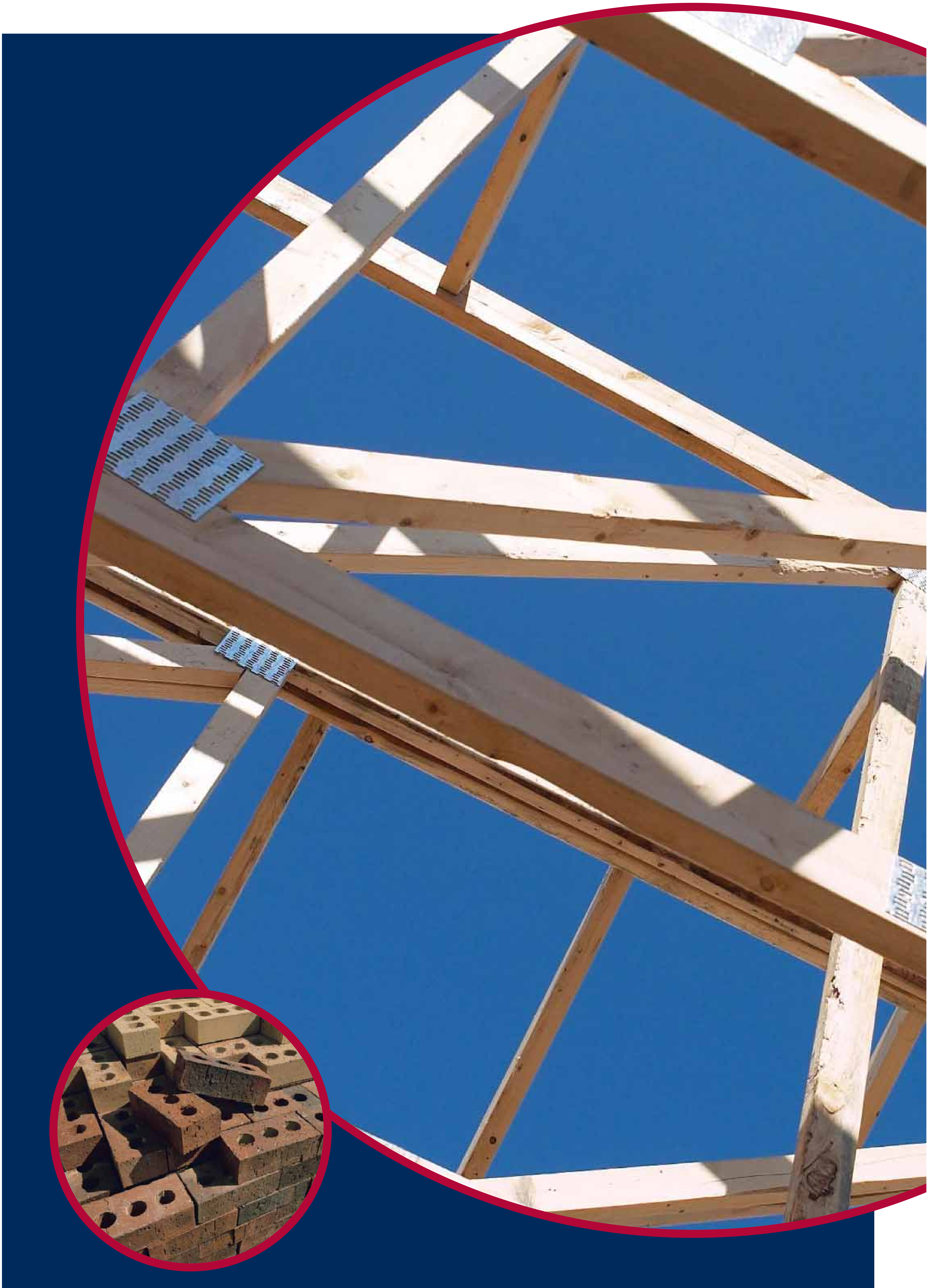
Cashbuild has in place an Employee Steering Committee comprising staff and management across the entire business. The purpose of the committee is to identify business opportunities, eliminate any weaknesses, manage and protect all assets, develop our people further and have the resources to grow the company into the foreseeable future.

INSTALLATION AND IMPLEMENTATION OF NEW IT SYSTEM

Cashbuild set out in the 2003 financial year, to upgrade the information technology system to support the growth of the business. Unfortunately this installation did not go as intended and has had a severe impact on the managing of the business, plus unnecessary cost at our support office, not stores.

This unacceptable situation was fully addressed and Cashbuild's management presented to the board during June 2006 strategic meeting that the selected solution was not capable of supporting the business going forward. An independent review confirmed management's findings.

Cashbuild has selected SAP All-in-One as its preferred system for the support office with our original selection of Active Retail remaining our preferred solution for the stores. These solutions will be implemented as an



integrated "Vanilla" package by the UCS group that has extensive experience of installing similar solutions in the retail sector in southern Africa.

PROSPECTS

Our business strategy has been built from the bottom up, taken cognisance of each market in which we currently trade and identifying locations where we must have stores in the future.

This strategy will be driven and managed at a realistic pace taking into account risk associated with too aggressive store growth. Notwithstanding the above, Cashbuild at the end of September has 164 stores, all trading successfully, and is in its best ever position to grow profitable market share. Our experienced operations directors, operations manager and 25 divisional managers are focused on improving results in existing stores while adding new stores on a planned and controlled basis. Cashbuild's experienced and well managed procurement department concentrates on sourcing quality products at competitive prices to meet our customers' needs. Our small but efficient store development team (five people) is professional and qualified to cater for our store expansion and refit programme. The need for quality building materials is growing. As the rate of new home building increases in all the countries in which we trade the market is further enhanced as home owners' aspirations lead them to extend and improve on their current structures. Each of our host countries' governments are committed to supporting home ownership and this will continue to increase the size of the market. Cashbuild's culture of excellence and commitment will continue to have a positive impact on the profits of the organisation, leading to improved growth for the foreseeable future in returns for all our stakeholders.

THANK YOU

During the year Cashbuild management and all its employees have worked exceptionally hard and smart to produce exemplary customer satisfaction and again, grow profitable market share.

The entire team has worked cohesively with commitment and pride to take Cashbuild to the current levels whilst having fun in the process.

I am proud of my Cashbuild team and say with sincerity and pride, a big "thank you" to each and every employee and I look forward with great confidence and expectation to the years ahead.

To our long standing outsource partners, you kept us all professionally advised and helped us in our striving for excellence and smarter ways. Your knowledge, hard work, expert contributions and patience have done you proud. Well done and thank you.

To suppliers of products, in particular cement manufacturers who worked smart during an exceptionally demanding period, our companies' constructive challenging working relationships are going from strength to strength. I sincerely thank you for your commitment and willing support and I look forward to our mutual profitable future growth together.

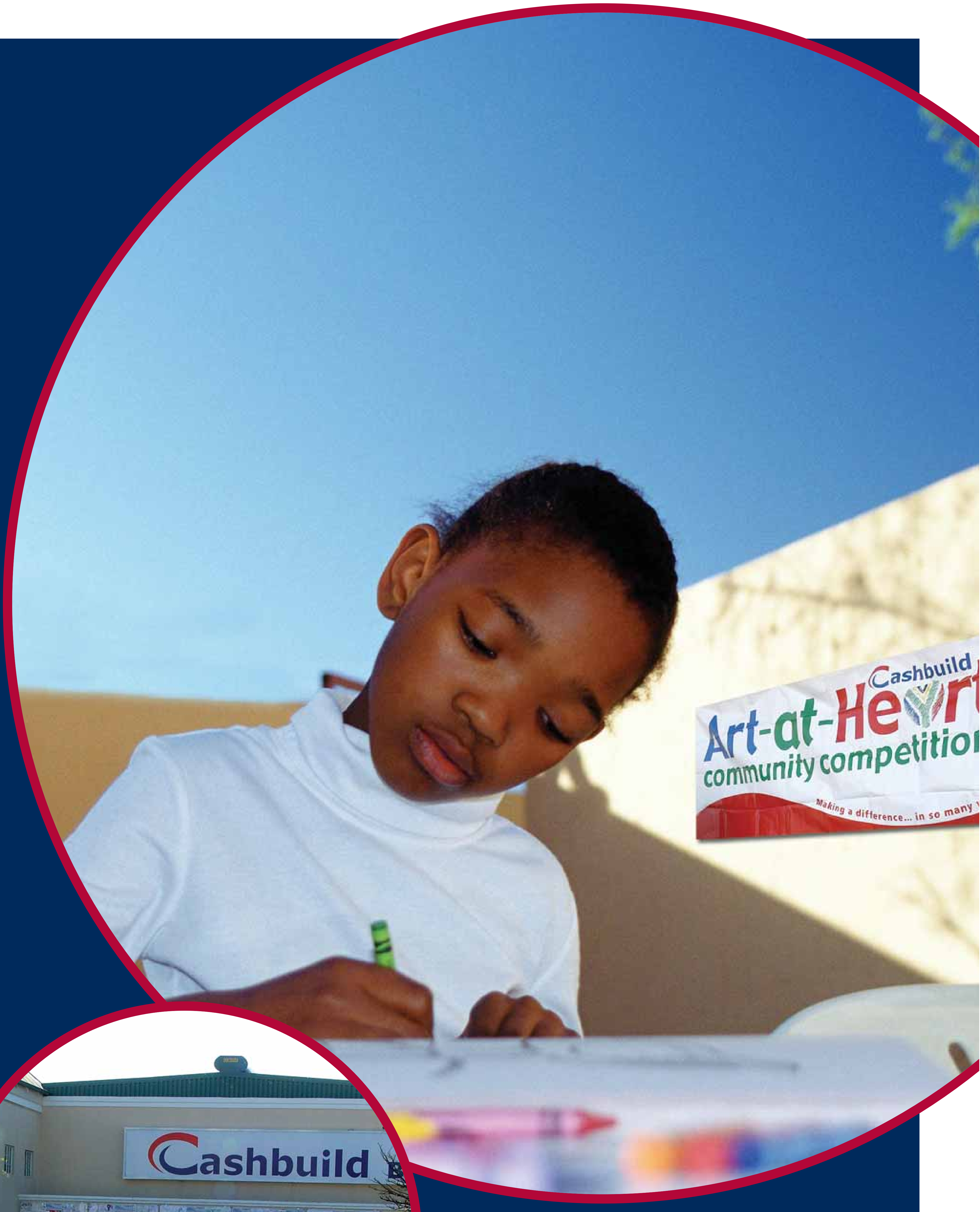
To our shareholders, private and institutions, I thank you for your investment in Cashbuild and be assured of my commitment to manage Cashbuild responsibly and smartly to protect your investment and strive to continue to grow the returns on your stake.

To our customers, a particular "thank you" for the many times you shopped in our stores. We at Cashbuild are committed to bringing you quality products at the best price every day in each of your communities and are fully aware and acknowledge with thanks that it is you who pay all our wages.

PAT GOLDRICK

Chief executive

17 September 2007


Cashbuild
community


Cashbuild

DIRECTORATE

EXECUTIVE DIRECTORS

P K Goldrick (58) (Irish)
Chief executive
Appointed 19 August 1996

- Over 43 years of retail experience with Thomas Archer Ltd and Joseph Murphy Ltd - Ireland, Selfridges Ltd, J W Carpenter Ltd and The Wickes Group - U K. Joined Cashbuild in 1996.

W F de Jager (36)
Finance director
CA (SA)
Appointed 1 December 2004

- Completed board exam 1994 and completed articles with PwC. 10 years experience working specifically in the retail sector.

K B Pomario ‡ (34)
Store development director
NHDip Construction

- 14 years construction and project management experience of which 11 have been in the retail sector.
  Joined Cashbuild in 1996

S A Thoresson ‡ (44)
Operations director: neighbouring countries

- 24 years retail operations experience
  15 years operating in the neighboring countries.
  Joined Cashbuild in 2005

A van Onselen (45)
Operations director
Dip MDP Unisa Business School
Appointed 20 September 2004

- Over 21 years of retail experience.

NON-EXECUTIVE DIRECTORS

D Masson * (76)
Chairman, ACIS
Appointed 22 June 1988

- Has 38 years experience as CEO, director and chairman of companies in a variety of business sectors and parastatals.
  Currently a director of Bidvest, Faritec and McCarthy Ltd. Serves as a trustee on various pension funds and share trusts.

J Molobela ** (51)
Bsc Eng. (Hons), MBA
Appointed 1 September 2004

- Currently a non-executive director of CSB Property Portfolio Ltd, Decillion, N3TC and many others. Audit committee member of CEF and SFF state-owned entities within the energy sector. Appointed to the audit committee 19 September 2005.

F M Rossouw * (70)**
CA (SA)
Appointed 7 May 2001

- Prior to his semi-retirement in 2001, was a senior executive and a member of the board of Oceana, Fedfood, Premier Group, Checkers and The Airports Company. Joined Cashbuild in 2001. Mr Rossouw remains a director of various private companies.

N V Simamane ** (48)
BSc (Hons) Chemistry and Biology
Appointed 1 September 2004

- Currently an executive director of Zanusi Investments, Zanusi Marketing Consultants and non-executive director of Primedia Face-2-Face.

* Member of the remuneration committee
** Member of the audit committee
*** Member of the audit and remuneration committees
‡ Appointed 27 March 2007

D MASSON

P K GOLDRICK

A VAN ONSELEN

W F DE JAGER

K B POMARIO

S A THORESSON

F M ROSSOUW

N V SIMAMANE

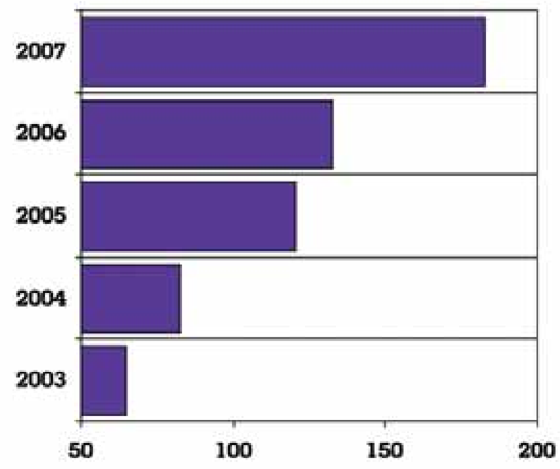
J MOLOBELA

GROUP FIVE YEAR FINANCIAL REVIEW

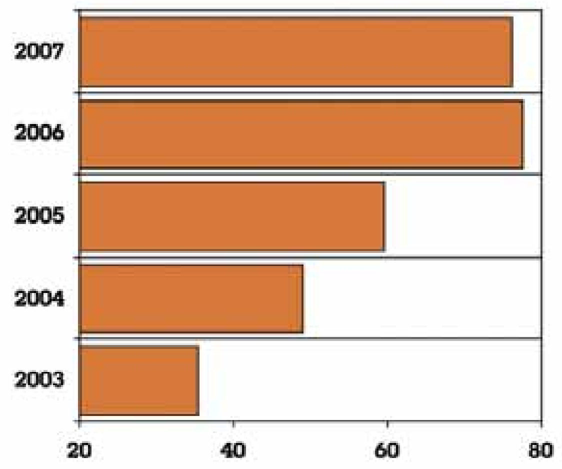
AS AT 30 JUNE 2007

R'000	Five year growth % p.a.	June 07 (53 weeks)	June 06 (52 weeks)	June 05 (52 weeks) Restated	June 04 (52 weeks)	June 03 (52 weeks)
GROUP INCOME STATEMENT						
Revenue	25	**3 448 386**	2 710 417	2 208 902	1 635 233	1 394 783
Profit before taxation	37	**191 671**	135 413	126 710	89 858	73 345
Earnings attributable to shareholders	38	**121 640**	82 700	78 191	53 303	45 548
GROUP BALANCE SHEET						
Shareholders' funds	34	**351 218**	258 909	194 346	154 238	114 253
Minority interest	32	**32 075**	27 936	20 850	16 350	11 586
Interest-bearing borrowings	52	**1 645**	1 454	1 416	492	63
TOTAL EQUITY AND INTEREST-BEARING BORROWINGS	34	**384 938**	288 299	216 612	171 080	125 902
Tangible and intangible assets	28	**253 481**	211 946	164 726	111 852	75 551
Net deferred tax asset	-	**8 240**	3 080	4 805	6 169	8 663
Current assets	16	**772 583**	678 106	598 527	468 996	398 324
TOTAL ASSETS	20	**1 034 304**	893 132	768 058	587 017	482 538
TOTAL LIABILITIES	13	**651 011**	606 287	552 862	415 937	356 636
NET ASSETS	36	**383 293**	286 845	215 196	171 080	125 902

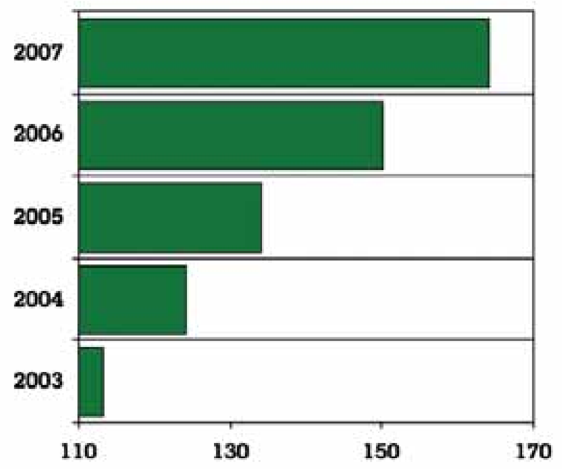
Operating profit (Rm)



Capital investment (Rm)



Number of stores (Number)

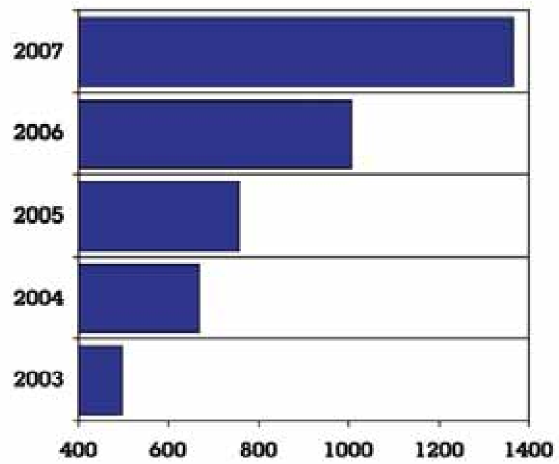


GROUP FIVE YEAR FINANCIAL REVIEW

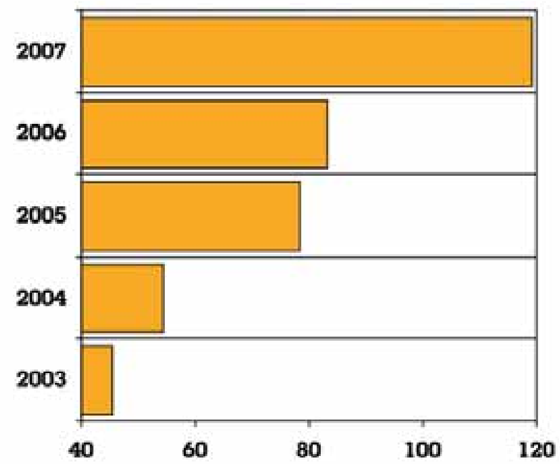
AS AT 30 JUNE 2007

	Five year growth % p.a.	**June 07 (53 weeks)**	June 06 (52 weeks)	June 05 (52 weeks) Restated	June 04 (52 weeks)	June 03 (52 weeks)
Share performance (cents per share)						
Headline earnings per share	33	**528.0**	366.7	357.8	251.3	224.1
Dividends per share	38	**173**	116	107	78	65
Net asset value per share	32	**1 361**	1 003	753	664	492
Returns and productivity						
Profit before tax on revenue (%)	10	**5.55**	5.00	5.74	5.50	5.26
Return on shareholders' funds (%)	2	**33.48**	31.33	39.11	34.56	39.87
Return on average capital employed (%)	2	**39.87**	36.49	45.00	39.71	46.80
Total asset turn (times)	5	**3.33**	3.03	2.88	2.79	2.89
Turnover per employee (R'000)	7	**970**	857	814	827	770
Profit before taxation per employee (R'000)	17	**54**	43	47	45	40
Total assets per employee (R'000)	2	**291**	282	283	297	266
Solvency and liquidity						
Dividend cover (times)		**3.10**	3.10	3.34	2.94	3.00
Current ratio		**1.26**	1.18	1.14	1.13	1.12
Total liabilities to total shareholders' funds		**1.85**	2.34	2.84	2.70	3.12
Interest-free liabilities to total assets		**0.63**	0.68	0.72	0.71	0.74
Stock exchange performance						
Number of shares in issue ('000)		**25 805**	25 805	25 805	23 225	23 225
Market price						
- high (cents)	68	**6 500**	5 600	3 980	2 300	1 445
- low (cents)	77	**3 875**	6 750	2 250	1 430	435
- at year end (cents)	70	**6 200**	4 200	3 840	2 300	1 435
Price earnings ratio at year-end	28	**11.56**	11.46	10.76	9.15	6.40
Market capitalisation at year-end (R'000)	74	**1 599 932**	1 083 810	990 925	534 175	333 279
Other statistics						
Number of employees		**3 554**	3 162	2 712	1 978	1 812
Number of stores		**164**	150	134	124	113

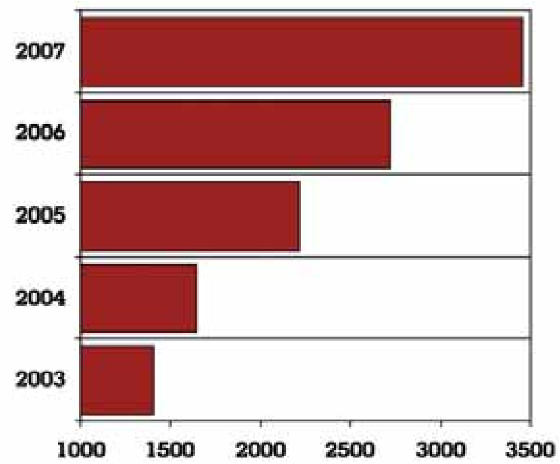
Net asset value per share (cents)



Headline earnings (Rm)



Revenue (Rm)



GROUP VALUE-ADDED STATEMENT

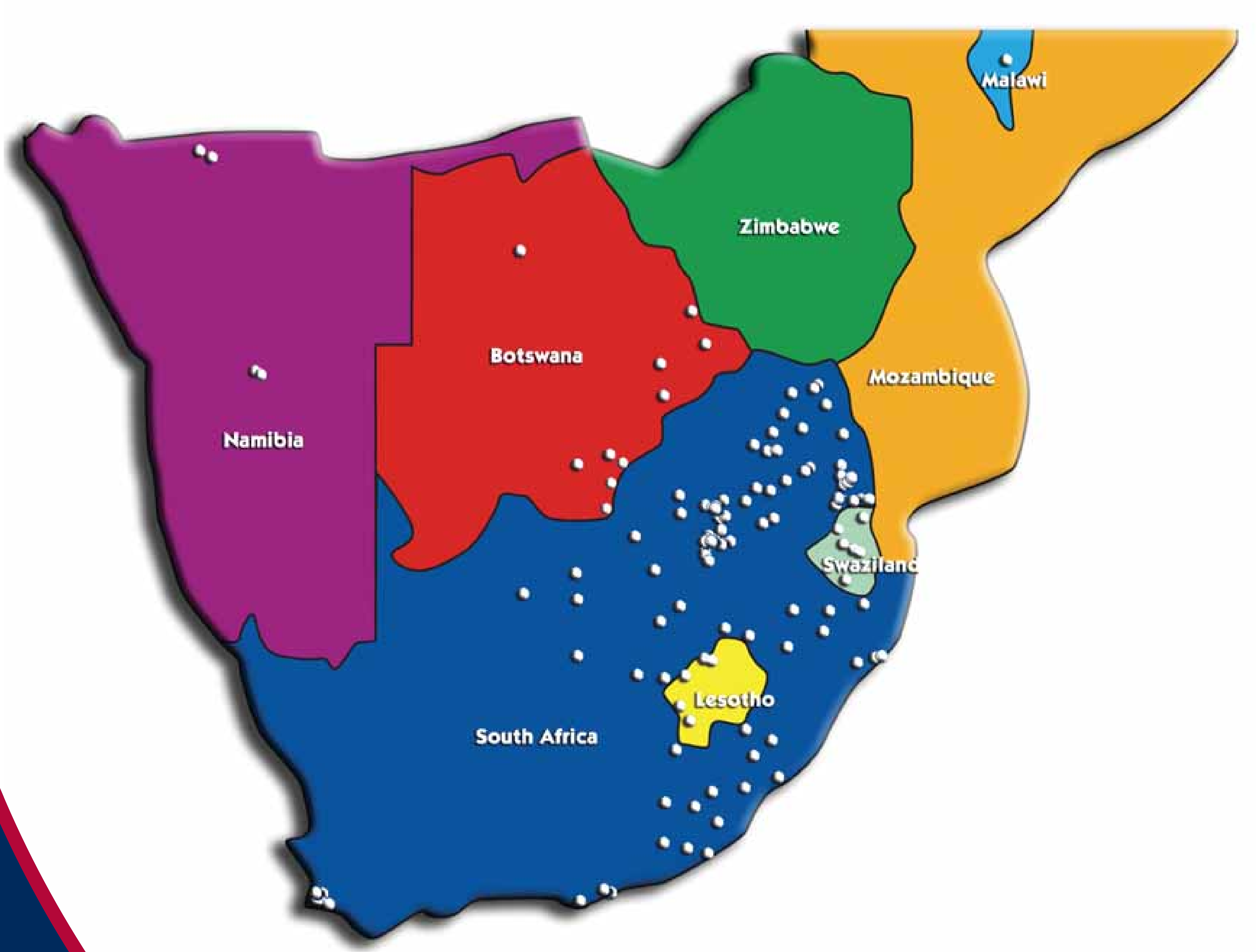
GROUP VALUE-ADDED STATEMENT

R'000	2007	%	2006	%
Revenue	3 448 386		2 710 417	
Less: Cost of merchandise and expenses	(2 988 322)		(2 364 483)	
Value added from trading operations	460 064		345 934	
Interest received on investments	11 856		4 807	
Total wealth created	471 920	100.0	350 741	100.0
To employees - salaries and benefits	248 498	52.7	192 790	55.0
To government - company taxation:	62 121	13.2	44 612	12.7
- Normal	62 907	13.3	39 744	11.3
- Deferred	(5 205)	(1.0)	1 255	0.4
- Secondary tax on companies	4 419	0.9	3 613	1.0
To providers of capital:	40 293	8.5	33 852	9.6
- Dividend to shareholders	31 062	6.6	25 350	7.2
- Interest on borrowings	2 533	0.5	1 336	0.4
- Minorities' interest	6 698	1.4	7 166	2.0
To retain for reinvestment in the group	121 008	25.6	79 487	22.7
- Depreciation, amortisation and impairment of property	30 430	6.4	22 137	6.3
- Income retained in the business	90 578	19.2	57 350	16.4
Total wealth distribution	471 920	100.0	350 741	100.0

CASHBUILD STORES

Cashbuild positions its stores to bring quality building materials at lowest prices to local communities and strives to enhance each community in which it trades, by offering the local people employment and development.

Cashbuild plans to expand its business to more communities in southern Africa.



Number of outlets	2007	2006
South Africa	**138**	124
Botswana	**10**	10
Lesotho	**5**	5
Swaziland	**6**	6
Namibia	**4**	4
Malawi	**1**	1
Total	**164**	150

DIVISIONS, STORES & MANAGERS

WESTERN CAPE

DIVISIONAL MANAGER	-	**ROELF PRINSLOO**
BRACKENFELL CENTRAL	-	NAUDE BLIGNAUT
PHILLIPI	-	WYNAND LOMBARD
MAKHAZA	-	SIBOSISO MANGI
MITCHELLS PLEIN	-	RAVI CHETTY
MONTAGUE GARDENS	-	LINDY DE KLERK
STRAND	-	MARNITZ VAN DER MERWE

EASTERN CAPE

DIVISIONAL MANAGER	-	**JEFF MAAS**
DAKU	-	BERNO MACCARIO
HUMANSDORP	-	ELSA VAN DER WALT
UITENHAGE	-	MARIETTE JOUBERT
ZIYABUYA	-	SIZAKELE VENA

BORDER

DIVISIONAL MANAGER	-	**MARK SUTHERLAND**
ALICE	-	PAUL TSHATSHU
BUTTERWORTH	-	MVEZA MANA
COFIMVABA	-	JOHNSON DLAMINI
EAST LONDON	-	JACQUES VAN ROOYEN
ENGCOBO	-	PAUL TSHATSHU
KING WILLIAM'S TOWN	-	MVUSI FIHLA
KOMANI	-	JULIET MCPHERSON
QUEENSTOWN	-	TONY ALLCOCK

TRANSKEI

DIVISIONAL MANAGER	-	**MANOJ RAMBOROSA**
KOKSTAD	-	GOODMAN NKOSIYAPANTSI
LUSIKISIKI	-	TERENCE BILOSE
MATATIELE	-	THEO JANTJIES
MOUNT FRERE	-	TREVOR SAMUELS
MTHATA CENTRAL	-	WAYNE THURSTON
MTHATA EAST	-	EARL HARPER
MTHATA	-	THANDO HOYANA

FREE STATE

DIVISIONAL MANAGER	-	**GERRIT VILJOEN**
BETHLEHEM	-	MARLISE ELS
FICKSBURG CENTRAL	-	JOHN VAUGHN
KROONSTAD	-	CROUS KRUGER
QWA QWA CB	-	JANUARY TSOTETSI
QWA QWA HC	-	WILIAM TSABALALA
STERKSPRUIT	-	JAN DE BEER
THABA NCHU	-	ZORRO MELETE
WELKOM	-	KOBUS VENTER

NORTH WEST/NORTHERN CAPE

DIVISIONAL MANAGER	-	**CROUS DE BEER**
BLOEMFONTEIN	-	ADRIAAN VAN DEN BERG
HARTSWATER	-	J.P. SMITH
KIMBERLEY	-	THYS SMITH
KLERKSDORP	-	GERT PRETORIUS
KURUMAN	-	ROLAND LUCAS
MOTHIBISTAD	-	THABO LEHIHI
ROCKLANDS	-	CHARLES SNOER
TAUNG	-	ALBERT ESTERHUIZEN
VRYBURG CENTRAL	-	KETTA DU PLOOY
VRYBURG	-	JOHAN VAN DER WALT

KWAZULU-NATAL

DIVISIONAL MANAGER	-	**WAYNE GRAVEN**
EMPANGENI	-	NAVIN GOVENDER
ESHOWE CENTRAL	-	AGRIPPA BIYELA
LADYSMITH	-	RYNO VAN STADEN
KWA MASHU	-	ELLIS MNGOMENI
NEWCASTLE	-	SIPHO MLANGENI
NQUTU	-	SIVA MOODLEY
PONGOLA	-	BONGANI NTSHANGASE
RICHARDS BAY	-	SIDNEY GOVENDER
VRYHEID	-	MARK WILLIAMS
UMLAZI	-	ABED KHUMALO

MPUMALANGA

DIVISIONAL MANAGER	-	**ANDRÉ VAN DER WALT**
BURGERSFORT CENTRAL	-	REUBEN MOTHUTSI
ELUKWATINI	-	MARIA FAKUDE
KAMHLUSHWA	-	FRANK MOKGOMOGANE
NELSPRUIT PLAZA	-	DRIES VAN WYK
NELSPRUIT	-	WAYNE GEORGE
NAAS	-	ALEX MABUZA
SCHOEMANSDAL	-	MDUDUZE MANSHINISHI
STEELPOORT	-	KLINTON PIETERSEN

MPUMALANGA (LIMPOPO SOUTH)

DIVISIONAL MANAGER	-	**ANDRÉ VAN DER MERWE**
ACORNHOEK	-	FANIE MAKOFANE
BUSHBUCKRIDGE	-	JOSEPH LEBJANE
HAZYVIEW	-	WILLEM COETZEE
KABOKWENI CENTRAL	-	BONGANI LEYANE
KANYAMAZANE	-	MICHAEL MASHILE
MKHUHLU CENTRAL	-	JOHNSON KHOZA
PHALABORWA	-	CALLIE COETZEE
THULAMAHASHE	-	RICHARD KHOSA
WHITE RIVER	-	ATTIE NEL

LIMPOPO

DIVISIONAL MANAGER	-	**JOHAN LAMPRECHT**
GROBLERSDAL	-	RENIER SMITH
MALAITA	-	MICHAEL MOKOENA
MIDDELBURG	-	JOHANN VAN DER BERG
MOLOTO	-	ISAAC RAMABELE
SIYABUSWA	-	THELMA BOSHOMANE
TWEEFONTEIN	-	PAUL MARUNA/SONNY
EMALAHLENI CENTRAL	-	MIEMIE UYS
EMALAHLENI INDUSTRIAL	-	FRANCOIS GREYLING

LIMPOPO NORTH

DIVISIONAL MANAGER	-	**LEN RAUTENBACH**
APEL	-	CLIFTON MPOBANE
BOCHUM	-	REBECCA MAKGATO
KORINGPUNT	-	DANIEL MACHETHE
LEBOWAKGOMO	-	ARNOUS THABA
MOKOPANE	-	BENNIE VAN DER MERWE
SESHEGO	-	SIMON MOHLAOLA
POLOKWANE CENTRAL	-	IAN FERREIRA
TZANEEN	-	RICH PEMPHANI

DIVISIONS, STORES & MANAGERS

EASTERN GAUTENG

DIVISIONAL MANAGER	-	**TYRONE MYBURGH**
BENONI	-	YOLISWA MPEPE
BOKSBURG	-	PIETER VENTER
EDENVALE	-	NICO MATLHAKE
KEMPTON PARK	-	MARK KOEKEMOER
KWA-THEMA	-	FRANS MAHLANGU
SPRINGS	-	JACO VAN STADEN
TEMBISA	-	MUSA MKHWEBANE

CENTRAL/WEST GAUTENG

DIVISIONAL MANAGER	-	**LEROY NGWENYA**
AEROTON	-	GORDON MTSHALI
HIGHGATE	-	MPUMI KHUMALO
HILLFOX	-	LEON VAN WIJK
KATLEHONG	-	ANDRIES MAHLABA
MEADOWLANDS	-	LEON VAN WIJK
NORTHRIDING	-	TITO GOVENDER
VOSLOORUS	-	MANDLA KHUMALO

GAUTENG/NORTH WEST

DIVISIONAL MANAGER	-	**CHRISTO BASSON**
HAMMANSKRAAL	-	ANDREW MATJIU
LETHLABILE	-	TOBIAS WILLIS
MORETELE	-	PHONI DUBAZANA
HEBRON	-	ISAAC RAMABELE
MABOPANE	-	AHMED KHUMALO
MONTANA	-	JOHAN SCHEEPERS
PRETORIA WEST	-	GERT MARAIS
SILVERTONDALE	-	VICTOR DLAMINI
SOSHANGUVE PLAZA	-	WILLY MOTAUNG
SOSHANGUVE	-	MATTHEWS NTHITE
WONDERPARK	-	JOSEPH LUCAS

NORTH WEST

DIVISIONAL MANAGER	-	**HENNIE ROOS**
BELA BELA	-	EDWARD RAKGOKONG
NORTHAM	-	ISAAC SEMANGO
LICHTENBURG	-	STEPHEN SMITH
MAFIKENG	-	SAM PEJANE
MMABATHO	-	PETER MEGOJE
MOGWASE	-	MARGARET RAMATJA
RUSTENBURG	-	HENRY JAQUIRE

LIMPOPO

DIVISIONAL MANAGER	-	**MICHAEL MGOBENI**
BOTLOKWA	-	RONALD NELUHENI
GIYANI	-	MAURICE MDABULA
GIYANI CENTRAL	-	ANDRE STEENKAMP
LOUIS TRICHARDT CENTRAL	-	DICKS MOLOTO
MAKHADO	-	HENDRICK SPIES
MUKULA	-	ZODWA SITHOLE
SIBASA	-	PRINCE BALOYI
SIBASA HC	-	BENJAMIN ITUMELENG

GAUTENG

DIVISIONAL MANAGER	-	**JOE DESAI**
EVATON	-	TSIETSI LENGOABALA
PROTEA GARDENS	-	LEE HANNIE
PROTEA GLEN	-	BRIAN FRAZENBURG
ORANGE FARM CENTRAL	-	SARAH MDLULI
ORANGE FARM	-	JOSEPH DUBE
SEBOKENG	-	HENDRICH RALF
VEREENIGING	-	CASPER COETZER
ZAMDELA	-	SAM RAMPI

LESOTHO

DIVISIONAL MANAGER	-	**NORBERT MOKOBORI**
LERIBE	-	SIMON SEPHOFANE
MAFETENG	-	ARIEL LEKHOOANA
MAPUTSOE	-	KHOMO KHOMONGOE
MASERU H/C	-	SIDWELL MALEFETSANE
MOHALE'S HOEK	-	KENNETH KHATI

SWAZILAND

DIVISIONAL MANAGER	-	**VUSI DLAMINI**
MANZINI	-	DES HENWOOD
MATSAPHA	-	MATSEBULA THEMBA
MBABANE	-	SIMON NDZINISA
NHLANGANO	-	THEMBA TSABEDZE
PIGGS PEAK	-	SIPHO SHONGWE
TSHANENI CENTRAL	-	JANUARY NGWENYA

NAMIBIA

DIVISIONAL MANAGER	-	**LUCKY NAMUPOLO**
ONDANGWA	-	JOHN ALFRED
OSHAKATI	-	KAUTA TJIENDA
WINDHOEK CENTRAL	-	SIGI LANGE
WINDHOEK INDUSTRIAL	-	FRIEDA IIKWA

BOTSWANA

DIVISIONAL MANAGER	-	**ALEC MANDEVU**
FRANCISTOWN	-	SHATANI MAJUMANE
MAHALAPYE	-	OLGA NGWENYA
MAUN	-	MOFFAT LUNGIFINE
SELEBI PHIKWE	-	SPENCER NKITSENG MASEDI
SEROWE	-	NKOTSO MATTHEWS PHETO

BOTSWANA

DIVISIONAL MANAGER	-	**BENSON RAMANGWEGAPE**
LOBATSE	-	RAYMOND MONYAKE
GABORONE WEST	-	TEFO DAMBE
GABORONE NORTH	-	EDWIN PHUTEGO
JWANENG	-	MASEGO MABE
MOLEPOLOLE	-	MARANG SEBELE

MALAWI

DIVISIONAL MANAGER	-	**HENNIE ROOS**
MALAWI	-	JOSEPH MALILI

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE STATEMENT

Cashbuild complies in all material respects to the principles and spirit of the Code of Corporate Practices and Conduct contained within the King Report on Corporate Governance for South Africa 2002 ("King Report 2002"). Variations from compliance are outlined below. Directors are well briefed on the company's activities and active in the discharge of its direction and oversight.

THE CONSTITUTION AND OPERATION OF THE BOARD OF DIRECTORS

Responsibility and compliance

The board is accountable and responsible for the performance and affairs of the company. The board has adopted a charter outlining its responsibilities. The Cashbuild board takes responsibility for guiding and monitoring compliance with all applicable laws, regulations and codes of business practice. The board delegates responsibilities for compliance on an operational basis to senior management and maintains oversight thereof. It has defined levels of materiality for the business and has delegated relevant matters to senior management based on detailed authority levels. The board believes it has full and effective control over the company and oversight of management activities.

Board constitution

Cashbuild operates a unitary board, consisting of five executive and four independent non-executive directors, one of whom is the board chairman.

Non-executive directors are sufficiently experienced and bring considerable insight and expertise to board deliberations. The board believes it has sufficient skills and experience to balance conformance to governance and entrepreneurial performance. The roles of chief executive and chairman are separated.

Company secretary

The company secretary provides guidance to the board as a whole and individual directors in the discharge of their responsibilities. The board believes that the company secretary is empowered to fulfil his duties and is satisfied that he discharges his responsibilities in a meaningful and complete manner.

Access to information

Directors have full and unrestricted access to all company information they require. Non-executive directors enjoy unrestricted access to executive management and meet with them to discuss company affairs on a frequent basis. All directors have unrestricted access to independent professional advice at the company's expense whenever necessary. During the year under review, the board consulted with Accenture regarding the viability of the existing IT system and its ability to support Cashbuild into the future.

Conflicts of interest

The directors are required to declare possible conflicts of interest on the register which is maintained by the company secretary for that purpose. There were no conflicts of interest declared during the year under review.

Succession planning

The board actively participates in the succession planning for key senior executive positions. The directors periodically discuss succession planning among themselves and are comfortable that in the event of executive and senior management transition, plans are in place to ensure smooth transition.

Directors' appointments

Directors are appointed and re-appointed on a staggered, rotational basis on a three-year cycle by shareholders. Full details of the board, including summary resumés are listed on page 26 of this report.

Other directorships

Executive directors do not hold other directorships outside the Cashbuild group, other than in relation to companies established relating to the structure of their personal finances. The board believes that other directorships held by non-executive directors do not affect their ability to fully discharge their responsibilities as Cashbuild directors. Details of other directorships held by Cashbuild directors are provided on page 26 of this report.

Board meetings

The board met six times during the year under review. All directors are encouraged to attend each meeting and gatherings where their presence is required. Board members are well-briefed in advance of each board meeting. Details of board attendance for the year under review are included in the directors' report on page 47.

Board committees

The board has established three board committees covering defined aspects of its responsibilities. The committees, namely remuneration, audit and nomination committees are each chaired by a non-executive director and operate to terms of reference approved by the board. The committees operate transparently and report to the full board as required. Each committee has unimpeded access to independent outside professional advice whenever required. The board is satisfied that the committees fulfilled their responsibilities under their respective terms of reference for the year under review. There is no formal process for evaluating committees' performance. However, because of the size and interaction between the board and executive management, the board believes that a process to monitor committee effectiveness is in place.

Remuneration committee

The remuneration committee comprises two non-executive directors, Messrs D Masson (committee chair) and F M Rossouw. It determines performance measurement criteria and remuneration packages for Cashbuild's executive management. Details of each director's attendance at committee meetings for the year under review are detailed in the directors' report on page 47.

Audit committee

Messrs F M Rossouw, J Molobela and Ms N V Simamane are members of the audit committee and are financially literate. The audit committee is responsible for review of effectiveness of internal control systems and the activities of the internal audit function. The audit committee reports to the board on matters relating to financial information. Details of each director's attendance at committee meetings for the year under review are detailed in the directors' report on page 47. All executive directors were invited and attended meetings as per the directors' report on page 47. The internal and external auditors were invited and attended all meetings during the year under review.

Nomination committee

Messrs D Masson (committee chair) and F M Rossouw are members of the nomination committee. The nomination committee is responsible for developing selection criteria and identifying appropriate candidates for application to the board. Details of each director's attendance at committee meetings for the year under review are detailed in the directors' report on page 47.

DIRECTORS' AND EXECUTIVE MANAGEMENT PERFORMANCE EVALUATION AND REWARD

Remuneration in particular, as it relates to executive management, is highly motivated by the dual criteria of delivering sustainable financial return to shareholders and also recognition and reward for outstanding performance. Executive compensation is also linked to the achievement of the organisation's non-financial goals. The remuneration committee is responsible to the board for ensuring that the remuneration policy is kept current, for the development of criteria for performance measurement and determination of remuneration packages for Cashbuild's executive management. In addition, the committee facilitates a transparent process of performance review and evaluation for executive directors within the full board.

No share options have been granted to non-executive directors. All executive directors are on contracts requiring one month's notice.

Details of the remuneration of each individual director are provided on page 80 of the report.

RISK MANAGEMENT AND INTERNAL CONTROL

The board is responsible and accountable for risk management and internal control. Executive management assumes responsibility for the integration of risk practices into operational activities while the board maintains oversight. The board is satisfied that management is attuned to both the negative and positive aspects of business risk. The board believes it has adequate information to facilitate a balanced assessment of significant risks and the effectiveness of the internal control systems to manage those risks.

During the year under review, Cashbuild has appointed a group risk and audit executive. His independence is assured as he reports directly to the chief executive with umipeded access to the chairman of the audit committee.

The board believes that in the year under review and up to the date of approval of annual reports and financial statements, Cashbuild operated an adequate system of internal control to identify and manage operational and financial risks. Management has maintained compensating controls to ensure that the operational and financial risks in the creditors IT module were adequately managed. The system of internal control is risk based, designed and regularly reviewed and tested to sufficiently manage the company risks that have a significant impact on the business. The board believes that the system of internal control provides reasonable, but not absolute assurance, on the effectiveness and efficacy of controls throughout the business.

Cashbuild has a documented and tested information technology business continuity plan, designed to secure a key aspect of the company's operational capability in the event of a disaster.

Responsibility for monitoring and reviewing controls lies with the internal audit department whose head, the group risk and audit executive, reports directly to the chief executive. The internal audit function also reports at all audit committee meetings. The internal audit function operates to a charter approved by the audit committee. It contains a formal definition of the function. Currently the internal audit function focuses primarily on identifying deficient or ineffective controls, and with the appointment mentioned above plays a critical role in advising management on improvements to risk management practices and operational efficiency.

The board believes that the relationship between the internal and external auditors is mutually supportive and facilitates proper coverage of financial, operational and compliance controls.

SUSTAINABILITY

The board appreciates that it needs to continually develop its understanding of the non-financial value drivers of business, including its stakeholders – customers, employees, government agencies and communities - and socio-economic issues such as employment equity, occupational health and safety. The board has developed clear supporting principles or standards to guide future operational management and reporting practices in a sustainability context. However more importantly, Cashbuild will strive to behave and report to its stakeholders in a manner that reflects how it practices its values on an operational basis, conforming to defined principles and in alignment with business strategy.

Sustainability reports with regards to human capital development, transformation, social responsibility, occupational health and safety and environmental impact can be found on pages 6 to 24 of the chief executive's report.

ORGANISATIONAL INTEGRITY AND THE CASHBUILD CODE OF ETHICS

Cashbuild operates to established and well-entrenched organisational values. The chief executive assumes responsibility and ownership for organisational compliance. Compliance to the code is encouraged and monitored through training and communication programmes for employees. The code is used to assess suitability of employees, specifically in the areas of values, standards and compliance. Every Cashbuild employee is expected to comply with the code. Cashbuild has a zero-tolerance approach to deviations from compliance and employees are subject to disciplinary hearings which can lead to dismissal. To enable employees to freely inform the company of transgressions to the code, Cashbuild has contracted with the Tip-offs Anonymous hotline. This system is linked to the internal audit and loss prevention departments to provide monitoring and auditing of compliance within our code.

ACCOUNTING AND AUDITING

The audit committee plays an active role in deliberations relating to the appointment of external auditors. The board is aware of its responsibility pertaining to the preparation and contents of the financial statements of Cashbuild and its subsidiaries. It believes the company maintains adequate accounting records, which are supported by an effective system of internal controls and risk management. The board is satisfied that there is good co-operation between the internal and external auditors and external and internal auditors enjoy unrestricted access to the audit committee.

Cashbuild audits its interim and year-end results, which are both subject to review by both the audit committee and the board.

There is currently no formal policy related to the use of the external auditor for the provision of non-audit services, however the board is satisfied with the ethical standards and independence demonstrated by the external auditor.

Cashbuild currently does not subject non-financial aspects of reporting to external validation or assurance.

DISCLOSURE PRACTICES

The directors are responsible for the preparation of financial statements of Cashbuild and its subsidiaries. The directors believe that the financial statements which are presented on pages 44 to 82 fairly present the state of affairs at Cashbuild as at the end of the financial year. The financial statements have been prepared in accordance with, and are compliant to International Financial Reporting Standards (IFRS). The standards include amounts based on judgements and estimates made by management. In terms of the JSE Limited Listings Requirements, compliance with IFRS is required for financial years beginning on or after 1 January 2005.

Cashbuild releases regular and timely communication with regard to the prohibition on dealing in company securities during closed periods.

The board believes that Cashbuild will be a going concern in the foreseeable future, based on the existing forecasts and current cash resources.

PricewaterhouseCoopers Inc. was the external auditor of Cashbuild during the reporting year. They are responsible for reporting on whether the financial statements are fairly presented. Cashbuild has provided the auditors with unrestricted access to all financial records and data as required.

The board is satisfied that the financial statements fairly present the state of affairs of Cashbuild as at the end of the financial year and the profit and loss and cash flows for the financial year.

The audit report of PricewaterhouseCoopers Inc. is presented on page 43 of this report. The annual financial statements were approved by the board on 17 September 2007.


Cashbuild
Cashbuild
Cashbuild
Cashbuild
Art at Heart

SHAREHOLDERS' DIARY

Final dividend paid	-	15 October 2007
Annual general meeting	-	26 November 2007
Interim report	-	March 2008
Financial year-end	-	30 June 2008
Audited results	-	September 2008

INDEX TO ANNUAL FINANCIAL STATEMENTS

Statement of responsibilities by the board of directors

The annual financial statements set out on pages 44 to 82 are the responsibility of the directors.

The directors are responsible for selecting and adopting sound accounting practices, for maintaining an adequate and effective system of accounting records, for the safeguarding of assets, and for developing and maintaining a system of internal control that, among other things, will ensure the preparation of financial statements that achieve fair presentation.

After conducting appropriate procedures the directors are satisfied that the company and the group will be going concerns for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements.

The annual financial statements were approved by the board of directors on 17 September 2007 and are signed on its behalf by:

D MASSON
Chairman

P K GOLDRICK
Chief executive

Certificate by company secretary

TO THE MEMBERS OF CASHBUILD LIMITED

We declare that, to the best of our knowledge the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Companies Act, 1973, and that all such returns are true, correct and up-to-date.

CORPORATE GOVERNANCE LEADERS CC
Chartered Secretaries
17 September 2007

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CASHBUILD LIMITED

We have audited the annual financial statements and group annual financial statements of Cashbuild Limited, which comprise the directors' report, the balance sheet and the consolidated balance sheet as at 30 June 2007, the income statement and the consolidated income statement, the statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 44 to 82.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company and of the group as of 30 June 2007, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

PricewaterhouseCoopers Inc

PRICEWATERHOUSECOOPERS INC.
Director: D J Fouché
Registered Auditor
2 Eglin Road, Sunninghill
17 September 2007

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2007

The directors have pleasure in presenting their report, which forms part of the audited financial statements of the group for the year ended 30 June 2007.

NATURE OF THE 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, 164 at the end of this reporting period (2006:150). 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 and large construction companies and government-related infrastructure developers, as well as all discerning customers looking for 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 in stock.

GROUP RESULTS SUMMARY

	Year ended June 2007 R'000	Year ended June 2006 R'000	% change
Income statement			
Revenue	**3 448 386**	2 710 417	27.2
Operating profit before finance cost and income	**182 348**	131 942	38.2
Finance cost	**2 533**	1 336	89.6
Finance income	**11 856**	4 807	146.6
Attributable earnings	**121 640**	82 700	47.1
Headline earnings	**119 751**	82 778	44.7
Earnings per share (cents)	**536.3**	366.3	46.4
Headline earnings per share (cents)	**528.0**	366.7	44.0

	Year ended June 2007 R'000	Year ended June 2006 R'000	% change
Balance sheet			
Total assets (excluding cash and cash equivalents)	**934 724**	761 108	22.8
Cash and cash equivalents	**99 580**	132 024	(24.6)
Total liabilities	**651 011**	606 287	7.4
Total liabilities to shareholders' funds	**1.85**	2.34	(20.8)
Net asset value per share (cents)	**1 361**	1 003	35.7

The group results split by geographical segment are presented in note 34 of the financial statements.

The financial statements on pages 44 to 84 sets out the financial position, results of operations and cash flows of the group for the year ended 30 June 2007 in more detail.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The group is reporting its audited results in accordance with International Financial Reporting Standards ("IFRS").

TRADING WEEKS

In the year under review Cashbuild had a 53rd trading week compared to the normal 52 weeks of the prior year. This extra trading week yielded additional revenue to the value of R 68 million. If the effect of the 53rd week is excluded from the results, operating profit, headline earnings per share and earnings per share would have been 28%, 33% and 36% higher respectively than that of the prior year.

FINANCIAL HIGHLIGHTS

Revenue for the period increased by a very healthy

27% whilst profit increased by 43%. This increase in profit was the result of an increase in operating profit of 38% as well as a 169% increase in net finance income. Basic earnings per share increased by 46% with headline earnings per share increasing by 44%. Net asset value per share increased by 36%, from 1 003 cents (June 2006) to 1 361 cents. Cash and cash equivalents decreased by 25% due to suppliers being paid an amount of R 230 million before the cut-off for the year end. On a comparable basis cash resources would have improved by 92%.

Stores in existence since the beginning of July 2005 (existing stores) accounted for 16% of the increase in revenue with the remaining 11% increase due to the 32 new stores the company has opened since July 2005. The increase for the year has been achieved on the back of exceptional revenue growth in both the third and fourth quarters of this financial year combined with good growth in the first half. The strategic initiatives put in place to address revenue growth as well as selling price increases of 10%, contributed to this positive performance. Gross profit margins for the year were slightly lower in percentage terms, but have recovered in the second half to similar levels experienced in the second half of the prior year. In rand terms gross profit increased by 24%.

Operational expenses for the period were well controlled with existing stores increasing by 11%. New stores contributed 9%, the total increase for the period being 20%. The main contributor to the higher than inflation increase on the existing stores is the continued investment in people to maintain and improve customer service standards, as well as higher incentive payouts and accruals, due to performance targets being met.

The effective tax rate for the period of 33% is at the expected level, with STC charges the main contributor to the higher than statutory effective rate.

Cashbuild's balance sheet remains solid. Stock levels have increased by 26% on the back of higher trading volumes with the Cashbuild stock model being adhered to by line management. This increase is further attributable to the stocking of 15 additional stores during this financial period (accounting for 10% of the increase). Overall stockholding at 72 days (June 2006: 65 days) remains within acceptable parameters but will be an area of focus for management in the year ahead. Trade debtor balances remained well under control.

During the year Cashbuild opened 15 new stores. Seven stores were relocated during the year as well as two stores refurbished. Cashbuild will continue its store expansion, relocation and refurbishment strategy in a controlled manner.

INFORMATION TECHNOLOGY

Cashbuild has selected SAP All-in-One as its preferred system for the support office with our original selection, Active Retail remaining our preferred solution for the stores. These solutions will be implemented as an integrated package by the UCS Group who have extensive experience of installing similar solutions in the retail sector in southern Africa.

DIVIDENDS

Cashbuild's dividend policy is 3 times cover based on first half results, and 2.5 times cover based on second half results. The dividend declared by the board has been based on this policy.

The board has declared a final dividend (No. 29), of 94 cents (June 2006: 58 cents) per ordinary share to all shareholders of Cashbuild Limited. The dividend per share is calculated based on 25 805 347 (2006: 25 805 347) shares in issue at date of dividend declaration. The total dividend for the year amounts to 173 cents (2006: 116 cents) a 49% increase year-on-year.

Date dividend declared: Monday, 17 September 2007, Last day to trade "CUM" the dividend: Friday, 5 October 2007, Date commence trading "EX" the dividend: Monday, 8 October 2007, Record date: Friday, 12 October 2007, Date of payment: Monday, 15 October 2007. Share certificates may not be dematerialised or rematerialised between Monday, 8 October 2007 and Friday, 12 October 2007, both dates inclusive.

EVENTS SUBSEQUENT TO BALANCE SHEET DATE

No event took place between the year-end period and the date of the report that would have a material effect on the financial statements as disclosed.

SUBSIDIARY COMPANIES

Subsidiary companies are as follows:

Name of company		Issued capital	Effective holding June 07	June 06	Nature
DIRECTLY HELD					
Cashbuild Management Services (Pty) Ltd		R 1	**100%**	100%	1
INDIRECTLY HELD					
Cashbuild (Botswana) (Pty) Ltd	A	P 1 500 000	**100%**	100%	2
Cashbuild Kanye (Pty) Ltd	A	P 2	**100%**	100%	3
Cashbuild (Lesotho) (Pty) Ltd	B	M 100 000	**80%**	80%	2
Cashbuild Lilongwe Ltd	E	MK 100 000	**51%**	51%	2
Cashbuild (Namibia) (Pty) Ltd	C	N$ 1	**100%**	100%	2
Cashbuild (South Africa) (Pty) Ltd		R 54 000	**100%**	100%	2
Cashbuild (Swaziland) (Pty) Ltd	D	E 500	**50%**	50%	2
Roofbuild Trusses (Pty) Ltd		R 100	**51%**	51%	2
Tradebuild (Pty) Ltd		R 4	**100%**	100%	3

Nature	Domicile	
1. Investment and management company	South African, unless otherwise stated:	
2. Trading company	A. Botswana	B. Lesotho
3. Dormant	C. Namibia	D. Swaziland
	E. Malawi	

DIRECTORATE

The names of the directors at the date of this report are as follows:

Executive directors

- P K Goldrick (58) (Irish), Chief executive
  Appointed 19 August 1996
- A van Onselen (45), Operations director, Dip MDP
  Appointed 20 September 2004
- W F de Jager (36), Finance director, CA (SA)
  Appointed 1 December 2004
- K B Pomario (34), Store development director, NHDip
  Appointed 27 March 2007
- S A Thoresson (44), Operations director: neighbouring countries
  Appointed 27 March 2007

Non-executive directors

- D Masson* (76), Chairman, ACIS
  Appointed 22 June 1988
- J Molobela** (51), BSc Eng (Hons), MBA
  Appointed 1 September 2004
- F M Rossouw*** (70), CA (SA)
  Appointed 7 May 2001
- N V Simamane** (48), BSc Chemistry and Biology (Hons)
  Appointed 1 September 2004

* Remuneration committee member
** Audit committee member
*** Audit and remuneration committee

DIRECTORS' SHAREHOLDING

The directors held in aggregate, direct and indirect beneficial interests, and non-beneficial interests, of 10% (June 2006: 9.5%) in the issued share capital of the company at the balance sheet date. The company has not been notified of any material change in these interests from the end of the financial period ended 30 June 2007 to the date of this report.

The beneficial interest both direct and indirect and non-beneficial interest of the directors in office at the date of this report, are as follows:

	Ordinary shares		
	Beneficial	Non-beneficial	Options
At 30 June 2007	**1 301 200**	**1 283 415**	**-**
At 30 June 2006	1 316 800	1 141 017	-
Comprising:			
Non-executive directors	**1 200**	**25 298**	**-**
D Masson	-	15 298	-
F M Rossouw	-	10 000	-
N V Simamane	1 200	-	-
Executive directors	**1 300 000**	**1 258 117**	**-**
P K Goldrick	1 300 000	1 258 117	-
	1 301 200	**1 283 415**	**-**

DIRECTORS' INTEREST IN CONTRACTS

No material contracts involving directors' interest were entered into in the current period. A register of other directorships and interests are disclosed and circulated at every board meeting.

DIRECTORS' ATTENDANCE OF MEETINGS

Type of meeting	**Audit committee attended/held**	**Directors board attended/held**	**Remuneration committee attended/held**
Executive directors			
P K Goldrick	4/4*	6/6	2/2*
A van Onselen	4/4*	6/6	
W F de Jager	4/4*	6/6	
K B Pomario	1/1*	1/1	
S A Thoresson	1/1*	1/1	
Non-executive directors			
D Masson	4/4*	5/6	2/2
J Molobela	4/4	6/6	
F M Rossouw	4/4	6/6	2/2
N V Simamane	3/4	5/6	

* By invitation

DIRECTORS' REMUNERATION

Details of directors' remuneration are set out in note 36 to the financial statements.

THE CASHBUILD SHARE INCENTIVE TRUST

The trust makes shares available to executive directors and employees of the group in accordance with the rules of the trust. The shares subject to the trust have been dealt with as follows:

	2007	2006
Shares subject to the scheme at the beginning of year	**595 912**	1 209 296
Shares transferred to employees	**(30 000)**	(444 300)
Shares sold on open market	**(36 687)**	(169 084)
Shares subject to the scheme at the end of year	**529 225**	595 912
Dealt with as follows:		
Shares allocated to employees		
- Share purchase scheme	**13 900**	43 900
Shares held in trust for future allocations	**515 325**	552 012
	529 225	595 912

Details of The Cashbuild Share Incentive Trust are set out in note 35 to the financial statements.

OTHER SPECIAL RESOLUTIONS

The following special resolutions were passed at the annual general meeting held on 20 November 2006:

General approval was obtained for the company or a subsidiary of the company to acquire its own shares on terms and conditions and in amounts to be determined from time to time by the directors of the company, subject to certain statutory provisions and the Listings Requirements of The JSE Limited from time to time.

Company secretary

Corporate Governance Leaders CC.

Registered office

Corner Aeroton and Aerodrome Roads
Aeroton, Johannesburg 2001

Postal address

PO Box 90115, Bertsham 2013

Website

www.cashbuild.co.za

Auditors

PricewaterhouseCoopers Incorporated

Country of incorporation

Republic of South Africa

BALANCE SHEETS

AS AT 30 JUNE 2007

R'000	Note	Group 2007	Group 2006	Company 2007	Company 2006
ASSETS					
Non-current assets		**261 721**	215 026	**138 904**	114 206
Property, plant and equipment	4	**248 434**	205 094	**-**	-
Intangible assets	5	**5 047**	6 852	**-**	-
Investment in subsidiary	6	**-**	-	**135 688**	107 897
Loans receivable	7	**-**	-	**3 216**	6 309
Deferred income tax asset	16	**8 240**	3 080	**-**	-
Current assets		**772 583**	678 106	**594**	79
Assets held for sale	8	**2 740**	6 637	**-**	-
Inventories	9	**609 308**	482 836	**-**	-
Trade and other receivables	10	**60 955**	56 609	**8**	13
Cash and cash equivalents	11	**99 580**	132 024	**586**	66
TOTAL ASSETS		**1 034 304**	893 132	**139 498**	114 285
EQUITY					
Capital and reserves attributable to company's equity holders		**351 218**	258 909	**139 190**	114 039
Ordinary share capital	12	**229**	228	**258**	258
Share premium		**32 131**	29 819	**112 906**	112 906
Cumulative translation adjustment	13	**(7 432)**	(6 850)	**-**	-
Retained earnings		**326 290**	235 712	**26 026**	875
Minority interest		**32 075**	27 936	**-**	-
TOTAL EQUITY		**383 293**	286 845	**139 190**	114 039
LIABILITIES					
Non-current liabilities		**35 537**	29 358	**-**	-
Deferred operating lease liability	14	**31 982**	25 917	**-**	-
Deferred profit	15	**1 907**	1 959	**-**	-
Deferred income tax liability	16	**3**	28	**-**	-
Borrowings	17	**1 645**	1 454	**-**	-
Current liabilities		**615 474**	576 929	**308**	246
Trade and other payables	18	**575 123**	540 438	**308**	246
Current income tax liabilities		**39 222**	35 542	**-**	-
Employee benefits	19	**1 129**	949	**-**	-
TOTAL LIABILITIES		**651 011**	606 287	**308**	246
TOTAL EQUITY AND LIABILITIES		**1 034 304**	893 132	**139 498**	114 285

The notes on pages 52 to 82 are an integral part of these consolidated financial statements.

INCOME STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

R'000	Note	Group 2007 (53 weeks)	Group 2006 (52 weeks)	Company 2007 (53 weeks)	Company 2006 (52 weeks)
Revenue	20	**3 448 386**	2 710 417	**-**	-
Cost of sales	21	**(2 709 854)**	(2 114 497)	**-**	-
Gross profit		**738 532**	595 920	**-**	-
Selling and marketing cost	21	**(474 334)**	(394 323)	**-**	-
Administrative expenses	21	**(85 404)**	(72 223)	**(144)**	(1)
Other operating expenses	21	**(3 674)**	(1 931)	**-**	-
Other income	22	**7 228**	4 499	**65 067**	50 054
Operating profit		**182 348**	131 942	**64 923**	50 053
Finance costs	25	**(2 533)**	(1 336)	**-**	-
Finance income	25	**11 856**	4 807	**-**	-
Profit before income tax		**191 671**	135 413	**64 923**	50 053
Income tax expense	27	**(63 333)**	(45 547)	**(4 419)**	(3 613)
Profit for the year		**128 338**	89 866	**60 504**	46 440
Attributable to:					
Equity holders of the company		**121 640**	82 700	**60 504**	46 440
Minority interest		**6 698**	7 166	**-**	-
		128 338	89 866	**60 504**	46 440
Earnings per share for profit attributable to the equity holders of the company during the year					
- Basic	28	**536.3**	366.3	**234.5**	180.0
- Diluted	28	**536.3**	366.3	**234.5**	180.0

The notes on pages 52 to 82 are an integral part of these consolidated financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2007

Group

R'000	Note	Share capital	Treasury share capital	Share premium	Treasury share premium	Cum. translation adjustment	Retained earnings	Minority Interest	Total Equity
		Attributable to equity holders of the company							
Balance at 1 July 2005		258	(34)	115 817	(93 656)	(6 401)	178 362	20 850	215 196
Profit for the year		-	-	-	-	-	82 700	7 166	89 866
Dividend paid - final 2005	30	-	-	-	-	-	(12 200)	-	(12 200)
Dividend paid - interim 2006	30	-	-		-	-	(13 150)	(80)	(13 230)
Treasury shares movement		-	4	-	7 658	-	-	-	7 662
Currency translation adjustments	-	-	-	-	-	(449)	-	-	(449)
Balance at 30 June 2006		258	(30)	115 817	(85 998)	(6 850)	235 712	27 936	286 845
Profit for the year		-	-	-	-	-	121 640	6 698	128 338
Dividend paid - final 2006	30	-	-	-	-	-	(13 150)	-	(13 150)
Dividend paid - interim 2007	30	-	-	-	-	-	(17 912)	(2 559)	(20 471)
Treasury shares movement		-	1	-	2 312	-	-	-	2 313
Currency translation adjustments	-	-	-	-	-	(582)	-	-	(582)
Balance at 30 June 2007		**258**	**(29)**	**115 817**	**(83 686)**	**(7 432)**	**326 290**	**32 075**	**383 293**

Company

R'000	Note	Share capital	Treasury share capital	Share premium	Treasury share premium	Cum. translation adjustment	Retained earnings	Minority Interest	Total Equity
		Attributable to equity holders of the company							
Balance at 1 July 2005		258	-	112 906	-	-	(16 664)	-	96 500
Profit for the year		-	-	-	-	-	46 440	-	46 440
Dividend paid - final 2005	30	-	-	-	-	-	(13 934)	-	(13 934)
Dividend paid - interim 2006	30	-	-	-	-	-	(14 967)	-	(14 967)
Balance at 30 June 2006		258	-	112 906	-	-	875	-	114 039
Profit for the year		-	-	-	-	-	60 504	-	60 504
Dividend paid - final 2006	30	-	-	-	-	-	(14 967)	-	(14 967)
Dividend paid - interim 2007	30	-	-	-	-	-	(20 386)	-	(20 386)
Balance at 30 June 2007		**258**	**-**	**112 906**	**-**	**-**	**26 026**	**-**	**139 190**

The notes on pages 52 to 82 are an integral part of these consolidated financial statements.

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

R'000	Note	Group 2007	Group 2006	Company 2007	Company 2006
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	30	**120 421**	84 324	**64 990**	50 179
Interest paid	25	**(2 533)**	(1 336)	**-**	-
Income tax paid	30	**(64 838)**	(28 678)	**(4 419)**	(3 613)
Net cash generated from operating activities		**53 050**	54 310	**60 571**	46 566
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of property, plant and equipment	4	**(75 918)**	(76 377)	**-**	-
Purchases of computer software	5	**-**	(972)	**-**	-
Proceeds on disposal of property, plant and equipment		**9 685**	816	**-**	-
Interest received	25	**11 856**	4 807	**-**	-
(Decrease) in subsidiary loan account		**-**	-	**(27 791)**	(27 001)
Decrease in loans receivable		**-**	-	**3 093**	9 443
Net cash used in investing activities		**(54 377)**	(71 726)	**(24 698)**	(17 558)
CASH FLOWS FROM FINANCING ACTIVITIES					
Net treasury shares movement		**2 313**	7 662	**-**	-
Repayments of short term borrowings		**-**	(47)	**-**	-
Increase of long-term borrowings		**191**	85	**-**	-
Dividends paid to company's shareholders	30	**(31 062)**	(25 350)	**(35 353)**	(28 901)
Dividends paid to minorities interest	30	**(2 559)**	(80)	**-**	-
Net cash used in financing activities		**(31 117)**	(17 730)	**(35 353)**	(28 901)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(32 444)**	(35 146)	**520**	107
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**132 024**	167 170	**66**	(41)
CASH AND CASH EQUIVALENTS AT END OF YEAR		**99 580**	132 024	**586**	66

The notes on pages 52 to 82 are an integral part of these consolidated financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

1.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and accounting polices expected to be applicable at 30 June 2007. These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the group's accounting polices.

a) Amendments to published standards effective in 2007

There are no amendments to published standards effective in 2007 that are relevant to the group.

b) Standards early adopted by the group

The group has not chosen to early adopt any standards.

c) Standards, amendments and interpretations effective in 2007 relevant to the group

The following standards, amendments and interpretations are effective for the first time in the June 2007 year end and have been applied by the group:

IFRIC 4, Determining whether an arrangement contains a lease.

d) Standards, amendments and interpretations effective in 2007 but not relevant

The following standards, amendments and interpretations are effective for the first time for the June 2007 year-end but are not relevant to the group's operations:

IAS 19 (Amendment), Employee benefits;

IAS 21 (Amendment), Net investment in a foreign operation;

IAS 39 (Amendment), Cash flow hedge accounting of forecast intragroup transactions;

IAS 39 (Amendment), The fair value option;

IAS 39 and IFRS 4 (Amendment), Financial guarantee contracts;

IFRS 1 (Amendment), First-time adoption of International Financial Reporting Standards and IFRS 6 (Amendment), Exploration for and evaluation of mineral resources;

IFRS 6 Exploration for and evaluation of mineral resources;

IFRIC 5 Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds;

IFRIC 6 Liabilities arising from participating in a specific market – waste electrical and electronic equipment;

IFRIC 7 Applying restatement approach under IAS 29 financial reporting in hyperinflation;

IFRIC 8 Scope of IFRS 2; and

IFRIC 9 Reassessment of embedded derivatives.

e) Interpretations to existing standards that are not yet effective and have not been early adopted by the group

The following interpretations to existing standards have been published that are mandatory for the group's accounting periods beginning on or after 1 November 2006 or later periods but that the group has not early adopted:

IAS 1 (Amendment), Presentation of financial statements - capital disclosures;

IFRS 7 and IFRS 4, Financial instruments: disclosure and revised implementation guidance;

IFRS 8 Operating segments;

IAS 23 (Revised), Borrowing costs;

IFRIC 10 Interim financial reporting and impairment;

IFRIC 11 IFRS 2 - group and treasury share transactions;

IFRIC 12 Service concession arrangements; and

IFRIC 13 Customer loyalty programmes.

1.2 CONSOLIDATION

a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) which are, directly or indirectly, controlled by the group. Control is established where the group has the power to govern the financial and operating policies of another entity, generally accompanied by one half of the voting rights, so as to obtain benefits from its activities. The existence and effect of potential voting rights exercisable are considered when assessing whether the group controls another entity. The equity and net profit attributable to the minority shareholders are shown separately in the balance sheets and income statements respectively. The results of subsidiaries are fully consolidated from the date on which control is transferred to the group and are no longer consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the group. The cost of acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of acquisition plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the net group's share of identifiable assets of the subsidiary acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the group's share of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains and impairments on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the group.

b) Transactions and minority interest

The group applies a policy of treating transactions with minority interest as transactions with parties external to the group. Disposals to minority interest result in gains and losses for the group that are recorded in the income statement. Purchases from minority interest result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

c) Cashbuild Share Incentive Trust

In accordance with the advice of the GAAP monitoring panel to the JSE Limited, The Cashbuild Share Incentive Trust has been consolidated in the group annual financial statements for all periods presented in the financial statements.

d) Cashbuild Empowerment Trust

In accordance with the advice of the GAAP monitoring panel to the JSE Limited, The Cashbuild Empowerment Trust has been consolidated in the group annual financial statements for all periods presented in the financial statements. Dividends paid to The Cashbuild Empowerment Trust are accounted for as a staff expense in the income statement.

1.3 SEGMENT REPORTING

Geographical segments split amongst South Africa, Botswana, Malawi and members of the common monetary area (includes Lesotho, Swaziland and Namibia), provide products within a particular economic environment that is subject to risks and returns that are different from those of components operating in other economic environments. No split is required for business segments as the group's business is uniform.

1.4 FOREIGN CURRENCY TRANSLATION

a) Functional and presentation currency

Items included in the financial statements of each entity in the group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in rands, which is the company's functional and presentation currency of the parent.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, are recognised in the income statement.

c) Group companies

The results of and financial positions of all the group entities (none of which have the currency of a hyperinflation economy) that have a functional currency different from the presentation currency, are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rates at the date of that balance sheet;

- income and expenses for each income statement are translated at the average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at date of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation exchange differences arising from the translation of the net investment in foreign entities are taken to shareholders' equity. If a foreign entity were to be sold, such exchange differences would be recognised in the income statement as part of the gain or loss on sale.

If goodwill and fair value adjustments were to arise on the acquisition of foreign entities they would be treated as assets and liabilities of the foreign entity and translated at closing rates.

1.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible assets held by the group for use in the supply of goods or administrative purposes and are expected to be used during more than one year. Land and buildings comprise mainly of offices and warehousing. Property, plant and equipment is stated at historical cost less depreciation and impairment, except for land which is not depreciated as it is deemed to have an indefinite life. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost to its residual value over its estimated useful life, as follows:

- Buildings	25 - 50 years
- Furniture and equipment	3 - 10 years
- Vehicles	5 years

The assets residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date. When the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately and an impairment loss is recognised in the income statement.

Expenditure on improvements to leasehold premises is carried at cost and depreciated on a straight-line basis over the shorter of the useful life of the assets, or the period of the lease.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amounts and are included in operating profit in the income statement.

1.6 NON-CURRENT ASSETS HELD FOR SALE

Non-current assets the carrying amount of which will be recoverable principally through a sale transaction rather than through a continuing use are classified as assets held for sale and stated at the lower of carrying amount and fair value less cost to sell.

1.7 INTANGIBLE ASSETS

a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary/business at the date of the acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is reviewed annually for impairment, and is carried at cost less accumulated impairment losses. Any impairment is recognised immediately in profit or loss, in the income statement, and is not subsequently reversed.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose. Gains and losses on the disposal of an entity would include the carrying amount of goodwill relating to the entity sold.

b) Trademarks

Trademarks are recognised at historical cost. They have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful lives (ten years).

c) Computer software

Costs associated with the development and implementation of the new IT system are capitalised as intangible assets. These assets are amortised over their expected useful lives (five years). Costs that are directly associated with the production of identifiable and unique software products controlled by the group and that will probably generate economic benefits exceeding the costs beyond one year, are recognised as intangible assets. Costs include the employee cost incurred as a result of developing software and an appropriate portion of relevant overheads.

1.8 IMPAIRMENT OF ASSETS

Assets that are subject to amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

1.9 DEFERRED INCOME TAX

Income tax expense represents the sum of the tax currently payable and deferred tax. The charge for current tax is based on the results for the year as adjusted for items which are non-assessable or disallowed. Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However deferred tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at that time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

1.10 INVESTMENTS IN SUBSIDIARIES

The company's investment in the ordinary shares of its subsidiaries is carried at cost.

1.11 INVENTORIES

Inventories comprise merchandise held for resale and are stated at the lower of cost or net realisable value. Cost is calculated using the weighted average cost method. Cost includes the purchase price, related transport charges and import duties and taxes, excluding borrowing cost. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

1.12 TRADE AND OTHER RECEIVABLES

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Receivables are classified as ‘trade and other receivables’ in the balance sheet.

Trade and other receivables are initially recognised at fair value, and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. The provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivables is impaired. The amount of the provision is the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rates. The amount of the provision is recognised in the income statements with selling and marketing cost. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against selling and marketing costs in the income statement.

1.13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are carried at cost and if denominated in foreign currencies, are translated at closing rate. Cash comprises cash in hand and deposits held on call with banks. Actual bank balances are reflected. Outstanding cheques are included in trade and other liabilities and outstanding deposits in cash and cash equivalents.

1.14 SHARE CAPITAL

Ordinary shares are classified as equity. Where group companies purchase the company's share capital, the consideration paid including attributable transaction costs (net of income taxes), is deducted from equity attributable to the company's equity holders as treasury shares until they are cancelled, re-issued or sold. Where such shares are subsequently sold or re-issued, any consideration received net of directly attributable incremental transaction costs and related income tax effects is included in shareholders' funds.

Dividends received on treasury shares are eliminated on consolidation, except the dividends on which participants are entitled to in terms of The Cashbuild Empowerment Trust deed, which is accounted for as a staff expense in the income statement.

1.15 BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, any difference between the proceeds (net of transaction costs) and redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liabilities for at least 12 months after the balance sheet date.

1.16 TRADE AND OTHER PAYABLES

Trade and other payables are stated initially recognised at fair value and subsequently stated at amortised cost using the effective interest rate.

1.17 PROVISIONS

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. The provision is measured at the present value of the expenditures expected to be required to settle the obligation using pre-tax rates that reflect the current market assessment and risk specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense in the income statement. The group recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

1.18 EMPLOYEE BENEFITS

Pension fund obligations

The group provides for retirement benefits for employees by payments to independent defined contribution funds and contributions are charged against income as due. A defined contribution plan is a plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligation to pay further contributions, if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Other employment benefits obligations

The group has an obligation to pay long service awards to employees who reach certain predetermined milestone periods of service. Costs incurred in relation to the obligation are debited against the liability as incurred. Movements in the liability arising from the valuation are charged to income upon valuation. Gains and losses are recognised immediately in full.

Bonus scheme

The group recognises a liability and an expense for bonuses, based on a formula that takes into consideration the revenue and profit before tax. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Share-based plans

Options issued before 7 November 2002

The group operates an employee incentive scheme through The Cashbuild Share Incentive Trust. Shares are offered under a share purchase and a share option scheme to executive directors and selected management. The scheme has a vesting period of three years. The impact is recognised directly in the income statement, with a corresponding adjustment to equity once options have been exercised. The effect of all options issued under the share option scheme is taken into account when calculating the diluted basic and headline earnings per share.

Empowerment trust dividends

Amounts paid to members of the trust, being employees of the company, are treated as staff cost and included in administration cost in the income statement. The amounts paid out by the members is equal to dividend received by the trust less specific cost incurred by the trust.

1.19 REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for the sale of goods to customers, net of value-added tax, general sales tax, rebates, discounts and after eliminating inter-group sales. Revenue and other income is recognised as follows:

The group recognises revenue when the amount of the revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The group bases its estimates on historical results, taking into consideration, the type of customer, the type of transaction and specifics of each arrangement.

Sale of goods
Revenue from the sale of goods is recognised, when all significant risk and rewards associated with ownership are transferred to the buyer, normally upon delivery and customer acceptance of goods.

Interest income
Interest income is recognised on a time-proportion basis using the effective interest method. When receivables are impaired the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired receivables is recognised using the original effective interest rate.

Dividend income
Dividend income is recognised when the right to receive payment is established.

Rental income
Rental income from operating leases in respect of property is recognised in the income statement on a straight line basis over the term of the lease.

Deferred profit on sale and lease back transactions
Profit in respect of properties sold in terms of sale and leaseback transactions are recognised in the income statement on a straight-line basis over the term of the lease.

1.20 COST OF SALES

Cost of sales includes the historical cost of merchandise and overheads appropriate to the distribution thereof.

1.21 LEASES

The group company is the lessee
Leases of property, plant and equipment where the group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Such assets are depreciated over the shorter of the useful life of the asset or the lease term. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other non-current liabilities. Lease finance charges are allocated to the income statement over the duration of the leases using the effective interest rate method.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of a penalty is recognised as an expense in the period in which termination takes place.

The group company is the lessor

Assets leased to third parties under operating lease are included in property plant and equipment in the balance sheet. They are depreciated over the expected useful lives on a basis consistent with similar owned assets. Rental income is recognised on a straight-line basis over the term of the lease.

1.22 BORROWING COSTS

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

1.23 REPORTING PERIOD

The group adopts the retail accounting calendar, which comprises the reporting period ending on the last Saturday of the month 2007: 30 June - 53 weeks (2006: 24 June - 52 weeks).

1.24 DIVIDEND DISTRIBUTION

Dividends are recorded and recognised as a liability in the group's financial statements in the period in which they are declared and approved by company's shareholders.

1.25 RELATED PARTIES

Individuals or entities are related parties if one party has the ability, directly or indirectly, to control the other party in making financial and/or operating decisions.

2 FINANCIAL RISK MANAGEMENT

The group's activities expose it to a variety of financial risks: market risks (including currency risk), credit risks, liquidity risks and interest rate risks. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

2.1 FINANCIAL RISK FACTORS

Market risk

Foreign currency risk

The group operates throughout southern Africa and is exposed to foreign exchange risk arising from various currency exposure, primarily the Botswana pula and Malawi kwacha. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investment in foreign entities. A portion of the group's income is earned in foreign currencies. The group did not hedge borrowings in foreign currencies as the intention is to repay these from its foreign earned income stream. The group also has a translation risk arising from the consolidation of foreign entities into South African rands.

Exposure from exchange rate fluctuations on transactions dominated in foreign currency is managed by reviewing foreign exposure in order to determine if foreign exchange contracts should be utilised on an ongoing basis. Foreign currency forward exchange contracts protect the group from movements in exchange rates by establishing the rates at which a foreign currency asset or liability will be settled. It is company policy to enter into forward exchange contracts when adverse exposure to foreign currency exchange rate fluctuations exist. There were no open forward exchange contracts at period end. The following uncovered positions existed at the end of the financial period: R 11 527 998 (June 2006: R Nil). These positions were covered by foreign exchange contracts during July 2007 when the exchange rate strengthened.

Credit risk

Potential concentrations of credit risk consist mainly of cash and cash equivalents, trade and other receivables, investments and derivatives. The group limits its counter party exposures from its money market investment operations by only dealing with well-established financial institutions of high quality credit standing. Where a legally enforceable right to offset a financial asset against a financial liability exists, the liability is presented on the balance sheet net of the financial asset. Credit is only given to a small number of customers and therefore debtors are a small portion of the business. Accordingly the group has no significant concentrations of credit risk.

Liquidity risk

The group manages liquidity risk through the compilation and monitoring of cash flow forecasts, as well as ensuring that adequate borrowing facilities are maintained. Borrowing powers are disclosed in note 31.

Interest rate risk

As the group is operating with a small gearing ratio, interest rate risk on borrowings is minimised. Surplus funds are invested in call and other notice accounts in order to maximise interest potential. For exposure to interest rate risk on interest-bearing borrowings refer to note 25.

2.2 FAIR VALUE ESTIMATIONS

At 30 June 2007, the carrying amounts of cash and short-term deposits, trade accounts receivable, trade accounts payable, accrued expenses and short-term borrowings approximated their fair values due to the short-term maturities of these assets and liabilities.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are mainly the impairment of tangible and intangible assets the estimation of useful lives of property, plant and equipment and intangible assets, and establishing uniform depreciation and amortisation methods the likelihood that deferred and income taxes can be realised and the probability of doubtful debts. The key estimates and assumptions relating to these areas are disclosed in the relevant notes to the financial statements.

All estimates and underlying assumptions are based on historical experience and various other factors that management believe are reasonable under the circumstances. The results of these estimates form the basis of judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and any affected future periods.

R'000	Land and buildings	Improvements to leasehold premises	Furniture and equipment	Vehicles	Capital work in progress	Total
	Group					
4 PROPERTY, PLANT AND EQUIPMENT						
As at 30 June 2007						
Cost	98 137	24 450	249 402	77	3 670	375 736
Accumulated depreciation	(12 306)	(17 104)	(97 851)	(41)	-	(127 302)
Net book value	**85 831**	**7 346**	**151 551**	**36**	**3 670**	**248 434**
Year ended 30 June 2007						
Opening net book value	76 579	8 494	117 963	52	2 006	205 094
Exchange differences	(747)	-	(173)	(1)	-	(921)
Additions	-	-	-	-	75 918	75 918
Transfers	14 353	951	58 950	-	(74 254)	-
Net book value of disposals	-	(4)	(278)	-	-	(282)
Depreciation charge	(1 614)	(2 095)	(24 911)	(15)	-	(28 635)
Less: Assets classified as held for sale	(2 740)	-	-	-	-	(2 740)
Closing net book value	**85 831**	**7 346**	**151 551**	**36**	**3 670**	**248 434**
As at 30 June 2006						
Cost	88 067	23 553	192 849	77	2 006	306 552
Accumulated depreciation	(11 488)	(15 059)	(74 886)	(25)	-	(101 458)
Net book value	**76 579**	**8 494**	**117 963**	**52**	**2 006**	**205 094**
Year ended 30 June 2006						
Opening net book value	64 808	6 403	81 148	38	4 681	157 078
Exchange differences	(279)	-	(144)	(4)	-	(427)
Additions	-	-	-	-	76 377	76 377
Transfers	19 297	3 943	54 328	30	(77 598)	-
Net book value of disposals	(659)	-	(235)	-	-	(894)
Depreciation charge	(1 405)	(1 852)	(17 134)	(12)	-	(20 403)
Less: Assets classified as held for sale	(5 183)	-	-	-	(1 454)	(6 637)
Closing net book value	**76 579**	**8 494**	**117 963**	**52**	**2 006**	**205 094**

A register giving details of land and buildings is available for inspection by shareholders or their representatives at the registered office of the company. The directors are of the opinion that the open market value of land and buildings is at least equal to their net book value. At period end, the land and buildings, furniture and equipment had an insured value (based on estimated replacement cost) of R 489 081 000 (June 2006: R 470 280 000), which excludes input value-added tax where appropriate.

Land and buildings includes the following amounts where the group is a lessee under a finance lease:

R'000	Group 2007	2006
Cost - capitilised finance lease	**15 469**	15 469
Accumulated depreciation	**(3 814)**	(3 496)
Net book value	**11 655**	11 973
The following costs were expensed to the income statement, included in operating profits:		
(Profit)/loss on disposal of property, plant and equipment	**(2 766)**	78
Repairs and maintenance expenditure on property, plant and equipment	**7 979**	7 912

		Group			
				Computer	
R'000		Trademarks	Goodwill	software	Total
5	**INTANGIBLE ASSETS**				
	As at 30 June 2007				
	Cost (net of impairment)	659	1 300	7 812	9 771
	Accumulated amortisation	(642)	-	(4 082)	(4 724)
	Net book value	**17**	**1 300**	**3 730**	**5 047**
	Year ended 30 June 2007				
	Opening net book value	20	1 772	5 060	6 852
	Exchange differences	-	(10)	-	(10)
	Impairment	-	(462)	-	(462)
	Amortisation charge	(3)	-	(1 330)	(1 333)
	Closing net book value	**17**	**1 300**	**3 730**	**5 047**
	As at 30 June 2006				
	Cost (net of impairment)	659	1 772	7 812	10 243
	Accumulated amortisation	(639)	-	(2 752)	(3 391)
	Net book value	**20**	**1 772**	**5 060**	**6 852**
	Year ended 30 June 2006				
	Opening net book value	23	1 806	5 819	7 648
	Exchange differences	-	(34)	-	(34)
	Additions	-	-	972	972
	Amortisation charge	(3)	-	(1 731)	(1 734)
	Closing net book value	**20**	**1 772**	**5 060**	**6 852**

Impairment test for goodwill

A partial impairment arose in the current period in respect of goodwill in the Kabokweni (South African) store. This is as a result of the value in use not exceeding the carrying value at period end. No other class of asset other than goodwill was impaired.

Goodwill is allocated to the group's cash generating units (CGU's) identified according to country of operation.

The recoverable amount of a CGU is determined based on value-in-use pre tax calculations. These calculations use cash flow projections which have been extrapolated using the estimated growth rates stated below.

	South Africa	Malawi	Note
Gross margin	14%	22%	1
Growth rate	15%	15%	2
Discount rate	16%	10%	3

The assumptions have been used for the analysis of each CGU.

1. Budgeted gross margin
2. Weighted average growth rate used to extrapolate cash flows beyond the budgeted period
3. Pre-tax discount rate applied to the cashflow projections

Management determined the budgeted gross margin based on past performance and its expectations for the market development. The discount rates used are pre-tax and reflect the risk relating to South African segments.

82% of the goodwill relates to a South African store and 18% to the Malawi store.

		Group		Company	
R'000		**2007**	2006	**2007**	2006
6	**INVESTMENT IN SUBSIDIARIES**				
	Shares at cost	**-**	-	**-**	-
	Loan account	**-**	-	**135 688**	107 897
		-	-	**135 688**	107 897
	The loan is unsecured, non-interest bearing and has no repayment terms.				
7	**LOANS RECEIVABLE**				
	The Cashbuild incentive trust	**-**	-	**4 524**	7 617
	Impairment	**-**	-	**(1 308)**	(1 308)
		-	-	**3 216**	6 309
	The loan is unsecured, non-interest bearing and have no repayment terms.				
8	**ASSETS HELD FOR SALE**				
	Assets classified as held for sale	**2 740**	6 637	**-**	-
		2 740	6 637	**-**	-

8.1 Lonehill Property Ext. 88

Cashbuild acquired specific land with the initial intention to develop. However in the prior year the intention was changed and management actively marketed this property with the aim of selling it in the current financial year. The carrying value of the property at 2006 was R 5 183 253. The property has been sold in the current financial year.

8.2 Erf. 735 and 730 Greenstone Hill Ext. 12

Cashbuild was involved in a promotion event where by a number of houses were constructed by several couples as part of a promotional television show. Cashbuild purchased a few of the stands and sponsored all the building material. In the prior year two of the houses constructed were owned by the company, with a carrying value of R 1 453 622. The properties have been disposed of in the current financial period.

8.3 Erf. 2987 Kabokweni

The land and buildings were initially purchased as the location for a Cashbuild store. The store has been relocated in the current year and the land and buildings are vacant. These land and buildings have now been placed on the market. The carrying amount of the asset at year-end is R 2 081 068.

8.4 Plot 2461 Serowe

The land and buildings was initially purchased as the location for a Cashbuild store. The store has been relocated in the current year and the land and buildings are vacant. These land and buildings have now been placed on the market. The carrying amount of the asset at year-end is R 659 032.

		Group		Company	
R'000		**2007**	2006	**2007**	2006
9	**INVENTORIES**				
	Merchandise at lower of cost or net realisable value	**609 308**	482 836	**-**	-
		609 308	482 836	**-**	-

Cost of inventories recognised as an expense and included in 'cost of sales' amounted to R 2 882 989 439 (2006: R 2 204 764 912)

		Group		Company	
R'000		**2007**	2006	**2007**	2006
10	**TRADE AND OTHER RECEIVABLES**				
	Trade accounts receivable	**53 779**	50 982	**-**	-
	Less: Provision for impairment of trade accounts receivable	**(7 852)**	(6 246)	**-**	-
	Payments in advance	**3 872**	1 513	**-**	-
	Staff loans receivable	**333**	177	**-**	-
	Amount owing by participants of The Cashbuild Share Incentive Trust	**36**	61	**-**	-
	Other accounts receivable	**10 787**	10 122	**8**	13
		60 955	56 609	**8**	13

Trade and other receivables will be realised within a period of 12 months. Amounts owing by participants of the Cashbuild Share Incentive Trust are secured by Cashbuild ordinary shares with a market value of R 62 per share (June 2006: R 42 per share). The staff loans are interest-free.

Related party, trade and other receivables arise as a result of transactions between companies in the group. All of the companies are consolidated and all receivables are eliminated upon consolidation and excluded from the balances above. Refer to the related parties note 35 where related party receivables have been disclosed.

Fair value of receivables is deemed to be equal to the carrying values above. Trade receivables are impaired in accordance with the companies accounting polices. There is no concentration of credit risk in respect of trade receivables as our receivables are not significantly high. Credit terms are 30 days.

The group recognised a provision of R 7 852 000 (June 2006: R 6 246 000) for the impairment of its trade receivables during the period ended 30 June 2007. The creation and usage of provision for impaired receivables has been included in 'selling and marketing cost' in the income statement.

		Group		Company	
R'000		**2007**	2006	**2007**	2006
11	**CASH AND CASH EQUIVALENTS**				
	Cash at banks and on hand	**99 580**	132 024	**586**	66
		99 580	132 024	**586**	66

Rate of interest earned on cash in bank varies between 2.25% - 9.50%

R'000	Group 2007	Group 2006	Company 2007	Company 2006
12 SHARE CAPITAL				
Authorised				
35 000 000 (June 2006: 35 000 000) ordinary shares of 1 cent each	**350**	350	**350**	350
Issued				
25 805 347 (June 2006: 25 805 347) ordinary shares of 1 cent each	**258**	258	**258**	258
Less: Treasury shares held by The Cashbuild Share Incentive Trust and the Cashbuild Empowerment Trust	**(29)**	(30)	**-**	-
Opening balance: 2 981 997(June 2006: 3 356 081)	**30**	34	**-**	-
(Options exercised): Nil (June 2006: 205 000)	**-**	(2)	**-**	-
(Shares sold): 36 687 (June 2006: 169 000)	**(1)**	(2)	**-**	-
Shares transferred: Nil (June 2006: 300)	**-**	-	**-**	-
	229	228	**258**	258

The remaining unissued shares are under the control of the directors until the forthcoming annual general meeting, subject to the rules and regulations of the JSE Limited. The directors have the authority from the shareholders to repurchase up to 20% of the issued share capital of the company.

The Cashbuild Share Incentive Trust holds 529 225 (June 2006: 595 912) ordinary shares. The Cashbuild Empowerment Trust holds 2 580 535 (June 2006: 2 580 535) ordinary shares. The shares held by these trusts are eliminated on consolidation.

13 CUMULATIVE TRANSLATION ADJUSTMENT	R'000
Balance at 1 July 2006	(6 401)
Currency translation differences:	(449)
Balance at 30 June 2006	(6 850)
Currency translation differences:	(582)
Balance at 30 June 2007	**(7 432)**

The cumulative translation reserves arise as a result of foreign exchange differences calculated on the conversion of foreign operations in the groups reporting currency, accounted for directly in the statement of changes in equity.

R'000	Group 2007	Group 2006	Company 2007	Company 2006
14 DEFERRED OPERATING LEASE LIABILITY				
Deferred operating lease liability	**31 982**	25 917	**-**	-
	31 982	25 917	**-**	-

The group has entered into various operating leases in respect of premises. Rentals comprise minimum monthly payments and additional payments based on turnover levels.

Operating leases with fixed escalation charges are recognised in the income statement on a straight-line basis and the liability has been allocated to deferred operating lease liability.

	Group		Company	
R'000	**2007**	2006	**2007**	2006
15 DEFERRED PROFIT				
Deferred profit	**1 907**	1 959	**-**	-
	1 907	1 959	**-**	-
Profit in respect of properties sold in terms of the sale and leaseback transaction is recognised in the income statement on a straight-line basis over the term of the lease.				
16 DEFERRED INCOME TAX				
Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:				
Deferred income tax assets to be recovered after more than 12 months	**375**	68	**-**	-
Deferred income tax assets to be recovered within 12 months	**7 865**	3 012	**-**	-
Total deferred income tax asset	**8 240**	3 080	**-**	-
Deferred income tax liability to be recovered after more than 12 months	**(13)**	(28)	**-**	-
Deferred income tax liability to be recovered within 12 months	**10**	-	**-**	-
Total deferred income tax liability	**(3)**	(28)	**-**	-
TOTAL NET DEFERRED INCOME TAX ASSET	**8 237**	3 052	**-**	-
Deferred income tax comprises:				
Property, plant and equipment	**(10 584)**	(7 571)	**-**	-
Prepayments	**(953)**	(167)	**-**	-
Accruals	**8 793**	2 223	**-**	-
Assessed loss	**1 685**	1 166	**-**	-
Straight-lining of leases	**9 260**	7 610	**-**	-
Unrealised foreign exchange difference on intercompany loans	**36**	(209)	**-**	-
	8 237	3 052	**-**	-
Should all distributable reserves be delcared as a dividend, it would result in STC tax of:	**40 786**	29 464	**3 253**	109
The net movement on the deferred income tax account is as follows:				
At 1 July 2005				4 391
Exchange differences				(84)
Income statement charge (note 27)				(1 255)
Year ended 30 June 2006				3 052
At 1 July 2006				3 052
Exchange differences				(20)
Income statement charge (note 27)				5 205
Year ended 30 June 2007				8 237

	Group		Company	
R'000	**2007**	2006	**2007**	2006
17 BORROWINGS				
Non-current				
Finance lease liability	**1 645**	1 454	**-**	-
	1 645	1 454	**-**	-
17.1 Finance lease liability				
The Rand Merchant Bank sale and leaseback transaction is classified as a finance lease.				
17.2 Finance lease liabilities - minimum lease payments:				
- not later than 1 year	**-**	-	**-**	**-**
- later than 1 - no later than 5 years	**501**	125	**-**	-
- later than 5 years	**175 458**	175 834	**-**	-
	175 959	175 959	**-**	-
Future finance charges on finance leases	**(174 314)**	(174 505)	**-**	-
Present value of finance lease liabilities	**1 645**	1 454	**-**	-
The present value of finance lease liabilities is as follows:				
- not later than 1 year	**-**	-	**-**	-
- later than 1 - no later than 5 years	**237**	53	**-**	-
- later than 5 years	**1 408**	1 401	**-**	-
	1 645	1 454	**-**	-
18 TRADE AND OTHER PAYABLES				
Trade payables	**448 763**	448 830	**-**	-
Accruals	**126 360**	91 608	**308**	246
	575 123	540 438	**308**	246
Trade and other liabilities are unsecured and are payable within a period of 12 months.				
19 EMPLOYEE BENEFITS OBLIGATION				
19.1 Long service awards				
The amounts recognised in the balance sheet are as follows:				
Present value of the obligation	**1 129**	949	**-**	-
Reconciliation of movement:				
Balance at beginning of period	**949**	951	**-**	-
Long service awards paid	**-**	(2)	**-**	-
Amount charged to the income statement	**180**	-	**-**	-
Balance at end of period	**1 129**	949	**-**	-
The principal actuarial assumptions used are as follows:				
Discount rate	12% p.a.	12% p.a.		
Salary inflation	6% p.a.	6% p.a.		
Average retirement age:				
Males	65	65		
Females	63	63		

	Group		Company	
R'000	**2007**	2006	**2007**	2006
19 EMPLOYEE BENEFITS OBLIGATION CONTINUED				
19.2 Retirement Fund				
The retirement fund is a defined contribution fund established in terms of the Pension Funds Act, 1956, as amended. All employees who are eligible through qualifying service are members of the fund. At 30 June 2007, there were 3 479 (June 2006: 3 060) members, equal to 95% (June 2006: 97%) of staff, who were members of the retirement fund.				
19.3 Post-retirement medical aid benefit				
The group has no post-retirement medical aid liability.				
20 REVENUE				
Revenue comprises the sale of merchandise	**3 448 386**	2 710 417	**-**	-
	3 448 386	2 710 417	**-**	-
21 EXPENSES BY NATURE				
Depreciation, amortisation and impairment charges	**30 430**	22 137	**-**	-
Employee benefit expense	**248 498**	192 790	**-**	-
Cost of goods sold (material cost)	**2 709 854**	2 114 497	**-**	-
Net creation of provision for impaired receivables	**1 606**	73	**-**	-
Receivables impaired	**-**	-	**-**	-
Consumables	**1 746**	1 631	**-**	-
Transportation expenses	**57 552**	55 908	**-**	-
Advertising costs	**-**	12 198	**-**	-
Auditors' remuneration:	**6 358**	6 746	**-**	-
- Audit services	**5 317**	5 321	**-**	-
- Taxation services	**476**	531	**-**	-
- Consultation services	**-**	503	**-**	-
- Technical services	**565**	391	**-**	-
Operating lease charges:	**67 406**	49 057	**-**	-
- Premises	**64 176**	46 215	**-**	-
- Equipment	**3 230**	2 842	**-**	-
Outsourced services:	**12 052**	13 073	**-**	-
- Administrative	**7 401**	7 230	**-**	-
- Technical	**4 057**	5 222	**-**	-
- Secretarial	**594**	621	**-**	-
Other expenses	**137 764**	114 864	**144**	1
Other income	**(7 228)**	(4 499)	**(65 067)**	(50 054)
Total	**3 266 038**	2 578 475	**(64 923)**	(50 053)

		Group		Company	
R'000		**2007**	2006	**2007**	2006
21	**EXPENSES BY NATURE CONTINUED**				
	Classified as:				
	Cost of sales	**2 709 854**	2 114 497	**-**	-
	Selling and marketing expenses	**474 334**	394 323	**-**	-
	Administrative expenses	**85 404**	72 223	**144**	1
	Other operating expenses	**3 674**	1 931	**-**	-
	Other income	**(7 228)**	(4 499)	**(65 067)**	(50 054)
		3 266 038	2 578 475	**(64 923)**	(50 053)
22	**OTHER INCOME**				
	Rental income	**377**	309	**-**	-
	Sundry income	**472**	4 190	**67**	54
	Advertisting over recovery	**3 613**	-	**-**	-
	Dividend income	**-**	-	**65 000**	50 000
	Profit on sale of assets	**2 766**	-	**-**	-
		7 228	4 499	**65 067**	50 054
23	**OPERATING LEASES**				
	Operating leases - where group company is the lessor				
	The future minimum lease payments receivable under non-cancellable operating leases are as follows:				
	- Due in 1 year	**140**	240	**-**	-
	- Due from 1 - 5 years	**117**	236	**-**	-
	- Thereafter	**-**	-	**-**	-
	Total future cash flows	**257**	476	**-**	-
	Straight-lining of leases already accrued in balance sheet	**-**	-	**-**	-
	Future income	**257**	476	**-**	-
24	**EMPLOYEE BENEFIT EXPENSES**				
	Salary cost	**217 153**	166 433	**-**	-
	Pension fund contributions - defined contribution fund	**27 779**	23 578	**-**	-
	Employee benefits - long service awards	**180**	-	**-**	-
	Dividends paid to participants of The Cashbuild Empowerment Trust	**3 386**	2 779	**-**	-
		248 498	192 790	**-**	-
	The number of persons employed by the group at 30 June 2007 are 3 681 (June 2006: 3 162).				
25	**FINANCE (COST)/INCOME**				
	Interest expense:				
	- bank borrowings	**(622)**	(977)	**-**	-
	- other	**(1 911)**	(359)	**-**	-
		(2 533)	(1 336)	**-**	-
	Interest income:				
	- bank balances	**11 332**	4 806	**-**	-
	- other	**524**	1	**-**	-
		11 856	4 807	**-**	-

R'000	Group 2007	Group 2006	Company 2007	Company 2006
26 NET FOREIGN EXCHANGE GAIN/(LOSS)				
The exchange differences credited/(charged) to the income statement are included as follows:				
Cost of goods sold	**4 111**	(3 138)	**-**	-
	4 111	(3 138)	**-**	-
27 INCOME TAX EXPENSE				
27.1 Taxation charge				
South African	**47 356**	33 792	**-**	-
Normal taxation				
- Current	**51 182**	31 263	**-**	-
- Under provision in prior periods	**168**	442	**-**	-
Deferred taxation				
- Current period temporary differences	**(4 166)**	2 038	**-**	-
- Prior period adjustments	**172**	49	**-**	-
Foreign	**10 346**	7 207	**-**	-
Normal taxation				
- Current	**11 537**	8 136	**-**	-
- Over provision in prior periods	**20**	(97)	**-**	-
Deferred taxation				
- Current period temporary differences	**(1 337)**	(790)	**-**	-
- Prior period adjustments	**24**	(42)	**-**	-
- Tax rate change	**102**	-	**-**	
Non-resident shareholders' tax	**1 212**	935	**-**	-
Secondary tax on companies	**4 419**	3 613	**4 419**	3 613
- Current	**4 419**	3 613	**4 419**	3 613
Taxation	**63 333**	45 547	**4 419**	3 613
27.2 Reconciliation of tax rate	**%**	%	**%**	%
South African normal rate	**29.0**	29.0	**29.0**	29.0
Allowances and disallowable expenses	**(0.3)**	0.7	**(29.0)**	(29.0)
Foreign tax at different rates	**0.2**	0.1	**-**	-
Non-resident shareholders' tax	**0.6**	0.7	**-**	-
Capital gains tax	**0.9**	0.0	**-**	-
Secondary tax on companies	**2.3**	2.7	**6.8**	7.2
Under provision in prior periods	**0.3**	0.3	**-**	-
Unutilised tax losses	**-**	0.1	**-**	-
Effective tax rate	**33.0**	33.6	**6.8**	7.2

28 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit attributable to equity holders by the weighted average number of ordinary shares in issue during the period. The weighted average number of shares in issue is calculated net of treasury shares acquired/sold during the year. The Cashbuild Share Incentive Trust has been included in the calculation from date of acquisition and The Cashbuild Empowerment Trust has been included in the calculation from 7 February 2005.

Diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The company only has one category of dilutive potential ordinary shares being share options.

R'000	Group 2007	Group 2006	Company 2007	Company 2006
28 EARNINGS PER SHARE CONTINUED				
28.1 Weighted average number of ordinary shares in issue ('000)	**22 681**	22 575	**25 805**	25 805
Number of ordinary shares in issue	**25 805**	25 805	**25 805**	25 805
Weighted average number of ordinary shares issued during the year	**-**	-	**-**	-
Weighted average number of ordinary shares issued at end of year	**25 805**	25 805	**25 805**	25 805
Less: Weighted average number of treasury shares:				
- The Cashbuild Share Incentive Trust	**(543)**	(649)	**-**	-
- The Cashbuild Empowerment Trust	**(2 581)**	(2 581)	**-**	-
Weighted number of ordinary shares in issue	**22 681**	22 575	**25 805**	25 805
28.2 Fully diluted weighted average number of ordinary shares in issue ('000)	**22 681**	22 575	**25 805**	25 805
The fully diluted number of ordinary shares do not exceed the current number of ordinary shares in issue as the directors do not intend issuing shares from authorised ordinary share capital when share options are exercised.				
28.3 Basic earnings per share (cents)	**536.3**	366.3	**234.5**	180.0
Profit attributable to equity holders of the company (R'000)	**121 640**	82 700	**60 504**	46 440
Weighted average number of ordinary shares in issue ('000)	**22 681**	22 575	**25 805**	25 805
28.4 Fully diluted basic earnings per share (cents)	**536.3**	366.3	**234.5**	180.0
Attributable earnings (R'000)	**121 640**	82 700	**60 504**	46 440
Fully diluted weighted average number of ordinary shares in issue ('000)	**22 681**	22 575	**25 805**	25 805
28.5 Headline earnings per share (cents)	**528.0**	366.7	**234.5**	180.0
Attributable earnings (R'000)	**121 640**	82 700	**60 504**	46 440
Headline earnings adjusting items:				
Impairment of goodwill (R'000)	**462**	-	**-**	-
(Profit)/loss on sale of assets after taxation (R'000)	**(2 351)**	78	**-**	-
Headline earnings (R'000)	**119 751**	82 778	**60 504**	46 440
Weighted average number of ordinary shares in issue ('000)	**22 681**	22 575	**25 805**	25 805
28.6 Fully diluted headline earnings per share (cents)	**528.0**	366.7	**234.5**	180.0
Headline earnings (R'000)	**119 751**	82 778	**60 504**	46 440
Fully diluted weighted average number of ordinary shares in issue ('000)	**22 681**	22 575	**25 805**	25 805
29 DIVIDENDS PER SHARE	**Cents**	Cents	**Cents**	Cents
Interim				
No. 28 payable on 16 April 2007 (2006: No.26 paid on 15 May 2006)	**79**	58	**79**	58
Final				
No. 29 payable on 15 October 2007 (2006: No.27 paid 16 October 2006)	**94**	58	**94**	58

For details of dividends declared after balance sheet date refer to the directors' report.

	Group		Company	
R'000	**2007**	2006	**2007**	2006
30 CASH GENERATED FROM OPERATIONS				
30.1 Reconciliation of profit before taxation to cash generated from operations				
Profit before income taxation	**191 671**	135 413	**64 923**	50 053
Adjustments for:				
Depreciation of property, plant and equipment	**28 635**	20 403	**-**	-
Amortisation of intangible assets	**1 333**	1 734	**-**	-
Impairment of goodwill	**462**	-	**-**	-
Movement in employee benefits	**180**	-	**-**	-
Cumulative translation adjustment movement	**(582)**	(449)	**-**	-
Exchange differences on non-current assets	**931**	461	**-**	-
Interest received	**(11 856)**	(4 807)	**-**	-
Interest paid	**2 533**	1 336	**-**	-
(Profit)/loss on disposal of property, plant and equipment	**(2 766)**	78	**-**	-
Employee benefits paid	**-**	(2)	**-**	-
Decrease in deferred profit	**(52)**	(52)	**-**	-
Increase in deferred operating lease liability	**6 065**	3 464	**-**	-
Operating profit before working capital changes	**216 554**	157 579	**64 923**	50 053
(Increase) in inventories	**(126 472)**	(88 089)	**-**	-
(Increase)/decrease in trade and other receivables	**(4 346)**	(19 999)	**5**	6
Increase in trade and other liabilities	**34 685**	34 833	**62**	120
Working capital changes	**(96 133)**	(73 255)	**67**	126
Cash generated from operations	**120 421**	84 324	**64 990**	50 179
30.2 Proceeds from disposal of property, plant and equipment				
Net book value	**6 919**	894	**-**	-
Profit/(loss) on sale of property, plant and equipment	**2 766**	(78)	**-**	-
Proceeds on sale of property, plant and equipment	**9 685**	816	**-**	-
30.3 Dividends paid				
Amounts charged to distributable reserves				
Final dividend - prior year	**(13 150)**	(12 200)	**(14 967)**	(13 934)
Interim dividend - current year	**(17 912)**	(13 150)	**(20 386)**	(14 967)
Amounts paid to minority shareholders	**(2 559)**	(80)	**-**	-
Cash amounts paid	**(33 621)**	(25 430)	**(35 353)**	(28 901)
30.4 Taxation paid				
Taxation owing at beginning of the year	**(35 542)**	(20 012)	**-**	-
Amount charged to income statement	**(63 333)**	(45 547)	**(4 419)**	(3 613)
Movement in deferred taxation	**(5 185)**	1 339	**-**	-
Amount owing at end of the year	**39 222**	35 542	**-**	-
Cash amounts paid	**(64 838)**	(28 678)	**(4 419)**	(3 613)
31 BORROWING POWERS				
Total gross borrowings	**1 645**	1 454	**-**	-
Banking facilities:				
Flexible term general banking facilities	**220 000**	60 000	**-**	-
Unutilised banking facilities	**220 000**	60 000	**-**	-

In terms of the Articles of Association of the Company, the borrowing powers of Cashbuild Limited are unrestricted.

	Group		Company	
R'000	**2007**	2006	**2007**	2006
32 COMMITMENTS				
32.1 Capital commitments				
Capital expenditure to be funded from internal resources as approved by the directors				
- Authorised and contracted for	**432**	3 243	**-**	-
- Authorised by directors, but not contracted for	**75 013**	49 390	**-**	-
Total commitments	**75 445**	52 633	**-**	-
Capital commitments for the 12 months after accounting date	**51 045**	47 818	**-**	-
32.2 Operating lease commitments				
Leases on premises are contracted for periods between 5 and 15 years with renewal options for further 5 to 10 year periods. Rental escalations vary but average at a rate of 7.19 % (June 2006: 9%) per annum.				
The future minimum lease payments under non-cancellable operating leases for premises, equipment and cancellable arrangements with transport contractors which constitute an operating lease, are as follows:				
- Not later than in 1 year	**133 619**	56 906	**-**	-
- Later than 1 year - not later than 5 years	**287 705**	242 549	**-**	-
- Later than 5 years	**344 530**	257 398	**-**	-
Total future cash flows	**765 854**	556 853	**-**	-
Straight-lining of leases already accrued in balance sheet	**(31 982)**	(25 917)	**-**	-
Future expenses	**733 872**	530 936	**-**	-
33 CONTINGENT LIABILITIES				
The group has contingent liabilities in respect of bank and other guarantees in the ordinary course of business from which it is anticipated that no material liabilities will arise.				
The group has granted bank guarantees amounting to:	**12 376**	7 078	**-**	-

34 SEGMENTAL INFORMATION **

Primary reporting format - geographical segments

The group's business is divided into three main geographical areas:

- South Africa
- Common monetary countries (Swaziland, Lesotho and Namibia)
- Non-common monetary countries (Botswana and Malawi)

R'000	South Africa	*Other members of common monetary area	Botswana and Malawi	Group
34.1 Segmental information for the year ended 30 June 2007				
Income statement				
Revenue				
- External	2 843 136	382 039	223 211	3 448 386
- Internal	43 675	-	-	-
Operating profit	150 272	16 593	15 483	182 348
Finance cost				(2 533)
Finance income				11 856
Profit before tax				191 671
Income tax expense				(63 333)
Profit for the period				128 338
Balance sheet				
Segment assets	814 280	118 612	101 412	1 034 304
Segment liabilities	536 731	42 157	72 123	651 011
Depreciation	24 618	2 927	1 090	28 635
Amortisation	1 298	-	35	1 333
Impairment	462	-	-	462
Capital expenditure	66 926	6 476	2 516	75 918
34.2 Segmental information for the year ended 30 June 2006				
Income statement				
Revenue				
- External	2 197 666	332 807	179 944	2 710 417
- Internal	30 144	-	-	-
Operating profit	111 068	16 800	4 074	131 942
Finance cost				(1 336)
Finance income				4 807
Profit before tax				135 413
Income tax expense				(45 547)
Profit for the period				89 866
Balance sheet				
Segment assets	693 185	116 145	83 802	893 132
Segment liabilities	498 203	47 048	61 036	606 287
Depreciation	17 355	2 066	982	20 403
Amortisation	1 699	-	35	1 734
Impairment	-	-	-	-
Capital expenditure	57 129	13 377	6 843	77 349

* Includes Namibia, Swaziland and Lesotho

** Cashbuild applies the cost plus method in determining transfer pricing between group companies

35 RELATED PARTIES

Cashbuild Limited is the ultimate holding company, holding 100% directly in Cashbuild Management Services (Pty) Ltd. Cashbuild Management Services (Pty) Ltd holds shares in several other companies, shareholding varies between 50% to 100% all the companies are subsidiaries of Cashbuild Management Services (Pty) Ltd and sub-subsidiaries of Cashbuild Limited.

The Cashbuild Share Incentive Trust and The Cashbuild Empowerment Trust each hold shares in Cashbuild Limited. The trust has been set up to facilitate shareholding by directors, key management and employees.

35.1 Subsidiaries

Name of company	Domicile	Issued share capital	Effective holding Jun-07	Effective holding Jun-06	Nature
DIRECTLY HELD					
Cashbuild Management Services (Pty) Ltd		R 1	**100%**	100%	1
INDIRECTLY HELD					
Cashbuild (Botswana) (Pty) Ltd	A	P1 500 000	**100%**	100%	2
Cashbuild Kanye (Pty) Ltd	A	P2	**100%**	100%	3
Cashbuild (Lesotho) (Pty) Ltd	B	M100 000	**80%**	80%	2
Cashbuild Lilongwe Ltd	C	MK100 000	**51%**	51%	2
Cashbuild (Namibia) (Pty) Ltd	D	N$1	**100%**	100%	2
Cashbuild (South Africa) (Pty) Ltd		R54 000	**100%**	100%	2
Cashbuild (Swaziland) (Pty) Ltd	E	E500	**50%**	50%	2
Roofbuild Trusses (Pty) Ltd		R 100	**51%**	51%	2
Tradebuild (Pty) Ltd		R4	**100%**	100%	3

A controlling interest is obtained in Cashbuild (Swaziland) (Pty) Ltd by virtue of a management agreement.

Domicile

South African unless otherwise stated:

A. Botswana

B. Lesotho

C. Malawi

D. Namibia

E. Swaziland

Nature

1. Investment and management company
2. Trading company
3. Dormant

2007 R'000	Sales	Purchases	Receivable balance	Payables balance	Loan liabilities	Loan assets
35 RELATED PARTIES CONTINUED						
35.1 Subsidiaries continued						
Cashbuild Limited	-	-	-	-	-	135 688
Cashbuild (South Africa) (Pty) Ltd	6 549	2 684	2 409	-	136 338	52 397
Cashbuild Management Services (Pty) Ltd	-	-	-	-	135 688	89 121
Cashbuild (Botswana) (Pty) Ltd	-	2 830	-	1 070	27 374	-
Cashbuild (Lesotho) (Pty) Ltd	-	840	-	508	-	9 626
Cashbuild Lilongwe Ltd	-	107	-	29	228	-
Cashbuild (Namibia) (Pty) Ltd	-	848	-	299	18 036	-
Cashbuild (Swaziland) (Pty) Ltd	-	1 924	-	503	-	30 832
Roofbuild Trusses (Pty) Ltd	2 684	-	-	-	-	-
Tradebuild (Pty) Ltd	-	-	-	-	-	-
	9 233	9 233	2 409	2 409	317 664	317 664

2006 R'000	Sales	Purchases	Receivable balance	Payables balance	Loan liabilities	Loan assets
Cashbuild Limited	-	-	-	-	-	107 897
Cashbuild (South Africa) (Pty) Ltd	5 590	-	2 261	-	102 033	40 981
Cashbuild Management Services (Pty) Ltd	-	-	-	-	107 897	55 271
Cashbuild (Botswana) (Pty) Ltd	-	1 886	-	847	17 435	-
Cashbuild (Lesotho) (Pty) Ltd	-	687	-	653	-	11 389
Cashbuild Lilongwe Ltd	-	157	-	86	-	4 022
Cashbuild (Namibia) (Pty) Ltd	-	1 063	-	267	23 143	-
Cashbuild (Swaziland) (Pty) Ltd	-	1 797	-	408	-	31 351
Roofbuild Trusses (Pty) Ltd	-	-	-	-	403	-
Tradebuild (Pty) Ltd	-	-	-	-	-	-
	5 590	5 590	2 261	2 261	250 911	250 911

Tradebuild, a division of Cashbuild (South Africa) (Pty) Ltd, has the sole purpose of purchasing stock and selling it on to other divisions and companies within the group. Tradebuild purchases its stock from non-related parties and they negotiate the terms, conditions and prices independently.

The selling price of stock to related parties is calculated on a cost-plus basis, allowing for a margin of 20%.

All inter-company loans, except with Cashbuild (Swaziland) (Pty) Ltd, are unsecured and bear no interest.

The loan with Cashbuild (Swaziland) (Pty) Ltd is unsecured and bears interest at 12.5% p.a. The net interest income for the year is R 84 891 (2006: net charge of R 3 115 094).

35.2 Directors

Executive	**Non-executive**
P K Goldrick	D Masson
A van Onselen	F M Rossouw
W F de Jager	N V Simamane
K B Pomario (Appointed 27 March 2007)	J Molobela
S Thoresson (Appointed 27 March 2007)	

Directors' information is fully disclosed in note 36.

There are no loans held between directors and the any of the companies in the group.

R'000	June 2007	June 2006
35 RELATED PARTIES CONTINUED		
35.3 Key management compensation		
Short-term employee benefits	**2 213**	2 390
Bonus/bonus accruals	**569**	31
Pension fund contributions	**129**	184
Share options exercised	**-**	2 100

There are no loans held between key management and any of the companies in the group.

35.4 The Cashbuild Share Incentive Trust

Cashbuild (South Africa) (Proprietary) Limited, a wholly-owned subsidiary within the group, purchased shares in Cashbuild Ltd during the period December 2001 to February 2002. These shares were sold to The Cashbuild Share Incentive Trust in December 2002.

The trust makes shares available to executive directors and employees of the group in accordance with the rules of the trust. The shares subject to the trust have been dealt with as follows:

Number of shares	June 2007	June 2006
Shares subject to the scheme at beginning of year	**595 912**	1 209 296
Shares transferred to employees	**(30 000)**	(444 300)
Shares sold on open market	**(36 687)**	(169 084)
Shares subject to the scheme at end of year	**529 225**	595 912
Dealt with as follows:		
Shares allocated to employees:		
- Share purchase scheme	**13 900**	43 900
Shares held in the trust for future allocations	**515 325**	552 012
	529 225	595 912

35.5 The Cashbuild Empowerment Trust

In terms of the broad-based BEE transaction approved by the shareholders on 7 February 2005, 2 580 535 shares were issued to the Cashbuild Empowerment Trust, bringing the total issued shares to 25 805 535 (2006: 25 805 535). The shares were issued for a total consideration of R 75.1 million (R 29.09 per share). The trust was funded by way of an interest-free loan from Cashbuild Management Services (Pty) Ltd.

The aggregate number of shares which may be acquired by the trust shall not exceed 10% of the issued share capital of Cashbuild. The majority of Cashbuild employees are previously disadvantaged. In terms of income benefits, the empowered employees will share in the net dividend of the scheme shares underlying the trust on an equal basis. In addition to this, the empowered employees of Cashbuild will also benefit on an equitable basis should the capital of the trust be distributed following a corporate restructuring resulting in a change of control or liquidation.

R'000	June 2007	June 2006
Dividend paid to the trust		
- Final 2006 (2005)	**1 497**	1 393
- Interim 2007 (2006)	**2 038**	1 497
	3 535	2 890

R'000	Fees	Basic salary	Bonus*	Expenses & travelling allowance	Other material benefits**	Company's pension scheme contributions	Other***	Total
36 DIRECTORS' INFORMATION								
36.1 Directors' emoluments, paid by the subsidiary company Cashbuild (South Africa) (Pty) Ltd, for the year ended 30 June 2007								
Executive directors								
P K Goldrick	-	1 768	1 484	105	46	26	-	3 429
W F de Jager	-	918	711	90	45	92	-	1 856
K B Pomario*****	-	109	283	33	3	10	-	438
S Thoresson*****	-	141	383	62	-	15	-	601
A van Onselen	-	1 058	1 657	110	40	96	-	2 961
30 June 2007	**-**	**3 994**	**4 518**	**400**	**134**	**239**	**-**	**9 285**
Non-executive directors								
D Masson	244	-	-	-	-	282	-	526
J Molobela	-	-	-	5	-	181	-	186
F M Rossouw	-	-	-	7	-	207	-	214
N V Simamane	-	-	-	4	-	164	-	168
30 June 2007	**244**	**-**	**-**	**16**	**-**	**834**	**-**	**1 094**
Total directors' emoluments								
30 June 2007	**244**	**3 994**	**4 518**	**416**	**134**	**1 073**	**-**	**10 379**
36.2 Directors' emoluments, paid by the subsidiary company Cashbuild (South Africa) (Pty) Ltd, for the year ended 30 June 2006								
Executive directors								
P K Goldrick	-	1 606	-	111	35	23	-	1 775
A van Onselen	-	923	-	156	26	67	1 920	3 092
W F de Jager	-	788	-	91	22	51	-	952
C T Daly****	-	237	-	55	1	42	-	335
30 June 2006	**-**	**3 554**	**-**	**413**	**84**	**183**	**1 920**	**6 154**
Non-executive directors								
D Masson	95	-	-	-	1	-	417	513
J Molobela	63	-	-	-	-	-	123	186
F M Rossouw	63	-	-	-	-	-	104	167
N V Simamane	63	-	-	-	-	-	96	159
30 June 2006	**284**	**-**	**-**	**-**	**1**	**-**	**740**	**1 025**
Total directors' emoluments								
30 June 2006	**284**	**3 554**	**-**	**413**	**85**	**183**	**2 660**	**7 179**

* Bonuses refer to bonuses paid and accrued for and are authorised by the remuneration committee.

** "Other material benefits" include contributions to medical aid.

*** "Other" generally includes amounts paid for meeting attendance and special consultation fees. "Other" amount paid specifically to A Van Onselen was for profit made on excercising of share options and sale of the shares on his behalf during the year.

**** C T Daly resigned from the group effective 31 December 2005.

***** Appointed 27 March 2007.

		Ordinary shares	
		Beneficial	Non-beneficial
36.3	**Directors' shareholding**		
	The directors held in aggregate, direct and indirect beneficial interests and non-beneficial interests of 10% in the issued share capital of the company at 30 June 2007. The direct and indirect beneficial interest and non-beneficial interests of the directors in office at 30 June 2007 are as follows:		
	Ordinary shares	**1 301 200**	**1 283 415**
	Comprising:		
	Non-executive directors	**1 200**	**25 298**
	D Masson	-	15 298
	F M Rossouw	-	10 000
	N V Simamane	1 200	-
	Executive directors	**1 300 000**	**1 258 117**
	P K Goldrick	1 300 000	1 258 117
	Total ordinary shares held	**1 301 200**	**1 283 415**
	The directors held in aggregate, direct and indirect beneficial interests and non-beneficial interests of 9.5% in the issued share capital of the company at 30 June 2006. The direct and indirect beneficial interest and non-beneficial interests of the directors in office at 30 June 2006 are as follows:		
	Ordinary shares	**1 316 800**	**1 141 017**
	Comprising:		
	Non-executive directors	**16 800**	**10 000**
	J Molobela	15 600	-
	F M Rossouw	-	10 000
	N V Simamane	1 200	-
	Executive directors	**1 300 000**	**1 131 017**
	P K Goldrick	1 300 000	1 131 017
	Total ordinary shares held	**1 316 800**	**1 141 017**

37 SHARE BASED PAYMENTS

Share options are granted to directors and senior management. The options vest after a period of three years. Exercise price of granted options is equal to market price on date of grant. The group has no legal or constructive obligation to repurchase or settle these options for cash.

During the twelve months ended 30 June 2007, no options were exercised (30 June 2006: 205 000). No new options were issued, no options lapsed due to resignations and no options were transferred within The Cashbuild Share Incentive Trust from the share option scheme to the share purchase scheme.

'000	**2007**	2006
The Cashbuild Share Incentive Trust, which administers the share option scheme, holds the following number of ordinary shares as a hedge against options to be granted by the scheme.	**515**	552

Summary of options granted and exercised

	A van Onselen		Senior managers		Total	
	No. of options	Issued price	No. of options	Issued price	No. of options	Issued price
Granted as at 1 July 2005	50 000	3.75	155 000	3.49	205 000	3.49
Exercised during the year	(50 000)	3.75	(155 000)	3.49	(205 000)	3.49
Held at 1 July 2006	-		-		-	
Held at 30 June 2007	-		-		-	

38 ANALYSIS OF SHAREHOLDERS

38.1 Listed below is an analysis of holdings extracted from register of ordinary shareholders at 30 June 2007:

		% holding	No. of shares	No. of shareholders
38.1.1	**Category**			
	Non-public			
	Directors	10.02	2 584 615	5
	Staff, The Cashbuild Share Incentive Trust	2.05	529 225	1
	The Cashbuild Empowerment Trust	10.00	2 580 535	1
	Public			
	Banks	9.45	2 439 217	22
	Close corporations	0.90	231 913	25
	Endowment funds	0.03	7 074	3
	Individuals	5.01	1 292 165	1 273
	Insurance companies	2.42	623 287	7
	Investment companies	2.48	639 606	4
	Medical aid schemes	0.28	72 383	3
	Mutual funds	18.50	4 774 735	55
	Nominees and trusts	18.34	4 733 293	189
	Other corporations	1.60	412 943	49
	Pension funds	10.73	2 768 816	49
	Private companies	7.25	1 871 425	64
	Public companies	0.95	244 115	14
		100.00	**25 805 347**	**1 764**
38.1.2	**Portfolio size**			
	1 - 1 000	1.58	407 939	1 177
	1 001 - 5 000	3.43	884 961	366
	5 001 - 100 000	13.86	3 575 674	179
	100 001 - 1 000 000	51.64	13 325 792	37
	1 000 000 - over	29.49	7 610 981	5
		100.00	**25 805 347**	**1 764**

38.2 The following shareholders held in excess of 5% of the shares of the company at 30 June 2007:

	% holding	No. of shares
The Cashbuild Empowerment Trust	10.00	2 580 535
P K Goldrick	9.42	2 558 117
SRA Investments (Pty) Ltd	5.81	1 500 000

38.3 Directors' shareholding in main register

	Holders	No. of shares
P K Goldrick	1	2 558 117
D Masson	1	15 298
F M Rossouw	1	10 000
N V Simamane	1	1 200
Move from other companies and general public to directors	4	2 584 615

38 ANALYSIS OF SHAREHOLDERS CONTINUED

38.4 Listed below is an analysis of holdings extracted from register of ordinary shareholders at 30 June 2006:

		% holding	No. of shares	No. of shareholders
38.4.1	**Category**			
	Non-public			
	Directors	9.52	2 457 817	4
	Staff, The Cashbuild Share Incentive Trust	2.35	605 912	1
	The Cashbuild Empowerment Trust	10.00	2 580 535	1
	Public			
	Banks	2.24	577 121	23
	Close corporations	0.92	237 259	35
	Endowment funds	0.46	118 881	12
	Individuals	6.60	1 702 447	1 346
	Insurance companies	7.53	1 941 989	14
	Investment companies	2.49	643 413	9
	Medical aid schemes	0.25	64 781	4
	Mutual funds	21.90	5 652 582	64
	Nominees and trusts	18.20	4 695 848	191
	Other corporations	1.12	289 475	40
	Pension funds	8.72	2 251 297	59
	Private companies	7.50	1 936 635	67
	Public companies	0.20	49 355	12
		100.00	**25 805 347**	**1 882**
38.4.2	**Portfolio size**			
	1 - 1 000	1.77	455 865	1 242
	1 001 - 5 000	3.79	977 895	400
	5 001 - 100 000	15.76	4 067 610	197
	100 001 - 1 000 000	49.63	12 806 906	38
	1 000 000 - over	29.05	7 497 071	5
		100.00	**25 805 347**	**1 882**

38.5 The following shareholders held in excess of 5% of the shares of the company at 30 June 2006:

	% holding	No. of shares
The Cashbuild Empowerment Trust	10.00	2 580 535
P K Goldrick	9.42	2 431 017
Old Mutual Group	6.12	1 580 087
Coronation	6.05	1 562 271
SRA Investments (Pty) Ltd	5.81	1 500 000
Investment Solutions	5.37	1 385 388

38.6 Directors' shareholding in main register

	Holders	No. of shares
P K Goldrick	1	2 431 017
J Molobela	1	15 600
F M Rossouw	1	10 000
N V Simamane	1	1 200
Move from other companies and general public to directors	4	2 457 817

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of members of Cashbuild Limited will be held in the boardroom, 1st Floor, cnr Aeroton and Aerodrome Roads, Aeroton, Johannesburg on Monday, 26 November 2007 at 10h00 for the purposes of considering and, if deemed fit, passing with or without modification, the resolutions set out below:

1. **Ordinary Resolution number one (Auditors' report)**
   To resolve that the Auditors' Report be taken as read.

2. **Ordinary Resolution number two (Adoption of annual financial statements)**
   To receive the annual financial statements of the company and the group for the financial year ended 30 June 2007, together with the reports of the directors and auditors.

3. **Ordinary Resolution numbers three to six (Re-election of directors):**
   Individual appointments
   To re-appoint Messrs D Masson and J Molobela, who retire by rotation but, being eligible, offer themselves for re-appointment.

   Messrs K B Pomario and S A Thoresson, who were appointed directors in the course of the year, retire as required by the Company's Articles of Association, but being eligible, offer themselves for re-appointment.

   Summarised curriculum vitae of the directors who offer themselves for re-appointment are as follows:

   MR D MASSON (76)
   Mr D Masson is an independent non-executive director and chairman of Cahbuild Limited and director of Bidvest, Faritech, McCarthy Group and serves as a trustee on various pension funds and share trusts.

   MR J MOLOBELA (51)
   Mr Jeff Molobela is an independent non-executive director of Cashbuild Limited, and a director of CSB Property Portfolio Limited, Decillon Limited and several other companies in the property sector. He is also a member of the audit committees of CEF and SFF, which are state-owned enterprises in the energy sector, and of Cashbuild Limited.

   MR K B POMARIO (34)
   Mr Kim Pomario, an executive director, is the property and store development director of Cashbuild Limited and a director of several of the subsidiary companies of Cashbuild Limited.

   MR S A THORESSON (44)
   Mr Shane Thoresson, an executive director, is the operations director: neighbouring countries of Cashbuild Limited and a director of several of the subsidiary companies of Cashbuild Limited.

4. **Ordinary Resolution number seven (Remuneration of non-executive directors)**
   To fix the remuneration for the non-executive directors, with retrospective effect from 1 July 2007, as follows:

	Chairman	Other directors/ Members of committees
Annual retainer	R120 000	R80 000
Board and strategy meeting:		
Attendance fee	R20 000	R14 000
Audit committee:		
Attendance fee	R9 000	R6 000
Remuneration and other committees:		
Attendance fee	R7 500	R5 000

5. **Ordinary Resolution number eight (Audit fee – board to authorise)**
   To authorise the directors to determine the audit fee for the past financial year.

6. **Ordinary Resolution number nine (Re-appointment of auditors)**
   To re-appoint PricewaterhouseCoopers Inc. as the auditors for the current financial year.

7. **Ordinary Resolution number ten (Placing the unissued shares under the control of directors)**
   To resolve that 10% of the authorised but unissued shares in the capital of the company be placed under the control of the directors of the company, until the next annual general meeting, to allot or issue such shares at their discretion, subject to the provisions of the

Companies Act No. 61 of 1973, as amended, and the Listings Requirements of JSE Limited.

No issue will be made that could effectively transfer the control of the company without the prior approval of members in general meeting.

8. Ordinary resolution number eleven (Cash issues)

To resolve that the directors of the company be and they are hereby authorised, by way of a general authority, to issue all or any of the authorised but unissued shares in the capital of the company for cash until the next annual general meeting as and when they in their discretion deem fit.

This resolution is subject to the Listings Requirements of JSE Limited, which currently provide:

- that this authority shall be valid until the next annual general meeting of the company, provided it shall not extend beyond fifteen months from the date that this authority is given.
- that a paid press announcement giving full details, including the impact on net asset value and earnings per share, will be published at the time of any issue of shares representing, on a cumulative basis within one year, 5% or more of the number of the company's shares in issue prior to any such issue;
- that issues in the aggregate in any one year shall not exceed 10% of the number of shares in the company's issued share capital;
- that, in determining the price at which an issue of shares may be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price determined over the 30 business days prior to the date that the price of the issue is determined or agreed by the directors;
- issues at a discount greater than 10% may only be undertaken with specific member consent; and
- that any such issue will only be made to public members as defined by JSE Limited.

NOTE: Resolution number eight requires the approval of a 75% majority of the votes cast by members present or represented by proxy at the annual general meeting.

9. Special Resolution number one (Approval of repurchase of shares)

To resolve that, as a general approval, the company, or any subsidiary of the company, be authorised to re-purchase the company's shares, subject to the provisions of the Listings Requirements of JSE Limited, the provisions of the Companies Act and to such re-purchases not exceeding 20 per cent of the company's issued share capital.

The resolution is required to give the company the necessary flexibility, if and when necessary, to re-purchase a number, not exceeding 20 per cent, of the company's issued share capital.

A member entitled to attend and vote is entitled to appoint a proxy to attend, speak and vote in his stead, and such proxy need not also be a member of the company.

Forms of proxy should be lodged with the transfer secretaries, Computershare Investor Services 2004 (Pty) Ltd, not less than 48 hours before the time appointed for the holding of the annual general meeting.

Corporate shareholders may, in writing, appoint a representative.

By order of the board

CORPORATE GOVERNANCE LEADERS CC

Chartered Secretaries

Company secretary to Cashbuild Limited

17 September 2007

FORM OF PROXY

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

JSE code: CSB • ISIN:ZAE000028320 • ("Cashbuild" or "the company")

For the use of members who hold certificated shares and members who have dematerialised their shares in "own name" registrations.

FOR THE ANNUAL GENERAL MEETING TO BE HELD ON MONDAY, 26 NOVEMBER 2007 AT 10h00

I/We ____

of ____

being a member/members of Cashbuild and entitled to ______________________votes do hereby appoint

____or failing him/her,

____or failing him/her,

the chairman of the meeting as my/our proxy to act for me/us on me/us at the annual general meeting of the company to be held on Monday, 26 November 2007 at 10h00, and at any adjournment thereof, in the boardroom, 1st floor, cnr Aeroton and Aerodrome Roads, Aeroton, Johannesburg, and to vote for me/us on my/our behalf in respect of the undermentioned resolutions in accordance with the following instructions (see note 2).

	Number of votes (one vote per share)		
	For	Against	Abstain
1. Ordinary Resolution number one: Auditors' report			
2. Ordinary Resolution number two: Adoption of annual financial statements			
3. Ordinary Resolutions numbers three to six: To consider the proposals to elect the following directors:			
3.1. Ordinary Resolution number three: Mr D Masson			
3.2. Ordinary Resolution number four: Mr J Molobela			
3.3. Ordinary Resolution number five: Mr K B Pomario			
3.4. Ordinary Resolution number six: Mr S A Thoresson			
4. Ordinary Resolution number seven: Remuneration of non-executive directors			
5. Ordinary Resolution number eight: Audit fee: board to authorise			
6. Ordinary Resolution number nine: Re-appointment of auditors			
7. Ordinary Resolution number ten: Placing the unissued shares under the control of directors			
8. Ordinary Resolution number eleven: Cash issues			
9. Special Resolution number one: Approval of repurchase of shares			

Signed at____________________________________on____________________________________2007

Signature______________________Assisted by me______________________(where applicable – see note 7)

A member qualified to attend and vote at the meeting is entitled to appoint a person to attend, speak and vote in his/her stead. A proxy holder need not be a member of the company.

NOTES TO FORM OF PROXY

Members holding certificated shares or dematerialised shares registered in their own name.

1. Only members who hold certificated shares and members who have dematerialised their shares in "own name" registrations may make use of this proxy form.
2. Each such ordinary member is entitled to appoint one or more proxyholders (none of whom needs to be a member of the company) to attend, speak and, on a poll, vote in place of that member at the annual general meeting, by inserting the name of a proxy or the names of two alternate proxies of the ordinary member's choice in the space provided, with or without deleting "the chairman of the meeting". The person whose name appears first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow.
3. A member's instructions to the proxyholder must be indicated by the insertion of the relevant number of votes exercisable by that member in the appropriate box/es provided. Failure to comply with the above will be deemed to authorise the chairman of the meeting, if he is the authorised proxyholder, to vote in favour of the resolutions, or any other proxy to vote or to abstain from voting at the general meeting, as he deems fit, in respect of all the member's votes.
4. A member or his or her proxy is not obliged to vote in respect of all the shares held or represented, but the total number of votes for or against the resolutions in respect of which any abstention is recorded may not exceed the total number of votes to which the ordinary member or his proxy is entitled.
5. Any power of attorney and any instrument appointing a proxy or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney shall be deposited at the office of the transfer secretaries not less than 48 (forty eight) hours before the time appointed for holding the meeting.
6. The completion and lodging of this form of proxy will not preclude the relevant member from attending the meeting and speaking and voting in person thereat to the exclusion of any proxyholder appointed.
7. Where there are joint holders of ordinary shares any one holder may sign the proxy form. The vote of only one holder in order of seniority (determined by sequence of names on the company register) will be accepted, whether in person or by proxy, to the exclusion of the vote(s) of other joint holders.
8. Members should lodge or post their completed proxy forms to:

   Computershare Investor Services 2004 (Pty) Limited,
   HAND DELIVERIES:
   Ground floor, 70 Marshall Street,

   or POSTAL DELIVERIES:
   P O Box 61051, Johannesburg 2000
   MARSHALLTOWN, 2107

   by not later than 48 hours before the meeting. Proxies not deposited timeously shall be treated as invalid.

Members holding dematerialised shares

9. Members who have dematerialised their shares through a Central Securities Depository Participant (CSDP) or broker (except those members who have elected to dematerialise their shares in "own name" registrations) and all beneficial members holding their shares (dematerialised or certificated) through a nominee should provide such CSDP, broker or nominee with their voting instructions in sufficient time to allow them to advise the transfer secretaries of the company of their voting instructions before the closing time set out in 8 above.
10. All such members wishing to attend the meeting in person may do so only by requesting their CSDP, broker or nominee to issue the member with a letter of representation in terms of the custody agreement. Such letter of representation must also be lodged with the transfer secretaries before the closing time set out in 8 above.

ADMINISTRATION & OFFICES

CASHBUILD LIMITED

Incorporated in the Republic of South Africa

Registration number 1986/001503/06

JSE code: CSB

ISIN: ZAE000028320

REGISTERED OFFICE

Cnr Aeroton and Aerodrome Roads

Aeroton

Johannesburg

2001

POSTAL ADDRESS

PO Box 90115

Bertsham

2013

COMPANY SECRETARY

Corporate Governance Leaders CC

TRANSFER SECRETARIES

Computershare Investor Services 2004 (Pty) Ltd

Ground Floor

70 Marshall Street

Johannesburg

2001

PO Box 61051

Marshalltown

2107

AUDITORS

PricewaterhouseCoopers Inc.

ATTORNEYS

Van der Heever and Associates

BANKERS

Standard Bank of South Africa Limited

Nedcor Limited

SPONSOR

Nedbank Capital

WEBSITE

www.cashbuild.co.za

Cashbuild