

HARDWARE & LUMBER LTD. 1999

Unaudited Group Results

Nine Months Ended September 30, 1999

	Sept 1999 \$'000	Sept 1998 \$'000
Turnover	879,684	740,801
Group Profit before Taxation	26,432	14,589
Taxation	<u>(8,225)</u>	<u>(4,305)</u>
Net Profit	<u>18,207</u>	<u>10,284</u>
	\$'000s	\$'000s
Average issued Capital - number of 50c stock units	40,000	40,000
Earnings per Stock Unit on average stock units outstanding	46¢	26¢

We are pleased to present the unaudited results of the Group for the quarter and the period ended September 30, 1999. Group revenues for the nine month period as \$879.7 million (1998: \$740.8 million) an increase of 19%. Net profit of \$18.2 million improved 77% over the same period last year (1998: 10.3 million), resulting in earnings per share of \$0.46(1998:\$0.26).

Revenue growth reflects our decision to focus greater resources on our retailing segment. H&L True Value's new Super Store has maintained its service standards since last year launch, contributing substantially to its continued success and store traffic.

We have begun a major refurbishing program of our other retail stores with the objective of presenting a more convenient customer-friendly atmosphere at all our five locations.

The wholesaling business has suffered from the general downturn in the construction industry and our strategy requires diligent management of inventory levels and credit.

H&L Agri & Marine and Office Services Limited continue to meet our expectations, with OSL improving substantially after its restructuring programme last year.

Richard O. Byles
Chairman
