

HARDWARE & LUMBER LTD

We are pleased to report continued good performance of the Hardware & Lumber Group for the second quarter ended June 30, 2000. Revenues for the six (6) month period grew by 16% to \$663.8 million (1999: \$572.4 million). Net profit for the period was \$24.2 million, an Increase of 49% over the \$16.2 million in 1999.

Retail sales showed an Increase of 16% over the first half of 1999 and wholesale sales continue to produce strong growth surpassing 1999 sales by 24%. Both the retail and to a greater extent, the wholesale operations were restricted by a prolonged period of cement shortage.

The Agricultural Division performed below expectation for the first six months sales dipping 2% below 1999, as the persistent drought continues to take a toll on agricultural demand. The office maintenance and scaffolding division performed creditably, increasing revenues by 28%.

Richard O. Byles
Chairman

A. Anthony Holness
Managing Director

Unaudited Group Results

Six Months Ended June 30, 2000

	Six Months Ended June 30, 2000 000's	Six Months Ended June 30, 1999 000's
Turnover	663,751	572,372
Cost of Sales	<u>481,865</u>	<u>425,961</u>
Gross Profit	181,886	146,411
Other Operating income	<u>15,056</u>	<u>11,168</u>
	196,942	157,579
Admin & Operating Expenses	<u>149,197</u>	<u>125,470</u>
	47,745	32,109
Interest Expenses	<u>10,268</u>	<u>10,210</u>
Group Profit before taxation	<u>37,477</u>	<u>21,899</u>
Taxation	<u>13,300</u>	<u>5,730</u>
Group Profit After Taxation	<u>24,177</u>	<u>16,169</u>
	'000's	'000's
Average issued capital		
number of 50c Stock Units	40,000	40,000
Earnings per Stock unit:	60¢	40¢

Unaudited Group Balance Sheet

As at June 30, 2000

	June 2000 000's	December 1999 000's
Net Assets Employed		
Fixed Assets	279,132	278,142
Investments	24	24
Long Term Receivables	106	106
Deffered expenditure	654	887
Current Assets		
Inventories	311,875	310,036
Receivables and taxation recoverable	131,238	110,830
Cash and Short Term Investments	<u>12,839</u>	<u>34,066</u>
	<u>455,952</u>	<u>454,932</u>
Current Liabilities		
Payables	214,731	266,219
Bank Loans and Overdraft	109,002	63,140
Taxation Payable	9,100	8,392
	332,833	337,751
Net Current Assets	<u>123,119</u>	<u>117,181</u>
	<u>403,035</u>	<u>396,940</u>
 Financed by:		
Share Capital	20,000	20,000
Reserves	<u>374,349</u>	<u>350,172</u>
	394,349	370,172
Long Term Liabilities	12,024	23,728
Holding companies and Fellow Subsidiaries	<u>(3,338)</u>	<u>3,040</u>
	<u>403,035</u>	<u>396,940</u>
 Statement of Changes in Equity		
	6-months	12-months
Equity at beginning of period	370,172	294,404
Net Profit for period	24,177	31,901
Revaluation surplus	<u>-</u>	<u>43,867</u>

Equity at end of period

394,349

370,172