

# **HARDWARE & LUMBER LTD**

**and its subsidiaries**

**Unaudited Group Results**

**Three Months Ended March 31, 2002**

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The H&L Group recorded a flat performance for the first quarter ended March 31, 2002 with net profits of \$8.6 million compared to a similar result for 2001. These profits were generated on sales of \$371 million (2001: \$367 million).

Retail sales showed a modest increase for the quarter and helped by improved gross profit margins and cost containment measures, contributed an improved performance in this Division.

The Wholesale Division experienced a marginal decline in sales and gross profit margins due to depressed demand and increased competitiveness.

The Agricultural and Marine Division produced good sales growth for the period along with an improvement in the net profit position as did the Office Services Division.

Richard O. Byles  
Chairman

A. Anthony Holness  
Managing Director

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	<b>March 2002 \$' 000</b>	<b>March 2001 \$' 000</b>
Turnover	371,786	367,728
Cost of Sales	279,184	275,271
Gross Profit	<u>92,602</u>	<u>92,457</u>
Other Operating Income	<u>1,734</u>	<u>2,503</u>
	94,336	94,960
Admin & Operating Expenses	<u>81,069</u>	<u>78,658</u>
Operating Profit	13,267	16,302
Finance Costs - Net	<u>3,298</u>	<u>4,797</u>
Group Profit before Taxation	9,969	11,505
Taxation	<u>1,308</u>	<u>2,861</u>
Group Profit After Taxation	8,661	8,644
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	'000's	'000's
Average Issued Capital number of 50c Stock Units	40,000	40,000
EARNINGS PER STOCK UNIT	22c	22c

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## Unaudited Group Balance Sheet

Three Months Ended March 31, 2002

	March 2002 \$' 000	December 2001 \$' 000
NET ASSETS EMPLOYED		
Fixed Assets	265,782	269,336
Investments	24	24
Long Term Receivables	113	113
Deferred Expenditure	203	0
Holding Company & Fellow Subsidiaries	0	254
CURRENT ASSETS		
Inventories	290,829	284,090
Receivables & Taxation Recoverable	151,235	118,976
Cash and Short Term Investments	16,751	14,278
	<u>458,815</u>	<u>417,344</u>
CURRENT LIABILITIES		
Payables	224,180	248,117
Bank Loans and Overdraft	91,091	31,920
	<u>315,271</u>	<u>280,037</u>
NET CURRENT ASSETS	<u>143,544</u>	<u>137,307</u>
	<u>409,666</u>	<u>407,034</u>
	=====	=====
Financed by:		
Share Capital	20,000	20,000
Reserves	368,606	359,945
	<u>388,606</u>	<u>379,945</u>
Long Term Liabilities	19,200	26,054
Holding Company and Fellow Subsidiaries	1,840	1,035
	<u>1,840</u>	<u>1,035</u>

409,666	407,034
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**Statement of Changes in Equity**

	<b>March 2002</b>	<b>March 2001</b>
Equity at beginning of period	359,945	392,851
Prior year adjustment	-	(43,258)
	<u>359,945</u>	<u>349,593</u>
Net profit for the period	8,661	8,644
Balance at end of period	<u>368,606</u>	<u>358,237</u>
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**Unaudited Consolidated Cash Flow**

**Three Months as at March 31, 2002**

	<b>March 2002 \$' 000</b>	<b>March 2001 \$' 000</b>
Net Profit	8,661	8,644
Items not affecting cash resources	<u>5,071</u>	<u>4,950</u>

Changes in non-cash working capital	13,732	13,594
components	<u>(45,210)</u>	<u>(24,514)</u>
Cash flow used in operating activities	<u>(31,478)</u>	<u>(10,920)</u>
Cash flow used in investing activities	(1,514)	(6,375)
Cash flow (used in)/from financing activities	<u>(23,706)</u>	<u>7,413</u>
Decrease in cash resources	<u>(56,698)</u>	<u>(9,882)</u>
Cash & cash equivalents at beginning		
of period	<u>(17,642)</u>	<u>(72,941)</u>
Cash & cash equivalents at end of period	<u>(74,340)</u>	<u>(82,823)</u>
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