

**HARDWARE & LUMBER LIMITED**  
**UNAUDITED PROFIT AND LOSS ACCOUNT**  
**9 MONTHS TO 30 SEPTEMBER 2006**

	3 MONTHS TO SEPTEMBER 2006	3 MONTHS TO SEPTEMBER 2005	9 MONTHS TO SEPTEMBER 2006	9 MONTHS TO SEPTEMBER 2005
	\$'000	\$'000	\$'000	\$'000
<b>Sales</b>	1,437,506	1,285,969	3,966,115	3,999,299
Cost of Sales	1,078,229	934,877	2,962,033	2,913,499
<b>Gross Profit</b>	359,277	351,092	1,004,082	1,085,800
Other Operating Income	7,729	24,922	46,448	54,532
	367,006	376,014	1,050,530	1,140,332
Operating Expenses	322,000	343,762	979,299	1,005,002
<b>Operating Profit</b>	45,006	32,252	71,231	135,330
Finance Costs-net	23,594	18,066	63,840	69,008
<b>Profit before Taxation</b>	21,412	14,186	7,391	66,322
Taxation	(7,184)	(4,101)	(2,511)	(21,836)
<b>Net Profit</b>	14,228	10,085	4,880	44,486
Number of 50c Stock Units Issued ('000)	80,842	80,842	80,842	80,842
<b>Earnings per Stock Unit</b>	<b>\$0.18</b>	<b>\$0.12</b>	<b>\$0.06</b>	<b>\$0.60</b>

**HARDWARE & LUMBER LIMITED**  
**UNAUDITED BALANCE SHEET**  
**30 SEPTEMBER 2006**

	<b>SEPTEMBER</b>	<b>DECEMBER</b>	<i>Restated</i>
	<b>2006</b>	<b>2005</b>	<b>SEPTEMBER</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>2005</b>
			<b>\$'000</b>
<b>Net Assets Employed</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	435,530	427,410	342,245
Intangible assets	53,569	68,906	67,632
Retirement plan asset	170,082	151,512	118,573
<b>Current Assets</b>			
Inventories	1,464,424	1,425,959	1,428,197
Receivables	514,280	458,157	517,558
Group companies	12,408	8,773	12,843
Cash and bank balances	121,673	233,074	351,837
	2,112,785	2,125,963	2,310,435
<b>Current Liabilities</b>			
Bank overdrafts	226,561	116,095	270,819
Payables	573,869	785,185	628,464
Short term loans	585,350	449,617	536,424
Taxation payable	12,884	11,261	1,645
Long term liabilities-current portion	27,458	76,413	58,602
	1,426,122	1,438,571	1,495,954
<b>Net Current Assets</b>	<b>686,663</b>	<b>687,392</b>	<b>814,481</b>
	<b>1,345,844</b>	<b>1,335,220</b>	<b>1,342,931</b>
<b>Financed by:</b>			
Share capital	40,421	40,421	40,421
Share premium	576,246	576,246	576,247
Capital reserve	94,348	94,348	94,348
Retained earnings	421,816	416,936	391,943
	1,132,831	1,127,951	1,102,959
<b>Non-Current Liabilities</b>			
Long term debt	31,558	58,585	72,498
Finance lease obligations	12,226	187	1,424
Deferred taxation	14,506	14,594	43,530
Retirement plan obligations	154,723	133,903	122,520

<u>1,345,844</u>	<u>1,335,220</u>	<u>1,342,931</u>
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Approved for issue by the Board of Directors on July 30, 2006 and signed on its behalf by:

Douglas Orane

**Director**

A. Anthony Holness

**Director**

**HARDWARE & LUMBER LIMITED**  
**Unaudited Statement of Changes in Stockholders' Equity**  
**9 MONTHS TO 30 SEPTEMBER 2006**

	<b>SEPTEMBER 2006 \$'000</b>	<b>DECEMBER 2005 \$'000</b>	<i>Restated</i> <b>SEPTEMBER 2005 \$'000</b>
Equity at the beginning of period	1,127,951	720,371	720,371
Issue of capital / Rights issue	-	338,102	338,102
Net profit	4,880	69,478	44,486
Dividends	-	-	-
Net revaluation surplus	-	-	-
<b>Equity at end of period</b>	<b>1,132,831</b>	<b>1,127,951</b>	<b>1,102,959</b>

**HARDWARE & LUMBER LIMITED**  
**UNAUDITED STATEMENT OF CASH FLOW**  
**9 MONTHS TO 30 SEPTEMBER 2006**

	<b>SEPTEMBER 2006 \$'000</b>	<b>DECEMBER 2005 \$'000</b>	<b>SEPTEMBER 2005 \$'000</b>
<b>CASH RESOURCES WERE PROVIDED BY/(USED IN):</b>			
<b>Operating Activities</b>			
Net Profit	4,880	69,478	44,486
Items not affecting cash resources	123,804	183,693	137,236
	128,684	253,171	181,722
Changes in non-cash working capital components	(363,502)	(309,057)	(447,431)
Funds provided by/(used in) operating activities	(234,818)	(55,886)	(265,709)
Funds (used) in/provided by Financing Activities	56,905	467,331	553,661
Funds used in Investing Activities	(43,955)	(143,218)	(55,686)
Increase /(Decrease) in cash resources	(221,868)	268,227	232,266
Net cash balance at beginning of period	116,979	(151,248)	(151,248)
<b>NET CASH BALANCE AT END OF PERIOD</b>	<b>(104,889)</b>	<b>116,979</b>	<b>81,018</b>

**HARDWARE & LUMBER LIMITED**  
**FINANCIAL INFORMATION BY BUSINESS SEGMENT- UNAUDITED**  
**QUARTER ENDED 30 SEPTEMBER 2006**

	2006				
	Wholesale Hardware	Retail Household	Agricultural	Eliminations	Consolidated
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
External operating revenue	609,647	2,654,043	702,425		3,966,115
Profit / (loss) from operations	(5,788)	42,627	34,392		71,231
Finance cost, net					(63,840)
Profit before tax					7,391
Taxation					(2,511)
Net profit					4,880

	2005				
	Wholesale Hardware	Retail Household	Agricultural	Eliminations	Consolidated
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
External operating revenue	696,355	2,609,177	693,767		3,999,299
Operating revenue from other segments	859,101	89,474	2,873	(951,448)	
Operating revenue	1,555,456	2,698,651	696,640	(951,448)	3,999,299
Profit / (loss) from operations	11,449	52,181	71,700		135,330
Finance cost, net					(69,008)
Profit before tax					66,322
Taxation					(21,836)
Net profit					44,486