

HARDWARE & LUMBER LIMITED
UNAUDITED PROFIT AND LOSS ACCOUNT
QUARTER ENDED 31 DECEMBER 2006

	3 MONTHS TO DECEMBER 2006	3 MONTHS TO DECEMBER 2005	12 MONTHS TO DECEMBER 2006	12 MONTHS TO DECEMBER 2005
	\$'000	\$'000	\$'000	\$'000
Sales	1,631,157	1,333,558	5,597,272	5,332,857
Cost of Sales	1,227,352	1,002,354	4,189,385	3,915,853
Gross Profit	403,805	331,204	1,407,887	1,417,004
Other Operating Income	11,474	5,737	57,922	60,269
	415,279	336,941	1,465,809	1,477,273
Operating Expenses	332,921	262,214	1,304,131	1,267,216
Operating Profit	82,358	74,727	161,678	210,057
Finance Costs-net	34,297	40,618	106,226	109,626
Profit before Taxation	48,060	34,109	55,452	100,431
Taxation	(15,223)	(9,117)	(17,734)	(30,953)
Net Profit	32,838	24,992	37,718	69,478
Number of 50c Stock Units Issued ('000)	80,842	80,842	80,842	80,842
Earnings per Stock Unit	\$0.41	\$0.31	\$0.47	\$0.90

HARDWARE & LUMBER LIMITED
UNAUDITED BALANCE SHEET
31 DECEMBER 2006

	DECEMBER 2006 \$'000	DECEMBER 2005 \$'000
Net Assets Employed		
Non-Current Assets		
Property, plant and equipment	425,822	427,410
Intangible assets	43,920	68,906
Retirement plan asset	180,408	151,512
Current Assets		
Inventories	1,605,897	1,425,959
Receivables	451,502	458,157
Group companies	23,503	8,773
Cash and bank balances	215,047	233,074
	2,295,949	2,125,963
Current Liabilities		
Bank overdrafts	181,176	116,095
Payables	725,884	785,185
Short term loans	574,316	449,617
Taxation payable	16,696	11,261
Long term liabilities-current portion	23,616	76,413
	1,521,688	1,438,571
Net Current Assets	<u>774,261</u>	<u>687,392</u>
	<u>1,424,411</u>	<u>1,335,220</u>
Financed by:		
Share capital	40,421	40,421
Share premium	576,246	576,246
Capital reserve	94,348	94,348
Retained earnings	454,654	416,936
	1,165,669	1,127,951
Non-Current Liabilities		
Long term debt	61,775	58,585
Finance lease obligations	10,759	187
Deferred taxation	25,916	14,594
Retirement plan obligations	160,292	133,903
	<u>1,424,411</u>	<u>1,335,220</u>

Approved for issue by the Board of Directors on February 14, 2007 and signed on its behalf by:

Douglas Orane

Director

A. Anthony Holness

Director

HARDWARE & LUMBER LIMITED
Unaudited Statement of Changes in Stockholders' Equity
QUARTER ENDED 31 DECEMBER 2006

	DECEMBER 2006 \$'000	DECEMBER 2005 \$'000
Equity at the beginning of period	1,127,951	720,371
Issue of capital / Rights issue	-	338,102
Net profit	37,718	69,478
	-	-
	-	-
Equity at end of period	<u>1,165,669</u>	<u>1,127,951</u>

HARDWARE & LUMBER LIMITED
UNAUDITED STATEMENT OF CASH FLOW
QUARTER ENDED 31 DECEMBER 2006

	DECEMBER	DECEMBER
	2006	2005
	\$'000	\$'000
CASH RESOURCES WERE PROVIDED BY/(USED IN):		
Operating Activities		
Net Profit	37,718	69,478
Items not affecting cash resources	189,976	183,693
	<u>227,694</u>	<u>253,171</u>
Changes in non-cash working capital components	<u>(253,765)</u>	<u>(309,057)</u>
Funds provided by/(used in) operating activities	<u>(26,071)</u>	<u>(55,886)</u>
Funds (used) in/provided by Financing Activities	(8,042)	467,331
Funds used in Investing Activities	<u>(48,995)</u>	<u>(143,218)</u>
Increase /(Decrease) in cash resources	<u>(83,108)</u>	<u>268,227</u>
Net cash balance at beginning of period	116,979	(151,248)
NET CASH BALANCE AT END OF PERIOD	<u><u>33,871</u></u>	<u><u>116,979</u></u>

HARDWARE & LUMBER LIMITED
31 DECEMBER 2006

Segment Reporting

The Group is organised into three main business segments:

- (a) Wholesale hardware and building products
- (b) Retail household and hardware products
- (c) Agricultural products and equipment

The Group's operations are located entirely in Jamaica.

	2006				
	Wholesale Hardware	Retail Household	Agricultural	Eliminations	Consolidated
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
External operating revenue	846,748	3,793,814	956,710		5,597,272
Operating revenue from other segments				0	0
Operating revenue	<u>846,748</u>	<u>3,793,814</u>	<u>956,710</u>	<u>0</u>	<u>5,597,272</u>
Profit / (loss) from operations	(23,397)	103,114	81,961		161,678
Finance cost, net					(106,226)
Profit before tax					55,452
Taxation					(17,734)
Net profit					<u>37,718</u>

	2005				
	Wholesale Hardware	Retail Household	Agricultural	Eliminations	Consolidated
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
External operating revenue	998,153	3,504,791	829,914		5,332,857
Operating revenue from other segments	869,766	93,560	3,043	(966,370)	0
Operating revenue	<u>1,867,919</u>	<u>3,598,351</u>	<u>832,957</u>	<u>(966,370)</u>	<u>5,332,857</u>
Profit / (loss) from operations	22,753	107,243	80,061		210,057
Finance cost, net					(109,626)
Profit before tax					100,431
Taxation					(30,953)
Net profit					<u>69,478</u>