

**HARDWARE & LUMBER LIMITED  
UNAUDITED PROFIT AND LOSS  
ACCOUNT  
30 JUNE 2008**

**amended**

	<b>3 MONTHS TO 30/06/2008 \$'000</b>	<b>6 MONTHS TO 30/06/2008 \$'000</b>	<b>3 MONTHS TO 30/06/2007 \$'000</b>	<b>6 MONTHS TO 30/06/2007 \$'000</b>
<b>Revenue</b>	1,768,867	3,558,406	1,517,219	3,116,164
Cost of Sales	1,320,202	2,660,515	1,197,735	2,402,655
<b>Gross Profit</b>	<b>448,665</b>	<b>897,891</b>	<b>319,484</b>	713,509
Other Operating Income	13,758	19,645	12,667	22,881
	462,423	917,536	332,151	736,390
Operating Expenses	425,202	823,174	305,710	647,016
<b>Profit from operations</b>	<b>37,221</b>	<b>94,362</b>	<b>26,441</b>	<b>89,374</b>
Finance Costs-net	27,837	51,885	16,899	42,884
<b>Profit before Taxation</b>	<b>9,384</b>	<b>42,477</b>	<b>9,542</b>	<b>46,490</b>
Taxation	(3,130)	(14,157)	(3,170)	(15,481)
<b>Profit for the period</b>	<b>6,254</b>	<b>28,320</b>	<b>6,372</b>	<b>31,009</b>
Number of Stock Units Issued ('000)	80,842	80,842	80,842	80,842
<b>Earnings per Stock Unit</b>	<b>0.08</b>	<b>0.35</b>	<b>0.08</b>	<b>0.38</b>

**HARDWARE & LUMBER LIMITED**  
**UNAUDITED BALANCE SHEET**  
**30 JUNE 2008**

	<b>JUNE</b>	<b>JUNE</b>
	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Net Assets Employed</b>		
<b>Non-Current Assets</b>		
Property , plant and equipment	418,717	408,466
Intangible assets	124,632	88,194
Retirement plan asset	208,623	192,788
<b>Current Assets</b>		
Inventories	1,681,946	1,349,767
Receivables	486,001	421,161
Group Companies	11,528	17,139
Taxation recoverable	57,250	42,277
Cash and bank balances	279,445	273,672
	2,516,170	2,104,016
<b>Current Liabilities</b>		
Bank overdrafts	197,957	202,437
Payables	686,595	540,879
Short term loans	688,964	640,133
Group companies	5,670	16,693
Current portion of long term loans	29,619	1,810
Current portion of obligations under finance leases	-	6,191
	1,608,805	1,408,143
<b>Net Current Assets</b>	907,365	695,873
	1,659,337	1,385,321
<b>Financed by:</b>		
Share capital	616,667	616,667
Capital reserve	94,348	94,348
Retained earnings	528,572	421,108
	1,239,587	1,132,123
<b>Non-Current Liabilities</b>		
Long term debt	193,087	50,441
Finance lease obligations	-	7,622
Deferred taxation	17,155	20,963
Retirement plan obligations	209,508	174,172
	1,659,337	1,385,321

Approved for issue by the Board of Directors on

and signed on its behalf by:

Douglas R Orane

A. A. Holness

**Chairman**

**Director**

\*2007 restated for comparative presentation purposes

**HARDWARE & LUMBER LIMITED**  
**Unaudited Statement of Changes in Stockholders'**  
**Equity**  
**6 MONTHS TO 30JUNE 2008**

	<b>JUNE 2008 \$'000</b>	<b>JUNE 2007 \$'000</b>
Equity at the beginning of period	1,211,267	1,101,114
Net Profit	28,320	31,009
<b>Equity at end of period</b>	<u>1,239,587</u>	<u>1,132,123</u>

**HARDWARE & LUMBER LIMITED**  
**UNAUDITED STATEMENT OF CASH FLOW**  
**6 MONTHS TO 30JUNE 2008**

	<b>JUNE 2008 \$'000</b>	<b>JUNE 2007 \$'000</b>
<b>CASH RESOURCES WERE PROVIDED BY/(USED IN):</b>		
<b>Operating Activities</b>		
Net Profit	28,320	31,009
Items not affecting cash resources	53,343	91,182
	<u>81,663</u>	<u>122,191</u>
Changes in non-cash working capital components	<u>(205,975)</u>	<u>(18,045)</u>
Funds (used in)/provided by operating activities	<u>(124,312)</u>	<u>104,146</u>
Funds provided by/(used in) Financing Activities	77,697	(7,036)
Funds used in Investing Activities	<u>(51,528)</u>	<u>(59,851)</u>
(Decrease)/Increase in cash resources	(98,143)	37,259
Net cash balance at beginning of period	<u>179,631</u>	<u>33,976</u>
<b>Cash and Cash Equivalents at end of period</b>	<u>81,488</u>	<u>71,235</u>
<b>Represented by:</b>		
Cash at Bank	279,445	273,672
Bank Overdraft	<u>(197,957)</u>	<u>(202,437)</u>
	<u>81,488</u>	<u>71,235</u>

**HARDWARE & LUMBER LIMITED**  
**6 MONTHS TO 30 JUNE 2008**  
**Financial Information by Business Segment**

	<b>2008</b>			
	<b>Wholesale Hardware</b>	<b>Retail Household</b>	<b>Agricultural</b>	<b>Consolidated</b>
	<b>\$' 000</b>	<b>\$' 000</b>	<b>\$' 000</b>	<b>\$' 000</b>
External operating revenue	756,179	2,134,742	667,485	3,558,406
Profit from operations	19,443	51,058	23,862	94,363
Finance cost, net				<u>(51,885)</u>
Profit before tax				42,477
Taxation				<u>(14,157)</u>
Net profit				<u>28,320</u>

	<b>2007</b>			
	<b>Wholesale Hardware</b>	<b>Retail Household</b>	<b>Agricultural</b>	<b>Consolidated</b>
	<b>\$' 000</b>	<b>\$' 000</b>	<b>\$' 000</b>	<b>\$' 000</b>
External operating revenue	612,489	1,964,903	538,772	3,116,164
Profit from operations	34,942	35,649	22,540	93,131
Finance cost, net				<u>(46,641)</u>
Profit before tax				46,490
Taxation				<u>(15,481)</u>
Net profit				<u>31,009</u>

\*2007 restated for comparative presentation purposes