



MEDIA STATEMENT

HARDWARE WAREHOUSE LISTS ON ALTIX: FRIDAY, 28 SEPTEMBER

Friday 14 September 2007: Hardware Warehouse, suppliers of affordable building materials, such as cement, corrugated iron roof sheeting, doors, windows and timber, will be listing on the Alternative Exchange (AltX) of the JSE by way of private placement on 28 September 2007. This will be the second AltX listing for a company from the Eastern Cape this year.

The JSE has formally approved the listing of 80 million ordinary Hardware Warehouse shares from which R15 million will be raised.

Shaun Miller, CEO of Hardware Warehouse said, "We are a focused building materials retailer experiencing rapid growth as a result of the successful rollout of our business model throughout the Eastern Cape and most recently to KwaZulu Natal. We currently operate from 12 stores and have identified a number of target areas for further expansion in South and Southern Africa."

The listing will enable Hardware Warehouse to, amongst others, fund future growth and stockholding to supply the local building industry, undertake government low cost housing and community projects, to fund credit extension plans and to incentivise and retain key staff.

Hardware Warehouse, established in 1996 in King Williams Town, provides affordable building materials to the rural communities of the Eastern Cape on a cash basis. Currently, the company has stores in King Williams Town, Alice, Butterworth, Port Alfred, Mdantsane, Ngcobob, Mthatha, Cofimvaba and Lusikisiki. Hardware Warehouse has expanded into KwaZulu-Natal and has plans to expand into Lesotho in the short term. The company has acquired its first store in Mtubatuba, which will be used as the springboard for further expansion in this region. The short to medium term plan includes expanding the company's foot print into the Mpumalanga and Limpopo provinces and in the longer term to move into Southern African countries, such as Namibia, Botswana and Mozambique.

"With 11 years knowledge in the market, Hardware Warehouse has created a unique customer shopping experience. The purchase of building materials can be a significant expenditure and an overwhelming process to our customers and therefore we have developed a comfortable and helpful environment that helps to demystify the process for them" says Miller.

The South African building materials industry is worth approximately R33 billion per annum, which amounts to half of the entire value of the building industry. The main driving forces within the LSM 1-5 building materials industry are the increased title to land and bank's commitment to provide home loans in rural areas, higher levels of personal spend and personal aspirations associated with such a buoyant economy and government's low cost housing initiative.

"We are delighted to be listing on AltX. Since Hardware Warehouse was established, the company has grown from strength to strength and this is the logical next step to fully utilise our growth opportunities" Miller added.

Hardware Warehouse's 2007 revenue was R126m; with forecast revenues for 2008 of R197m and R268m for 2009. Hardware Warehouse has a forward PE of 8 for the 2008 financial year.

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Date: 14 September 2007

Website: www.hwwh.co.za

Further enquires please contact

Shaun Miller

Hardware Warehouse

043 726 6341

ChilliBush Investor Relations

011 646 7152

Lynsey Sander

ChilliBush Investor Relations

082 079 7961

Michelle Ackermann

ChilliBush Investor Relations

082 784 1814

Notes to Editors:

Hardware Warehouse is a retailer of low cost building materials and associated products, selling directly to predominantly cash paying customers from LSM groups 1-5, including homebuilders, home improvers, contractors, traders as well as government organisations. Hardware Warehouse was established in 1996 in King Williams Town, where its first warehouse-style operation quickly expanded to three stores. From this base, the company opened another one to two stores per year in the towns of Alice, Butterworth, Port Alfred, Mdantsane, Ngcobo, Mthatha, Cofimvaba and most recently, Lusikisiki. The company plans to expand into the other provinces of South Africa and neighbouring territories. It has purchased and will take over the operations of its first acquired store in KwaZulu-Natal in October 2007.

A large portion of the company's customer base falls within the lower to middle income rural groups; it is however experiencing increased exposure to urban customers. As part of its growth strategy, Hardware Warehouse and will now seek to establish a presence within these areas, where higher margins may be achieved.

The business traded in the form of a close corporation for a number of years and subsequently converted into a private company on 9 February 2007. On 10 May 2007, it then converted into a public company, Hardware Warehouse Limited. Hardware Warehouse's core competencies are in the understanding of its niche market, the precise selection of retail sites and the choice of product range to meet the particular needs of its target market, always ensuring that its product range remains at the most competitive prices.