

Courts (Jamaica) Limited 1997

Chairman's Statement

An increase in turnover from \$1.5 billion to \$2.2 billion year on year is gratifying in a period of intense competition and a declining economy. The company has significantly increased sales in household electrical appliances and home entertainment products and expanded business in Hire Purchase financing with the lowest credit charges in the sector. The furniture and domestic appliance market overall has not grown and it is a tribute to our management and staff that, against stiff competition, profitable growth has been achieved through capture of additional market share.

Profit before Deferred Profit has improved by 43% over the previous year and the Deferred Profit Reserve now stands at a healthy \$535 million, which will flow into profits in future years. Net assets have increased by \$80 million to \$883 million. The company has posted earnings of \$2.39 per stock unit which is 148% up on last year.

The Directors have therefore decided to recommend a final dividend of eleven cents (\$0.11) per share making a total of sixteen cents (\$0.16) for the year, similar to last year, but with a bonus share issue of one (1) new share for every three (3) held. This is an indication of confidence that Courts in Jamaica is on a path that will lead to some years of growth and prosperity. I am encouraged to see that inflation has been

stemmed, the value of the dollar against major currencies has been stabilized and prevailing interest rates are significantly lower than at this time last year. With these major positive indicators, the economy has a platform for growth, including home construction, which should be of benefit to our sector.

Should the expected economic growth not materialize, your company has proved its capacity for survival and even relative prosperity in harsh economic times through the last three and a half decades. Our ability to offer the widest range of household furniture from our loyal local suppliers, supplemented by high-tech furniture and world-renowned branded appliance products from around the world, will allow us to continue to dominate the Jamaican retail scene. Our "No Deposit" credit offering, unmatched by our competitors, will continue to facilitate sales of high ticket merchandise and our staff are now the best trained in the retail sector.

We were very pleased to be awarded the accolade of "Company of the Year-1996" by the Jamaica Chamber of Commerce. The award recognized Courts as a good employer, a community involved and caring corporate citizen, and a dedicated provider of customer satisfaction. This award is a tribute to the expertise and efforts of Richard Coe over recent times, following the fine example of his predecessor Keith Fredricks, as well as both past and present management and staff who, through the last thirty-eight years, have grown this company to where it is today.

I would like to thank all management and staff at every level for their commitment, loyalty and efforts on behalf of the company, which are greatly appreciated. I thank also our suppliers, who have helped us to deliver excellent value, good quality products to our customers.

I am confident that our strong resources of management, finance and expertise available to our company in Jamaica will help us to grow and prosper further in the future.

Bruce J. R. Cohen