

## COURTS (JAMAICA) LTD. 1998

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UNAUDITED RESULTS - SIX MONTHS ENDED 27.09.98

The unaudited results for the six (6) months ended September 27, 1998 with corresponding figures for 1997 are as follows:

	1998 \$000s	1997 \$000s
Turnover	<u>1,440,531</u>	<u>1,118,974</u>
Operating Profit	350,608	216,672
Finance Costs	(80,733)	(60,518)
Transfer to Deferred Profit	<u>(45,271)</u>	<u>(14,642)</u>
Profit before Taxation	224,604	141,512
Taxation	<u>(74,868)</u>	<u>(47,171)</u>
Profit after Taxation	<u>149,736</u>	<u>94,341</u>
	CENTS	CENTS
EARNINGS PER STOCK UNIT	62.46	39.36

\*Restated

Notes:

1. Net sales for the six (6) months at \$1,440m were 29% above the corresponding period last year with the second quarter continuing the trend set in the first quarter. While unit sales were close to expectations, the level of Hire Purchase business was particularly strong and served to boost operating margins.

Operating costs were maintained at budgeted levels with continued close scrutiny of all expenditure. As a result, operating profit recorded a 62% improvement, moving from \$217m last year to \$351 m.

Additional borrowings to finance the extra Hire Purchase business served to increase finance cost. The increase in the transfer of the deferred profit reserve reflects the additional credit business. The reserve now stands at \$758m and will be released into profit over the next 24 months. The net effect of the above was a profit before tax of \$225m, 59% above 1997.

2. Earnings per share, which have been adjusted to take into account the bonus share issue in September 1998, was 62.46 cents compared to 39.36 cents last year. The number of issued shares now stands at 239,712,372 (1997: 47,942,474).

While bank loan rates remain higher than expected, adversely affecting our finance costs, we are cautiously optimistic about the current quarter's performance.

3. Sales for first few weeks of the very important Christmas period were well ahead of last year. Contributing to this improvement are the following:
  - . Re-launch of our credit as 'Ezee Payment Plan' with reduced service charge rates, extended payment terms, and simplified credit acceptance criteria.
  - . Launch of our Pre-Christmas promotion with the distribution of our product catalogue.

Yours faithfully  
COURTS (JAMAICA) LIMITED

RICHARD COE  
Managing Director

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