

COURTS (JAMAICA) LTD. 1999

Unaudited Results - Three Months Ended 27.06.99

The unaudited results for the Three (3) months ended June 27, 1999 with corresponding figures for 1998 are as follows:

	1999 \$'000s	1998 \$'000s
Turnover	960,113	720,542
Operating Profit	281,833	182,432
Finance Costs	(53,341)	(37,139)
Profit before Deferred Profit	228,492	145,293
Transfer to Deferred Profit	(86,291)	(39,714)
Profit before Taxation	142,201	105,579
Taxation	(47,400)	(35,193)
Profit after Taxation	94,801	70,386
	CENTS	CENTS
Earnings per Stock Unit	39.55	29.36*

* Restated to reflect four for one bonus share

Notes:

1. Turnover for the quarter exceeded last year by 33% fuelled by the continued growth in the level of credit sales. This also resulted in the relatively high transfer to the Deferred Profit Reserve.
2. Contributing to the improvement were:
 - The First for Furniture campaign launched with new showroom merchandising and point of sale. As a result there was an increase in the level of Furniture sales as a proportion of total sales.
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 - The SupaShield Service Contract which provides extended time coverage to customers for the repair of appliances.
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3. Operating Profit increased by 54% to \$282m. This would have been higher but for the significant increase in the amount of bad debt write off and provision, both due to a high level of delinquency. Our follow-up procedures have been revised and direct action has been taken to reduce future impact.
4. Additional borrowings needed to finance increased credit sales resulted in higher finance costs and the amount transferred to the deferred profit reserve more than double to \$86m. After these increased charges, the profit before tax was \$142m, 34.7% up on 1998.
5. With the increase in profit before tax, earnings per share were 39.55 cents compared to 29.36 cents last year.

6. Sales activity during the second quarter to-date has been above last year.

Yours Faithfully
COURTS (JAMAICA) LIMITED

RICHARD COE
Managing Director