

COURTS (JAMAICA) LTD. 1999

UNAUDITED RESULTS - SIX MONTHS ENDED 26.09.99

The unaudited results for the six (6) months ended September 26, 1999 with corresponding figures for 1998 are as follows:

	1999	1998
	\$000s	\$000s
Turnover	1,976,218	1,440,531
Operating Profit	568,458	350,608
Finance Costs	(101,622)	(80,733)
Transfer to Deferred Profit	<u>(228,912)</u>	<u>(45,271)</u>
Profit before Taxation	237,919	224,604
Taxation	<u>(79,306)</u>	<u>(74,868)</u>
Profit after Taxation	<u>158,613</u>	<u>149,736</u>
	CENTS	CENTS
EARNINGS PER STOCK UNIT	66.17	62.46

Directors:

B.J.R. Cohen
(Chairman)
R.W.T. Coe
Managing Director)

R.H. Singh
R.G. Walker
G.Cumming
O.Y. Ridgard
D.L. Harris
A.R. Pascoe
K.M. Fredricks
R.C. Humphries
W.A. Stephens
R.J. Cohen
H.S.R. Cohen

Notes:

Net sales for the first six months were \$1,976m, a 37% increase over last year. The main factors were:

- Increased credit sales from the Ezee Payment Plan relaunch and reduced Service Charge rate.
- The 'First for Furniture' campaign with improved in-store display and major promotion.
- The introduction of Supa Shield, which provides extended warranty coverage on electrical appliances.

An increase in customer default rate has adversely affected the portfolio resulting in increased bad debt write-offs. As part of our strategy to address this issue, a new credit team has been formed and this has started to show results with a stabilising of the arrears. Nevertheless operating profit at \$568m was 62% up on last year.

The funding of increased sales has incurred extra finance costs. The high transfer to deferred profit, resulting from the dramatic increase in credit sales, adversely affected profit before tax, which was never the less 6% ahead of last year. The reserve now stands at \$1,567m, which will flow into future profits.

Sales for the first few weeks of the new quarter, which is our most important, are ahead of last year.

Yours faithfully
COURTS (JAMAICA) LIMITED

RICHARD COE
Chief Executive Officer