

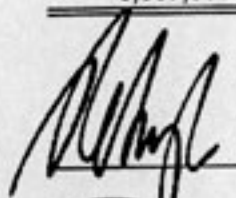
COURTS (Jamaica) Ltd
PROFIT & LOSS ACCOUNTS

	Unaudited 3 Months ended 01-Jan-05 \$000s	Unaudited 3 Months ended 26-Dec-04 \$000s	Unaudited 9 Months ended 01-Jan-05 \$000s	Unaudited 9 Months ended 26-Dec-04 \$000s	Audited 12 months ended 31-Mar-05 \$000s
Goods Sold	1,684,516	1,707,844	3,615,678	3,332,017	4,322,772
Credit Charges -					
Total arising on contracts written during the period	879,394	872,819	1,701,750	1,536,775	1,889,253
Net transfer (to)/from unearned hire purchase credit charges	(273,720)	(268,285)	(179,011)	(194,493)	(94,845)
Earned Income	<u>605,674</u>	<u>604,534</u>	<u>1,522,739</u>	<u>1,342,282</u>	<u>1,794,408</u>
Turnover	2,290,190	2,312,378	5,138,417	4,674,299	6,117,180
Cost of sales	<u>(1,482,846)</u>	<u>(1,422,459)</u>	<u>(3,273,302)</u>	<u>(2,928,568)</u>	<u>(3,742,307)</u>
Gross Profit	807,344	889,919	1,865,115	1,745,731	2,374,873
Other operating income	21,618	14,388	38,404	30,219	53,577
Selling & marketing costs	(136,487)	(143,555)	(317,417)	(288,050)	(373,424)
Administration expenses	(204,983)	(155,802)	(521,025)	(413,808)	(726,517)
Finance costs - net	<u>(9,787)</u>	<u>(18,502)</u>	<u>(12,288)</u>	<u>(41,458)</u>	<u>(37,201)</u>
Profit Before Tax	477,795	586,448	1,052,789	1,032,634	1,291,308
Taxation	<u>(156,011)</u>	<u>(295,376)</u>	<u>(347,709)</u>	<u>(446,232)</u>	<u>(434,438)</u>
Net Profit	<u>321,694</u>	<u>291,072</u>	<u>705,080</u>	<u>586,402</u>	<u>856,870</u>
Earnings per Stock Unit (Cents)	13.42	12.14	29.41	24.46	35.75

**COURTS (Jamaica) Ltd
BALANCE SHEETS**

	Unaudited 01-Jan-06 \$000s	Unaudited 26-Dec-04 \$000s	Audited 31-Mar-05 \$000s
Non-Current Assets			
Property, plant and equipment	1,208,251	1,184,956	1,189,609
Goodwill	-	10,015	-
Retirement benefit asset	255,606	236,677	255,606
Hire purchase receivables	2,589,881	2,532,446	1,967,110
	<u>4,053,738</u>	<u>3,964,094</u>	<u>3,412,325</u>
Current Assets			
Receivables	2,565,443	2,621,928	2,733,003
Inventories	1,040,614	1,090,475	904,739
Due from parent company	-	15,401	-
Due from fellow subsidiaries	11,341	19,287	17,944
Cash & short term investments	336,450	130	226,986
	<u>3,953,848</u>	<u>3,747,221</u>	<u>3,882,672</u>
	<u>8,007,586</u>	<u>7,711,315</u>	<u>7,294,997</u>
Stockholders' Equity			
Share capital	1,198,562	1,198,562	1,198,562
Capital reserve	390,565	390,565	390,565
Dividends proposed	-	-	143,827
Retained earnings	4,325,164	3,517,414	3,620,084
	<u>5,914,291</u>	<u>5,106,541</u>	<u>5,353,038</u>
Non-current Liabilities			
Deferred tax liabilities	847,066	801,591	788,865
Current Liabilities			
Payables and provisions	331,775	379,692	367,351
Due to parent company	4,443	47,852	11,210
Due to fellow subsidiaries	128,671	119,152	91,546
Borrowings	497,055	860,110	431,479
Taxation payable	284,285	396,377	251,508
	<u>1,246,229</u>	<u>1,803,183</u>	<u>1,153,094</u>
	<u>8,007,586</u>	<u>7,711,315</u>	<u>7,294,997</u>

DIRECTOR

 Feb 3rd 2006

DIRECTOR



COURTS (Jamaica) Ltd
STATEMENT OF CHANGES IN EQUITY

	No. of Stock Units '000s	Share Capital \$000s	Capital Reserve \$000s	Dividends Proposed \$000s	Retained Earnings \$000s	Total \$000s
Balance as at 1st April 2004 as previously reported	2,397,123	1,198,562	390,565	239,713	2,931,012	4,759,852
Net profit		-	-	-	586,402	586,402
Dividends Paid		-	-	(239,713)	-	(239,713)
Balance as at 26th Dec 2004	<u>2,397,123</u>	<u>1,198,562</u>	<u>390,565</u>	<u>-</u>	<u>3,517,414</u>	<u>5,106,541</u>

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Balance as at 1st April 2005 as previously reported	2,397,123	1,198,562	390,565	143,827	3,620,084	5,353,038
Net profit		-	-	-	705,080	705,080
Dividends Paid		-	-	(143,827)	-	(143,827)
Balance as at 1st Jan 2006	<u>2,397,123</u>	<u>1,198,562</u>	<u>390,565</u>	<u>-</u>	<u>4,325,164</u>	<u>5,914,291</u>

COURTS (Jamaica) Ltd
STATEMENT OF CASH FLOWS

	Unaudited 9 Months ended 01-Jan-06 \$000s	Unaudited 9 Months ended 26-Dec-04 \$000s
Net Profit	705,080	586,402
Items not affecting cash resources:		
Amortisation of Goodwill		563
Depreciation	30,764	29,436
Gain on disposal of FA	(6,939)	(1,593)
	<u>728,905</u>	<u>614,808</u>
Changes in non-cash working capital	<u>(498,723)</u>	<u>(693,506)</u>
Cash provided by/(used in) operating activities	230,182	(78,698)
Cash used in investing activities	(42,467)	(8,874)
Cash used in financing activities	<u>(143,827)</u>	<u>(239,713)</u>
Increase/(Decrease) in cash & cash equivalents	43,888	(327,285)
Net cash & cash equivalents at beginning of the year	<u>(204,493)</u>	<u>(532,695)</u>
Net cash & cash equivalents at end of period	<u>(160,605)</u>	<u>(859,980)</u>

Report to stockholders for quarter ended 1st January 2006

The Directors are pleased to present the un-audited results of the Company for the quarter ended 1st January 2006, which have been prepared in accordance with International Financial Reporting Standards.

Trading Overview

For the first 9 months of the current trading year, turnover was up by 10% over the corresponding period of last year, Gross profit was also higher – up 7% for the year to date. However, the quarter to 1st January 2006 was a challenging one as the difficult trading conditions continued to impact on disposable income and ultimately our turnover, which declined by some 1% against the December quarter of 2004. In particular, we had to contend with adverse weather conditions, which affected access to the Company's network in several parts of the island and hampered the flow of products to our customers.

The company's promotional calendar for the Christmas trading period was reviewed and enhanced and the resulting promotions were successful, receiving a positive response from the public. Nevertheless, over this period, the market was extremely competitive, necessitating the adjustment of prices and margins to maintain the company's "Lowest Price Guarantee" so as to continue to offer better prices and value to customers than our competitors. Inevitably, the maintenance of the company's price promise to the public led to a reduction in margins and a 9% decline in gross profit, compared with the December quarter of 2004.

Due to increases in fuel prices, utility bills as well as the impact of the movement in the J\$ versus the US\$, costs for the quarter were higher than projected. However, tough expenditure controls along with lower finance costs, due to the company's reduced borrowing requirement, enabled the company to limit the increase in expenses to little more than 10% above the December quarter of 2004.

Performance highlights

	Qtr to Dec-05 \$m	Qtr to Dec-04 \$m	9 Months to Dec-05 \$m	9 Months to Dec-04 \$m	Full Yr to Mar-05 \$m
Turnover	2,290	2,312	5,138	4,674	6,117
Profit before tax	478	586	1,053	1,033	1,291
Net Borrowings	161	860	161	860	204
Hire Purchase Receivables	5,043	4,724	5,043	4,724	4,528
Earnings Per Share (Cents)	13.42	12.14	29.41	24.46	35.75

Profits

For the year to date, Profit before Tax rose to \$1,053m - up 2% over the corresponding period of last year, generating Earnings per Stock Unit of 29.41 cents. The December quarter produced a Profit before Tax of \$478m – down by 19% on the comparative period last year, generating Earnings per Stock Unit of 13.42 cents for the quarter.

Funding

Since December 2004, due to strong cash generation during the year, Net Borrowings have been reduced significantly by \$699m with a corresponding reduction from March 2005 of \$43m.

Hire Purchase Receivables

Since December 2004, Hire Purchase Receivables have increased by \$320m or 7%. However, despite the challenges of the economy, there has been no negative impact on

A segment is a distinguishable component of the company that is engaged in either providing products (business segment), or in providing products within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Directors are of the view that there are no material segments into which the company's business should be separated that would enhance the proper understanding of the company's financial statements.

(I) Comparative Information

Where necessary, comparative figures have been reclassified to conform with changes in the presentation in the current year.

STOCKHOLDINGS AS AT 1st January 2006

The ten largest stockholders were:

	Number of Units
Courts Group International Limited	1,914,368,449
Scotia Ja Investment Management Ltd A/c 542	33,615,696
Donwis Limited	22,670,000
Jamaica Development Bank	22,666,650
Life of Jamaica Pooled Equity Fund No. 1	19,060,876
Courts (Jamaica) Limited – Employee Share Scheme	17,292,537
Pan Caribbean Merchant Bank A/c 1996	16,679,000
National Insurance Fund	11,024,853
Keith Fredricks	10,000,000
Manchester Pension Trust Fund Ltd	9,531,010

Shareholdings of Directors and Senior Management

Five Directors held stock units in the company as follows:

	Number of Units
Keith M. Fredricks	10,000,000
R. Hayden Singh	1,999,985
Dennis L. Harris	1,333,350
Peter Thomson	250,000
Roy Collister	249

In addition, 6 Senior Officers of the Company held a total of 253,000 stock units.

the quality of our hire purchase debt as, throughout the year, the Company devoted increased resources to preserve the integrity of the portfolio.

Equity

Our equity base continues to grow significantly - up \$808m from December 2004 and up by \$561m from March 2005.

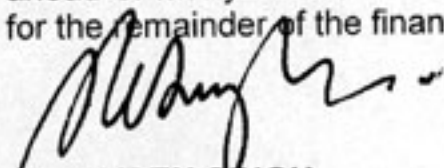
Parent Company Update

Shareholders were informed on 16th November 2005 that the Administrators of Courts plc (in administration) had entered into discussions with a number of potential purchasers regarding the sale of Courts plc's interests in the Courts Caribbean business, including their interests in Courts (Jamaica) Limited. The Administrators have recently entered into a non-binding Memorandum of Understanding and exclusive negotiations with a preferred bidder with a view to finalising the terms of a sale of the Courts Caribbean business. The transaction is subject to financing and signing of mutually agreeable legal documentation. The outcome of these discussions and negotiations with the Administrators and the providers of finance and the possible timetable for completion are uncertain and could be protracted. The Board of Courts (Jamaica) Limited is preparing to respond appropriately and on a timely basis to any offer for the company which may be made. Shareholders will be informed of material relevant developments to the extent known to the Board of Courts (Jamaica) Limited.

Future Prospects

Considering the prevailing economic and trading conditions and, in particular, the continued negative impact of inflation and high oil prices on the public's disposable income, both directors and management are pleased with the Company's results.

Accordingly, despite the December quarter results, the company continues to trade ahead of last year and management remains cautiously optimistic about the prospects for the remainder of the financial year



R. HAYDEN SINGH
Managing Director

SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

These financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS), and have been prepared under the historical cost convention, as modified by the revaluation of certain property, plant and equipment.

(b) Property, Plant & Equipment

Freehold land and buildings are initially recorded at cost and subsequently shown at market valuations by external independent valuers, less subsequent depreciation of buildings. All other fixed assets are stated at cost less accumulated depreciation.

(c) Employee Benefits

(i) Pension Scheme

The company operates a defined benefit pension plan, the assets of which are held in a separate trustee-administered fund. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation.

The asset or liability in respect of the plan is the difference between the present value of the defined benefit obligation at the balance sheet date and the fair value of plan assets, together with adjustments for actuarial gains and losses and past service costs. The defined benefit obligation is determined annually by independent actuaries, using the Projected Unit Credit Method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government securities, which have terms to maturity approximating the terms of the related liability. Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions and amendments to the pension plan are charged or credited to the income over the remaining service lives of the employees.

The retirement benefit asset or liability is only measured at the end of the company's financial year. Similar values are carried in the un-audited quarterly financial statements until the end of the next financial year when the retirement asset or liability is again measured.

(ii) Equity compensation benefit

Stock options are granted to management and key employees. Under the stock option plan, stock units are offered to eligible employees at the average of the bid and ask price at the date the option was conferred on the employee. No expense for these options is recognised in these financial statements.

(d) Hire purchase receivables

Hire purchase receivables are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

(e) Inventories

Inventories are stated at the lower of cost or net realisable value, cost being determined on a weighted average basis. Net realisable value is the estimate of the selling price in the ordinary course of business, less selling expenses. Provision is made for slow-moving items.

(f) Cash & cash equivalents

Cash & cash Equivalents are carried in the balance sheet at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise balances, which mature within 90 days of the date of acquisition, including cash, short-term investments, bank overdraft and short-term loans.

(g) Income Taxes

Taxation expense in the profit and loss account comprises current and deferred tax charges.

Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because it excludes items that are taxable or deductible in other years, and items that are never taxable or deductible. The company's liability for current tax is calculated at tax rates that have been enacted at the balance sheet date.

Deferred tax is the tax expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income taxation is provided in full, using the liability method, on temporary differences arising between tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(h) Revenue Recognition and unearned income

Sales to customers are recognised upon delivery of goods and customer acceptance. Gross margin is recognised at the time of sale. Hire purchase credit charges are recognised in the profit and loss account over the life of the related hire purchase contract so as to produce a constant rate of return on the net investment.

Hire purchase receivables at the balance sheet date are carried net of the unearned portion of the credit charges applicable to future periods.

(i) Earnings per Stock Unit

Earnings per Stock Unit is calculated by dividing the net profit attributable to stockholders by the weighted average number of ordinary stock units in issue during the period.

There was no dilution of earnings per share as a result of the share options outstanding at the end of the period.

(j) Dividends

Dividends are recognised as a deduction from stockholders' equity in the period in which they are approved.

(k) Segment Reporting