

HOLDSPORT LIMITED**Registration number: 2006/022252/06****Share code: HSP****ISIN: ZAE000157046****("Holdsport" or "the company")****SALES UPDATE AND TRADING STATEMENT FOR THE 6 MONTHS ENDED 31 AUGUST 2016**

Holdsport is in the process of finalising its unaudited interim results for the six months ended 31 August 2016, which are expected to be released on SENS on or about 11 October 2016.

SALES UPDATE

Holdsport shareholders are advised that total sales for the six months ended 31 August 2016 ("the period") increased by 6.5% compared to the corresponding period last year with sales for comparable stores increasing by 3.3% over the period.

Total (and comparable) sales growths for each division for the six-month period were as follows:

- Sportsmans Warehouse sales increased by 7.3% (5.4% comparable increase);
- Outdoor Warehouse sales increased by 1.0% (comparable sales reduced by 2.9%);
- Total sales for the wholesale division increased by 12.4% and external sales increased by 31.0%.

Weighted retail trading space increased by 2.3% relative to the prior corresponding period and the retail divisions experienced price inflation of approximately 8.6% for the period.

FOREIGN EXCHANGE LOSS

The group takes out forward exchange contracts to cover all its imported merchandise commitments. Holdsport recorded an aggregate foreign exchange loss of R17.6 million during this period compared to an aggregate profit of R5.7 million in the previous corresponding period.

The group's foreign exchange losses are due to the difference between the foreign exchange spot rate and the effective forward-covered rate of imported inventory purchases as well as unrealised losses on open foreign exchange forward contracts when marked-to-market at the end of the reporting period.

Holdsport's foreign exchange policy has been applied consistently with previous years and this accounting adjustment does not have an operational or cash flow effect.

TRADING STATEMENT

In terms of paragraph 3.4(b)(i) of the Listings Requirements of the JSE Limited, listed companies are required to publish a trading statement as soon as they are reasonably certain that the financial results for the current reporting period will be more than 20% different than that of the previous corresponding period.

Accordingly, due to the foreign exchange loss for the period, shareholders are advised that the company expects earnings per share ("EPS") for the six months ended 31 August 2016 to be between 17% and 22% lower than the previous corresponding six months to 31 August 2015 ("the previous corresponding period"), within the ranges shown below:

- Basic EPS of 159.7 cents per share to 169.9 cents per share (2015: 204.7 cents);
- Headline EPS of 159.0 cents per share to 169.2 cents per share (2015: 203.8 cents); and
- Core headline EPS of 172.5 cents per share to 183.5 cents per share (2015: 221.1 cents).

Core headline earnings per share excluding the effect of foreign exchange adjustments, is expected to be between 2% higher and 2% lower than the previous corresponding period, in a range between 207.3 cents per share and 215.8 cents per share (2015: 211.5 cents per share).

The financial information, on which this trading statement is based, has not been reviewed or reported on by the company's auditors.

Cape Town

13 September 2016

Sponsor: UBS South Africa (Pty) Ltd