

## **HOLDSPORT LIMITED**

**Registration number: 2006/022252/06**

**Share code: HSP**

**ISIN: ZAE000157046**

**("Holdsport" or "the company" or "the group")**

### **SALES UPDATE AND TRADING STATEMENT FOR THE 6 MONTHS ENDED 31 AUGUST 2017**

Holdsport is in the process of finalising its unaudited interim results for the six months ended 31 August 2017, which are expected to be released on the Stock Exchange News Service ("SENS") of the JSE limited ("JSE") on or about 29 September 2017.

#### **SALES UPDATE**

Holdsport shareholders are advised that total sales for the six months ended 31 August 2017 ("the period") increased by 8.1% compared to the corresponding period last year with sales for comparable stores increasing by 2.8% over the period.

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

- Sportsmans Warehouse sales increased by 5.5% (comparable sales increased by 3.0%);
- Outdoor Warehouse sales increased by 7.3% (comparable sales increased by 2.4%);
- Total sales for the wholesale division include sales for Second Skins and African Nature for the full period and increased by 132.6% with external sales increasing by 59.4%.

Weighted retail trading space increased by 4.4% relative to the prior corresponding period and the retail divisions experienced price inflation of approximately 6.6% 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 profit of R4.2 million during this period compared to an aggregate loss of R17.6 million in the previous corresponding period.

The group's foreign exchange profits 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 gains 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, 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 profit for the period, shareholders are advised that the company expects earnings per share ("EPS") for the six months ended 31 August 2017 to be between 16% and 21% higher than the previous corresponding six months to 31 August 2016 ("the previous corresponding period"), within the ranges shown below:

- Basic EPS of 191.5 cents per share to 199.8 cents per share (2016: 165.1 cents);
- Headline EPS of 191.1 cents per share to 199.3 cents per share (2016: 164.7 cents); and
- Core headline EPS of 210.8 cents per share to 219.9 cents per share (2016: 181.7 cents).

Core headline earnings per share excluding the effect of foreign exchange adjustments is expected to be between 3% lower and 1% higher than the previous corresponding period, in a range between 205.6 cents per share and 214.1 cents per share (2016: 212.0 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

19 September 2017

Sponsor: UBS South Africa (Pty) Ltd