

HOLDSPORT LIMITED**Registration number: 2006/022252/06****Share code: HSP****ISIN: ZAE000157046****("Holdsport" or "the company" or "the group")****TRADING STATEMENT**

Holdsport is in the process of finalising its results for the twelve months ended 29 February 2016, which are expected to be released on SENS on or about 4 May 2016.

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, shareholders are advised that the company expects earnings per share (~~EPS~~) for the twelve months ended 29 February 2016 to be between 15% and 23% higher than the previous corresponding twelve months to 28 February 2015 (~~the previous corresponding period~~), within the ranges shown below:

- Basic EPS of 499.5 cents per share to 520.1 cents per share (2015: 436.5 cents);
- Headline EPS of 498.5 cents per share to 519.0 cents per share (2015: 423.4 cents); and
- Core headline EPS of 532.3 cents per share to 554.2 cents per share (2015: 452.3 cents).

Foreign exchange

The group takes out forward exchange contracts ("FEC`s") to cover imported merchandise commitments.

During the current period the estimated aggregate foreign exchange adjustment is a profit of R8.4 million compared to an aggregate gain of R1.4 million in the previous corresponding period.

The accounting treatment of foreign exchange denominated transactions coupled with changes in the Rand/Dollar exchange rate results in a non-cash income or expense at the end of every reporting period which is partly included in cost of sales and partly recognised as foreign exchange gains or losses within trading expenses.

The foreign exchange profit in this period is predominantly due to the difference between the foreign exchange spot rate and the effective forward-covered rate of imported inventory purchases. This difference is recognised against either the cost of inventory or cost of sales during the period, depending on whether inventory is still on hand or has been sold. There are also unrealised gains on open foreign exchange forward contracts when marked-to-market at the end of the reporting period.

Core headline earnings per share excluding the effect of foreign exchange adjustments, is expected to be between 16% and 20% higher than the previous corresponding period, in a range between 522.0 cents per share and 540.0 cents per share (2015: 450.0 cents per share).

Share buybacks

The group purchased 479,648 Holdsport shares for R24.6 million in the second half of this financial year in accordance with the general authority granted by special resolution of the company's shareholders passed at the company's annual general meetings held on 12 August 2015 and in compliance with the relevant provisions of the JSE Listings Requirements and the Companies Act (71 of 2008), as amended. Holdsport holds 1,278,585 shares in treasury at 29 February 2016, which equates to 2.96% of its issued share capital.

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

Cape Town
31 March 2016
Sponsor: UBS South Africa (Pty) Ltd