

AUDITED SUMMARISED CONSOLIDATED RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2015

GROUP OVERVIEW

The Holdsport Limited group comprises the retail divisions Sportsmans Warehouse and Outdoor Warehouse and Performance Brands, a wholesale business that includes the First Ascent and Capestorm brands.

Total sales increased by 9.0% to R1 544.8 million and retail sales increased by 9.5% to R1 494.2 million.

Operating profit increased by 6.7% to R266.7 million. Core headline earnings amounted to 452.3 cents per share, a 6.9% increase on the previous year.

During the current year the aggregate foreign exchange adjustment was a profit of R1.4 million compared to an aggregate expense of R0.4 million during the prior year. Core headline earnings excluding the effect of foreign exchange adjustments increased by 6.1% to 450.0 cents per share.

TRADING DIVISIONS

External sales for the various trading divisions were as follows:

	Number of stores	Sales R'm	Increase in sales %
Sportsmans Warehouse	35	1 133.6	8.8
Outdoor Warehouse	21	360.6	11.6
Retail sales	56	1 494.2	9.5
Performance Brands	-	50.6	(3.4)
Total sales	56	1 544.8	9.0

Like-for-like retail sales grew by 8.1% while the retail divisions experienced price inflation of approximately 7.5% for the year. The time weighted trading area increased by 2.1% relative to the prior year.

The **Sportsmans Warehouse division** now trades out of 35 stores. The division relocated two stores and expanded three stores during the year. Like-for-like sales increased by 8.2%.

The **Outdoor Warehouse division** comprises 21 stores after opening a new store in Windhoek and relocating two stores. Like-for-like sales increased by 7.8%.

Performance Brands' external sales were 3.4% lower than last year but sales to the group's retail divisions increased by 12.5%.

CASH FLOW

The aggregate investment in working capital increased by 0.2% and cash generated from operations increased by 18.8% from the previous year.

Net debt reduced to R0.2 million from R72.4 million at the end of the previous year.

The group spent R47.1 million in maintaining and expanding its operations during the year and disposed of its 50% share in its distribution centre to Redefine Properties Limited ("Redefine") for R42.5 million. The gross proceeds of this sale was declared and paid as a special dividend of 99.0 cents per share.

During the year the group purchased and awarded R10.0 million of Holdsport shares in terms of and subject to the rules of the 2011 Holdsport Forfeitable Share Plan (FSP). The forfeitable share plan is expensed over the vesting period and the expense of R9.7 million for the current year is R2.2 million higher than the prior year.

SHARE BUY-BACK

The group purchased 291 173 Holdsport shares for R12.1 million in accordance with the general authority granted by special resolution of the company's shareholders passed at the company's annual general meeting held on 13 August 2014 and in compliance with the relevant provisions of the JSE Listings Requirements and the Companies Act (71 of 2008), as amended.

EXPANSION

The group signed lease agreements for a further four new stores to be opened in the next financial year and will relocate one store.

FINAL DIVIDEND ANNOUNCEMENT

The directors declared a final gross dividend of 165.0 cents per share payable on Monday, 8 June 2015 to ordinary shareholders recorded in the books of the company at the close of business on Friday, 5 June 2015.

The last day to trade ("cum" the dividend) in order to participate in the dividend will be Friday, 29 May 2015. The Holdsport Limited ordinary shares will commence trading "ex" the dividend from the commencement of business on Monday, 1 June 2015 and the record date, as indicated, will be Friday, 5 June 2015.

Ordinary shareholders should take note that share certificates may not be dematerialised or rematerialised during the period Monday, 1 June 2015 to Friday, 5 June 2015, both dates inclusive.

Sales ↑ 9.0% to R1 544.8 million

Operating profit ↑ 6.7% to R266.7 million

Core headline earnings per share ↑ 6.9% to 452.3 cents

Final gross dividend ↑ 13.8% to 165.0 cents per share

Strong cash flow generation

In terms of the withholding tax on dividends which became effective on 1 April 2012, the following additional information is disclosed:

- the dividend has been declared out of total reserves;
- the South African dividend tax rate is 15%;
- the net local dividend amount is 140.25 cents per ordinary share for shareholders liable to pay dividend tax and 165.0 cents per ordinary share for shareholders exempt from the dividend tax;
- the issued share capital of Holdsport at the date of declaration is 43 150 220 ordinary shares; and
- Holdsport's tax reference number is 9618595152.

Certificated ordinary shareholders are reminded that all entitlements to dividends with a value less than R5.00 per certificated shareholder will be aggregated and the proceeds donated to a registered charity of the directors' choice, in terms of the memorandum of incorporation of the company.

Signed on behalf of the board

SA MULLER
Chairman

KG HODGSON
CEO

Cape Town
5 May 2015

NOTES TO THE SUMMARISED FINANCIAL STATEMENTS

1. KPMG Inc., the group's independent auditor, has audited the consolidated financial statements for the year to 28 February 2015 and has expressed an unmodified opinion on the consolidated financial statements. The summary financial statements have been audited and an unmodified opinion has been expressed on the summary financial statements. The summary consolidated financial statements presented in this announcement have been summarised from the audited consolidated financial statements.

Their audit reports are available for inspection at the company's registered office.

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, and the requirements of the Companies Act applicable to summary financial statements. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34: Interim Financial Reporting.

The accounting policies applied in the preparation of the consolidated financial statements from which the summary financial statements were derived are in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

These audited summarised consolidated results have been prepared under the supervision of the group's Chief Financial Officer, JP Loubser (CA(SA)).

2. These financial statements incorporate the financial statements of the company, all its subsidiaries and all entities over which it has control.

	28 February 2015 Audited R'000	28 February 2014 Audited R'000
3. Trading expenses		
Depreciation on property, plant and equipment	38 856	29 762
Amortisation of intangibles	12 963	12 963
Occupancy cost	132 638	123 625
Straight-lining of leases	4 328	138
Staff costs	183 795	167 711
Foreign exchange gains	(559)	(862)
Other operating costs	111 915	105 673
	483 936	439 010

	28 February 2015 Audited R'000	28 February 2014 Audited R'000
4. Cash generated from operations		
Operating profit	266 744	250 009
Adjustments for:		
Depreciation	38 856	29 762
Amortisation of intangibles	12 963	12 963
Profit on sale of property, plant and equipment	(7 054)	(657)
Fair value (gain)/loss on derivative instruments	(471)	486
Forfeitable share plan expense	9 667	7 541
Straight-lining of leases	4 328	138
Changes in working capital:		
Increase in trade and other receivables	(837)	(2 436)
Increase in inventories	(10 960)	(8 382)
Increase/(decrease) in trade and other payables	12 358	(15 242)
Cash generated from operations	325 594	274 182
5. Earnings per share and net asset value per share		
Earnings per ordinary share (cents)		
- Basic	436.5	402.6
- Headline	423.4	401.5
- Core headline	452.3	423.3
- Core headline before foreign exchange effect	450.0	424.0
Ordinary shares in issue ('000)	43 150	43 150
Weighted average ordinary shares in issue ('000)	43 044	43 150
Net asset value per ordinary share (cents)	2 180.9	2 087.9
Net tangible asset value per ordinary share (cents)	895.4	789.6

Reconciliation to core headline earnings

The group uses core headline earnings as a consistent measure of performance for management purposes. Core headline earnings exclude exceptional one-off costs, the amortisation of trademarks and the lease straight-lining expense and is presented below:

	28 February 2015 Audited R'000	28 February 2014 Audited R'000
Basic earnings	187 895	173 710
<i>Adjusted for (net of taxation):</i>		
Profit on sale of assets	(5 636)	(473)
Headline earnings	182 259	173 237
<i>Adjusted for (net of taxation):</i>		
Amortisation of intangibles	9 333	9 333
Straight-lining of leases	3 117	100
Core headline earnings	194 709	182 670
<i>Adjusted for (net of taxation):</i>		
Foreign exchange gains	(402)	(621)
Foreign exchange adjustments in cost of sales	(599)	922
Core headline earnings before foreign exchange effect	193 708	182 971
6. Dividend per share (cents)		
Dividend declared per share		
- Interim	85.0	75.0
- Final	165.0	145.0
Normal dividend	250.0	220.0
- Special	99.0	-
Total dividend	349.0	220.0
Normal dividend cover (by core headline earnings)	1.81	1.92

AUDITED SUMMARISED CONSOLIDATED RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2015

SUMMARISED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	28 February 2015 Audited R'000	28 February 2014 Audited R'000
ASSETS		
Non-current assets		
Property, plant and equipment	121 287	150 265
Goodwill and other intangibles	607 373	620 336
Total non-current assets	728 660	770 601
Current assets		
Inventories	365 396	354 436
Trade and other receivables	25 619	24 782
Cash and cash equivalents	129 846	57 577
Taxation	618	857
Derivative instruments	387	-
Total current assets	521 866	437 652
Total assets	1 250 526	1 208 253
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	229 312	229 312
Share-based payment reserve	(18 278)	(17 926)
Treasury shares	(12 084)	-
Retained earnings	735 755	689 544
Equity attributable to owners of the company	934 705	900 930
Non-current liabilities		
Loans	130 000	130 000
Deferred taxation	35 674	42 806
Straight-lining lease liability	28 918	24 590
Total non-current liabilities	194 592	197 396
Current liabilities		
Trade and other payables	121 229	109 843
Derivative instruments	-	84
Total current liabilities	121 229	109 927
Total liabilities	315 821	307 323
Total equity and liabilities	1 250 526	1 208 253

SUMMARISED CONSOLIDATED SEGMENTAL ANALYSIS

	Sportsmans Warehouse R'000	Outdoor Warehouse R'000	Performance Brands R'000	Corporate R'000	Group R'000
Year ended 28 February 2015					
Total sales	1 133 594	360 590	116 537	-	1 610 721
Less inter-segment sales			(65 877)		(65 877)
External sales	1 133 594	360 590	50 660	-	1 544 844
External interest received	-	-	187	5 193	5 380
External interest paid	-	-	(23)	(10 262)	(10 285)
Depreciation and amortisation	(25 702)	(7 669)	(3 850)	(14 598)	(51 819)
Profit/(Loss) before taxation	234 089	55 454	21 762	(49 466)	261 839
Capital expenditure	34 411	9 596	739	2 356	47 102
Segment assets	328 096	114 743	109 220	698 467	1 250 526
Segment liabilities	85 600	24 180	5 602	200 439	315 821
Year ended 28 February 2014					
Total sales	1 042 008	323 117	111 003	-	1 476 128
Less inter-segment sales			(58 544)		(58 544)
External revenue	1 042 008	323 117	52 459	-	1 417 584
External interest received	-	-	88	2 353	2 441
External interest paid	-	-	(3)	(9 997)	(10 000)
Depreciation and amortisation	(19 732)	(6 263)	(3 407)	(13 323)	(42 725)
Profit/(Loss) before taxation	219 692	50 739	19 017	(46 998)	242 450
Capital expenditure	28 698	9 190	14 338	30 126	82 352
Segment assets	301 671	105 835	115 149	685 598	1 208 253
Segment liabilities	81 601	18 629	10 790	196 303	307 323

SUMMARISED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 28 February 2015 Audited R'000	Year ended 28 February 2014 Audited R'000
Sales	1 544 844	1 417 584
Cost of sales	(809 883)	(734 035)
Gross profit	734 961	683 549
Other income	15 719	5 470
Trading expenses	(483 936)	(439 010)
Operating profit	266 744	250 009
Finance income	5 380	2 441
Finance cost	(10 285)	(10 000)
Profit before taxation	261 839	242 450
Taxation	(73 944)	(68 740)
Profit and total comprehensive income for the year attributable to equity holders of the company	187 895	173 710

SUMMARISED CONSOLIDATED CASH FLOW STATEMENTS

	Year ended 28 February 2015 Audited R'000	Year ended 28 February 2014 Audited R'000
Cash flows from operating activities		
Cash generated from operations	325 594	274 182
Finance income	5 380	2 441
Finance costs	(10 285)	(10 000)
Dividends paid	(141 684)	(88 457)
Taxation paid	(80 837)	(76 557)
Net cash inflows from operating activities	98 168	101 609
Cash flows from investing activities		
Additions to property, plant and equipment	(47 102)	(82 353)
Proceeds on sale of property, plant and equipment	43 306	1 265
Net cash outflows from investing activities	(3 796)	(81 088)
Cash flows from financing activities		
Increase in loans	-	5 718
Treasury shares acquired	(12 084)	-
Share-based payment award	(10 019)	(4 946)
Net cash (outflows)/inflows from financing activities	(22 103)	772
Net increase in cash and cash equivalents	72 269	21 293
Cash and cash equivalents at the beginning of the year	57 577	36 284
Cash and cash equivalents at the end of the year	129 846	57 577

SUMMARISED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital Audited R'000	Share-based payment reserve Audited R'000	Treasury shares R'000	Retained earnings Audited R'000	Total Audited R'000
Balance at 1 March 2013	229 312	(20 521)	-	604 291	813 082
Share-based payment award	-	(4 946)	-	-	(4 946)
Share-based payment expense	-	7 541	-	-	7 541
Dividends paid	-	-	-	(88 457)	(88 457)
Total comprehensive income for the year	-	-	-	173 710	173 710
Balance at 28 February 2014	229 312	(17 926)	-	689 544	900 930
Balance at 1 March 2014	229 312	(17 926)	-	689 544	900 930
Share-based payment award	-	(10 019)	-	-	(10 019)
Share-based payment expense	-	9 667	-	-	9 667
Treasury shares acquired	-	-	(12 084)	-	(12 084)
Dividends paid	-	-	-	(141 684)	(141 684)
Total comprehensive income for the year	-	-	-	187 895	187 895
Balance at 28 February 2015	229 312	(18 278)	(12 084)	735 755	934 705

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

Registration number: 2006/022562/06

Share code: HSP | ISIN: ZAE000157046

Registered office: The Mill House, 1 Canterbury Street, Cape Town 8001

Executive directors: KG Hodgson, JP Loubser, B Moritz

Non-executive directors: SA Muller (Chairman), B Hopkins, P Matlakala, KR Moloko, KA Hedderwick

Company secretary: AE van Zyl

Transfer secretaries: Computershare Investor Services (Proprietary) Limited

Ground Floor, 70 Marshall Street, Johannesburg 2001

Sponsor: UBS South Africa (Proprietary) Limited



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