

Nu-World Holdings Limited
(Registration number 1968/002490/06)
(Incorporated in the Republic of South Africa)
JSE share code: NWL ISIN code: ZAE000005070
("Nu-World" or "the Group" or "the Company")

**UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS OF NU-WORLD
FOR THE SIX MONTHS ENDED 28 FEBRUARY 2017 ("INTERIM RESULTS")**

NET ASSET VALUE PER SHARE	4 363,5 CENTS
CASH GENERATED FROM OPERATIONS	R146,6 MILLION
GROUP REVENUE	R1 549,4 MILLION + 14.0%
NET OPERATING INCOME BEFORE TAXATION	R103,8 MILLION + 143.6%
NET PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	R73,2 MILLION + 65.4%
HEADLINE EARNINGS PER SHARE	344,7 CENTS + 63.1%

GROUP CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 6 Months 28 February 2017 R' 000	Unaudited 6 Months 29 February 2016 R' 000	% change	Audited 12 Months 31 August 2016 R' 000
Revenue	1 549 494	1 359 483	14,0%	2 590 415
Net operating income	115 693	53 447		116 089
Depreciation	1 379	1 203		2 812
Interest paid	10 494	9 631		14 683
Income before taxation	103 820	42 613	143,6%	98 594
Taxation	26 622	8 699		18 986
Income after taxation	77 198	33 914		79 608
Share of associate company profit	201	95		36
Net profit for the period/year	77 399	34 009		79 644
Net profit attributable to:				
Non-controlling interest	4 167	(10 266)		(22 484)
Equity holders of the company	73 232	44 275	65,4%	102 128
	77 399	34 009		79 644
Other comprehensive income:				
Exchange differences on translating foreign operations	(17 450)	24 304		15 899
Total comprehensive income for the period/year	59 949	58 313		95 543

Total comprehensive income attributable to:				
Non-controlling interest	2 838	(4 773)		(18 569)
Equity holders of the company	57 111	63 086		114 112
	59 949	58 313		95 543
Headline earnings reconciliation:				
Determination of comprehensive income and headline earnings				
Net profit attributable to ordinary shareholders	73 232	44 275	65,4%	102 128
Less IAS16 loss / (gains) on disposal of fixed assets	87	(104)		(9 899)
Total tax effects of adjustments	(24)	19		2 255
Headline earnings	73 295	44 190	65,9%	94 484
CAPITAL DISTRIBUTION				40 851
SUPPLEMENTARY INFORMATION				
Dividend paid (cents)				180,4
Comprehensive income	73 232	44 275	65,4%	102 128
Headline earnings	73 295	44 190	65,9%	94 484
Basic earnings per share (cents)	344,4	211,8	62,6%	488,4
Headline earnings per share (cents)	344,7	211,4	63,1%	451,9
Diluted earnings per share (cents)	326,6	195,5	67,1%	455,3
Dividend per share (cents)				180,4
Dividend cover				2,5
Shares in issue (total issued)	22 646 465	22 646 465	0,0%	22 646 465
Shares in issue (less treasury shares)	21 259 300	20 905 690	1,7%	21 268 900
Shares in issue - weighted	21 263 754	20 905 690	1,7%	20 910 415
Shares in issue - diluted	22 419 300	22 645 690	(1,0%)	22 428 900
Operating income as a percentage of turnover	7,5%	7,4%		7,9%
Debt to equity ratio (%)	(6,5%)	12,0%		(1,0%)
Effective taxation rate	25,6%	20,4%		19,3%
Net asset value per share (cents)	4 363,5	4 153,8	5,0%	4 286,6
Intangible assets				
Goodwill and amortisation				
Balance at beginning of	32 758	29 978		29 978

period/year				
Translation difference	(1 661)	3 324		2 780
Balance at end of period/year	31 097	33 302		32 758
Patent and trademark:				
Balance at beginning of period/year	31 706	31 706		31 706
Balance at end of period	31 706	31 706		31 706
Total intangible assets	62 803	65 008		64 464
SEGMENTAL INFORMATION				
Geographical revenue				
South Africa	1 109 761	888 577		1 753 783
Offshore subsidiaries	439 733	470 906		836 632
	1 549 494	1 359 483	14,0%	2 590 415
Geographical income				
South Africa	43 066	40 974		81 404
Offshore subsidiaries	30 166	3 301		20 724
	73 232	44 275	65,4%	102 128

GROUP CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited	Unaudited	Audited
	6 Months	6 Months	12 Months
	28 February	29 February	31 August
	2017	2016	2016
	R' 000	R' 000	R' 000
ASSETS			
Non-current assets			
Fixed assets	25 828	32 234	25 119
Intangible assets	62 803	65 008	64 464
Investment in associate	386	244	185
Deferred taxation	18 225	8 819	22 195
Current assets			
Inventory	548 318	510 764	391 860
Stock in transit	90 969	71 796	178 422
Trade and other receivables	350 060	506 828	500 733
Cash equivalents	242 824	137 844	80 401
Total assets	1 339 413	1 333 537	1 263 379
Equity and liabilities			
Ordinary shareholders' funds	927 656	868 376	911 711
Minority interests	15 602	26 560	12 764
Total shareholders' funds	943 258	894 936	924 475
Current liabilities			
Bank borrowings	182 544	242 301	71 017
Trade and other payables	213 611	196 300	267 887

Total equity and liabilities	1 339 413	1 333 537	1 263 379
------------------------------	-----------	-----------	-----------

GROUP CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited	Unaudited	Audited
	6 Months	6 Months	12 Months
	28 February	29 February	31 August
	2017	2016	2016
	R'000	R'000	R'000
Balance as at 1 September	911 711	842 317	842 317
Total attributable income for the period/year	73 232	44 275	102 128
Dividend paid	(40 854)	(37 027)	(37 027)
Movement in foreign currency translation reserve	(16 121)	18 811	11 985
Treasury share movement	(312)	0	6 228
Issue of share-based payment awards	0	0	(13 920)
Balance at end of period/year	927 656	868 376	911 711

GROUP CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited	Unaudited	Audited
	6 Months	6 Months	12 Months
	28 February	29 February	31 August
	2017	2016	2016
	R'000	R'000	R'000
Cash generated from operating activities	69 117	(85 628)	8 679
Cash generated from operations	146 646	(21 542)	98 289
Investment income			216
Interest paid	(10 493)	(9 631)	(14 683)
Dividends paid	(40 854)	(37 026)	(37 027)
Taxation paid	(26 182)	(17 428)	(38 116)
Cash flows from investing activities	(2 398)	1 286	21 814
Purchase of tangible fixed assets	(2 087)	(3 714)	(4 726)
Proceeds on disposal of fixed assets			82
Investment in treasury Shares	(311)		6 228
Proceeds on disposal of assets held for sale		5 000	20 230
Net increase in cash and cash equivalents	66 719	(84 342)	30 493
Effects of exchange rate changes on the balance of cash held in foreign currencies	(15 823)	18 681	17 687

Cash and cash equivalents at the beginning of the period/year	9 384	(38 796)	(38 796)
Cash and cash equivalents at the end of the period/year	60 280	(104 457)	9 384

COMMENTARY

Corporate information

Nu-World is a limited liability company incorporated and domiciled in South Africa with subsidiaries and associates in Australia, Brazil, Dubai, Hong Kong and Lesotho. The main business of Nu-World, its subsidiaries, joint ventures and associates includes the importing, manufacturing, assembling, marketing and distribution of branded consumer goods including consumer electronics, hi-tech, small electrical appliances, white goods, liquor and furniture.

Basis of preparation

These Interim Results have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Companies Act, No 71 of 2008 (as amended) and comply with the disclosure requirements of IAS 34: Interim Financial Reporting.

The Interim Results have been prepared under the historical cost convention.

The accounting policies used in the preparation of these Interim Results are in accordance with IFRS and consistent in all material respects with those used in the audited annual financial statements for the year ended 31 August 2016.

The Interim Results are presented in Rand rounded to the nearest thousand ('000).

The condensed consolidated statement of financial position at 28 February 2017 and the related condensed consolidated statements of comprehensive income, statement of changes in equity and cash flows for the six months then ended, have not been reviewed or reported on by the Group's auditors.

The Interim Results have been prepared under the supervision of Graham Hindle CA (SA) in his capacity as Financial Director.

Operating results

The Group produced strong results for the period ended 28 February 2017 despite the trading environment being difficult and extremely competitive. Accordingly, the directors are pleased to report on top-line growth of 14,0% and positive earnings growth attributable to equity holders of the Company of 65,4%.

South Africa

Despite the relatively slow economic growth and weakening consumer demand in the local economy, the South African

operations showed strong positive growth in both sales and profitability. Sales growth was achieved in all divisions.

Consumer electronics -

Additional models and categories were added during the period under review. New affordable retail price points were achieved.

Liquor division -

International agencies were secured for additional brands of whisky, gin and vodkas.

Seasonal (summer) -

Increased sales and profitability due to better stocking and planning.

Small domestic appliances -

The company added additional ranges in most categories.

General -

The Group continues to invest in the development of new models and designs, to ensure that their customers and consumers are afforded the latest designs at affordable prices.

The Group's exclusive local and international brands continue to expand with new ranges, designs, modifications, specifications and styles.

Offshore operations

Australia

The operating costs pertaining to the Australian operations were reduced, affording stronger operating profits despite sales being marginally down. The Group invested in new technologies and solutions which were required specifically for the Australian and New Zealand markets.

During the current period under review, the trading results of the Australian operations were not jeopardised nor distorted by the impairment of trade debtors (Dick Smith Holdings Limited) as in the prior comparative period. Insurance is taken on current trade debtors, wherever possible.

Africa / Middle East / CIS / Brazil

The company managed to show growth in these markets, despite conditions remaining tough, especially in the oil producing economies. Uruguay continues to be a strong presence in Latin America.

India / Pakistan / Sri Lanka

The company has been afforded these new territories as from January 2017. The population is in excess of 1.5 billion people. Sub-distributors have been appointed and initial orders received.

FINANCIAL OVERVIEW

STATEMENT OF COMPREHENSIVE INCOME

Group revenue increased by 14,0% to R 1 549,4 million (February 2016 - R 1 359,5 million).

Income before taxation increased by 143,6% to R 103,8 million (February 2016 - R 42,6 million).

Total headline earnings per share for the period increased by 63,1% to 344,7 cents (February 2016 - 211,4 cents).

STATEMENT OF FINANCIAL POSITION

The balance sheet remains strong with negative gearing ratio (debt:equity) of 6,5% (February 2016 - positive 12,0%).

Inventory levels of R 548,3 million increased by 7,4% from February 2016 (R 510,7 million). Directors and management remain focused on improving working capital management and stock turn rates.

The decrease in trade and other receivable of 30,9% to R 350,0 million (February 2016 - R 506,8 million) arose due to the improved trade collections in both local and offshore operations, in addition to the reduction of the comparative period remaining DSE debt that was subsequently fully written off in the second half of the comparative year.

Trade and other payables increased by 8,8% to R 213,6 million (February 2016 - R 196,3 million).

Net asset value per share has increased by 5,0% to 4 363,5 cents (February 2016 - 4 153,8 cents).

SUBSEQUENT EVENTS

No events material to the understanding of the report have occurred during the period between 28 February 2017 and the date of this report.

On behalf of the board of directors

J.A. Goldberg
Chief Executive Officer

G.R. Hindle
Financial Director
25 April 2017

Registered office
35 3rd Street, Wynberg, Sandton 2199
Republic of South Africa
Tel +27 (11) 321 2111
Fax +27 (11) 440 9920

Transfer secretaries
Computershare Investor Services (Pty) Ltd
Rosebank Towers, 15 Bierman Avenue, Rosebank, 2196

Company secretary
B.H. Haikney

Auditors
RSM South Africa

Sponsor
Sasfin Capital, (a division of Sasfin Bank Limited)

Directors

M.S. Goldberg (Executive Chairman)
J.A. Goldberg (Chief Executive Officer)
G.R. Hindle (Chief Financial Officer)

Non-executive directors

J.M. Judin (Lead), D. Piaray, R. Kinross, F.J. Davidson

www.nuworld.co.za

Johannesburg
25 April 2017