

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 2018 ("INTERIM RESULTS")**

GROUP REVENUE	R1 683,0 MILLION + 8.6%
NET PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	R85,1 MILLION + 16.3%
COMPREHENSIVE INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF COMPANY	R75,9 MILLION + 33,0%
HEADLINE EARNINGS PER SHARE	399,1 CENTS + 15.8%
NET ASSET VALUE PER SHARE	4 724,0 CENTS + 8,3%

GROUP CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 6 Months 28 February 2018 R' 000	Unaudited 6 Months 28 February 2017 R' 000	% change	Audited 12 Months 31 August 2017 R' 000
Revenue	1 683 002	1 549 494	8,6%	2 948 025
Net operating income	129 837	115 693		242 318
Depreciation	1 362	1 379		4 884
Interest paid	14 591	10 494		18 235
Income before taxation	113 884	103 820		219 199
Taxation	27 784	26 622		48 702
Income after taxation	86 100	77 198	11,5%	170 497
Share of associate company profit	91	201		82
Net profit for the period/year	86 191	77 399		170 579
Net profit attributable to:				
Non-controlling interest	1 030	4 167		4 887
Equity holders of the company	85 161	73 232	16,3%	165 692
	86 191	77 399		170 579
Other comprehensive income:				
Exchange differences on translating foreign operations	(10 242)	(17 450)		(19 659)
Total comprehensive income for the period/year	75 949	59 949		150 920
Total comprehensive income attributable to:				

Non-controlling interest	(879)	2 838		3 876
Equity holders of the company	75 949	57 111		147 044
	76 828	59 949		150 920
Headline earnings reconciliation:				
Determination of comprehensive income and headline earnings				
Net profit attributable to ordinary shareholders	85 161	73 232		165 692
Add IAS16 loss on disposal of fixed assets	0	87		227
Total tax effects of adjustments	0	(24)		(63)
Headline earnings	85 161	73 295	16,2%	165 856
SUPPLEMENTARY INFORMATION				
Dividend paid (cents)				292,7
Comprehensive income	85 161	73 232	16,3%	165 692
Headline earnings	85 161	73 295	16,2%	165 856
Basic earnings per share (cents)	399,1	344,4	15,9%	779,2
Headline earnings per share (cents)	399,1	344,7	15,8%	780,0
Diluted earnings per share (cents)	388,5	326,7	18,9%	755,9
Dividend per share (cents)				292,7
Dividend cover (times)				2,5
Shares in issue (total issued)	22 646 465	22 646 465		22 646 465
Shares in issue (less treasury shares)	21 340 947	21 259 300		21 340 947
Shares in issue - weighted	21 340 947	21 263 754		21 263 167
Shares in issue - diluted	21 920 947	22 449 300		21 920 947
Capital distribution				66 286
Operating income as a percentage of turnover	7,7%	7,5%		8,2%
Net asset value per share (cents)	4 724,0	4 363,5	8,3%	4 674,6
Intangible assets				
Goodwill and amortisation				
Balance at beginning of period/year	31 522	32 758		32 758
Translation difference	(1 920)	(1 661)		(1 236)
Balance at end of period/year	29 602	31 097		31 522

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	61 308	62 803		63 228
SEGMENTAL INFORMATION				
Geographical revenue				
South Africa	1 288 208	1 109 761		2 024 484
Offshore subsidiaries	394 794	439 733		923 541
	1 683 002	1 549 494	8,6%	2 948 025
Geographical income				
South Africa	54 867	43 066		90 063
Offshore subsidiaries	30 294	30 166		75 629
	85 161	73 232	16,3%	165 692

GROUP CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited	Unaudited	Audited
	6 Months	6 Months	12 Months
	28 February	28 February	31 August
	2018	2017	2017
	R' 000	R' 000	R' 000
ASSETS			
Non-current assets			
Fixed assets	23 489	25 828	23 188
Intangible assets	61 308	62 803	63 228
Investment in associate	358	386	267
Deferred taxation	17 660	18 225	18 369
Current assets			
Inventory	553 991	548 318	467 776
Stock in transit	182 228	90 969	198 402
Trade and other receivables	544 229	350 060	504 669
Cash equivalents	236 951	242 824	114 279
Total assets	1 620 214	1 339 413	1 390 178
Equity and liabilities			
Ordinary shareholders' funds	1 008 148	927 656	997 606
Minority interests	12 168	15 602	16 640
Total shareholders' funds	1 020 316	943 258	1 014 246
Current liabilities			
Bank borrowings	364 811	182 544	59 263
Trade and other payables	235 087	213 611	316 669
Total equity and liabilities	1 620 214	1 339 413	1 390 178

GROUP CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited	Unaudited	Audited
	6 Months	6 Months	12 Months
	28 February	28 February	31 August
	2018	2017	2017
	R'000	R'000	R'000
Balance as at 1 September	997 606	911 711	911 711
Total attributable income for the period/year	85 161	73 232	165 692
Dividend paid	(66 286)	(40 854)	(40 854)
Movement in foreign currency translation reserve	(8 333)	(16 121)	(18 648)
Treasury share movement	0	(312)	(6 375)
Issue of share-based payment awards	0	0	(13 920)
Balance at end of period/year	1 008 148	927 656	997 606

GROUP CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited	Unaudited	Audited
	6 Months	6 Months	12 Months
	28 February	28 February	31 August
	2018	2017	2017
	R'000	R'000	R'000
Cash (utilized by)/generated from operating activities	(168 952)	69 117	74 264
Cash (utilized by)/generated from operations	(61 776)	146 646	176 527
Investment income			317
Interest paid	(14 591)	(10 493)	(18 235)
Dividends paid	(66 286)	(40 854)	(40 854)
Taxation paid	(26 299)	(26 182)	(43 491)
Cash flows from investing activities	(5 256)	(2 398)	(9 537)
Purchase of tangible fixed assets	(1 663)	(2 087)	(3 651)
Investment in subsidiary	(3 593)		80
Proceeds on disposal of fixed assets			409
Investment in treasury Shares		(311)	(6 375)
Net (decrease)/increase in cash and cash equivalents	(174 208)	66 719	64 727
Effects of exchange rate changes on the balance of cash held in foreign currencies	(8 668)	(15 823)	(19 095)
Cash and cash	55 016	9 384	9 384

equivalents at the beginning of the period/year			
Cash and cash equivalents at the end of the period/year	(127 860)	60 280	55 016

COMMENTARY

Corporate information

Nu-World is a limited liability company incorporated and domiciled in South Africa with subsidiaries in Australia, Brazil, Dubai, Hong Kong and Lesotho. The main business of Nu-World and its subsidiaries, 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 2017.

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

The condensed consolidated statement of financial position at 28 February 2018 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 satisfactory results for the period ended 28 February 2018. Accordingly, the directors are pleased to report on top-line growth of 8,6% and positive earnings growth attributable to equity holders of the Company of 16,3%.

South Africa

The South African operations showed strong positive growth in both sales and profitability. Sales growth was achieved across most divisions.

Consumer electronics -

Additional models, categories and brands were added during the period under review which assisted in contributing to increased sales. The Company also increased stock holding to assist customers with in-stock positions of fast moving lines.

Liquor division -

Liquor sales continue to grow as additional brands and categories are added to the product offering - additional single malt whiskies as well as a range of flavoured vodka's have been introduced.

Small domestic appliances / white goods -

The Company continues to introduce new product designs and concepts.

General -

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

Offshore operations

Australia

During the current period under review, the trading results of the Australian operations came under pressure due to the subdued Australasian economy. Our distribution network is being expanded to include e-commerce options as well as other traditional customers.

Africa / Middle East / CIS / Brazil

The Company managed to show growth in these markets, assisted by these local currencies strengthening against the United States Dollar. Uruguay continues to be a strong presence in Latin America.

Sub-continent (India/Pakistan/Sri Lanka)

The distribution network is increasing and additional stocks are being ordered for these regions.

FINANCIAL OVERVIEW

STATEMENT OF COMPREHENSIVE INCOME

Group revenue increased by 8,6% to R 1 683,0 million (February 2017 - R 1 549,5 million).

Income after taxation increased by 11,5% to R 86,1 million (February 2017 - R 77,2 million).

Total headline earnings per share for the period increased by 15,8% to 399,1 cents (February 2017 - 344,7 cents).

STATEMENT OF FINANCIAL POSITION

The balance sheet remains strong but with higher borrowings.

Inventory levels of R 554,0 million increased by 1,0% from February 2017 (R 548,3 million). Directors and management remain focused on improving working capital management and stock turn rates.

The increase in trade and other receivable of 55,5% to R 544,2 million (February 2017 - R 350,0 million) arose due to the

strong late sales in both local and offshore operations at the end of the period under review.

Trade and other payables increased by 10,0% to R 235,1 million (February 2017 - R 213,6 million) due to the higher levels of stock in transit at the end of the period under review.

Net asset value per share has increased by 8,3% to 4 724,0 cents (February 2017 - 4 363,5 cents).

SUBSEQUENT EVENTS

On 27th March 2018, the South African Revenue Service (SARS) issued revised assessments for a subsidiary of Nu-World Holdings Limited, relating to the 2008 to 2012 tax years for a taxation amount of R7,6 million and interest and penalties of R18,8 million. Nu-World and their tax advisors have opposed these revised assessments. No other events material to the understanding of the report have occurred during the period between 28 February 2018 and the date of this report.

On behalf of the board of directors

J.A. Goldberg
Chief Executive Officer

G.R. Hindle
Financial Director
24 April 2018

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Company secretary
B.H. Haikney

Auditors
RSM South Africa

Sponsor
Sasfin Capital, (a member of Sasfin group)

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
24 April 2018