AUDITED RESULTS

FOR THE YEAR ENDED 30 JUNE 2014

STEINHOFF
INTERNATIONAL HOLDINGS LTD

From continuing operations:
- Revenue increases 20% to R117 billion
- Adjusted headline earnings per share improves by 27% to 480 cps
- Basic earnings per ordinary share increases by 43% to 510 cps

From continuing and discontinued operations:
- Cash generated from operations increases by 68% to R21 billion
- Cash dividend increases by 88% to 150 cps
- Offer accepted for the sale of the JD Consumer Finance division

OPERATIONAL REVIEW

International operations

In a year where consumer confidence in Europe showed some improvement, market share gains and margin improvement were prominent in the majority of the countries where we operate. The international retail operations continue to benefit from the group's growing purchasing power, group procurement initiatives and established infrastructure.

Retail activities: Household goods

The majority of the group's European retail operations are positioned in the value segment of the household goods market. This market segment continues to outperform the industry supporting revenue growth and market share gains within the group's retail operations. In addition to this price strategy the group's country-specific national marketing strategies, investment in its store network and product offering resulted in further market share gains. During the period under review, revenue attributable to the group's international retail activities increased by 28% to R73.3 billion (FY13: R57.4 billion).

Operating profit improved by 51% to R4.6 billion (FY13: R3.0 billion), due mostly to group procurement initiatives and cost savings.

In France, Conforama generated good growth supported by the success of their e-commerce platform, and the successful launch of their intensified discount concept, Confo Depot. Market share gains in the furniture product category and a resilient performance in decorative items led to improved gross margins. Conforama acquired ten new stores in France, all of which were closed for a period of refurbishment during the year under review. Net margins continue to rise, despite the once-off disruptive impact of the stores under refurbishment. In Switzerland, the cost impact of the Fly store integration and conversion project negatively affected margins. Despite challenging market conditions, the Italian business improved. Conforama in Spain reported good organic growth supplemented by two new store openings during the year under review. In Eastern Europe, the Quattro Mobili brand was expanded through a store-in-store concept within Hungary, and a new flagship store opened in Croatia.

The store expansion programme in European Retail Management (ERM) continues to underscore solid results. During the year under review this division opened six stores in Germany. Sales per square metre is increasing due to the now established national store network, and a long-term successful marketing strategy that gradually established brand recognition and price proposition in this competitive discount environment. Three new stores and six converted Fly stores were added to the store network in Switzerland.

In the UK the group's bedding retail operations benefited from sustained growth within this market segment while the remainder of the household goods market remained competitive. The new concept store rollout stimulated market share gains throughout the retail fascias. The consolidation of the supply chain and administrative functions resulted in good cost savings and a marked improvement in margins.

The retail operations in the Pacific Rim reported good revenue and profit growth. The turnaround in the furniture and household goods retail fascia was supported by the introduction of new concept stores, a well-accepted product range, increased sales per square metre and a more efficient supply chain function, now managed by the central Steinhoff global sourcing and logistics division (SISL). The bedding retail division continued to report double digit growth numbers and a healthy pipeline of potential franchisee opportunities should continue to support market share growth.

Manufacturing, sourcing, logistics and corporate services

The manufacturing division includes the global household goods manufacturing and trading operations, and SISL.

This segment reported a 34% increase in revenue and a 33% increase in operating profit. The Eastern European manufacturing division benefited from increased intra-group and external customer orders leading to increased efficiencies and consequently more competitive pricing to customers. The UK manufacturing operations, particularly the integrated bedding manufacturing operations, benefited from increased intra-group trade resulting in optimal group margins given the degree of integration inherent in this supply chain.

Corporate income consists mainly of:
- Royalties earned on manufacturing brands,
- Rebates earned on purchasing volume, and
- Hedging transactions pertaining to the various manufacturing and sourcing activities in currencies (other than euro), in which the group manufactures and sources.

Corporate income is now disclosed within this segment, to enable better measurement of the margin contribution of the group's global supply chain.

Within the global sourcing division increased volumes, supplier consolidation, higher volume rebates, and focus on inbound logistics continued to support margin growth across the group benefiting all retail customers. Real value has been added to the European group by the centralised logistics and warehousing division. Efficiencies in both inbound and outbound logistics, coupled with improvements in the centrally managed warehousing division, contributed to cost savings.

This year tested the concept of the global range strategic initiative in the supply chain. The groundwork of implementing common systems and processes is now complete and the first 100 common products were launched into all retail outlets.

Properties

The group continued its investment in properties during the year under review, most notably acquiring the majority of the kika Leiner property portfolio in Austria. In addition, the group invested in large format retail properties from an insolvent retail estate in Germany and acquired some properties of the Atlas store network in France. In the United Kingdom the group invested in additional warehouse, distribution and office space, and made various other smaller property investments. Total investment in property at year-end amounts to R45.4 billion.

African operations

The group remains invested in three companies, independently listed on the Johannesburg Stock Exchange, being 86% held in JD Group, 45% held in KAP and 19% held in PSG Group.

JD Group Limited (JD Group)

During the year, Steinhoff increased its shareholding in the separately listed JD Group from 56% to 86% in order for the group to enhance its ability to better support the JD operations and the challenges it faces in the South African furniture retail and consumer finance business segments.

As announced, JD Group has accepted an offer to dispose of its Consumer Finance division excluding the insurance business (JDFS division) to an international consumer finance provider, which intends to build a long-term commercial relationship with the JD Group in South Africa. Although the offer includes an interest in the performance of the insurance business, the insurance division is to be retained by JD Group. The JDFS division, is shown as assets and liabilities held for sale in the 30 June 2014 statement of financial position and has been impaired to reflect the value as determined by the offer price mechanism. The offer is subject to conditions precedent and the final price will be determined on the effective date. Key principles of the transaction have been agreed with an objective to finalise the transaction by the end of the year.

In continuing operations, JD Group reported a 5% increase in revenue to R30.6 billion (FY13: R29.2 billion), while operating profit declined to R862 million (FY13: R1 361 million) for the year ended 30 June 2014. The automotive, DIY, and consumer electronics and appliance retail divisions reported good performances for the year. The furniture retail division experienced challenging operating conditions with reduced spending on durable goods, such as furniture, as a result of the pressure on customers' disposable income. In addition, a sub-optimal supply chain and system disruptions negatively affected profit margins.

JDFS division, disclosed as discontinued operations, reported a loss of R2.1 billion. JDFS division reported increased debtors costs of R3.3 billion of which, R1.1 billion was already provided for at interim, which reflects the worsening in the credit quality of the lending market as a result of consumers' rising debt-to-income ratios.

At 30 June 2014, 59% of accounts in arrears with more than three contractual instalments, were covered by this provision.

Cash generation from operations reported by the group remains strong at R2.3 billion (FY13: R1.5 billion).

KAP Industrial Holdings Limited (KAP)

On 23 June 2014, the group reduced its interest in KAP from 62% to 45% through an accelerated placement for cash of 400 million KAP shares. Accordingly, in terms of IFRS, KAP has been de-consolidated for the year under review and the group's entire interest in KAP's results has been reflected as discontinued operations for both years presented. From FY2015 onwards the group's residual 45% interest will be equity accounted as an associated company investment in continuing operations.

KAP's revenue from continuing operations increased by 9% to R14.8 billion (FY13: R13.5 billion) due to good growth across all divisions.

KAP's operating profit from continuing operations increased 12.5% to R1 472 million (FY13: R1 309 million) resulting in an improved operating margin of 10.0% (FY13: 9.7%). The Logistics division had good growth in revenue and operating profits, supported by the African growth strategy. The Integrated Timber division benefited from its new MDF plant and reported solid growth in revenues at significantly improved margins, whilst the Manufacturing division's revenue from continuing operations had single digit growth at margins which were in line with the previous year.

During the year, KAP issued its maiden corporate bond programme for an amount of R1 billion. The proceeds of the bond and new debt raised were utilised to settle the remaining balance of the Steinhoff loan.

Outlook

With its mass market positioning and critical mass through well-recognised and trusted local retail brands, supported by relevant infrastructure, efficient supply chain, and e-commerce strategy, Steinhoff Europe is in a good position to efficiently link customers to the group's price competitive product range and it continues to take market share in Europe.

With continued investment in stores, the European retail footprint and properties with fixed-yield internal rental streams will protect the sustainability of the group's retail operations and cost base. In addition, the increasing value of the group's asset base, underpinned by the property portfolio, increases the group's ability to secure long-term financing at competitive rates.

The sale of the JDFS division of JD Group will enable JD Group to focus on the strategic repositioning and growth of its retail operations. Management believes that the correct strategic and operational plans are being put in place to grow South African market share and increase this segment's profit contribution.

The 45% investment in KAP will in future be equity accounted. The underlying businesses in KAP are performing well, which bodes well for sustained good returns on this investment.

FINANCIAL REVIEW

These are provisional audited results for the year ended 30 June 2014.

Revenue and operating profit before capital items from continuing operations

Steinhoff reports growth of 20% in revenue to R117.4 billion (FY13: R97.9 billion). Operating profit before capital items increased to R12.6 billion, representing a 29% increase on the prior year's R9.8 billion. This translates to an increase in overall operating margin to 10.8% (FY13: 10.0%) mainly due to the improved performance of the integrated European retail operations.

Headline earnings

Headline earnings from continuing and discontinued operations increased by 23% to R8.8 billion (FY13: R7.1 billion), while headline earnings from continuing operations increased by 40% to R9.1 billion (FY13: R6.5 billion).

Headline earnings from continuing operations excludes any contribution from KAP, which in terms of IFRS, is required to be accounted for under discontinued operations as detailed under the operational review or the discontinued operations of the JD Group. Whilst the group will dispose of JDFS division the group retained 45% of KAP.

Accordingly, 45% of KAP's earnings will be accounted for as part of the group's future earnings as associate company income. Adjusted headline earnings from continuing operations has been introduced to assist users of financial information to better evaluate the actual and potential future earnings of the group. Adjusted headline earnings for the year increased by 39% to R9.4 billion (FY13: R6.8 billion).

Continuing operations:	FY14 Rm	FY13 Rm
Headline earnings	**9 128**	6 543
45% holding in KAP	**355**	305
Adjusted headline earnings	**9 483**	6 848
Adjusted headline earnings per share (cps)	**479.6**	376.2

Net finance charges

Net finance charges increased to R2.0 billion (FY13: R1.6 billion) mainly as a result of the group's European finance charges being translated into the group's reporting currency at a 23% weaker rand:euro translation rate. Finance charges also increased due to the €465 million convertible bond due 2021 issued in January 2014. The group's future serviceability of debt continues to be sound, evidenced by the EBITDA interest cover at 7.3 times (FY13: 7.1 times).

Taxation

The average tax rate for the year is 15.7% (FY13: 12.2%) as a result of a non-recurring deferred tax provision relating to the investment in PSG (19%) that is no longer accounted for as an associate investment but is now classified as an available for sale investment. Excluding this tax effect, the effective tax rate for the year is 13.7%.

Investments and loans

Investments and loans increased by R9.3 billion. This amount includes a R3.7 billion increase resulting from recognising PSG as an investment (prior year an associate). The remaining increase related to the retail investments as reported at interim.

Properties

Properties increased by R14.1 billion, resulting from the acquisition of the kika Leiner group's Austrian properties as well as the other property investments supporting the retail footprint. Operating profit of R2.7 billion (FY13: R2.0 billion) was reported for the year representing an annual rental yield of 7% on average.

Debt

The majority of the group's assets and liabilities are situated in Europe. In translating these assets and liabilities to rand, the closing exchange rate as at 30 June 2014 (being R14.57) was used, while the comparative period was translated at R12.92. This equates to an increase of 12.8% and affects the comparability of all assets and liabilities compared to those of the previous period. Management remains comfortable with the group's gearing and serviceability of its debt as set out in the table below. The post balance sheet event relating to the rights issue, raised R17.9 billion cash proceeds (net of expenses) (refer to Corporate activity). Steinhoff has set out below the effects of the rights offer on the net gearing position and selective ratios of Steinhoff based on the 2014 financial results.

	Rights offer adjustment FY2014[2] Rm	**Reported FY2014[1] Rm**
Interest-bearing short-term liabilities	**6 411**	**6 411**
Bank overdrafts and short-term facilities	**2 436**	**2 436**
Interest-bearing long-term liabilities	**55 580**	**55 580**
Less: Cash and cash equivalents[3]	**(34 200)**	**(16 341)**
Gross debt less cash	**30 227**	**48 086**
Less: Interest-bearing assets and receivables	**(18 042)**	**(18 042)**
Net interest-bearing debt	**12 185**	**30 044**
Total equity[3]	**105 635**	**87 776**
Net interest-bearing debt:equity	**12%**	**34%**
EBITDA	**14 638**	**14 638**
Net finance charges[3]	**923**	**1 995**
EBITDA interest cover (times)	**15.9**	**7.3**

The rights offer adjusted financial information has been compiled for illustrative purposes only and is the responsibility of the board of directors. Due to the nature of this information, it may not fairly present the group's financial position, changes in equity and results of operations or cash flows. An unmodified reasonable assurance report has been issued by the group's auditors, Deloitte & Touche, in terms of ISAE 3420: Assurance Engagements to Report on the Compilation of Pro Forma Information in a Prospectus, and is available for inspection at the company's registered office. The pro forma information has been compiled in terms of the JSE Listings Requirements and the Revised Guide on Pro Forma Information by SAICA, using the same accounting policies as for the year ended 30 June 2014.

1. *The column titled "Reported FY2014" is the published financial results for Steinhoff for the year ended 30 June 2014.*
2. *The "Rights offer adjustment FY2014" column includes the impact of accelerated book-build and the rights offer concluded by which 350 million Steinhoff ordinary shares were issued in early July 2014.*
3. *Net proceeds from the rights offer of R17 859 million, being the issue value of R18 200 million less once-off transaction costs of R341 million, is applied to reduce net interest-bearing debt. The related reduction in financial charges is R1 071 million assuming an interest rate of 6%.*
4. *It is assumed that the net proceeds and reduction in interest-bearing debt occur on 1 July 2013 for statement of comprehensive income purposes and on 30 June 2014 for statement of financial position purposes.*
5. *There are no other post-balance sheet events which need adjustment to the pro forma financial information.*
6. *All the adjustments are of a continuing nature except once-off transaction costs.*

Corporate activity

In addition to the corporate actions referred to in our interim results, the group announced the following corporate and financing transactions:

- On 24 March 2014, Steinhoff announced a tender offer to increase its stake in JD Group. JD Group also undertook a R1.0 billion rights issue that was underwritten by Steinhoff. Post the tender offer and rights issue, Steinhoff holds now 86% of JD Group.
- On 23 June 2014, Steinhoff implemented an accelerated book build ("ABB") of 400 million of its shares held in KAP Industrial Holdings Limited ("KAP"), thereby raising R1.54 billion. As a result, KAP became an associate of Steinhoff following the decrease in its shareholding in KAP from 62% to 45%.
- During June 2014, Steinhoff Europe refinanced its existing term- and syndicated loan facilities through the conclusion of a new €1.8 billion five-year syndicated revolving facility with 18 banks, on improved terms and conditions. The facility was significantly oversubscribed.
- On 2 July 2014, it was announced that Steinhoff received approval from the Financial Surveillance Department of the South African Reserve Bank ("FinSurv") to facilitate the inward listing of "Holdco AG", a company incorporated in Europe, on the Johannesburg Stock Exchange ("JSE").

  Holdco has commenced with the listing process and subject to prevailing market conditions, and the required level of Steinhoff shareholder support, will be listed on the Frankfurt Stock Exchange and with an inward listing on the JSE.
- On 2 July 2014, Steinhoff launched a renounceable rights offer, coupled with a foreign share placement (using renounced rights). Steinhoff received an aggregate amount of R18.2 billion, before expenses and issued 350 million shares at R52.00 per share.

Dividend

Taking into account the changes in its African investments, the group has transformed into an integrated retailer. The current and future cash flow implications make it possible to adopt a dividend policy that is more comparable to international retailers. Accordingly it is proposed that a cash dividend of 150 cps (FY13: 80 cps) be declared in terms of the declaration notice set out in this announcement. This translates into a dividend cover of 3 times, based on the HEPS from continued and discontinued operations of 444 cps.

Declaration

The Board has declared a cash dividend from retained earnings of 150 cps payable to shareholders registered at the close of business on Friday, 14 November 2014 ("the record date") for the year ended 30 June 2014 ("the dividend").

The last day to trade in Steinhoff shares on the JSE in order to ensure that the purchaser appears as a shareholder on the record date will be Friday, 7 November 2014. Shares will commence trading ex-dividend entitlement with the commencement of trade on Monday, 10 November 2014. The dividend payment date will be Monday, 17 November 2014.

Salient dates and times	**2014**
Last day to trade cum-dividend	Friday, 7 November
Shares trade ex-dividend	Monday, 10 November
Record date	Friday, 14 November
Payment date	Monday, 17 November

Share certificates may not be dematerialised or rematerialised between Monday, 10 November 2014 and Friday, 14 November 2014 (both days inclusive).

The dividend will be payable in the currency of South Africa. The dividend is subject to a local dividend tax rate of 15%, resulting in a net dividend of 127.50 cps, unless the shareholder is exempt from dividend tax or is entitled to a reduced rate in terms of the applicable double tax agreement. The company's income tax reference number is 9599003713. At the date of declaration of the dividend the company has 2 459 880 692 ordinary shares in issue.

Steinhoff Africa Secretarial Services Proprietary Limited
Company Secretary
9 September 2014

Steinhoff Investment Holdings Limited

(Steinhoff Investments)
Registration number: 1954/001893/06
(Incorporated in the Republic of South Africa)
JSE Code: SHFF ISIN: ZAE000068367

Proposed dividend to preference shareholders

Preference shareholders are referred to the above results of Steinhoff for a full appreciation of the consolidated results and financial position of Steinhoff Investments.

The board has declared a gross dividend of 365 cents per preference share, on 9 September 2014, in respect of the period from 1 January 2014 to 30 June 2014 ("the dividend period"), payable on Monday, 27 October 2014, to those preference shareholders recorded in the books of the company at the close of business on Friday, 24 October 2014.

The dividend will be payable in the currency of South Africa. The dividend is subject to a local dividend tax rate of 15%, resulting in a net dividend of 310.25 cents per share, unless the shareholder is exempt from dividend tax or is entitled to a reduced rate in terms of the applicable double-tax agreement. The company's income tax reference number is 9375046712. At the date of declaration, there were 15 000 000 preference shares in issue.

Salient dates and times	**2014**
Last date to trade cum-dividend	Friday, 17 October
Shares trade ex-dividend	Monday, 20 October
Record date	Friday, 24 October
Payment date	Monday, 27 October

Share certificates may not be dematerialised or rematerialised between Monday, 20 October 2014 and Friday, 24 October 2013, both days inclusive.

On behalf of the Board of Directors

Len Konar — *Non-executive director*
Piet Ferreira — *Executive director*

9 September 2014

Administration

Steinhoff International Holdings Limited Registration **number:** 1998/003951/06 (Incorporated in the Republic of South Africa) ("Steinhoff" or "the company" or "the group") **JSE share code:** SHF **ISIN code:** ZAE000016176
Registered office: 28 Sixth Street, Wynberg, Sandton 2090, Republic of South Africa **Tel:** +27 (11) 445 3000 **Fax:** +27 (11) 445 3094
Directors: D Konar• (chairman), MJ Jooste (chief executive officer), SF Booysen•, DC Brink•, CE Daun•*, HJK Ferreira, SJ Grobler, TLJ Guibert#, AB la Grange, MT Lategan•, JF Mouton•, FJ Nel, HJ Sonn•, BE Steinhoff•*, PDJ van den Bosch•†, DM van der Merwe
Alternate directors: JNS du Plessis, KJ Grové, A Krüger-Steinhoff•*, M Nel
†Belgian #French *German •non-executive
Company secretary: Steinhoff Africa Secretarial Services Proprietary Limited
Auditors: Deloitte & Touche
Sponsor: PSG Capital Proprietary Limited
Transfer secretaries: Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg 2001

GREYMATTER & FINCH # 8071

Summarised consolidated income statement

	Year ended 30 June 2014 Audited Rm	Year ended 30 June 2013 Audited[1] Rm	% change
Continuing operations			
Revenue	**117 364**	97 938	20
Operating profit before depreciation, amortisation and capital items	**14 638**	11 575	26
Depreciation and amortisation	**(2 016)**	(1 793)	
Operating profit before capital items	**12 622**	9 782	29
Capital items	**1 500**	(323)	
Earnings before finance charges, equity accounted earnings and taxation	**14 122**	9 459	49
Net finance charges	**(1 995)**	(1 626)	
Share of profit of equity accounted companies	**290**	240	
Profit before taxation	**12 417**	8 073	54
Taxation	**(1 954)**	(983)	
Profit for the year from continuing operations	**10 463**	7 090	48
(Loss)/profit for the year from discontinued operations	**(600)**	859	
Profit for the year	**9 863**	7 949	24
Attributable to:			
Owners of the parent	**10 090**	7 296	38
Non-controlling interests	**(227)**	653	
Profit for the year	**9 863**	7 949	24
From continuing operations			
Headline earnings per ordinary share (cents)[2]	**461.7**	359.4	28
Adjusted headline earnings per ordinary share (cents)[3]	**479.6**	376.2	27
Diluted headline earnings per ordinary share (cents)[2]	**416.7**	323.3	29
Adjusted diluted headline earnings per ordinary share (cents)[3]	**430.6**	336.5	28
Basic earnings per ordinary share (cents)[2]	**510.2**	355.6	43
Diluted earnings per ordinary share (cents)[2]	**455.2**	320.6	42
From continuing and discontinued operations			
Headline earnings per ordinary share (cents)[2]	**443.5**	390.6	14
Diluted headline earnings per ordinary share (cents)[2]	**402.0**	347.9	16
Basic earnings per ordinary share (cents)[2]	**496.8**	385.7	29
Diluted earnings per ordinary share (cents)[2]	**444.3**	344.3	29
Number of ordinary shares in issue (m)	**2 100**	1 825	15
Weighted average number of ordinary shares in issue (m)	**1 977**	1 820	9
Earnings attributable to ordinary shareholders (Rm)	**9 821**	7 022	40
Headline earnings attributable to ordinary shareholders (Rm)	**8 770**	7 111	23
Dividend per ordinary share (cents)	**150**	80	88
Average currency translation rate (rand:euro)	**14.1106**	11.4635	23

Additional information

	Continuing operations Rm	Discontinued operations Rm	Total Rm
2014			
Earnings/(loss) attributable to owners of the parent	**10 355**	**(265)**	**10 090**
Dividend entitlement on cumulative preference shares	**(269)**	**–**	**(269)**
Earnings/(loss) attributable to ordinary shareholders	**10 086**	**(265)**	**9 821**
Capital items			
Impairments	**76**	**78**	**154**
Loss on disposal of intangible assets	**45**	**–**	**45**
Profit on disposal and dilution of investments	**(1 651)**	**(94)**	**(1 745)**
Other	**30**	**10**	**40**
	(1 500)	**(6)**	**(1 506)**
Loss on disposal of discontinued operations	**–**	**229**	**229**
Total capital items	**(1 500)**	**223**	**(1 277)**
Taxation effects of capital items	**561**	**(251)**	**310**
Non-controlling interests' portion of capital items	**(11)**	**(65)**	**(76)**
Capital items of equity accounted companies (net of taxation)	**(8)**	**–**	**(8)**
Headline earnings	**9 128**	**(358)**	**8 770**
2013			
Earnings attributable to owners of the parent	6 747	549	7 296
Dividend entitlement on cumulative preference shares	(274)	–	(274)
Earnings attributable to ordinary shareholders	6 473	549	7 022
Capital items			
Impairments	336	49	385
Loss/(profit) on disposal and dilution of investments	12	(20)	(8)
Other	(25)	(2)	(27)
Total capital items	323	27	350
Taxation effects of capital items	(84)	(1)	(85)
Non-controlling interests' portion of capital items	(119)	(7)	(126)
Capital items of equity accounted companies (net of taxation)	(50)	–	(50)
Headline earnings	6 543	568	7 111

Notes:

1 *Prior year figures have been restated to account for the adoption of new and revised accounting standards. Prior year figures have also been re-presented for the discontinued operations.*

2 *The rights issue announced on 2 July 2014 led to the restatement of comparative per share numbers, none of which resulted in a deviation of more than 1%.*

3 *KAP Industrial Holdings Limited (KAP) will be equity accounted effective 30 June 2014. The full earnings from KAP were included in discontinued operations for both years presented. In future 45% of KAP's earnings will be included in continuing operations. Headline earnings per share was adjusted to disclose the effect on headline earnings per share had KAP been equity accounted as part of continuing operations for both years presented.*

Notice:

The preparation of these summarised financial statements was supervised by the financial director Frikkie (FJ) Nel CA(SA).

Summarised consolidated statement of financial position

	30 June 2014 Audited Rm	30 June 2013 Audited[1] Rm	30 June 2012 Audited[1] Rm
ASSETS			
Non-current assets			
Goodwill and intangible assets	**66 116**	60 435	49 406
Property, plant and equipment, investment property and biological assets	**54 422**	47 138	37 079
Investments in equity accounted companies	**4 223**	2 634	2 341
Investments and loans	**10 399**	1 124	868
Deferred taxation assets	**1 390**	730	697
Other long-term assets	**70**	3 174	2 619
	136 620	115 235	93 010
Current assets			
Inventories	**18 455**	16 902	14 902
Accounts receivable, short-term loans and other current assets	**24 040**	23 267	17 244
Cash and cash equivalents	**16 341**	9 249	8 057
Assets held for sale	**6 865**	364	98
	65 701	49 782	40 301
Total assets	**202 321**	165 017	133 311
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary share capital and reserves	**82 854**	56 616	43 248
Preference share capital	**3 381**	3 497	3 837
	86 235	60 113	47 085
Non-controlling interests	**1 541**	6 655	6 678
Total equity	**87 776**	66 768	53 763
Non-current liabilities			
Interest-bearing long-term liabilities	**55 580**	45 041	33 858
Deferred taxation liabilities	**10 878**	9 652	7 763
Other long-term liabilities and provisions	**2 859**	3 562	3 017
	69 317	58 255	44 638
Current liabilities			
Accounts payable, provisions and other current liabilities	**36 185**	31 647	27 192
Interest-bearing short-term liabilities	**6 411**	5 117	5 192
Bank overdrafts and short-term facilities	**2 436**	3 162	2 090
Liabilities held for sale	**196**	68	436
	45 228	39 994	34 910
Total equity and liabilities	**202 321**	165 017	133 311
Net asset value per ordinary share (cents)	**3 946**	3 102	2 463
Closing exchange rate (rand:euro)	**14.5721**	12.9209	10.3447

Summarised consolidated statement of changes in equity

	Year ended 30 June 2014 Audited Rm	Year ended 30 June 2013 Audited[1] Rm
Balance at beginning of the year	**66 768**	53 763
Changes in ordinary share capital and share premium		
Capital distribution	**–**	(1 690)
Net shares issued	**10 685**	1 518
Net utilisation of treasury shares	**21**	75
Changes in preference share capital and share premium		
Redemption of preference shares	**(496)**	(398)
Net utilisation of treasury shares	**380**	58
Changes in reserves		
Total comprehensive income for the year attributable to owners of the parent	**15 844**	13 542
Equity portion of convertible bonds redeemed and issued net of deferred taxation	**351**	105
Ordinary dividends	**(1 516)**	–
Preference dividends	**(152)**	(282)
Share-based payments	**431**	147
Discount/(premium) on introduction and recognition of non-controlling interests	**228**	(55)
Other reserve movements	**346**	8
Changes in non-controlling interests		
Total comprehensive (loss)/income for the year attributable to non-controlling interests	**(215)**	719
Dividends and capital distributions paid	**(208)**	(365)
Net shares bought from/sold to non-controlling interests	**(1 768)**	(448)
Released on derecognition of subsidiary	**(2 814)**	–
Other transactions with non-controlling interests	**(109)**	71
Balance at end of the year	**87 776**	66 768
Comprising:		
Ordinary share capital and share premium	**20 507**	9 801
Preference share capital and share premium	**3 381**	3 497
Distributable reserves	**46 637**	36 786
Convertible and redeemable bonds reserve	**1 430**	1 079
Foreign currency translation reserve	**13 784**	7 865
Share-based payment reserve	**1 011**	636
Other reserves	**(515)**	449
Non-controlling interests	**1 541**	6 655
	87 776	66 768

Summarised consolidated statement of cash flows

	Year ended 30 June 2014 Audited Rm	Year ended 30 June 2013 Audited[1] Rm
Cash generated before working capital changes	**19 039**	15 428
(Increase)/decrease in inventories	**(1 001)**	814
Increase in vehicle rental fleet	**(784)**	(773)
Decrease/(increase) in receivables	**1 062**	(1 615)
Increase/(decrease) in payables	**3 001**	(1 156)
Changes in working capital	**2 278**	(2 730)
Cash generated from operations	**21 317**	12 698
Movement in instalment sale and loan receivables: unsecured	**(385)**	(2 090)
Net dividends paid	**(1 818)**	(696)
Net finance costs	**(1 842)**	(1 599)
Taxation paid	**(1 592)**	(1 093)
Net cash inflow from operating activities	**15 680**	7 220
Net cash outflow from investing activities	**(16 371)**	(8 650)
Net cash inflow from financing activities	**6 661**	1 251
Net increase/(decrease) in cash and cash equivalents	**5 970**	(179)
Effects of exchange rate changes on cash and cash equivalents	**1 122**	1 371
Cash and cash equivalents at beginning of year	**9 249**	8 057
Cash and cash equivalents at end of year	**16 341**	9 249

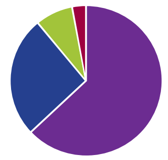
Summarised consolidated statement of comprehensive income

	Year ended 30 June 2014 Audited Rm	Year ended 30 June 2013 Audited[1] Rm
Profit for the year	**9 863**	7 949
Other comprehensive income/(loss)		
Items that will not be reclassified subsequently to profit or loss:		
Actuarial (loss)/gain on defined benefit plans	**(145)**	103
Deferred taxation	**43**	(25)
	(102)	78
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign subsidiaries	**5 959**	6 279
Net value loss on cash flow hedges and other fair value reserves	**(124)**	(41)
Deferred taxation	**32**	(3)
Other comprehensive income/(loss) of equity accounted companies, net of deferred taxation	**1**	(1)
	5 868	6 234
Other comprehensive income for the year	**5 766**	6 312
Total comprehensive income for the year	**15 629**	14 261
Total comprehensive income attributable to:		
Owners of the parent	**15 844**	13 542
Non-controlling interests	**(215)**	719
Total comprehensive income for the year	**15 629**	14 261

Segmental analysis

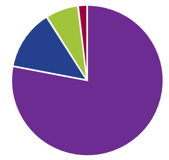
	Year ended 30 June 2014 Audited Rm	Year ended 30 June 2013 Audited[1] Rm	% change
Revenue – continuing operations			
Retail activities			
– International operations	**73 262**	57 449	28
– African operations	**30 587**	29 153	5
Manufacturing, sourcing, logistics and corporate services			
– International operations	**33 381**	24 932	34
Properties	**2 911**	2 134	36
	140 141	113 668	23
Intersegment revenue eliminations	**(22 777)**	(15 730)	
	117 364	97 938	20
Operating profit before capital items – continuing operations			
Retail activities			
– International operations	**4 579**	3 040	51
– African operations	**862**	1 361	(37)
Manufacturing, sourcing, logistics and corporate services			
– International operations	**4 451**	3 341	33
– African operations	**324**	303	7
Properties	**2 730**	2 040	34
	12 946	10 085	28
Reconciliation between operating profit per income statement and operating profit per segmental analysis			
Operating profit per income statement	**12 622**	9 782	
Add: KAP equity accounted earnings at 45%	**324**	303	
	12 946	10 085	

	30 June 2014 Audited Rm	%	30 June 2013 Audited[1] Rm	%
Total assets				
Retail activities				
– International operations	**79 958**	**49**	63 164	48
– African operations	**13 787**	**8**	14 960	12
Manufacturing, sourcing, logistics and corporate services				
– International operations	**19 419**	**12**	17 221	13
– African operations	**4 041**	**3**	4 041	3
Properties	**45 401**	**28**	31 324	24
	162 606	**100**	130 710	100



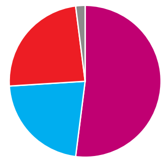
REVENUE PER GEOGRAPHICAL REGION

- Continental Europe **63%**
- Southern Africa **26%**
- United Kingdom **8%**
- Pacific Rim **3%**



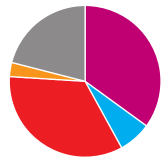
NON-CURRENT ASSETS PER GEOGRAPHICAL REGION

- Continental Europe **78%**
- Southern Africa **13%**
- United Kingdom **7%**
- Pacific Rim **2%**



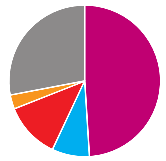
REVENUE PER SEGMENT

- Retail activities – International **52%**
- Retail activities – Africa **22%**
- Manufacturing, sourcing and logistics – International **24%**
- Properties **2%**



OPERATING PROFIT BEFORE CAPITAL ITEMS PER SEGMENT

- Retail activities – International **35%**
- Retail activities – Africa **7%**
- Manufacturing, sourcing and logistics – International **34%**
- Manufacturing, sourcing and logistics – Africa **3%**
- Properties **21%**



TOTAL ASSETS PER SEGMENT

- Retail activities – International **49%**
- Retail activities – Africa **8%**
- Manufacturing, sourcing and logistics – International **12%**
- Manufacturing, sourcing and logistics – Africa **3%**
- Properties **28%**

Reconciliation of total assets per statement of financial position to total assets per segmental analysis

	30 June 2014 Audited Rm	30 June 2013 Audited[1] Rm
Total assets per statement of financial position	**202 321**	165 017
Less: Cash and cash equivalents	**(16 341)**	(9 249)
Less: Investments in equity accounted companies	**(4 223)**	(2 634)
Add: 45% investment in KAP	**4 041**	4 041
Less: Investments and loans	**(10 399)**	(1 124)
Less: Short-term loans receivable	**(5 928)**	(3 228)
Less: Assets of discontinued operations and assets held for sale	**(6 865)**	(22 113)
Total assets per segmental analysis	**162 606**	130 710

The prior year figures have been restated to reflect the continuing operations of the group. The prior year figures include the assets of companies discontinued and classified as held for sale during the 2014 financial year. The 2013 figures have been adjusted to include the 45% associate investment in KAP to provide comparability.

Geographical information

	Year ended 30 June 2014 Audited Rm	%	Year ended 30 June 2013 Audited[1] Rm	%
Revenue – continuing operations				
Continental Europe	**73 850**	**63**	59 107	60
Pacific Rim	**4 094**	**3**	2 855	3
Southern Africa	**30 572**	**26**	29 135	30
United Kingdom	**8 848**	**8**	6 841	7
	117 364	**100**	97 938	100
Non-current assets				
Continental Europe	**106 627**	**78**	81 376	71
Pacific Rim	**2 222**	**2**	1 769	2
Southern Africa	**17 730**	**13**	24 879	22
United Kingdom	**10 041**	**7**	7 211	5
	136 620	**100**	115 235	100

Fair values of financial instruments

	Fair value as at 30 June 2014 Rm	Fair value as at 30 June 2013 Rm	Fair value hierarchy
Investments and loans	**3 769**	73	Level 1[#]
Investments and loans	**206**	68	Level 2[*]
Derivative financial assets	**13**	242	Level 2[*]
Interest-bearing loans and borrowings	**(1 594)**	(1 539)	Level 2[*]
Derivative financial liabilities	**(197)**	(33)	Level 2[*]

Valued using unadjusted quoted prices in active markets for identical financial instruments. This category includes listed shares and unit trusts.

* *Valued using techniques where all of the inputs that have a significant effect on the valuation are directly or indirectly based on observable market data. These inputs include published interest rate yield curves and foreign exchange rates.*

AUDITED RESULTS
FOR THE YEAR ENDED 30 JUNE 2014

STEINHOFF
INTERNATIONAL HOLDINGS LTD

Selected explanatory notes

Statement of compliance

The summarised consolidated annual financial statements have been prepared and presented in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guide as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the information as required by IAS 34 – *Interim Financial Reporting*, the Listings Requirements of the JSE Limited and the Companies Act, 71 of 2008, as amended, of South Africa.

Basis of preparation

The summarised annual financial statements are prepared in millions of South African rands (Rm) on the historical-cost basis, except for certain assets and liabilities which are carried at amortised cost, and certain derivative financial instruments and biological assets which are stated at their fair value.

Financial statements

The annual financial statements for the year have been audited by Deloitte & Touche and their accompanying unmodified audit report as well as their unmodified audit report on this set of summarised financial information is available for inspection at the company's registered office. Any reference to future financial information included in the summarised financial information has not been audited or reviewed. Full details of the group's business combinations for the year, additions and disposals of property, plant and equipment as well as commitments and contingent liabilities will be included in the group's consolidated financial statements.

Accounting policies

The accounting policies of the group have been applied consistently to the years presented in the consolidated financial statements, except for the adoption of the standards listed below. During the year under review, the group adopted all the IFRS and interpretations that were effective and deemed applicable to the group. The standards which had an effect on the prior year results are discussed below.

IFRS 10 – Consolidated Financial Statements, IFRS 12 – Disclosure of Interests in Other Entities and IAS 27 – Consolidated and Separate Financial Statements

IFRS 10 provides a new definition of control which requires the investor to assess control by referring to the investor's exposure or rights to variable returns from its involvement with the investee and the ability to affect those returns through its power over the investee.

The group has reassessed the control conclusion for its investees at 1 July 2013. As a consequence, the group has determined that it has control of Van Den Bosch Beheer BV which was previously accounted for as a joint venture using the proportionate method of consolidation. The group has determined that it has control over White Rock Insurance, which was previously not accounted for. The group has applied the transitional provisions and the 2013 results have been restated accordingly.

IFRS 11 – Joint Arrangements and IAS 28 – Investment in Associates and Joint Ventures

IFRS 11 has removed the option to account for joint ventures using proportionate consolidation and instead joint arrangements that meet the definition of a joint venture under IFRS 11 must be accounted for using the equity method.

The group previously accounted for joint ventures using the proportionate consolidation method. The group has applied IFRS 11 retrospectively in accordance with the transitional provisions and the 2013 results have been restated accordingly.

IFRS 13 – Fair Value Measurement

IFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other IFRSs. IFRS 13 provides for a revised definition of fair value, being the price at which an orderly transaction to sell an asset or transfer a liability would take place between market participants at the measurement date. It replaces and expands the disclosure requirement about fair value measurements on other IFRSs, including *IFRS 7 – Financial Instruments – Disclosures*. The group has included additional disclosures in this regard.

IAS 19 (revised) – Employee Benefits

IAS 19R includes a number of amendments to the accounting for defined benefit plans. The principal impact arises from the requirement to replace the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost/income based on the net benefit liability/asset, calculated using the discount rate used to measure the defined benefit obligation. This has increased the income statement charge as the discount rate now applied to the assets is lower than the expected return on plan assets. There is a limited effect on total comprehensive income as the increased charge in the income statement is offset by a credit in other comprehensive income. The group has applied the standard retrospectively in accordance with the transitional provisions and the 2013 results have been restated accordingly.

Effect of restatement of prior periods

The adoption of IFRS 10, IFRS 11 and IAS 19R has resulted in the restatement of certain financial statement line items for the prior years disclosed. None of the restatements are material to the group financial statements. IFRS 10 and IFRS 11 increased profit for the year ended 30 June 2013 by R26 million, and increased the net asset value as at 30 June 2013 by R151 million (1 July 2012: R127 million). IAS 19R decreased profit for the year ended 30 June 2013 by R17 million, and decreased the net asset value as at 30 June 2013 by R2 million (1 July 2012: R1 million). These restatements have been combined in the table below.

The effect of the above restatements was a decrease in the earnings per share figures for the year ended 30 June 2013 of less than 0.1%.

The per share numbers have also been restated for the bonus element of the rights issue announced on 2 July 2014, although accounted for post 30 June 2014. The effect of this restatement was a decrease in the earnings per share figures for the year ended 30 June 2013 of between 2.8 cents per share and 3.9 cents per share.

Effect of re-presentation of prior period

The prior year figures in the income statement have been re-presented to disclose the discontinued operations: KAP Industrial Holdings Limited group and the financial services division of JD Group Limited.

The effect of the above re-presentation was a decrease in the earnings per share figures from continuing operations for the year ended 30 June 2013 of between 23.7 cents per share and 31.2 cents per share.

The summarised effect of these restatements and reclassifications are:

	Year ended 30 June 2013			
	Restatements Rm	Re-presentation Rm	Total Rm	1 July 2012 Rm
Income statement impact				
(Increase)/decrease in revenue – continuing	(679)	18 227	17 548	
(Increase)/decrease in profit for the year – continuing	(9)	859	850	
Decrease in profit attributable to owners of the parent	4	–	4	
Increase in profit attributable to non-controlling interests	(13)	–	(13)	
Comprehensive income impact				
Increase in other comprehensive income for the year	(49)	–	(49)	
Increase in total comprehensive income attributable to owners of the parent	(6)	–	(6)	
Increase in total comprehensive income attributable to non-controlling interests	(52)	–	(52)	
Increase in total comprehensive income for the year	(58)	–	(58)	
Statement of financial position impact				
Increase in non-current assets	29	–	29	36
Increase in current assets	349	–	349	213
(Increase)/decrease in non-current liabilities	(1)	–	(1)	1
Increase in current liabilities	(228)	–	(228)	(124)
Increase in equity	(149)	–	(149)	(126)

Other notes

1. Corporate governance

   Steinhoff has embraced the recommendations of the King Report on Governance and strives to provide reports to shareholders that are timely, accurate, consistent and informative.

2. Social responsibility

   The group remains committed to behaving in a socially responsible manner and is conscious of its responsibilities in this regard.

3. Human resources

   A constructive working relationship is maintained with our group employees and the relevant unions. Ongoing skills and equity activities ensure compliance with current legislation.

4. Related-party transactions

   The company entered into various related-party transactions. These transactions are no less favourable than those arranged with third parties.

5. Dividends

   In terms of Steinhoff's dividend policy, Steinhoff declares dividends annually during September.

6. Further events

   No significant events have occurred, other than those highlighted in Corporate activity in the period between the reporting date and the date of this report.

Administration

Steinhoff International Holdings Limited Registration number: 1998/003951/06 (Incorporated in the Republic of South Africa) ("Steinhoff" or "the company" or "the group") **JSE share code:** SHF **ISIN code:** ZAE000016176
Registered office: 28 Sixth Street, Wynberg, Sandton 2090, Republic of South Africa **Tel:** +27 (11) 445 3000 **Fax:** +27 (11) 445 3094 **Directors:** D Konar• (chairman), MJ Jooste (chief executive officer), SF Booysen•, DC Brink•, CE Daun•*, HJK Ferreira, SJ Grobler, TLJ Guibert#, AB la Grange, MT Lategan•, JF Mouton•, FJ Nel, HJ Sonn•, BE Steinhoff•*, PDJ van den Bosch•†, DM van der Merwe **Alternate directors:** JNS du Plessis, KJ Grové, A Krüger-Steinhoff•* M Nel †Belgian #French *German •non-executive **Company secretary:** Steinhoff Africa Secretarial Services Proprietary Limited **Auditors:** Deloitte & Touche **Sponsor:** PSG Capital Proprietary Limited
Transfer secretaries: Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg 2001

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