STEINHOFF INTERNATIONAL

Audited results* for the year ended 30 June 2014

STEINHOFF
INTERNATIONAL HOLDINGS LTD

* Extracted financial information from the audited results for the year ended 30 June 2014

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

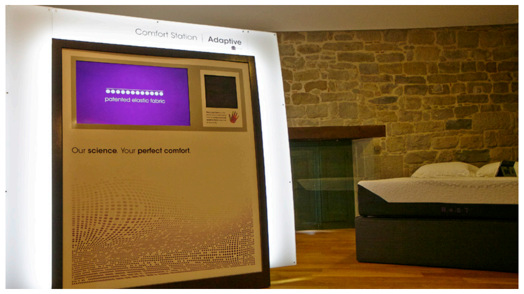
Continued store and retail expansion

To ensure accessibility and relevance to the group's customers, Steinhoff has expanded its retail footprint via continued investment in new stores, refurbished the existing store base, and initiated store conversion programmes.

In France, Conforama launched the Confo Depot concept and is in the process of converting nine Atlas stores into the Conforama concept. Conforama and Lipo continue to expand their store network throughout the German and French-speaking territories in Switzerland and are in the process of converting the Fly store network, acquired during the year, into these two well-known discount concepts.

Poco opened six stores in Germany and its national footprint now consists of 103 stores. In Eastern Europe, the QuattroMobili brand was expanded through a store-in-store concept in Hungary, and a new flagship store opened in Croatia. The refurbishment programme in the UK and Australia continues to prove successful with market share gains recorded in both these countries, despite various flagship stores being closed for renovation periods.

Integrated supply chains support retail



Following the success of the bedding businesses, the group is now looking to expand its bedding offering into Europe. This division manufactures a full range of mattresses, distributing directly to the group's own and other retail brands. As a market leader in the European bedding retail environment in Europe, the group invested in technology to provide customers with personalised sleep solutions.

Steinhoff's Global Range is a fully integrated product range, developed to take advantage of the group's experience throughout the supply chain, benefiting the group's retail brands. It takes into account the best source and quality of raw materials, the production process, speed to market, optimised logistics, packaging, inventory management, and store display. During the year, the first 100 common products were launched into all retail outlets throughout Europe.

Properties protect group's cost base

In line with the integrated strategy, Steinhoff has invested in a multitude of strategic properties since inception of the group.

In the early years, investments in property centred around the warehouse and distribution network across Europe. Investment in manufacturing properties in Eastern Europe followed, and the group commenced its investment into retail properties in 2007 with the majority of investments made during the economic slowdown in Europe, capitalising on the more affordable investment landscape, then prevailing.

With fixed-yield internal rental streams charged on group properties, additional investments will continue to protect the group from increased rental charges and protect the sustainability of its cost base.

SALIENT FEATURES	30 June 2014	30 June 2013	% change
Revenue (Rm)°	**117 364**	97 938	20
Operating profit before capital items (Rm)°	**12 622**	9 782	29
Headline earnings (Rm)°	**9 128**	6 543	40
Adjusted headline earnings per share (cents)°	**480**	376	27
Basic earnings per share (cents)°	**510**	356	43
Cash dividend per ordinary share (cents)	**150**	80	88
Net asset value per share (cents)	**3 946**	3 102	27

° Continuing operations

Steinhoff International is an integrated retailer which manufactures, sources and retails furniture and household goods.

International operations

The integrated retail business in Europe generated solid returns and increased market share in many of the territories where the group trades.

During the year under review, revenue attributable to the group's international retail activities increased by 28% to R73.3 billion (FY13: R57.4 billion) and operating profit improved by 51% to R4.6 billion (FY13: R3.0 billion).

Supply chain remains a key competitive advantage

The increased purchasing power of the group, increased intra-group trade and reduced costs continue to result in improved margins for the manufacturing, sourcing and logistics businesses, as well as the underlying retail operations that they serve.

The European and Eastern European manufacturing division, including the global sourcing and logistics division, reported a 34% increase in revenue and a 33% improvement in operating profit.

Investments in property core to group strategy

The retail and industrial properties of the group are located in Europe, Africa and the UK. Operating profit of R2.7 billion (FY13: R2.0 billion) was earned on these properties during the year under review.

African operations

The African operations consist of two independently listed companies, JD Group Limited (JD Group), in which the group owns 86%, and KAP Industrial Holdings Limited (KAP), in which the group owns 45%. In addition, the African operations include a 19% investment in the listed PSG Group Limited.

JD Group reported a loss from discontinued operations of R2.1 billion and headline earnings from continuing operations of R214 million.

KAP reported headline earnings of R792 million.

Entrenched focus on cash generation

Cash generated from operations increased by 68% to R21 billion (FY13: R13 billion) reflecting the increased profitability and improved working capital management of the group.

Subsequent to year-end the group raised R17.9 billion (net of expenses) by way of an oversubscribed rights issue.

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%**

ABOUT THIS SHORT-FORM ANNOUNCEMENT

The directors accept responsibility for this short-form announcement ("this announcement"). It should be noted that this announcement is a summary of the information that appears in the detailed provisional audited announcement and therefore does not contain full or complete details.

Any investment decisions by investors and/or shareholders should be based on the information in the detailed announcement.

The detailed announcement has been published on SENS and on the group's website on www.steinhoffinternational.com and is available for inspection at the registered office of the company and the offices of the sponsor, free of charge to shareholders and/or investors, during office hours (09:00 – 17:00) from Mondays to Fridays.

Copies of the detailed announcement may be requested by emailing investors@steinhoff.co.za, or by telephoning Reina de Waal on 021 808 0700.

By order of the board

Steinhoff Africa Secretarial Services Proprietary Limited
9 September 2014

View detailed results at
www.**steinhoffinternational**.com

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, CH Wiese• **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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