

Steinhoff International Holdings N.V.

(Incorporated in the Netherlands)

(Registration number: 63570173)

Share Code: **SNH**

ISIN: **NL0011375019**

Steinhoff Investment Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number: 1954/001893/06)

JSE Code: **SHFF**

ISIN: **ZAE000068367**

Steinhoff – Issue of proposals in connection with company voluntary arrangements for SEAG and SFHG prior to creditors' meetings scheduled for 14 December 2018

Steinhoff International Holdings N.V. (the "**Company**" and with its subsidiaries, the "**Group**").

The Company refers to its announcements of 19 November 2018 (the "**19 November Announcements**") in respect of the issue of a company voluntary arrangement in relation to Steinhoff Europe AG ("**SEAG**") (the "**SEAG CVA Proposal**") and a consent solicitation process by the Company in respect of convertible bonds issued by Steinhoff Finance Holding GmbH ("**SFHG**"), (the "**Consent Solicitations**").

Further to the 19 November Announcements, the Company is pleased to provide an update on the restructuring of the Group's financial indebtedness and, in particular, to provide an update on the issue of the SEAG CVA Proposal and announce the issue of the SFHG CVA Proposal (following the withdrawal of the Consent Solicitations as detailed below).

These processes relate to the restructuring of debt at SEAG and SFHG and are not expected to have any impact on any of the Group's operating businesses, their landlords or trade creditors.

Withdrawal of Consent Solicitations in favour of a company voluntary arrangement of SFHG

The Company has terminated the Consent Solicitations and withdrawn the extraordinary resolutions in respect of the three series of outstanding SFHG issued convertible bonds due 2021, 2022 and 2023 (the "**Convertible Bonds**"), as it has determined that the restructuring of the Convertible Bonds will be more effectively achieved by way of a company voluntary arrangement of SFHG under Part 1 of the Insolvency Act 1986 (the "**SFHG CVA Proposal**").

The SFHG CVA Proposal has been made to Alan Bloom, Alan Hudson and Simon Edel of Ernst & Young, who have consented to act as nominees for both the SFHG CVA Proposal and the SEAG CVA Proposal (the "**Nominees**").

Issue of the SEAG CVA Proposal and the SFHG CVA Proposal

The Company understands that the Nominees have reviewed and considered the SEAG CVA Proposal and SFHG CVA Proposal (together the “**Proposals**”) and today issued a report to the High Court of England and Wales in respect of each of the Proposals.

The Nominees' reports having been filed at the High Court, today the SEAG CVA Proposal is being published to all creditors of SEAG and the SFHG CVA Proposal is being published to all creditors of SFHG. Creditors of SEAG and SFHG will now have a period of time to review and consider the SEAG CVA Proposal and the SFHG CVA Proposal respectively, before voting at the creditors' meetings to be held on 14 December 2018.

A requirement in respect of each of the SEAG CVA Proposal and SFHG CVA Proposal is that completion of both company voluntary arrangements will be inter-conditional with each other.

Key aspects of the SEAG CVA Proposal:

The SEAG CVA Proposal includes the following key aspects:

- the corporate holding structure of SEAG will be restructured with the incorporation of new Luxembourg, Jersey and UK incorporated companies as direct and indirect holding companies and subsidiaries of SEAG;
- at closing, there will be a hive-down of almost all of the assets and liabilities from SEAG to certain of these newly incorporated Jersey and UK companies;
- SEAG's existing financial indebtedness will be restructured by way of a new term loan facility to be issued by a newly incorporated Luxembourg company which shall sit as an indirect subsidiary of SEAG (the “**New SEAG Luxco Debt**”). The New SEAG Luxco Debt shall accrue PIK interest which shall capitalize on a semi-annual basis and the facility shall mature on 31 December 2021;
- SEAG's existing financial creditors will be able to participate in the New SEAG Luxco Debt, such participations to have the benefit of a security package to be granted by the new SEAG corporate group;
- to the extent that SEAG's existing financial creditors currently benefit from a guarantee from the Company in respect of their holding of existing SEAG debt, such financial creditors will also receive the benefit of a new deferred contingent payment instrument to be provided by the Company in respect of the New SEAG Luxco Debt; and
- to facilitate completion of the financial restructuring, an interim moratorium will, subject to approval by SEAG's creditors of the SEAG CVA Proposal, come into force from the date of such approval and will have the effect that SEAG's creditors will be prohibited from taking certain enforcement action against SEAG from such date until the implementation of the financial restructuring or the termination of the CVA.

Further information is contained in the SEAG CVA Proposal which includes an anticipated timetable and instructions for SEAG creditors on the actions which they will need to take. The SEAG CVA proposal, together with certain supporting documentation, can be downloaded free of charge at www.lucid-is.com/steinhoff.

Key aspects of the SFHG CVA Proposal

The SFHG CVA Proposal includes the following key aspects:

- the restructuring of the Convertible Bonds as indebtedness in the form of guaranteed secured loans to mature on 31 December 2021 and which shall accrue PIK interest which shall capitalize on a semi-annual basis. It is proposed that the loans so extended by holders of the Convertible Bonds due 2021 and 2022 would be restructured into a single loan facility and that the loans so extended by the holders of the Convertible Bonds due 2023 would be restructured into a separate loan facility, each with a new Luxembourg incorporated entity as the borrower. The 2021/2022 and the 2023 loan facilities will rank *pari passu* at borrower level;
- these loan facilities will benefit from either a guarantee or deferred contingent payment instruments from, in the case of the 2021/2022 loan facility, the Company and Steinhoff International Holdings Pty Ltd and in the case of the 2023 loan facility, the Company, reflecting the guarantor structure in relation to each existing series of Convertible Bonds;
- the new restructured indebtedness will take the form of private loan facilities and the convertible feature of the existing Convertible Bonds will be removed; and
- to facilitate completion of the financial restructuring, an interim moratorium will, subject to approval of SFHG's creditors of the SFHG CVA Proposal, come into force from the date of such approval and will have the effect that SFHG's creditors will be prohibited from taking certain enforcement action against SFHG or the Company from such date until the implementation of the financial restructuring or the termination of the SFHG CVA Proposal.

Further information is contained in the SFHG CVA Proposal which includes an anticipated timetable and instructions for SFHG creditors on the actions which they will need to take. The SFHG CVA proposal, together with certain supporting documentation, can be downloaded free of charge at www.lucid-is.com/steinhoff.

Shareholders and other investors in the Company are advised to exercise caution when dealing in the securities of the Group.

JSE Sponsor: PSG Capital

Stellenbosch, 30 November 2018