

Unaudited results

for the six months ended 31 December 2001

Steinhoff
International Holdings Ltd

Registration number 1998/003951/06
Share code: SHF ISIN code: ZAE000016176



• Revenue up 37%

• Headline earnings up 43%

• Strong operating cash flow

CONSOLIDATED INCOME STATEMENT

for the six months ended 31 December 2001

	Unaudited six months ended 31/12/01 R'000	Unaudited six months ended 31/12/00 R'000	Unaudited twelve months ended 30/06/01 %	Audited twelve months ended 30/06/01 R'000
Revenue	3 912 203	2 853 472*	37	5 773 532
Operating income before depreciation	459 285	327 436	40	679 586
Depreciation	(53 446)	(39 676)		(98 923)
Operating income after depreciation	405 839	287 760	41	580 663
Exceptional items	-	-		134 898
Earnings before goodwill, interest and taxation	405 839	287 760	41	715 561
Goodwill amortised	-	-		(37 531)
Earnings before interest and taxation	405 839	287 760	41	678 030
Net finance charges	(18 137)	(19 735)		(46 648)
Earnings before taxation	387 702	268 025	45	631 382
Taxation	(25 365)	(12 834)		(27 130)
Earnings after taxation	362 337	255 191	42	604 252
Share of associated companies' retained income	21 704	14 001		38 111
Attributable to outside shareholders	856	622		1 819
Income attributable to shareholders	384 897	269 814	43	644 182
Number of shares in issue ('000)	864 845	822 823	5	829 323
Weighted average number of shares in issue ('000)	855 528	817 616	5	822 129
Attributable income (R'000)	384 897	269 814	43	644 182
Headline earnings (R'000)	384 897	269 814	43	546 815
Earnings per share (cents)	45	33	36	78
Headline earnings per share (cents)	45	33	36	67
Dividend per share (cents)	-	-		12

* The turnover for the six months ended 31/12/2000 has been restated to eliminate intergroup transactions.

ABRIDGED CONSOLIDATED BALANCE SHEET

at 31 December 2001

	Unaudited 31/12/01 R'000	Unaudited 31/12/00 R'000	Audited 30/06/01 R'000
ASSETS			
Non-current assets			
Property, plant and equipment and intangible assets	2 803 313	1 701 665	1 672 345
Investments and loans	808 089	247 115	546 190
Deferred tax asset	-	-	9 541
	3 611 402	1 948 780	2 228 076
Current assets			
Accounts receivable	2 480 458	1 583 007	1 695 383
Inventories	1 127 763	791 875	768 409
Cash and cash equivalents	230 429	233 630	988 905
	3 838 650	2 608 512	3 452 697
Total assets	7 450 052	4 557 292	5 680 773
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary shareholders' equity	3 812 883	2 547 916	3 013 800
Outside shareholders' interest	9 182	17 464	10 037
	3 822 065	2 565 380	3 023 837
Non-current liabilities			
Deferred taxation	4 531	7 600	4 529
Long-term liabilities	1 054 260	326 002	426 723
Long-term licence fee liability	287 250	-	287 250
	1 346 041	333 602	718 502
Current liabilities			
Net interest-bearing	444 800	450 029	631 186
Accounts payable and provisions	1 837 146	1 208 281	1 307 248
	2 281 946	1 658 310	1 938 434
Total equity and liabilities	7 450 052	4 557 292	5 680 773
Net asset value per share (cents)	441	310	363
Gearing ratio (net) (%)	33	28	9

ABRIDGED CONSOLIDATED CASH FLOW STATEMENTS

for the six months ended 31 December 2001

	Unaudited six months ended 31/12/01 R'000	Unaudited six months ended 31/12/00 R'000	Audited year ended 30/06/01 R'000
Operating profit before working capital changes	458 269	269 772	827 770
Net changes in working capital	(159 832)	109 229	(93 847)
Cash generated from operations	298 437	379 001	733 923
Net finance costs	(18 137)	(19 735)	(46 648)
Dividends paid	(26 694)	(14 482)	(17 365)
Dividends received	7 506	-	5 610
Taxation	(60 457)	(28 611)	(43 192)
Net cash inflow (outflow) from operating activities	200 655	316 173	632 328
Net cash outflow from investing activities	(1 134 016)	(211 396)	(347 395)
Net cash inflow (outflow) from financing activities	32 153	(330 642)	277 012
Net increase in cash and cash equivalents	(901 208)	(225 865)	561 945
Effects of exchange rate changes on cash and cash equivalents	142 732	4 854	(27 681)
Cash and cash equivalents – beginning of period	988 905	454 641	454 641
Cash and cash equivalents – end of period	230 429	233 630	988 905

STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 December 2001

	Share capital and premium R'000	Non-distributable reserves R'000	Distributable reserves R'000	Total R'000
Balance at beginning of period	1 681 887	143 213	1 188 700	3 013 800
Current year associate income	-	21 704	(21 704)	-
Earnings attributable to shareholders	-	-	384 897	384 897
Increase in foreign currency translation reserve	-	292 883	-	292 883
Dividends paid	-	-	(26 694)	(26 694)
Issue of shares	147 997	-	-	147 997
Balance at end of period	1 829 884	457 800	1 525 199	3 812 883

COMMENTS

Review of results

The Board is pleased to report that the Group's headline earnings for the six months ended 31 December 2001 grew to R385 million (2000: R270 million) on increased revenues of R3 912 million (2000: R2 853 million) in a challenging and competitive business environment.

The operating margin was maintained at 10% during the period and is expected to at least remain at this level for the remainder of the financial year.

Net finance charges reduced by R1,6 million as a result of improved working capital management and continuing favourable interest rates.

The relatively low effective tax charge is due mainly to the Group's favourable tax dispensations in central Europe. The effective tax rate is not anticipated to change materially in the foreseeable future.

Headline earnings per share increased by 36% to 45 cents (2000: 33 cents).

The Group utilised cash and increased its gearing to fund the offshore acquisitions.

The Group's equity was further enhanced by R293 million (2000: R17 million) as a result of the increase of the foreign currency translation reserve: this arose on the translation of the foreign net assets at 31 December 2001 and was credited directly to non-distributable reserves.

These interim results have been prepared in accordance with statements of Generally Accepted Accounting Practice. The same accounting policies have been used in the preparation of these results as those in the previous financial period.

Segmental analysis

	Revenue R'000	%	Earnings before exceptional items, goodwill, interest and taxation R'000	%	Net assets R'000	%
6 months ended 31 December 2001						
Manufacturing	2 871 616	73	269 010	63	2 716 275	71
Wholesale and distribution	1 040 587	27	158 533	37	1 096 608	29
Total	3 912 203	100	427 543*	100	3 812 883	100

* Earnings before exceptional items, goodwill, interest and taxation includes share of associate income of R21 704 000.

6 months ended 31 December 2000	Revenue R'000	%	Earnings before exceptional items, goodwill, interest and taxation R'000	%	Net assets R'000	%
Manufacturing	2 085 700	73	195 722	65	1 886 227	74
Wholesale and distribution	767 772	27	106 039	35	661 689	26
Total	2 853 472	100	301 761**	100	2 547 916	100

** Earnings before exceptional items, goodwill, interest and taxation includes share of associate income of R14 001 000.

Geographical analysis

6 months ended 31 December 2001	Revenue R'000	%	Earnings before exceptional items, goodwill, interest and taxation R'000	%	Net assets R'000	%
Southern Africa	1 275 842	33	110 364	26	1 259 815	33
European community	1 690 828	43	218 804	51	1 797 579	47
Eastern Europe	820 080	21	93 135	22	683 944	18
Australia and New Zealand	125 453	3	5 240	1	71 545	2
Total	3 912 203	100	427 543*	100	3 812 883	100

6 months ended 31 December 2000	Revenue R'000	%	Earnings before exceptional items, goodwill, interest and taxation R'000	%	Net assets R'000	%
Southern Africa	1 141 198	40	112 764	37	1 109 038	44
European community	1 125 443	39	144 983	48	1 026 474	40
Eastern Europe	561 995	20	41 940	14	402 320	16
Australia	24 836	1	2 074	1	10 084	-
Total	2 853 472	100	301 761**	100	2 547 916	100

The average exchange rate used to translate foreign currency income and expenditure into South African rand was R4,26: 1DM (2000: R3,34: 1DM), R414 million (2000: R275 million) of Africa's revenue represents exports to the USA and the European community, amounting to approximately 32% (2000: 25%) of its activities. It is the intention of the Group to continue to increase these exports into the future. The Group's revenue exposure to the local South African furniture market reduced further to 20% (2000: 25%).

Corporate activity

The Group continued, during the period under review, to implement a number of transactions and acquisitions. It also commenced with further initiatives to ensure the continued growth of its business and earnings.

Relyon Group Ltd, a previously listed company in the UK is now a wholly-owned subsidiary with effect from 1 October 2001.

The integration of the Freedom Group's manufacturing division in Australia and New Zealand with Steinhoff's own facilities only became effective since 1 October 2001.

The Group increased its holding in Unitrans Limited at 31 December 2001 to approximately 22%. It further increased its investment to above 25% at the date of this report.

Two new brands, Egoform and Dieter Knoll were acquired. These brands are targeted at the top end of the European furniture market. They were successfully launched during January 2002 at the international furniture fair in Cologne, Germany.

A joint venture agreement was entered into with the La-Z-Boy Group of the USA for the development of the La-Z-Boy brand in the European and Eastern European communities. This product range was also successfully launched at the Cologne fair.

Dividend

It is the Group's policy to declare dividends once a year, after its financial year-end on 30 June.

Prospects

Steinhoff Africa will continue to increase its exports out of Africa. It will make further investment in raw material production facilities, especially in the saw-milling business, and various proposals are currently being evaluated.

Management is confident that the Group will continue to achieve real earnings growth for the rest of the financial year.

By order of the board

S J Grobler

Company secretary

5 March 2002

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Company secretary S J Grobler

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