

Audited Financial Results

FOR THE YEAR ENDED 30 JUNE 2009 (F2009)



Agenda

- Introduction
- Year in review
- Operational Review
 - Northern Hemisphere
 - Southern Hemisphere
- Financial performance
- Prospects



Year in review



Year in review

- **Solid results in extremely difficult global conditions**
 - Positioning of retail operations
 - Scale of manufacturing and sourcing operations
- **Year of consolidation**
 - Investment in selective retail partnerships across Europe
 - Working capital investment to secure global manufacturing and sourcing growth
- **Black Economic Empowerment transaction**



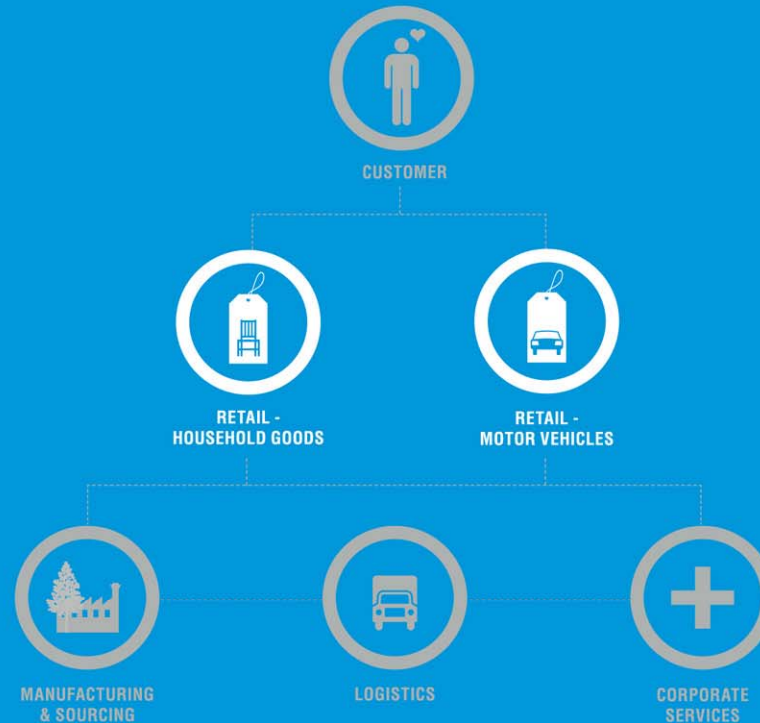
Operational review

UNITED KINGDOM AND CONTINENTAL EUROPE



Retail: Household goods

UNITED KINGDOM AND CONTINENTAL EUROPE



Retail: Household goods

UNITED KINGDOM



- Retail portfolio generating stable revenues

Retail: Household goods

UNITED KINGDOM

- **Retail: Furniture**

- **Harveys**

- **Business turned around; focus now on growth**
 - **Buoyant upholstery sales on the back of strong integrated supply chain**
 - **UK retail landscape improving with demise of competitors**

- **Reid**

- **Scotland and Northern Ireland performing well**
 - **Southern Ireland stores struggling in difficult market**



Retail: Household goods

UNITED KINGDOM

- Retail: Beds
 - Beds more resilient than furniture (less discretionary)
 - Consistent revenue despite loss of concession partners
 - 362 stores (2008:400)
 - Higher quality store portfolio
 - National scale and marketing initiative give advantage over competitors



Retail Participation: Household goods

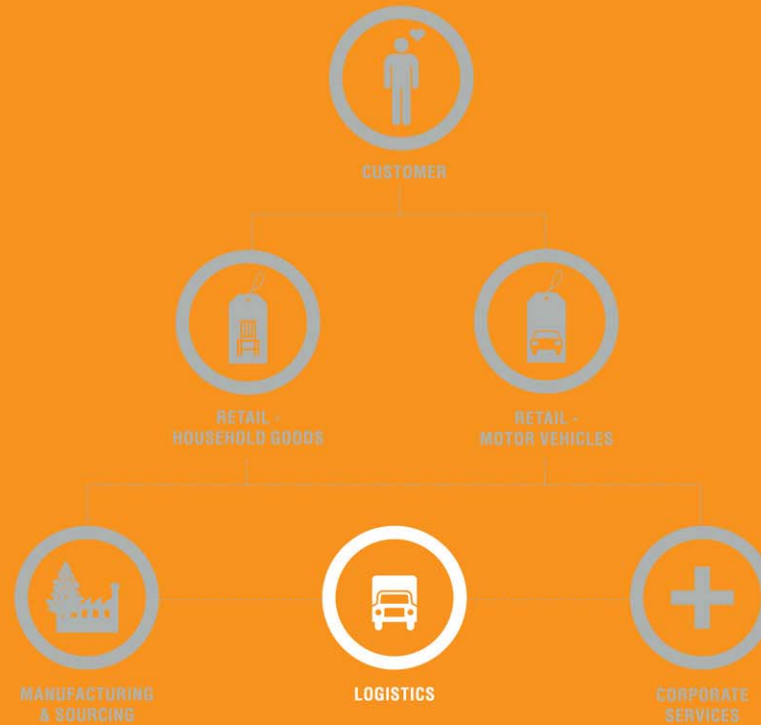
CONTINENTAL EUROPE

- Retail: Furniture
 - Liquidations continue
 - “Big box” mass market discount stores
 - Increased demand leads to double-digit growth
 - Integration of national discount leader complete
 - Consolidation of store concepts to one trading format
 - Developed large and small store layouts
 - Launched new brand identity
- Store in store concepts
 - Habufa and Henders & Hazel resilient despite positioning
 - Esprit



Logistics

UNITED KINGDOM AND CONTINENTAL EUROPE



Logistics

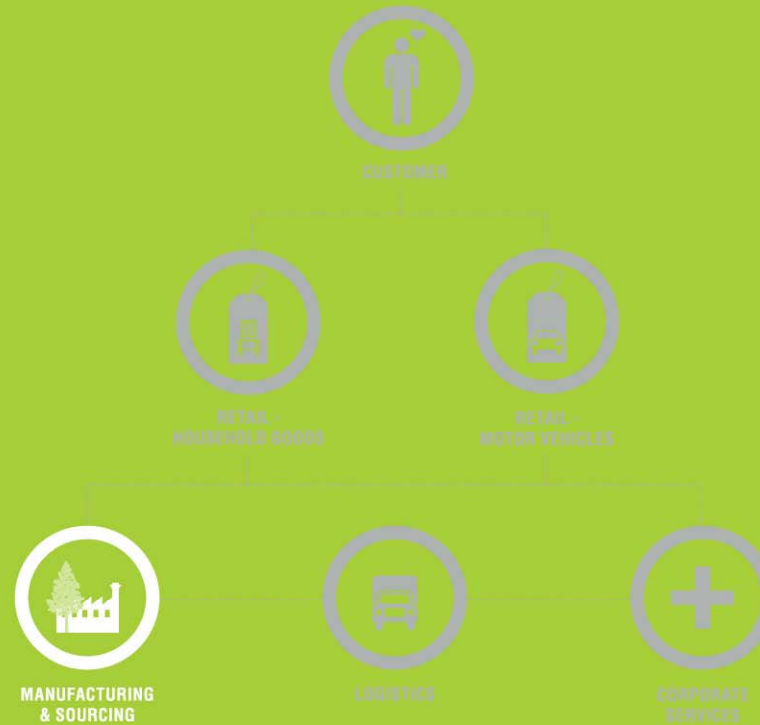
UNITED KINGDOM AND CONTINENTAL EUROPE

- **Unitrans UK**
 - Intra-group supply increasing
 - Relyon/Cargo/Harveys
- **Global Warehouse Logistics**
 - Unitrans SA management team provide value
 - Competitive advantage
 - Retail partners
 - Internal retail operations



Manufacturing and Sourcing

UNITED KINGDOM AND CONTINENTAL EUROPE



Manufacturing and Sourcing

UNITED KINGDOM AND CONTINENTAL EUROPE



- Europe: resilient brand portfolio

Manufacturing and Sourcing

CONTINENTAL EUROPE

- Polish manufacturing
 - Macro environment leads to deflation
 - Polish Zloty weakness
 - Margins maintained
 - Strong intra-group supply
 - Marketing initiatives
 - Working capital requirements
 - New customer focus
 - Austria
 - France



Manufacturing and Sourcing

UNITED KINGDOM

- **Bedding manufacturing**
 - Intra-group supply growth
 - Norma and Hukla benefiting from UK's foam expertise
- **Pritex**
 - Automotive slowdown
 - Rapid growth in foam mattress sales
- **SUKU**
 - Integrated fully into Harveys with benefits to supply chain



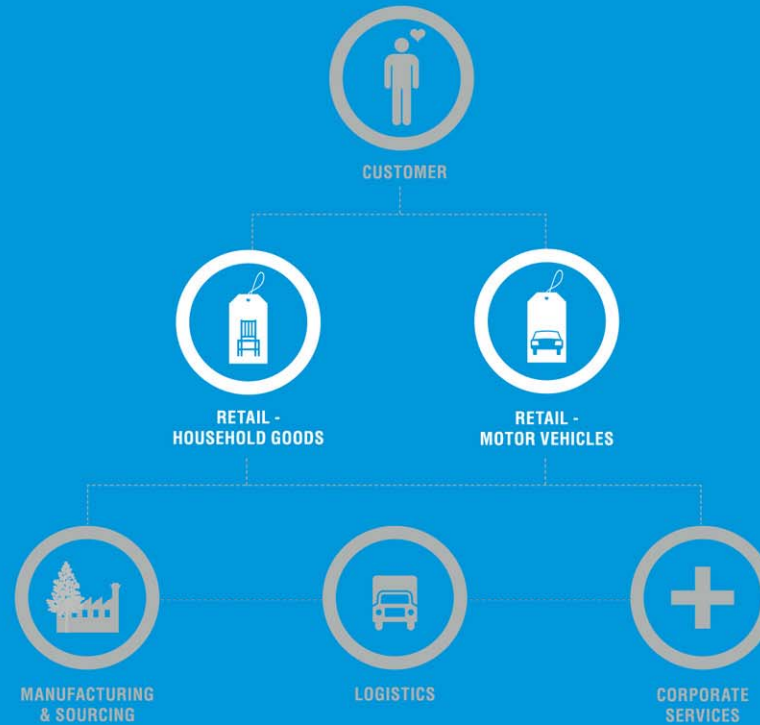
Operational review

AFRICA, INDIA AND PACIFIC RIM



Retail: Household goods

PACIFIC RIM



Retail: Household goods

PACIFIC RIM



- **Challenging market position in downturn**

Retail: Household goods

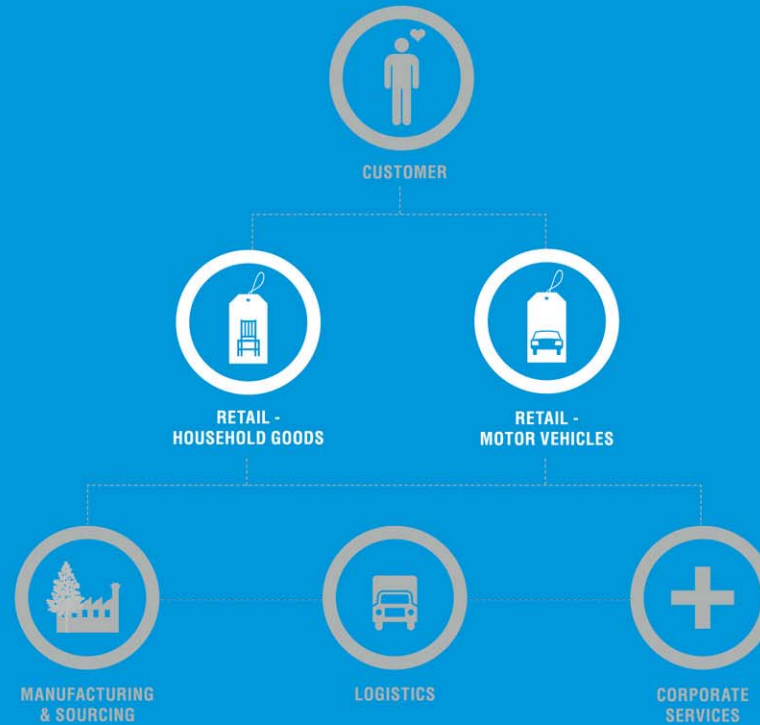
PACIFIC RIM

- Market
- Freedom
 - Held market share despite sales decline
 - Cost reduction initiatives
 - Marketing initiatives
- Snooze
 - Robust franchise model
- Bay Leather Republic
 - More exposed to discretionary spend due to positioning



Retail: Building supplies

SOUTHERN AFRICA



Retail: Building supplies

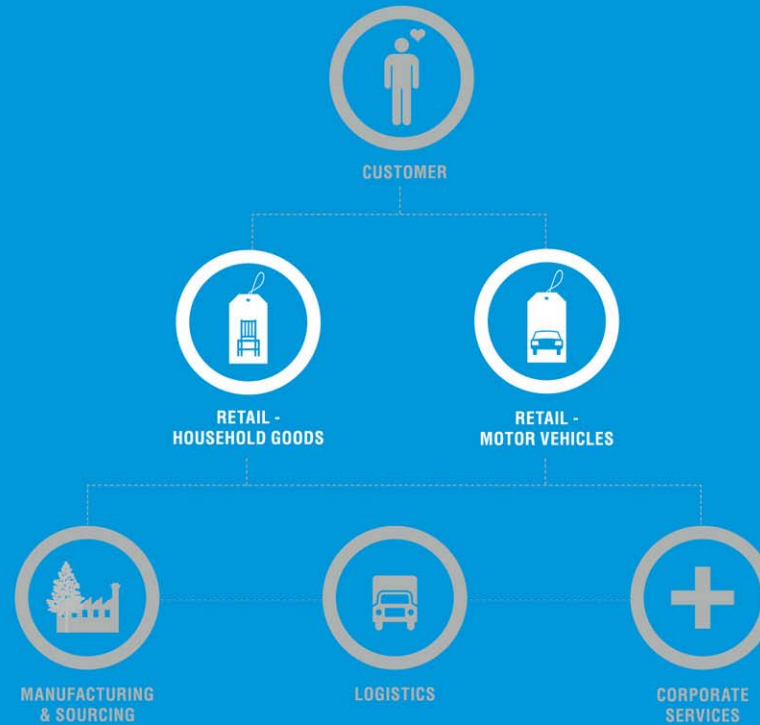
AFRICA

- Building industry
- Pennypinchers and Timbercity
 - Performance
 - Repositioning in progress
 - Greenfield stores
 - Joint ventures



Retail: Automotive

SOUTHERN AFRICA



Retail: Automotive

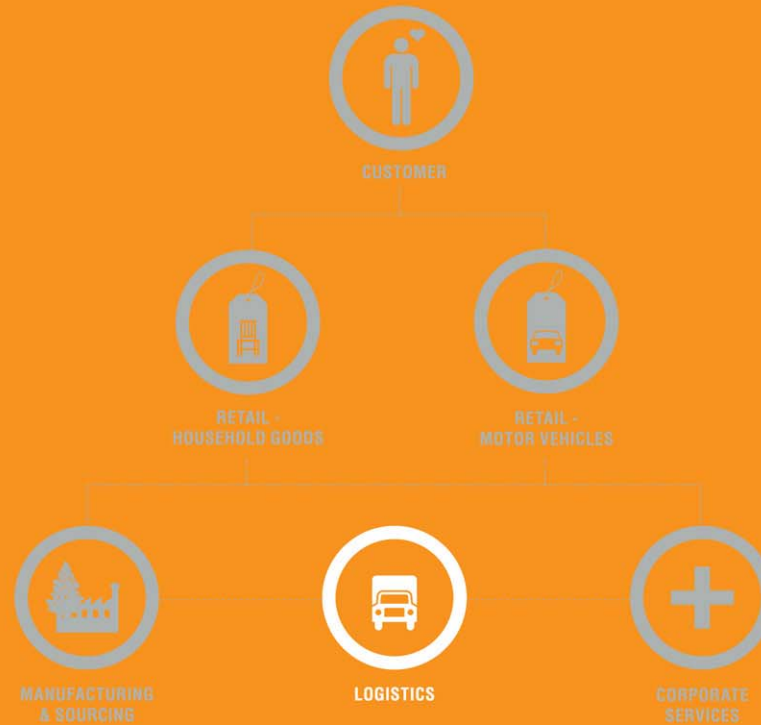
SOUTHERN AFRICA

- South African automotive market
- Volume focus provided some protection
- Healthy margins
- Strictly managing cost base and working capital
- Used vehicle market: signs of improvement
- Strong growth from after-sales
- Hertz
 - Credible performance in downturn



Logistics

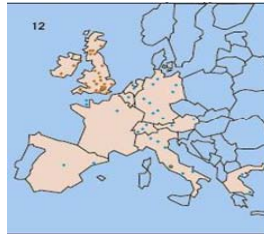
SOUTHERN AFRICA



Logistics

SOUTHERN AFRICA

- English speaking Africa
- Now manages Steinhoff Europe's main warehouses



Europe
South Africa
Swaziland
Lesotho
Namibia
Botswana
Mozambique
Malawi
Tanzania
Madagascar
DRC



Logistics: Unitrans Supply Chain Solutions

SOUTHERN AFRICA

- **Unitrans Supply Chain Solutions**
 - Continued growth
 - Business model shields division from downturn
 - Service levels
 - Fuel and Chemical
 - Increased business off existing clients base
 - Barriers to entry
 - Freight and Logistics
 - Contractual base
 - Diverse industry exposure
 - Non-commoditised business
 - Warehousing and distribution



Logistics: Unitrans Passenger

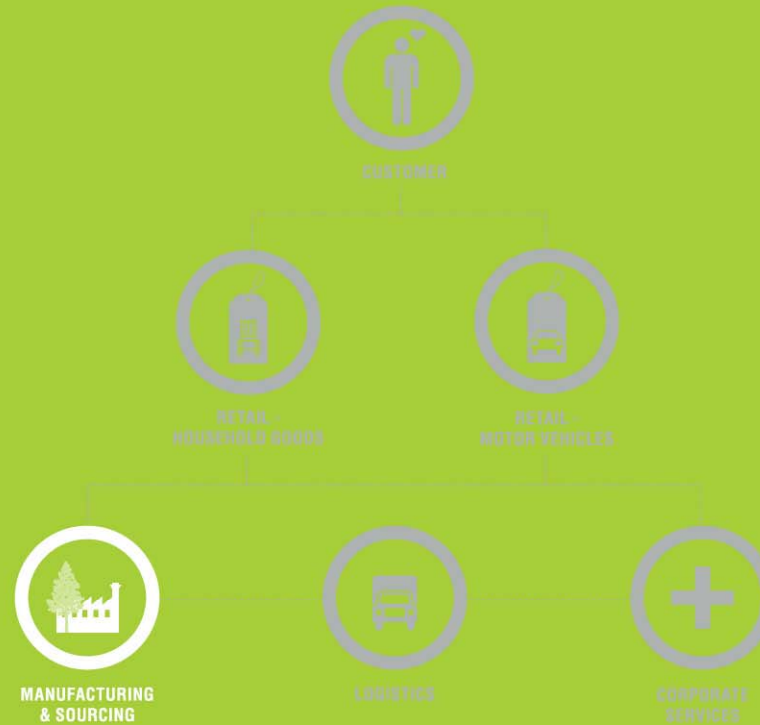
SOUTHERN AFRICA

- **Passenger**
 - **Performance**
 - **Inter-city (Greyhound and Citiliner)**
 - **Service levels**
 - **Safety features**
 - **Dynamic pricing model leads to increased revenue**
 - **Commuter (Megabus and Bojanala)**
 - **New long-term contracts**
 - **Tourism (Megacoach, Megatourer and Megabus)**
 - **High profile commitments**
 - **Gautrain**



Manufacturing and Sourcing

SOUTHERN AFRICA



Manufacturing and Sourcing

STEINHOFF INTERNATIONAL SOURCING

- Operating out of China, Thailand and Vietnam
- Exceptional growth
- Growth year-on-year despite 5%-10% decrease in prices
- Capitalise on efficiencies
 - On time delivery >95%
 - Claims <1%
 - Expenses to orders processed <2.3%
 - Supplier consolidation
- Creates competitive advantage for Retail and Wholesale operations
- Expanding into Malaysia



Manufacturing and Sourcing

SOUTHERN AFRICA

- **Timber industries**
 - **Slowdown in the construction and furniture sectors affects revenue growth**
 - **Panel products**
 - **Timber products**
 - **Resin**
 - **Cost reduction initiatives**
 - **Capacity reviewed**
 - **Imports/Exports**
 - **Continued forestry investments**
 - **NECF project updated**
 - **Integrated model**



Manufacturing and Sourcing

SOUTHERN AFRICA

- **Raw Material**
 - Furniture industry decline
 - Maintained market share
 - Reduced costs
 - New technology



Manufacturing and Sourcing

INDIA

- Improved margins and sales revenue
 - Increased cut-and-sewn covers
 - Quality improved
 - Increased number of hides processed per day



Corporate activity

- **Black Economic Empowerment transaction**
 - 40 Million shares
 - 19 000 Steinhoff Africa employees
 - Funded by group







Financial performance



Financial performance

HIGHLIGHTS (YEAR-ON-YEAR AS REPORTED)

Revenue – increase to R50.9bn	13%  2008: R45.0bn
Operating profit before capital items – increase to R5.2bn	11%  2008: R4.7bn
Operating margin – stable at 10.1%	 2008: 10.3%
Headline earnings per share – decrease to 253cps	4%  2008: 264cps



Financial performance

HIGHLIGHTS (YEAR-ON-YEAR AS REPORTED)

Net asset value per share – stable at 1 642cps



2008: 1 637cps

Net interest-bearing debt – decrease to R8.8bn



2008: R9.4bn

Gearing – decrease to 35%



2008: 38%

Distribution to shareholders maintained at 60cps



2008: 60cps



Financial performance

	2009		2008
Revenue (R'm)	50,869	13%	45,046
Operating profit (R'm)	5,153	11%	4,662
Headline earnings (R'm)	3,226	(4%)	3,375
EBITDA (R'm)	6,127	12%	5,492
EPS (cents)	256.1	3%	249.8
HEPS (cents)	252.9	(4%)	263.5
NAV per share (cents)	1,642		1,637
Distribution per share (cents)	60		60
ZAR denominated revenue	38%		45%
Average translation rate ZAR:EUR	12.3503	15%	10.7631



Financial performance

ZAR DENOMINATED REVENUE: 38% (2008:45%)

	Average translation rate			Closing translation rate		
	F2009	% change	F2008	F2009	% change	F2008
EUR:ZAR	12.35	(15%)	10.76	10.83	12%	12.33
EUR:PLN	3.91	(10%)	3.56	4.47	(33%)	3.36
EUR:GBP	0.82	(12%)	0.73	0.85	(7%)	0.79
EUR:AUD	1.70	(3%)	1.64	1.75	(6%)	1.64
EUR:USD	1.49	(2%)	1.47	1.41	11%	1.58
EUR:HUF	254.73	(6%)	241.47	272.43	(15%)	237.03
EUR:NZD	2.12	(11%)	1.92	2.17	(5%)	2.08



Segmental result

	<i>Rand million</i>		
	2009	2008	
Retail activities	31,862	27,309	
Household goods and building supplies	21,660	14,890	45%
Automotive	10,202	12,420	(18%)
Manufacturing and sourcing	23,791	19,268	23%
Logistical services	5,776	4,985	16%
Corporate services	920	926	
Brand management	414	362	15%
Investment participations	254	182	40%
Central treasury and other income	251	382	(34%)
Total	62,348	52,488	19%
Intersegment eliminations	(11,479)	(7,442)	54%
	50,869	45,046	13%



Segmental result

OPERATING PROFIT BEFORE CAPITAL ITEMS

	<i>Rand million</i>		
	2009	2008	
Retail activities	1,662	1,453	
Household goods and building supplies	1,379	965	43%
Automotive	283	489	(42%)
Manufacturing and sourcing	2,560	2,184	17%
Logistical services	677	461	47%
Corporate services	992	1,045	
Brand management	414	362	15%
Investment participations	254	182	40%
Central treasury and other income	323	502	(36%)
Total	5,891	5,144	15%
Intersegment eliminations	(738)	(482)	
	5,153	4,662	11%



Segmental result

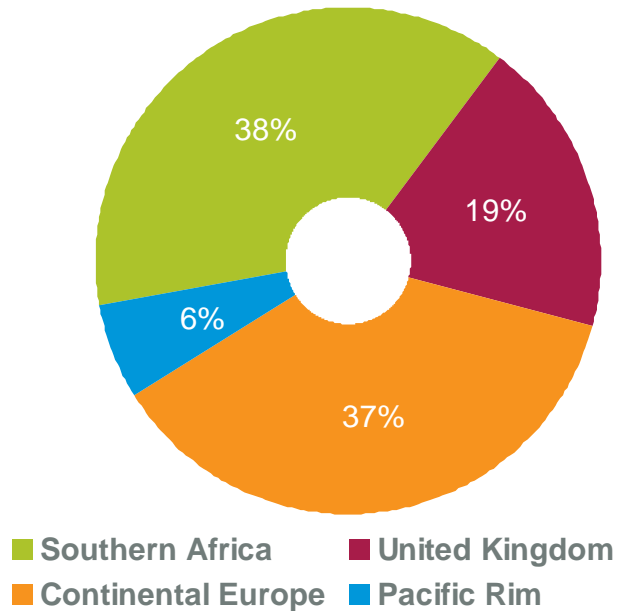
OPERATING MARGINS

	2009	2008
Retail activities	5.2%	5.3%
Household goods and building supplies	6.4%	6.5%
Automotive	2.8%	3.9%
Manufacturing and sourcing	10.8%	11.3%
Logistical services	11.7%	9.2%
Corporate services	—	—
Total after intersegment eliminations	10.1%	10.3%

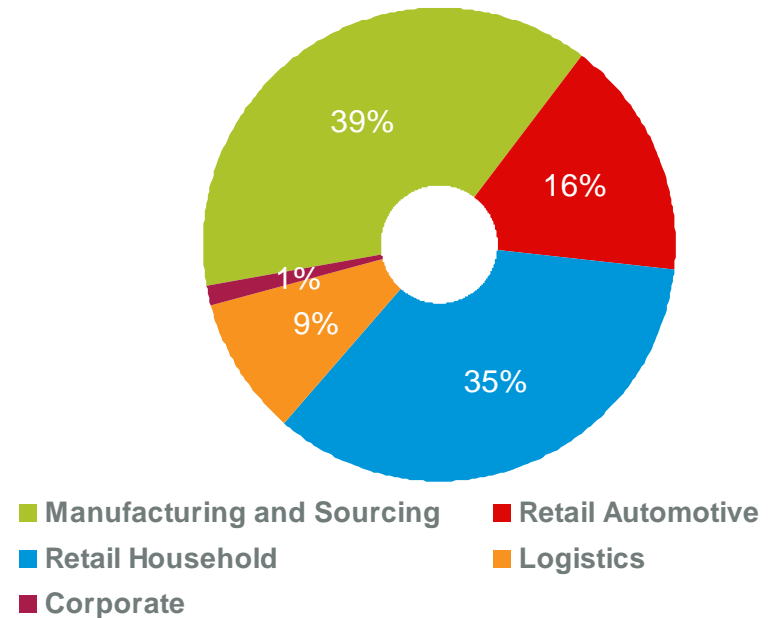


Revenue analysis

Geographic Breakdown



Segmental Breakdown



Cash flow

	<i>Rand million</i>	
	2009	2008
Operating profit before capital items	5,153	4,662
Depreciation	975	831
Revaluation of biological assets and other non-cash adjustments	(256)	(107)
Working capital changes	(1,937)	98
Inventory	541	43
Debtors	(933)	(129)
Creditors	(1,545)	184
Dividends, taxation and interest	(1,350)	(1,253)
Cash flow from operating activities	2,584	4,230



Cash flow

CONTINUED

	<i>Rand million</i>	
	2009	2008
Cash flows from operating activities	2,584	4,230
Investing activities	(3,987)	(5,943)
Fixed assets: replacement capex	(207)	(629)
Fixed assets: expansion capex	(1,066)	(2,090)
Investments in subsidiaries	(30)	(2,042)
(Increase)/decrease in investments and loans	(1,791)	1,403
Investments in associates	(860)	(1,630)
Increase in treasury shares	(33)	(955)
Financing activities	1,701	1,399
Movement in cash and cash equivalents	298	(313)



Headline earnings

RECONCILIATION

	<i>Rand million</i>	
	2009	2008
Attributable earnings	3,379	3,310
<i>Capital items (net of tax)</i>	(48)	176
Net (profit)/loss on disposal of capital items	(56)	15
Impairments: Other	8	10
Impairments: Associate	–	155
Goodwill adjustments	–	(4)
<i>Preference share dividends</i>	(111)	(111)
<i>Re-measurement</i>	7	
Headline earnings	3,226	3,375



Tax rate

RECONCILIATION

	<i>Percentage</i>	
	2009	2008
Standard rate of taxation	28.0	28.0
Foreign subsidiaries' statutory tax rate effect	(11.6)	(13.4)
Utilisation of taxation losses	(3.0)	(4.2)
Effect of profit of associate companies	–	(0.3)
Prior year adjustments	(0.1)	(0.3)
STC	0.4	0.2
Capital Gains taxation	0.1	–
Permanent differences and other	(0.6)	(0.1)
Effective rate of taxation	13.8	9.6



Capital structure

	2009	2008
Total equity (R'm)	24,924	24,784
Ordinary shareholders' funds (R'm)	21,021	20,773
Preference share capital (R'm)	1,042	1,042
Minority interest (R'm)	2,860	2,969
Net debt (R'm)	8,834	9,388
Gearing	35%	38%
Interest cover (times)	5.2	6.6
EBITDA cover (times)	6.1	7.8
Average tax rate	14%	10%
Closing rate ZAR:EUR	10.8265	12.3341
Percentage decrease in closing rate = 12%		



Prospects



Prospects

- Retail
 - Solid retail demand July and August
 - Improved consumer sentiment; signals recovery?
 - European retail participation and strategic alliances
- Manufacturing and Sourcing
 - Encouraging order intake
 - Benefits from industry rationalisation
 - Integrated timber operations
 - International sourcing
 - Continued focus on capacity enhancement
- Logistics
 - Warehouse and distribution sector explored



THANK YOU

