

Bruno Steinhoff, Executive Chairman commented:

"We are particularly pleased with our growth achievements in Euro terms while maintaining our earnings per share in Rand terms."



GEOGRAPHICAL ANALYSIS

for the six months ended 31 December 2002

Rand '000	Revenue	%	Earnings before exceptional items goodwill, interest and taxation	%	Net assets	%
Southern Africa	1 475 906	28	131 884	24	1 316 350	28
European Community	2 344 960	44	247 935	46	2 592 383	55
Eastern Europe	1 223 449	23	152 931	28	706 149	15
Australia and New Zealand	255 647	5	5 762	1	78 354	2
Total	5 299 962	100	538 512	100	4 693 236	100

An amount of R445 million (2002: R479 million) of Africa's revenue represents exports to the European Community and the USA amounting to approximately 30% (2002: 32%) of its activities. The group's revenue exposure to the local South African furniture market amounted to 19% (2002: 19%).

CORPORATE ACTIVITY

- it placed 145 292 871 shares in the off-shore market in November 2003 pursuant to an International Equity Offering which raised euro 122.6 million, before expenses. This placing is in line with the group's stated objective of increasing its non-resident shareholder base, which, at 19 December 2003, stood at 53% of the company's issued share capital. In addition, the average trading volumes of Steinhoff shares have increased substantially and, inter alia, led to the inclusion of Steinhoff in the MSCI Emerging Market Indices;
- an investment by a European subsidiary of AUD 115 million effectively in the sourcing, distribution and manufacturing (Steinhoff Pacific) interests of Freedom Group Limited ("FGL") pursuant to FGL's de-listing from the Australian Stock Exchange;
- the acquisition by Relyon Group (UK) of the Sprung Slumber division of Airsprung Plc announced on the JSE News Services (SENS) on 5 October 2003;
- in South Africa the group concluded a medium term Corporate Bond issue of R1 billion to facilitate the re-financing of existing short-term facilities and, accompanied by normal operating cash generation, would accomplish optimal funding for capital expenditure and strategic acquisitions and investments, including PG Bison Holdings; and
- the offer by Steinhoff Africa or its nominee for the remaining 65,01% of the issued shares in PG Bison Holdings on the basis of an immediate cash sale applicable to corporate shareholders and an earn-out applicable to shareholders comprising management and certain trusts which hold shares on behalf of other employees. This offer is still subject, inter alia, to the approval of the competition authorities in South Africa.

CORPORATE GOVERNANCE

The group complies in all material respects with the JSE Securities Exchange Listing Requirements and the Code of Corporate Practices and Conduct published in the King Report on Corporate Governance.

TRIPLE BOTTOM LINE

The group's support of HIV/AIDS initiatives, sound labour relations, skills training and development and creating an environment where all of its employees, worldwide, can develop to their fullest potential, continues.

Compliance with environmental regulations remains a priority. The group's production facilities, processes and raw materials used are continuously evaluated to ensure sustainability and acceptable standards. Black Economic Empowerment of enterprises within our South African operations remains an integral part of the group's strategy.

CHANGES TO BOARD

Mr Rodney Howard Walker, the Chief Executive Officer of FGL in Australia, has been appointed to the company's board with effect from 1 March 2004.

DIVIDEND

Going forward the board will be reviewing its dividend policy. It intends to offer cash dividends covered not more than 5 times by its earnings per share, in lieu of capitalisation shares. It is the group's stated policy to declare dividends once a year after its financial year-end at 30 June.

OUTLOOK

The European and Australian operations are continuing to grow through leveraging their core strengths and competencies. It is expected that the expanded Australian investment will further benefit from the critical mass achieved through combining the sourcing capabilities and expertise of Steinhoff Europe and the businesses of FGL. The expanded manufacturing base in Poland, Hungary and Ukraine, particularly with respect to the Mail Order market served from the Polish operations, bode well for increased exports into the European Union.

The additions of complementary products and brands to the group's offering (e.g. Puris Bad in Germany (bathroom furniture) and Sprung Slumber in the UK) are expected to increase the group's market coverage and synergies in terms of distribution, sourcing of raw materials and complementary customer bases.

The establishment of the new logistics centre in Leinefelde, Germany, has been completed and the enhanced centralised distribution and logistics efficiencies have already had a positive effect on European margins.

Steinhoff Africa will continue to grow its exports from Southern Africa, benefiting from economies of scale and better utilisation of production capacity and improved efficiencies, in a strengthening rand environment. The group will make further investments in raw material production facilities to ensure long-term sources of supply, particularly in sawmilling and timber resources.

Management expect to achieve growth in headline earnings from the continuing operations for the remainder of the current financial year.

On behalf of the board of directors

B E Steinhoff
Chairman
1 March 2004

M J Jooste
Chief Executive Officer

Administration

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Directors
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J N S du Plessis*, K J Grové*, D Konar*, J F Mouton*, F J Nel, F A Sonn*, N W Steinhoff*,
D M van der Merwe, J H N van der Merwe, R H Walker# #Australian *German **Non-executive

