Steinhoff International Holdings Ltd

audited results for the year ended 30 June 2007

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	Audited Year ended 30 June 2007 R'000	Audited Restated(*) Year ended 30 June 2006 R'000	% change
Revenue		34 228 573	30 158 994	13
Operating profit before depreciation and capital items		3 932 691	3 230 603	22
Depreciation		(720 539)	(637 541)	
Operating profit before capital items		3 212 152	2 593 062	24
Capital items	1	(234 500)	(88 141)	
Earnings before interest, income from investments, associated earnings and taxation		2 977 652	2 504 921	19
Net finance charges		(453 827)	(292 278)	
Dividend income		24 209	17 382	
Earnings before associated earnings and taxation		2 548 034	2 230 025	14
Share of profit of associate companies		67 159	61 083	
Profit before taxation		2 615 193	2 291 108	14
Taxation		(325 208)	(382 635)	
Profit for the year from continuing operations		2 289 985	1 908 473	20
Profit for the year from discontinued operations		142 552	104 833	
Profit on disposal of discontinued operations		541 903	—	
Profit for the year		2 974 440	2 013 306	48
Attributable to:				
Equity holders of the parent		2 969 621	1 949 165	52
Minority interest		4 819	64 141	
Profit for the year		2 974 440	2 013 306	48
Headline earnings per ordinary share (cents)		215,3	172,5	25
Diluted headline earnings per ordinary share (cents)		208,6	169,1	23
From continuing and discontinued operations:				
– Basic earnings per share (cents)		241,9	165,6	46
– Fully diluted earnings per share (cents)		234,4	162,3	44
From continuing operations:				
– Basic earnings per share (cents)		184,3	156,3	18
– Fully diluted earnings per share (cents)		178,5	153,2	17
Number of shares in issue ('000)		1 256 453	1 141 442	10
Weighted average number of shares in issue ('000)		1 188 015	1 133 345	5
Earnings attributable to ordinary shareholders (R'000)	2	2 873 508	1 876 483	53
Headline earnings attributable to ordinary shareholders (R'000)	3	2 557 638	1 955 142	31
Distribution per ordinary share (cents)		50	37,5	33
Average currency translation rate (rand:euro)		9,4103	7,8196	20

ADDITIONAL INFORMATION

(*)Audited restated

Prior year figures have been restated to reflect the effects of provisionally determined and changes to fair values of prior year business combinations, early adoption of IFRIC 11, the group's discontinued operations, change in accounting policy related to common control transactions and reclassifications.

Note 1: Capital items			
Closure costs	(177 994)	(54 095)	
Loss on scrapping of rental fleet vehicles	(8 523)	—	
Profit on disposal of business	978	1 907	
Profit/(loss) on disposal of property, plant and equipment	32 940	(8 911)	
Impairments	(81 901)	(27 042)	
	(234 500)	(88 141)	
Profit on disposal of discontinued operations	541 903	—	
Capital items included in discontinued operations	(6 678)	(216)	
	300 725	(88 357)	
Note 2: Earnings attributable to ordinary shareholders			
Earnings attributable to equity holders	2 969 621	1 949 165	
Dividend entitlement on non-redeemable cumulative preference shares (including STC)	(96 113)	(72 682)	
	2 873 508	1 876 483	53
Note 3: Headline earnings calculation			
Earnings attributable to equity holders	2 969 621	1 949 165	
Adjustment for:			
Capital items (note 1)	(300 725)	88 357	
Taxation effects on capital items	(14 150)	(5 614)	
Share of minorities in capital items	(995)	(4 084)	
Dividend entitlement on non-redeemable cumulative preference shares (including STC)	(96 113)	(72 682)	
Headline earnings for the year attributable to ordinary shareholders	2 557 638	1 955 142	31

CONDENSED CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

	Audited Year ended 30 June 2007 R'000	Audited Restated(*) 30 June 2006 R'000
Actuarial gains recognised in equity	37 709	42 155
Exchange differences on consolidation of foreign subsidiaries	248 662	651 784
Cash flow hedges recognised in equity	(50 357)	37 927
Net income recognised directly in equity	236 014	731 866
Profit for the year	2 974 440	2 013 306
Total recognised income and expenses for the year	3 210 454	2 745 172
Attributable to:		
Equity holders of the parent	3 205 635	2 671 316
Minority interest	4 819	73 856
	3 210 454	2 745 172

CONDENSED CONSOLIDATED BALANCE SHEET

	Audited 30 June 2007 R'000	Audited Restated(*) 30 June 2006 R'000
ASSETS		
Non-current assets		
Property, plant and equipment and biological assets	7 998 870	5 652 409
Intangible assets and goodwill	10 247 043	7 892 510
Investments and loans	3 217 203	3 315 157
Deferred taxation assets	706 213	476 213
	22 169 329	17 336 289
Current assets		
Accounts receivable, short-term loans and other current assets	6 848 698	6 309 255
Inventories	3 451 445	3 168 324
Cash and cash equivalents	5 064 987	5 057 428
	15 365 130	14 535 007
Total assets	37 534 459	31 871 296
EQUITY AND LIABILITIES		
Capital and reserves		
Ordinary share capital and reserves	16 232 948	11 016 283
Preference share capital	1 042 474	1 022 122
	17 275 422	12 038 405
Minority interest	82 121	728 821
Total equity	17 357 543	12 767 226
Non-current liabilities		
Deferred taxation liabilities	991 324	1 037 471
Interest bearing long-term liabilities	7 261 391	8 285 902
Other long-term liabilities and provisions	418 321	494 070
	8 671 036	9 817 443
Current liabilities		
Net interest-bearing liabilities	3 971 412	2 430 415
Accounts payable, provisions and other current liabilities	7 534 468	6 856 212
	11 505 880	9 286 627
Total equity and liabilities	37 534 459	31 871 296
Net asset value per ordinary share (cents)	1 292	965
Gearing ratio (net)	24%	30%
Closing exchange rate (rand:euro)	9,5735	9,1600

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Audited 30 June 2007 R'000	Audited Restated(*) 30 June 2006 R'000
Operating profit before working capital changes	3 929 485	3 351 690
Net changes in working capital	(475 637)	134 032
Cash generated from operations	3 453 848	3 485 722
Net finance costs	(453 827)	(292 278)
Dividends paid	(86 603)	(44 765)
Dividends received	51 537	26 785
Taxation	(377 878)	(339 600)
Net cash inflow from operating activities	2 587 077	2 835 864
Net cash outflow from investing activities	(1 943 674)	(5 972 870)
Net cash (outflow)/inflow from financing activities	(649 852)	3 036 899
Net decrease in cash and cash equivalents	(6 449)	(100 107)
Effects of exchange rate changes on cash and cash equivalents	14 008	352 910
Cash and cash equivalents at beginning of year	5 057 428	4 804 625
Cash and cash equivalents at end of year	5 064 987	5 057 428

SELECTED EXPLANATORY NOTES

Statement of compliance

The consolidated annual financial statements from which these summarised financial statements have been derived, have been prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations adopted by the International Accounting Standards Board (IASB), and the requirements of the South African Companies Act. This set of summarised consolidated financial statements are presented in compliance with IAS 34 – Interim Financial Reporting.

Basis of preparation

The annual financial statements are prepared in thousands of South African rands ("R'000") on the historical-cost basis, except for certain assets and liabilities which are carried at amortised cost, and derivative financial instruments and biological assets which are stated at their fair value.

Financial statements

The consolidated financial statements for the year have been audited by Deloitte & Touche and their accompanying unmodified audit report as well as their unmodified audit report on this set of summarised financial information is available for inspection at the company's registered office. Full details of the group's business combinations for the year, additions and disposals of property, plant and equipment as well as commitments and contingencies will be included in the group's consolidated financial statements.

Changes in accounting policies

The accounting policies of the group have been applied consistently to the periods presented in the consolidated financial statements, except for:

1. *IFRIC 11 – IFRS 2 – Group and Treasury Share Transactions.*
   This interpretation is required to be applied to accounting periods commencing on or after 1 March 2007 with earlier adoption permitted. The group adopted the interpretation during the current year, in the absence of alternative guidance with regard to group share schemes.
2. *Common control transactions – premiums and discounts arising on subsequent purchases from or sales to minority interest in subsidiaries*
   Previously, any increases and decreases in ownership interest in subsidiaries without a change in control were recognised as equity transactions in the condolidated financial statements. Accordingly, any premiums or discounts on subsequent purchases of equity instruments from, or sales of equity instruments to, minorities were recognised directly in equity of the parent shareholder. During the year, the group changed its policy and these premiums or discounts are now treated in line with the group's policy on goodwill.
3. *IFRS 8 – Operating Segments*
   This interpretation is required to be applied to accounting periods commencing on or after 1 January 2009, with early application encouraged. The group elected for early application of IFRS 8 – Operating Segments in the interest of improved disclosure.

SEGMENTAL ANALYSIS

	30 June 2007 R'000	30 June 2006 R'000	% change
Revenue			
Retail activities			
– Household goods and building supplies	9 175 267	7 974 197	15
– Motor vehicles and finance	11 699 666	10 324 243	13
Manufacturing and sourcing of household goods and related raw materials	13 786 631	10 534 697	31
Logistical services	3 784 845	3 352 406	13
Corporate services			
– Brand management	275 472	—	
– Investment participations	176 074	141 276	25
– Central treasury and other activities	369 510	433 032	(15)
	39 267 465	32 759 851	20
Intersegment eliminations	(5 038 892)	(2 600 857)	
	34 228 573	30 158 994	13
Operating profit before capital items			
Retail activities			
– Household goods and building supplies	255 128	157 359	62
– Motor vehicles and finance	464 108	326 905	42
Manufacturing and sourcing of household goods and related raw materials	1 682 973	1 239 760	36
Logistical services	313 845	278 856	13
Corporate services			
– Brand management	275 412	—	
– Investment participations	176 035	141 284	25
– Central treasury and other activities	374 000	401 601	(7)
	3 541 501	2 545 765	39
Intersegment eliminations	(329 349)	47 297	
	3 212 152	2 593 062	24
Total assets			
Retail activities			
– Household goods and building supplies	7 665 963	5 239 411	46
– Motor vehicles and finance	2 519 547	1 745 039	44
Manufacturing and sourcing of household goods and related raw materials	11 534 491	10 199 064	13
Logistical services	3 705 085	2 864 174	29
Corporate services			
– Brand management	2 623 039	2 486 475	5
– Investment participations	2 354 667	2 315 713	2
– Central treasury and other activities	966 975	831 087	16
	31 369 767	25 680 963	22

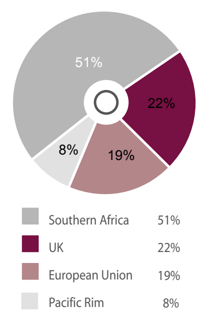
GEOGRAPHICAL INFORMATION

	30 June 2007 R'000		30 June 2006 R'000	% change
Revenue				
United Kingdom	7 652 119		7 031 875	9
European Union	6 610 368		5 233 681	26
Pacific Rim	2 662 821		2 260 139	18
Southern Africa	17 303 265		15 633 299	11
	34 228 573		30 158 994	13
Non-current assets		%		%
United Kingdom	5 991 828	27	3 969 624	23
European Union	6 422 771	29	6 483 120	37
Pacific Rim	1 173 434	5	1 004 443	6
Southern Africa	8 581 296	39	5 879 102	34
	22 169 329	100	17 336 289	100

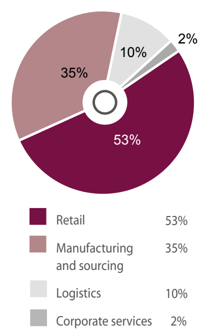
RECONCILIATION OF TOTAL ASSETS PER SEGMENT ANALYSIS TO TOTAL ASSETS PER BALANCE SHEET

	30 June 2007 R'000	30 June 2006 R'000
Total assets per balance sheet	37 534 459	31 871 296
Less:		
Cash	(5 064 987)	(5 057 428)
Investments in associate companies	(866 282)	(772 712)
Investment in preference shares	(177 500)	(180 000)
Interest bearing loans	(55 923)	(180 193)
Total assets per segment analysis	31 369 767	25 680 963

Revenue per geographical area



Revenue per segment



Restatement of comparative figures

Following the acquisition and initial accounting for the Homestyle Group Plc acquisition on 30 June 2005 the group has undertaken a comprehensive turnaround plan including the introduction of a largely new executive management team who have addressed a number of operational issues in the group. In addressing operational issues management became aware of certain accounting inconsistencies and misstatements related to legacy issues in existence at the acquisition date, 30 June 2005.

The restatement of previously reported amounts had no effect on previously reported group earnings as they all related to at acquisition balances and consequently were adjusted for in the goodwill arising on the acquisition of the Homestyle group.

In accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors these inconsistencies, misstatements and changes in accounting policies were corrected retrospectively by restating the comparatives for the prior periods as follows:

Balance sheet restatements

	30 June 2006 Homestyle restatement R'000	30 June 2006 Change in accounting policies R'000	30 June 2006 Change in provisional accounting (IFRS 3) R'000	30 June 2005 Homestyle restatement R'000
Goodwill	134 000	35 181	27 029	118 935
Property, plant and equipment	(9 849)	—	—	(9 035)
Inventories	(122 241)	—	—	(112 133)
Accounts receivable	(31 029)	—	—	(28 463)
Provisions	(151 491)	—	(44 000)	(138 964)
Deferred taxation	101 571	108 576	12 760	93 172
Minority interests	86 177	—	—	76 488
Increase/(decrease) in Reserves	7 138	143 757	(4 211)	—

The restatement of previously reported amounts with regard to the provisionally determined accounting of Hertz had the following effect on profit as previously reported:

Reconciliation of profit for the period ended 30 June 2006

	1 July 2005 R'000	30 June 2006 R'000
Profit for the period attributable to equity holders of the parent as previously stated	1 544 998	1 953 376
Hertz purchase price adjustment (IFRS 3)	—	(4 211)
Profit for the period attributable to equity holders of the parent restated	1 544 998	1 949 165

Certain reclassifications have been made to align prior year disclosures with current year classifications.

highlights

Headline earnings increase by	Headline earnings per ordinary share increase by		Net asset value per share increase by	Distribution to shareholders increase by
31%	**25%**	**R3,5 billion**	**34%**	**33%**
to R2 558 million	to 215 cents per share	cash generated from operations	to 1 292 cents per share	to 50 cents per share

COMMENTARY

REVIEW OF RESULTS

These results reflect yet another year of progress and achievement. Our segment reports, both geographically and activity-wise, show good growth in revenues and operating profit.

As disclosed in the segmental analysis, the growth and achievement of revenues and profits in retail activities, manufacturing and sourcing of household goods and related raw materials, logistical services and corporate services, reveal another year of solid performance and growth.

The financial performance details are described under the Performance section below.

The business model of geographically spread operations, accompanied by integrated supply chain participation, remains effective and provides the platform from which market share is grown. The group's positioning continues to benefit from its strategy to gain control over important brands and designs, the expansion of its retail alliances and the consolidation in the relevant market brought about by major competitors exiting from the competitive landscape in certain regions where we trade. Each of the areas in which the group operates had its own unique challenges, which are addressed by the respective Management teams, and the related opportunities identified and maximised for the benefit of the group and all its stakeholders.

In the United Kingdom (UK), the group will benefit further from its additional investment in Homestyle which is now constituted as a wholly-owned subsidiary of Steinhoff. The total integration of all the group's UK activities, accompanied by the centralisation of the management function at our existing base at Tewkesbury is on track. Ian Topping and his management team have been strengthened by the appointment of Philip Dieperink (ex Unitrans) as Chief Financial Officer. Operationally, Harveys continued to experience difficult retail trading conditions, mainly from the re-positioning of its product offering and the general state of the retail environment in the UK. The new business strategy and intra-group marketing and merchandising support, are well on the way. Both Harveys and the bed retail businesses have embarked on innovative advertising campaigns, including prime time national television advertising. The Cargo chain delivered an improved performance compared to last year. The remainder of Steinhoff's UK businesses (the manufacturing and distribution operations) again delivered good results.

The European division performed well, and benefited from increased intra-group trading and the sound performance of our retail related investments on the Continent. The turmoil caused by the liquidation of several major competitors in the German region aided the group's revenue growth and order books which augur well for the future. The group's position as a supplier of choice in terms of reliability of supply, financial strength, quality and product range has been further entrenched. The variety of Steinhoff's product ranges, price points and exclusivity arrangements, as well as sourcing capabilities and flexibility, supplemented by own manufactured products, remains our distinct competitive advantage. The group also experienced substantial revenue growth in new territories adding to customer diversity and a greater geographical spread of business. Brands are expected to contribute significantly to profitability in future years.

The eastern European and mass market division continued to grow, although the profitability of the Polish operations was adversely affected by the strength of the zloty (relative to the euro) in the latter half of the year. The Hungarian operations had a satisfying year and retail activities have been aggressively expanded in order to achieve a point where close to 50% of sales are distributed through the group's own retail network in Hungary. Production capacities in the Ukraine will be increased and dedicated as low-cost producers for the Group's mass discount retail customers in the German region.

In the Pacific Rim region, the Freedom brand performed well, achieving good growth; it also made inroads in New Zealand where similar achievements were delivered. BayLeatherRepublic continued to perform in line with expectations in its market niche as a specialist retailer of leather upholstered furniture. The BaySwiss chain was discontinued. The specialised bedding chain, Snooze, was affected by restructuring, which included management changes following the chain's flat performance during the year under review. The manufacturing facilities are now fully integrated and produce exclusively for the group's retail chains, thereby completing the integration model in this region. The international sourcing activities in China continued to exceed expectations, almost doubling their activity levels and revenues on a cost base well within the budgeted operating cost levels.

In South Africa, the sale of the furniture manufacturing and import interests was concluded (refer Corporate Activity). Following this sale, Steinhoff Africa now comprises the logistics and freight, passenger services, supply chain solutions, car rental and motor retail businesses (all formerly part of Unitrans Limited) (Unitrans businesses), the timber and panel products businesses of PG Bison, including DIY and builders' product retailers, (Pennypinchers and Timbercity), and the raw materials interests which supply foam products, textile products, bedding components and springs, mainly to the furniture and automotive industries in South Africa. The Unitrans businesses had another strong year, favourably impacted by positive economic conditions, the buoyant consumer market and growing consumer base in general. PG Bison's results were adversely affected by capacity constraints and substantially increased raw material prices. Capacity limitations are being addressed, and will be rectified when the North Eastern Cape Forest (NECF) project becomes operational early next year, through an additional output of 1000 cubic metres of particle board per day being added to PG Bison's existing capacity. Following the restructuring steps undertaken during the previous year, the Raw Materials division delivered improved results compared to last year. This was achieved notwithstanding technology developments within a certain bedding range which reduced sales volumes within the Vitafoam division.

PERFORMANCE

The group's revenues from continuing operations grew from R30 159 million to R34 229 million, with increased levels of intragroup trading. This is in line with the vertical integration business model, as well as a deliberate profitability improvement strategy followed in the UK to reposition Harveys' product offering and sales mix.

Headline earnings attributable to ordinary shareholders grew by 31% from R1 955 million in the year ended 30 June 2006 to R2 558 million, while headline earnings per ordinary share increased by 25% to 215 cents (2006: 173 cents) and basic earnings per ordinary share improving 46% to 242 cents (2006: 166 cents). The weighted average number of ordinary shares in issue increased to 1 188,0 million (2006: 1 133,3 million), mainly attributable to shares being issued to constitute Homestyle and Unitrans as wholly owned subsidiaries of Steinhoff.

Ordinary shareholders' funds at 30 June 2007 grew to R16 233 million (2006: R11 016 million). The return on average ordinary shareholders' funds was stable at 22%. The net asset value per ordinary share improved to 1 292 cents from 965 cents per share.

The group's cash flow from operations remained stable at R3 454 million (2006: R3 486 million). Cash generation is stated after taking account of the net increase in working capital of R476 million (2006: decrease of R134 million). This level of cash generation confirms the quality of the group's earnings as well as the positive cash cycle inherent to the vertical integration business model. Positive cash generation was achieved by continued sound working capital management, notwithstanding the continued practice of accelerated payments to suppliers to secure better prices and trading terms, including settlement discounts.

The group's operating margin improved to 9,4% (2006: 8,6%). The improvement was achieved despite continued tough trading conditions in the UK and Australia. The group continues to benefit from improved efficiencies throughout the supply chain and the operating margin is targeted to improve further as the integration model unfolds.

Net finance expense for the period rose to R454 million (2006: R292 million). The group continues to enjoy very favourable borrowing terms under its foreign banking facilities.

At 30 June 2007, the group's debt:equity ratio was 24% (2006: 30%), well within the group's targeted range.

The group's taxation charge from continuing operations decreased to R325 million (2006: R383 million), mainly as a result of its favourable tax dispensations in the various geographical areas of operation, and the effect of the exceptional closing costs incurred during the year under review. Management remains satisfied with a sustainable average tax rate for the foreseeable future in the region of 15% of pre-tax income.

CORPORATE ACTIVITY

The following notable corporate actions were concluded during the year under review or were in the process of being concluded:

- Steinhoff acquired the remaining 39% minority interest in Homestyle Group Plc through a scheme of arrangement which was sanctioned by the Court in the UK on 19 February 2007.
- Steinhoff acquired the entire business operations of Unitrans following which Unitrans Limited was delisted from the JSE Limited.
- Steinhoff acquired the wire drawing, springs and bedding component manufacturing businesses of Geros Beteiligungsverwaltung AG (the BCM business), a company controlled by Daun & Cie AG.
- Steinhoff disposed of the South African furniture manufacturing and import interests to a private equity consortium led by Absa Capital, a division of Absa Bank Limited, and includes management and black economic empowerment parties. The purchase consideration was R1 375 million and has been settled.
- Steinhoff supports the Government's broad-based black economic empowerment (BBBEE) initiatives and over the past years has proactively introduced previously disadvantaged shareholders into various of its operating companies. It has now been resolved in principle to also introduce meaningful BBBEE equity participation at the Steinhoff Africa Holdings (Pty) Ltd level in terms of which 20% of its equity will be sold at fair market value to selected BBBEE participants, with whom the group has an existing relationship at operating level. The BBBEE transaction will also include an appropriate employee share ownership plan. The group is at an advanced stage of developing the appropriate structure and indicative funding terms have already been solicited from financial institutions and other providers of BBBEE finance. It is anticipated that details of this transaction will be announced at the company's annual general meeting to be held on 3 December 2007.

OUTLOOK

The UK retail operations are on track to make the required contribution, after the implementation of management changes, repositioning of trading formats, and adjusted product mixes and merchandising. Trading for the period since year-end is on target and is expected to improve further once the anticipated benefits of the advertising and promotional initiatives recently embarked upon, comes to fruition.

In the European Union, the group will continue to participate in the consolidation trends prevalent in key markets. Retail alliances will be expanded and the group is continuously considering opportunities to expand its geographical reach and distribution base. Possible future European joint ventures from a raw materials perspective present interesting growth opportunities.

The eastern European and mass market division is well positioned to continue its growth path with selected retail customers and management is confident that the labour challenges experienced in that region have been successfully addressed. The central treasury division is closely monitoring its foreign exchange policies to address the impact of the strengthening zloty on group results going forward. The Pacific Rim operations are also well on course to show good growth in the current financial year, commensurate with their own unique market conditions. The newly founded Group Services International sourcing division represents an exciting development that is positioned to assist group companies world-wide with their purchasing of third-party goods, intragroup sales and raw material sourcing. It is planned that the existing International Sourcing arm in Shenzhen, China will be incorporated into this new division, which is envisaged to centrally co-ordinate all group buying as well as the sharing of retail concepts and product innovation between the various divisions.

In South Africa, the value-adding potential of the NECF project, due to be operational early in 2008, is anticipated to add to the continued success and growth of PG Bison and its related timber-based operations. The group will continue to explore opportunities to entrench the security of supply of timber resources, which, over the last number of years, have become expensive and scarce. The Raw Materials division stands to benefit further from its restructure last year and the addition of the BCM businesses is anticipated to contribute to additional intragroup opportunities and trade. The Unitrans businesses continue to perform well, notwithstanding the challenges from the rising interest rate environment and the introduction of the National Credit Act.

The strategic actions implemented in the various group operations are anticipated to deliver the desired results in the current financial year and thereafter.

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

On behalf of the board of directors

BE Steinhoff	**MJ Jooste**
Executive Chairman	*Chief executive officer*

DISTRIBUTION FROM SHARE PREMIUM ACCOUNT

Notice is hereby given that, in accordance with the authority granted to the directors of the company in terms of article 56A of the company's articles of association and the resolution passed at the annual general meeting of the company held on 4 December 2006, a cash distribution from share premium account of 50 cents per share (2006: 37,5 cents per share) has been declared and is payable to shareholders recorded in the books of the company at the close of business on Friday, 9 November 2007 (the capital distribution). The salient dates of this distribution are:

	2007
Last date to trade *cum* capital distribution	Friday, 9 November
Shares trade *ex* capital distribution	Monday, 12 November
Record date	Friday, 16 November
Payment date	Monday, 19 November

No dematerilisation or rematerilisation of ordinary shares may take place between Monday, 12 November 2007 and Friday, 16 November 2007, both dates inclusive.

On Monday, 19 November 2007, the capital distribution will be electronically transferred to the bank accounts of certificated shareholders who utilise this facility. In all other instances of certificated holders, cheques dated 19 November 2007 will be posted on or about that date. Shareholders who have dematerialised their shares will have their accounts credited on 19 November 2007.

In terms of the South African Companies Act, the directors confirm that, after the payment of the capital distribution, the company will be able to pay its debts as they become due in the ordinary course of business, and its consolidated assets, fairly valued, will exceed its consolidated liabilities.

ANNUAL REPORT

The annual report will be mailed to shareholders in due course. The annual general meeting is scheduled to take place on Monday, 3 December 2007, at the registered office of the company at 08:00.

By order of the board of directors

SJ Grobler

Company secretary

10 September 2007

Steinhoff Investment Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number 1954/001893/06)

(JSE share code: SHFF)

(ISIN code: ZAE 000068367)

Preference shareholders are referred to the above audited consolidated results of Steinhoff for a full appreciation of the relevant consolidated results and financial position of Steinhoff Investment. Steinhoff Investment is the only directly held subsidiary of Steinhoff and holds all Steinhoff's other investments in operating subsidiaries and associate companies.

Declaration of dividend number 4 to preference shareholders

The board of Steinhoff Investment has resolved to declare a dividend of 467,26 cents per preference share in respect of the period from 1 January 2007 up to and including 30 June 2007 (the dividend period), payable on Monday, 22 October 2007, to those preference shareholders recorded in the books of the company at the close of business on Friday, 19 October 2007. This dividend has been determined on the basis of 75% of the prime bank overdraft lending rate quoted by Absa Bank Limited prevailing over the dividend period, applied to the nominal value plus premium (of R100,00 per preference share, in the aggregate).

The dividend is payable in the currency of South Africa.

Last date to trade *cum* dividend	Friday, 12 October 2007
Shares trade *ex* dividend	Monday, 15 October 2007
Record date	Friday, 19 October 2007
Payment date	Monday, 22 October 2007

No dematerialisation or rematerialisation of preference shares may take place between Monday, 15 October 2007, and Friday, 19 October 2007, both dates inclusive.

On Monday, 22 October 2007, the preference dividend will be electronically transferred to the bank accounts of preference shareholders. In all other instances of certificated holders, if any, cheques dated 22 October 2007 will be posted on or about that date. Preference shareholders who have dematerialised their shares will have their accounts credited on Monday, 22 October 2007.

On behalf of the board of directors

D Konar	**JHN van der Merwe**
Non-executive director	*Executive director*

10 September 2007

OTHER NOTES

1. **Corporate governance**
   Steinhoff has embraced the recommendations of King II on Corporate Governance and strives to provide reports to shareholders that are timely, accurate, consistent and informative.
2. **Social responsibility**
   Steinhoff continues to be recognised for its corporate social investment activities. Management remains committed to the related initiatives and is conscious of the needs in this regard. A number of social responsibility projects are continuing.
3. **Human resources**
   A good working relationship is maintained with the relevant unions. Ongoing skills and equity activities continue to ensure compliance with current legislation. Plans continue that contribute to broader skills development and sourcing appropriately qualified staff on an ongoing basis.
4. **Related-party transactions**
   The company entered into various related-party transactions. These transactions are no less favourable than those arranged with third parties.
5. **Further events**
   No significant events have occurred in the period between the reporting date and the date of this report.

ADMINISTRATION

STEINHOFF INTERNATIONAL HOLDINGS LIMITED

Registration number: 1998/003951/06

(Incorporated in the Republic of South Africa)

JSE share code: SHF **ISIN code:** ZAE000016176

(Steinhoff or the company or the group)

Registered office: 28 Sixth Street, Wynberg, Sandton, 2090, Republic of South Africa
Tel: +27 (11) 445 3000 Fax: +27 (11) 445 3094

Transfer secretaries: Computershare Investor Services 2004 (Pty) Limited
70 Marshall Street, Johannesburg, 2001

Company secretary: SJ Grobler

Auditors: Deloitte & Touche

Sponsor: PSG Capital Limited

Directors: BE Steinhoff* (chairman), MJ Jooste (chief executive officer), DE Ackerman•, CE Daun•*, KJ Grové, D Konar•, JF Mouton•, FJ Nel, FA Sonn•, IM Topping#, DM van der Merwe, JHN van der Merwe

Alternate directors: JNS du Plessis, HJK Ferreira, SJ Grobler, A Krüger-Steinhoff•*

#British *German •Non-executive

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