

HIGHLIGHTS

Revenue **GROWTH** of 13% to R50.9 billion

Headline **EARNINGS** exceeds R3.2 billion

Distribution per share **MAINTAINED** at 60 cents

Net gearing ratio **IMPROVES** to 35%

Continues **INVESTMENT** in infrastructure and retail participation to secure future growth

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2009

Geographical diversity, mass-market positioning of retail activities, manufacturing and sourcing scale support solid results.

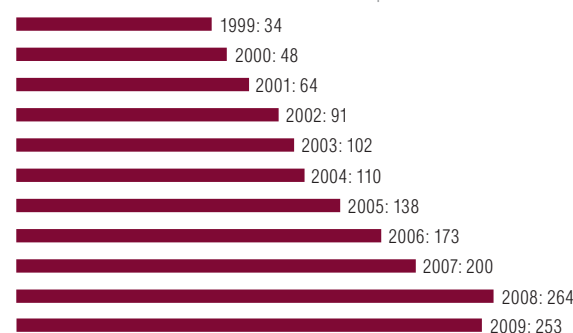
CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Audited Year ended 30 June 2009 R '000	Audited Year ended 30 June 2008 R '000	% change
Revenue		50 868 641	45 045 885	13
Operating profit before depreciation and capital items		6 127 483	5 492 166	12
Depreciation		(974 714)	(830 553)	
Operating profit before capital items		5 152 769	4 661 613	11
Capital items	1	49 295	(192 890)	
Earnings before interest, dividend income, associate earnings and taxation		5 202 064	4 468 723	16
Net finance charges		(1 000 451)	(704 637)	
Dividend income		598	584	
Earnings before associate earnings and taxation		4 202 211	3 764 670	12
Share of profit of associate companies		6 527	37 071	
Profit before taxation		4 208 738	3 801 741	11
Taxation		(581 254)	(366 133)	
Profit for the year		3 627 484	3 435 608	6
Attributable to:				
Equity holders of the parent		3 378 878	3 310 037	2
Minority interest		248 606	125 571	
Profit for the year		3 627 484	3 435 608	6
Headline earnings per ordinary share (cents)		252.9	263.5	(4)
Fully diluted headline earnings per ordinary share (cents)		243.0	251.4	(3)
Basic earnings per ordinary share (cents)		256.1	249.8	3
Fully diluted earnings per ordinary share (cents)		245.8	238.8	3
Number of ordinary shares in issue ('000)		1 280 346	1 268 743	1
Weighted average number of ordinary shares in issue ('000)		1 275 841	1 280 541	-
Earnings attributable to ordinary shareholders (R'000)	2	3 267 432	3 199 039	2
Headline earnings attributable to ordinary shareholders (R'000)	3	3 226 282	3 374 761	(4)
Distribution per ordinary share (cents)		60	60	-
Average currency translation rate (rand: euro)		12.3503	10.7631	15

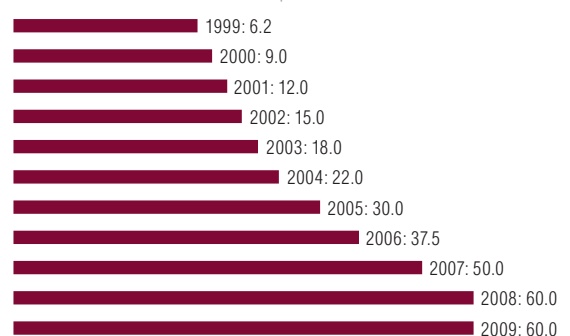
ADDITIONAL INFORMATION

	Audited Year ended 30 June 2009 R '000	Audited Year ended 30 June 2008 R '000
Note 1: Capital items		
Foreign currency translation reserve released on disposal of subsidiary	4 776	-
Gain on sale of investments	657	-
Goodwill adjustments	-	(15 581)
Impairments	(11 414)	(166 314)
Loss on scrapping of rental fleet vehicles	(6 088)	(7 650)
Profit/(loss) on disposal of property, plant and equipment	42 756	(14 416)
Loss on disposal of intangible asset	(4)	-
Negative goodwill released on business combination	-	8 723
Profit on disposal of investment property	18 612	2 348
	49 295	(192 890)
Note 2: Earnings attributable to ordinary shareholders		
Earnings attributable to equity holders	3 378 878	3 310 037
Dividend entitlement on non-redeemable cumulative preference shares	(111 446)	(110 998)
	3 267 432	3 199 039
Note 3: Headline earnings attributable to ordinary shareholders		
Earnings attributable to equity holders	3 378 878	3 310 037
Adjusted for:		
Capital items (note 1)	(49 295)	192 890
Taxation effects of capital items	1 127	(17 231)
Remeasurements included in equity-accounted earnings of associate companies	7 018	63
Dividend entitlement on non-redeemable cumulative preference shares	(111 446)	(110 998)
Headline earnings for the year attributable to ordinary shareholders	3 226 282	3 374 761

HEADLINE EARNINGS PER SHARE: cents per share : 1999 to 2009



DISTRIBUTION PER SHARE: cents per share : 1999 to 2009



CONDENSED CONSOLIDATED BALANCE SHEET

	Audited Year ended 30 June 2009 R '000	Audited Year ended 30 June 2008 R '000
ASSETS		
Non-current assets		
Property, plant and equipment, investment properties and biological assets	11 277 031	11 288 468
Intangible assets and goodwill	18 875 328	21 226 595
Investments and loans	2 368 077	1 278 679
Investments in associate companies	3 004 766	2 457 992
Deferred taxation assets	1 101 321	1 390 020
	36 626 523	37 641 754
Current assets		
Accounts receivable, short-term loans and other current assets	9 167 743	8 725 726
Inventories	4 756 962	5 553 033
Cash and cash equivalents	4 736 197	4 995 231
	18 660 902	19 273 990
Total assets	55 287 425	56 915 744
EQUITY AND LIABILITIES		
Capital and reserves		
Ordinary share capital and reserves	21 021 321	20 772 947
Preference share capital	1 042 474	1 042 474
	22 063 795	21 815 421
Minority interest	2 859 958	2 968 732
Total equity	24 923 753	24 784 153
Non-current liabilities		
Deferred taxation liabilities	3 020 423	3 203 448
Interest-bearing long-term liabilities	12 703 880	12 684 508
Other long-term liabilities and provisions	963 441	1 414 066
	16 687 744	17 302 022
Current liabilities		
Interest-bearing short-term liabilities	5 178 447	3 912 494
Accounts payable, provisions and other current liabilities	8 497 481	10 917 075
	13 675 928	14 829 569
Total equity and liabilities	55 287 425	56 915 744
Net asset value per ordinary share (cents)	1 642	1 637
Net gearing ratio (%)	35	38
Closing exchange rate (rand: euro)	10.8265	12.3341

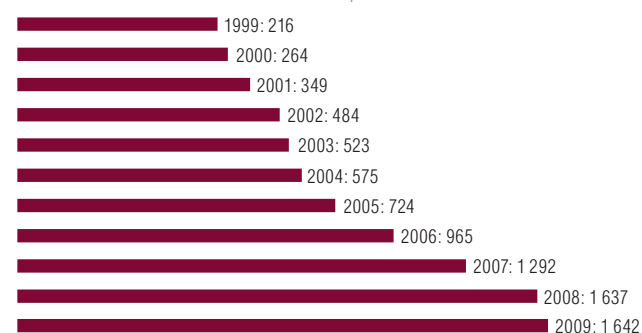
CONDENSED CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

	Audited Year ended 30 June 2009 R '000	Audited Year ended 30 June 2008 R '000
Actuarial losses recognised in equity	(22 430)	(13 137)
Cash flow hedges recognised in equity	(49 110)	15 219
Exchange differences on consolidation of foreign subsidiaries	(2 583 131)	2 353 086
Fair value adjustments on available for sale financial assets	132	(3 157)
Net (expense)/income recognised directly in equity	(2 654 539)	2 352 011
Profit for the year	3 627 484	3 435 608
Total recognised income and expense for the year	972 945	5 787 619
Attributable to:		
Equity holders of the parent	1 106 807	5 021 490
Minority interest	(133 862)	766 129
	972 945	5 787 619

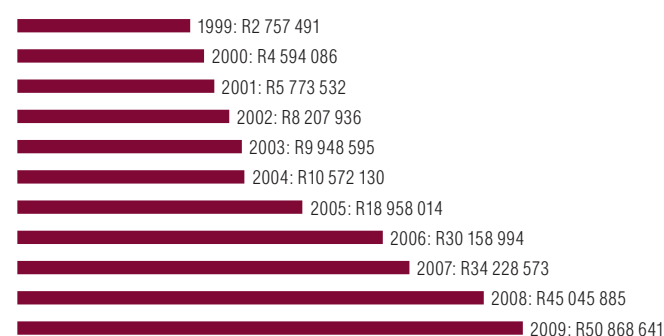
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Audited Year ended 30 June 2009 R '000	Audited Year ended 30 June 2008 R '000
Operating profit before working capital changes	5 871 185	5 386 962
Net changes in working capital		
- Decrease in inventory	540 857	43 330
- Increase in debtors	(932 632)	(129 193)
- (Decrease)/increase in creditors	(1 545 274)	183 753
Cash generated from operations	3 934 136	5 484 852
Net finance charges	(884 199)	(760 034)
Dividends paid	(157 258)	(119 639)
Dividends received	598	11 423
Taxation paid	(309 110)	(385 623)
Net cash inflow from operating activities	2 584 167	4 230 979
Net cash outflow from investing activities	(3 986 609)	(5 943 036)
Net cash inflow from financing activities	1 701 217	1 398 843
Net increase/(decrease) in cash and cash equivalents	298 775	(313 214)
Effects of exchange rate changes on cash and cash equivalents	(557 809)	243 458
Cash and cash equivalents at beginning of year	4 995 231	5 064 987
Cash and cash equivalents at end of year	4 736 197	4 995 231

NET ASSET VALUE PER SHARE: cents per share : 1999 to 2009



REVENUE GROWTH: R '000 : 1999 to 2009



SEGMENTAL ANALYSIS

	Audited Year ended 30 June 2009 R '000	Audited Year ended 30 June 2008 R '000	% change	
Revenue				
Retail activities				
- Household goods and building supplies	21 659 722	14 889 601	45	
- Automotive	10 202 091	12 419 863	(18)	
Manufacturing and sourcing of household goods and related raw materials	23 790 810	19 267 783	23	
Logistics services	5 775 860	4 984 554	16	
Corporate services				
- Brand management	414 204	361 619	15	
- Investment participation	254 169	182 004	40	
- Central treasury and other activities	251 156	382 122	(34)	
	62 348 012	52 487 546	19	
Intersegment eliminations	(11 479 371)	(7 441 661)		
	50 868 641	45 045 885	13	
Operating profit before capital items				
Retail activities				
- Household goods and building supplies	1 379 253	964 689	43	
- Automotive	282 631	488 623	(42)	
Manufacturing and sourcing of household goods and related raw materials	2 560 368	2 184 219	17	
Logistics services	676 714	460 659	47	
Corporate services				
- Brand management	414 204	361 620	15	
- Investment participation	254 169	182 004	40	
- Central treasury and other activities	323 338	501 785	(36)	
	5 890 677	5 143 599	15	
Intersegment eliminations	(737 908)	(481 986)		
	5 152 769	4 661 613	11	
	Audited Year ended 30 June 2009 R '000	%	Audited Year ended 30 June 2008 R '000	%
Total assets				
Retail activities				
- Household goods and building supplies	20 328 572	44	23 035 434	45
- Automotive	2 313 830	5	2 644 111	5
Manufacturing and sourcing of household goods and related raw materials	12 072 163	26	13 920 171	28
Logistics services	5 261 014	12	4 629 291	9
Corporate services				
- Brand management	3 836 533	8	4 143 382	8
- Investment participation	1 921 790	4	1 356 566	3
- Central treasury and other activities	573 505	1	1 109 408	2
	46 307 407	100	50 838 363	100

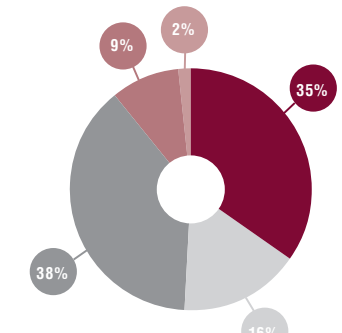
RECONCILIATION OF TOTAL ASSETS PER SEGMENTAL ANALYSIS TO TOTAL ASSETS PER BALANCE SHEET

	Audited 30 June 2009 R '000	Audited 30 June 2008 R '000
Total assets per balance sheet	55 287 425	56 915 744
Less: Cash and cash equivalents	(4 736 197)	(4 995 231)
Less: Investments in associate companies	(3 004 766)	(2 457 992)
Less: Investments in preference shares	(216 389)	(193 285)
Less: Interest-bearing investments and loans	(1 022 666)	(149 333)
Total assets per segmental analysis	46 307 407	50 838 363

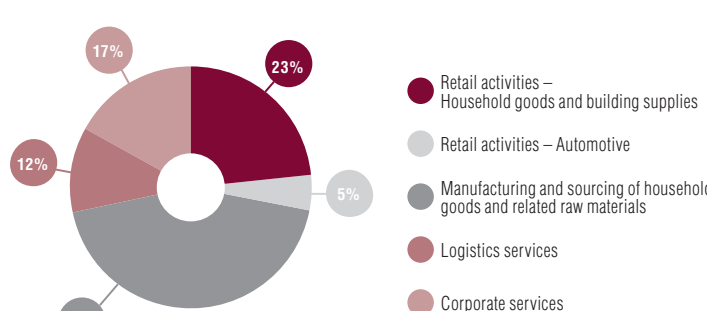
GEOGRAPHICAL INFORMATION

	Audited Year ended 30 June 2009 R '000	%	Audited Year ended 30 June 2008 R '000	%
Revenue				
Continental Europe	19 048 930	37	13 167 533	29
Pacific Rim	3 070 062	6	3 015 132	7
Southern Africa	19 348 947	38	20 331 063	45
United Kingdom	9 400 702	19	8 532 157	19
	50 868 641	100	45 045 885	100
	Audited Year ended 30 June 2009 R '000	%	Audited Year ended 30 June 2008 R '000	%
Non-current assets				
Continental Europe	17 201 993	47	16 756 588	44
Pacific Rim	1 262 208	3	1 522 139	4
Southern Africa	10 863 921	30	10 063 893	27
United Kingdom	7 298 401	20	9 299 134	25
	36 626 523	100	37 641 754	100

REVENUE PER SEGMENT



OPERATING PROFIT PER SEGMENT



facility on Monday, 7 December 2009. In all other instances of certificated holders, cheques dated 7 December 2009 or the relevant capitalisation share certificates will be posted on or about that date. Shareholders who have dematerialised their shares will have their accounts credited on 7 December 2009.

ANNUAL REPORT

The annual report will be mailed to shareholders in due course. The annual general meeting is scheduled to take place on Monday 7 December 2009, at the registered office of the company at 10:00.

DIRECTORATE

Dr Steve Booysen was appointed as an independent non-executive director on 8 September 2009.

On behalf of the Board of Directors

SJ GROBLER

Company Secretary

8 September 2009

STEINHOFF INVESTMENT HOLDINGS LIMITED

(Steinhoff Investments)

Registration number: 1954/001893/06

(Incorporated in the Republic of South Africa)

JSE share code: SHFF ISIN: ZAE 000068367

Preference shareholders are referred to the above results of Steinhoff for a full appreciation of the consolidated results and financial position of Steinhoff Investments.

DECLARATION OF DIVIDEND NUMBER 8 TO PREFERENCE SHAREHOLDERS

The board of Steinhoff Investments has resolved to declare a dividend of 489 cents per preference share in respect of the period from 1 January 2009 up to and including 30 June 2009 (the dividend period), payable on Monday, 26 October 2009, to those preference shareholders recorded in the books of the company at the close of business on Friday, 23 October 2009. This dividend has been determined on the basis of 75% of the prime bank overdraft lending rate of 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.

	2009
Last date to trade <i>cum</i> dividend	Friday, 16 October
Shares trade <i>ex</i> dividend	Monday, 19 October
Record date	Friday, 23 October
Payment date	Monday, 26 October

No dematerialisation or rematerialisation of preference shares may take place between Monday, 19 October 2009 and Friday, 23 October 2009, both dates inclusive.

On Monday, 26 October 2009, the preference dividend will be electronically transferred to the bank accounts of preference shareholders. Preference shareholders who have dematerialised their shares will have their accounts credited on Monday, 26 October 2009.

PROPOSED TAXATION AMENDMENTS

We refer to our previous communications regarding the conversion of Secondary Tax on Companies (STC) to a shareholder dividend tax.

As previously communicated, the preference shareholders are advised that a further announcement setting out the impact on the cumulative non-redeemable non-participating preference shares issued by Steinhoff Investment Holdings Limited will be made once the detailed legislation is promulgated and duly considered.

On behalf of the Board of Directors

D KONAR

Non-Executive Director

8 September 2009

SJ GROBLER

Executive Director

OTHER NOTES

1. CORPORATE GOVERNANCE

Steinhoff has embraced the recommendations of King Report 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. The group 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 constructive working relationship is maintained with the relevant unions. Ongoing skills and equity activities continue to ensure compliance with current legislation.

Plans continue in terms of initiatives embarked upon 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. For more detail on the group's listed investments, shareholders are referred to the results and/or corporate announcements and financial information of:

– Amalgamated Appliance Holdings Limited – 7 September 2009 – www.amap.co.za

– KAP International Holdings Limited – 8 September 2009 – www.kapinternational.com

ADMINISTRATION STEINHOFF INTERNATIONAL HOLDINGS LIMITED

(Steinhoff or the company or the group)

Registration number: 1998/003951/06

(Incorporated in the Republic of South Africa)

JSE share code: SHF ISIN code: ZAE000016176

Registered office: 28 Sixth Street, Wynberg, Sandton, 2090, Republic of South Africa

Tel: +27 (11) 445 3000 Fax: +27 (11) 445 3094

Directors: D Konar • (chairman), MJ Jooste (chief executive officer), DE Ackerman •, SF Booysen •, DC Brink •, YZ Cuba •, CE Daun •*, HJK Ferreira, SJ Grobler, JF Mouton •, FJ Nel, FA Sonn •, BE Steinhoff •*, IM Topping#, DM van der Merwe

Alternate directors: JNS du Plessis, KJ Grové, A Krüger-Steinhoff •*

#British *German •non-executive

Company secretary: SJ Grobler

Auditors: Deloitte & Touché

Sponsor: PSG Capital (Proprietary) Limited

Transfer secretaries: Computershare Investor Services (Proprietary) Limited

70 Marshall Street, Johannesburg, 2001

www.steinhoffinternational.com

To view results on mobile www.steinhoff.mobi

SELECTED EXPLANATORY NOTES

STATEMENT OF COMPLIANCE

The consolidated annual financial statements from which these condensed financial statements are derived, have been prepared in accordance with International Financial Reporting Standards (IFRS), the interpretations adopted by the International Accounting Standards Board (IASB), and the requirements of the South African Companies Act. This set of condensed financial statements is 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 annual financial statements for the year have been audited by Deloitte & Touché and their accompanying unmodified audit report as well as their unmodified audit report on this set of summarised financial information are 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 contingent liabilities are 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 the adoption of:

IFRS 7 – Financial Instruments: Disclosures: Reclassification of financial assets

IAS 39 – Financial Instruments: Recognition and Measurement: Applicable effective interest rate on cessation of fair value hedge accounting; Eligible hedged items; Embedded derivatives; Reclassification of financial assets

IFRIC 9 – Reassessment of Embedded Derivatives: Embedded derivatives

IFRIC 14 – IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

IFRIC 17 – Distributions of Non-cash Assets to Owners

IFRIC 18 – Transfers of Assets from Customers

Improvements to IFRS's

The group early adopted the majority of the IASB's Improvements to International Financial Reporting Standards for 2008 and 2009. The remainder of these changes will be adopted by the various effective dates. The adoption of the improvements affected certain disclosures to the consolidated financial statements.

Details of the implementation and adoption of the various IFRSs and IFRICs are incorporated in the consolidated financial statements.

COMMENTARY: REVIEW OF RESULTS

RETAIL ACTIVITIES: HOUSEHOLD GOODS

Against a backdrop of turbulent economic conditions throughout Europe, the positioning of the European retail activities and the scale of manufacturing and sourcing operations generated solid results.

United Kingdom

The year under review was a difficult year for the UK economy. Despite this, our UK retail businesses reported sound results with stable revenues and profits.

Furniture and household goods: This division has increased its market share and margins on the back of improved operational efficiencies and the failure of certain competitors. After three years in turnaround and consolidation mode, the future focus has turned to expansion and growth.

Beds: This division remains the leading bedding retailer in the UK, positioned across various price points. The national scale and resulting efficiency in marketing support enabled our businesses to progress at a time when many smaller players have found the going very difficult.

Continental Europe

The group's retail operations in Continental Europe are characterised by various trading concepts, particularly large scale discount formats which offer a full range of furniture and household goods. The resilience of the retail discount segment resulted in double-digit like-for-like sales growth and this division continues to benefit from consumers trading down. This is especially prevalent in the more conservative markets of central Europe.

Pacific Rim

The Australian and New Zealand economies experienced a sharp decline in growth in 2008 resulting in a reduction in discretionary retail spending and a particularly low level of consumer confidence. The group's retail operations are positioned to appeal to the more affluent market segment and sales were impacted as consumers traded down. Each of the retail trading formats reduced the fixed cost bases of their businesses and focused on regular tactical promotional activity to drive sales. Despite an overall decline in sales, the businesses each improved their trading densities in the second part of the financial year.

Southern Africa

The Steinbuild divisional results, comprising the Pennypinchers and Timbercity retail operations, were negatively influenced by the downturn in the building and furniture industries. The business opened new stores and converted selected joint-venture stores to company stores that resulted in extra costs.

RETAIL ACTIVITIES: AUTOMOTIVE

The automotive retail division reported a decline in revenue. The division's strategy and market share in the volume segment of vehicle sales provided some protection in the declining market. The division returned a satisfactory 2.8% margin on sales.

MANUFACTURING AND SOURCING

The diversity and flexibility of our manufacturing and sourcing operations continued to support the group's owned and external retail distribution bases. Revenue increased by 23% at consistent margins.

United Kingdom

The UK has seen particularly tough trading conditions in our key markets; namely furniture and automotive. Increased intergroup trading activity with our retail division largely compensated for weakness in the external markets. This, together with considerable operational rationalisation, has positioned our business well for the upturn when it comes.

Continental Europe

The European manufacturing operations continued to take advantage of the rationalisation and consolidation prevalent within the household goods industry in Europe. The division experienced short-term deflationary pressure on selling prices, but was able to increase productivity and to extract more value from its extensive brand portfolio.

International Sourcing

The international sourcing operations continued to build capacity within their supplier base to satisfy the group's sourcing demand. Good growth was achieved coupled with improved quality and customer service levels, which benefitted margins within the retail divisions.

Southern Africa

The group's timber operations experienced a decline in demand due to its exposure to the South African construction and furniture markets. The division responded to the soft market by reducing its cost base and accelerating its investment within its forests and thereby securing its supplies internally over the long term.

LOGISTICS SERVICES

Southern Africa

The freight and logistics division delivered a strong performance. The division's focus on less capital intensive supply chain services resulted in improved margins.

The fuel and chemical division in particular outperformed expectations, securing additional work, which shielded the division from the reduction in fuel demand.

The passenger division also made great strides forward in the current year, with increased margins earned at Intercity and Megacoach. The division secured additional long-term contracts within its personnel transport division that will support sustainable growth.

Continental Europe, United Kingdom, Pacific Rim

Unitrans is increasingly being integrated into the group's foreign logistics operations, focussing on providing the retail and manufacturing operations with a world-class distribution network.

PERFORMANCE

REVENUE

Group sales grew 13% to R50.9 billion, represented by:

	2009	2008	
	R'000	R'000	% Change
Continental Europe, UK & Pacific Rim	31 519 694	24 714 822	28
Southern Africa	19 348 947	20 331 063	(5)
	50 868 641	45 045 885	13

The group's revenue achieved outside southern Africa (foreign revenue) principally comprises of revenues in euro, British pound, Polish zloty and Australian dollar. Foreign revenues (converted to euro) increased by 11% from euro 2.3 billion to euro 2.6 billion. The average exchange rate used for converting euro income and expenditure to rand was R12.3503:1 euro compared to R10.7631:1 euro in respect of the previous financial year (15% change).

In Europe, the increased revenue is mainly attributable to the European retail businesses consolidated for a full year during the year under review, supplemented by organic growth attributable to the EU sourcing businesses.

The decline in southern African revenue was as a result of the R2.2 billion decline in Unitrans' automotive retail sales, which was marginally offset by the increase in logistics revenue. The restructuring of the building supply retail division (Steinbuild) led to control of the joint-venture operations, requiring the consolidation of its results in the year under review. This division was proportionally consolidated in the previous year.

OPERATING MARGIN

The diversity of operations, good financial management and the scale of manufacturing and sourcing operations enabled the group to maintain the average operating margin at 10.1% (2008: 10.3%) amidst volatile market conditions.

NET FINANCE CHARGES

Net finance charges increased to R1 billion (2008: R705 million). The increased interest charges are mainly as a result of the increased currency conversion rate of euro-denominated interest charges and the R1.6 billion convertible bond, maturing in June 2015 (issued in June 2008). The net finance charges are further characterised by lower EURIBOR, LIBOR, JIBAR and SA prime rates prevailing across the globe, partly offset by higher spreads charged by financial institutions. The higher spreads were largely payable on short-term facilities accessed by the group. The long-term debt profile and terms of the group's debt remained largely unchanged during the year under review.

TAXATION

The group's increased taxation charge is due to the full-year consolidation of retail operations which are located in higher taxation rate jurisdictions such as Germany. Management anticipates that the average taxation rate should not fluctuate and is not expected to exceed 15% of pre-taxation income in the foreseeable future.

PROFIT AFTER TAXATION

Profit after taxation for the period increased by 6% to R3.6 billion (2008: R3.4 billion) and profit attributable to equity holders of the parent increased by 2% to R3.4 billion (2008: R3.3 billion).

MINORITY INTEREST

Profit attributable to minority shareholders increased to R249 million (2008: R126 million). This arose mainly from the minority shareholders within the European retail businesses that were consolidated for a full year during the year under review.

EARNINGS PER SHARE (EPS) AND HEADLINE EARNINGS PER SHARE (HEPS)

EPS increased by 3% to 256.1 cents per share (2008: 249.8 cents per share), while HEPS decreased by 4% to 252.9 cents per share (2008: 263.5 cents per share). The R49 million capital profit deducted in calculating headline earnings largely comprised of the profit on disposal of property within the southern African operations, while a R193 million capital loss was added back in the comparative period HEPS calculation, which included a R155 million impairment charge on the group's associate investments.

ASSETS

The group's total assets at 30 June 2009 amounted to R55.3 billion (2008: R56.9 billion) while the net asset value per share increased to 1 642 cents (2008: 1 637 cents). The majority of the group's assets are situated in Europe. These assets were converted at a closing rate of R10.8265:1 euro compared to R12.3341:1 euro in the previous financial year (12% change). The unrealised exchange differences on consolidation of foreign subsidiaries is largely attributable to the lower closing conversion rate in translating the group's euro assets to rand, but also includes the effect of the weak British pound, Polish zloty and Australian dollar against the euro.

WORKING CAPITAL

The group's policy to extend and improve credit terms to strong retailers, backed by credit insurance, supported continued sales growth and margins, particularly in the manufacturing and sourcing division. This remains a focussed strategy in respect of major retailers operating in areas where the group previously had no presence.

The group maintained its early settlement creditor policy and this benefitted margins with higher settlement discounts available, particularly in the current economic environment. Improved focus on inventory management enabled the group to reduce inventories and improve stock turnover.

DEBT

At 30 June 2009, the group had net interest-bearing debt of R8.8 billion (2008: R9.4 billion) resulting in a net debt:equity ratio of 35% (2008: 38%).

The group maintains an appropriate long-term maturity debt profile.

At 30 June 2009 the group had cash and cash equivalents and confirmed unutilised borrowing facilities of R8.1 billion (2008: R10 billion).

COMMENTARY: CORPORATE ACTIVITY

The group implemented the Broad Based Black Economic Empowerment transaction (BBBEE transaction) announced on 1 December 2008. The BBBEE transaction is funded by the group and will therefore result in sustainable benefits to all its participants. The group did not participate in any other corporate actions during the year.

COMMENTARY: OUTLOOK

The group's trading results for July and August have been encouraging. The international global economic conditions and financial markets appear to show signs of recovery. The resultant impact on consumer confidence and spending patterns, especially in respect of the market segments where Steinhoff operates, bodes well for improved performance in the current financial year. The group continues to foster its existing trading relationships and the spread of its businesses continues to result in market share gains due to the market consolidation trends. The vertically integrated structure insulates the group's sustainable earnings capacity whilst its sound financial position allows it to grow, both organically and by acquisition.

In line with our business model of increasing the group's retail footprint, corporate opportunities and strategic partnerships are continuously evaluated, both in Europe and in southern Africa.

The group's balance sheet remains strong with gearing comparatively low and we have retained the ability, flexibility and capacity to pursue further growth and strategic acquisition opportunities. The group's enduring commitment is to ongoing value creation, effective working capital management, achievement of acceptable operating margins and sound trading performance.

DECLARATION OF CAPITAL DISTRIBUTION AND SHARE AWARD

The board has resolved to declare a distribution of 60 cents per share (2008: 60 cents per share) from the share premium account to shareholders recorded in the register at the close of business on Friday, 4 December 2009 (the cash distribution). All shareholders will be awarded the opportunity to elect to receive capitalisation shares (the share award) which they will be entitled to decline in respect of all or any part of their holdings and instead, will receive the cash distribution.

The last day to trade Steinhoff shares on the JSE to ensure that the purchaser appears as a shareholder on the record date (4 December 2009) will be Friday, 27 November 2009. Shares will commence trading ex distribution from the commencement of trading on Monday, 30 November 2009. Payment and issue date will be Monday, 7 December 2009.

The terms of the share award will be announced on Wednesday, 11 November 2009 and documentation relating thereto will be posted by Wednesday, 11 November 2009. Elections in respect of the capital distribution will close on Friday, 4 December 2009 at 12:00.

Shareholders are required to notify their duly appointed participant or broker of their election in terms of the capital distribution.

Shareholders will have their CSDP or broker accounts credited with the share award on Monday, 7 December 2009. The capital distribution will be electronically transferred to the bank accounts of certificated shareholders who utilise this