The information provided below is for illustrative purposes only and is not incorporated by reference into, and therefore does not form part of, the Prospectus dated 19 November 2015. Investors should only rely on the information that is provided in the Prospectus or incorporated by reference therein.

STEINHOFF INTERNATIONAL HOLDINGS LIMITED
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
30 JUNE 2015

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Preparation supervised by: Frikkie (FJ) Nel CA(SA), Financial director

Steinhoff is a holding company invested predominantly in household goods, general merchandise, automotive and diversified related industries with interests in continental Europe, Africa, the Pacific Rim and the United Kingdom. With revenue from continuing operations of €9 818 million (2014: €8 321 million; 2013: €8 540 million), Steinhoff employs a vertically integrated and geographically diverse business model, covering the full spectrum from raw material to retail outlet across an extensive product offering.

The results for the year under review are fully set out in the attached consolidated annual financial statements.

The board has approved and declared a cash dividend from retained earnings of 165 rand cents (10.6 euro cents) per share (the Dividend). Shareholders will, however, be entitled to decline the Dividend or any part thereof and instead elect to receive a capitalisation issue alternative (the Capitalisation Issue Alternative). The Dividend and Capitalisation Issue Alternative for the year ended 30 June 2015 will be paid or issued to shareholders registered as such in Steinhoff's share register at the close of business on Friday, 13 November 2015 (the Record Date).

NOTE ON PREPARATION OF THIS SPECIAL PURPOSE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

The functional currency of Steinhoff is South African rand. This is a special purpose set of annual financial statements which have been prepared in euro, the presentation currency. The principles contained in IAS 21 - The Effects of Changes in Foreign Exchange Rates have been applied as follows in translating the South African rand consolidated annual financial statements to euro:

a) The assets and liabilities for each statement of financial position presented have been translated at the closing rate at the date of that statement of financial position.
b) Income and expenses for each statement presenting profit or loss and other comprehensive income have been translated at the average exchange rate for that period.
c) Equity balances were translated at spot rate on 30 June 2012 (Euro:rand 10.3447), thereafter the movements in equity are translated at average exchange rates.
d) The resulting exchange differences have been recognised in other comprehensive income as part of the foreign currency translation reserve.

The figures in the director's report have been translated using the spot exchange rate on the date of the transaction. If share prices were calculated using volume-weighted average prices (VWAP) over a period, the average of the spot rates for the same period has been used in translating the share price. Dividends were translated on the date that the dividend was declared.

Euro:rand exchange rates	**2015**	2014	2013
Average rate	**13.7347**	14.1106	11.4635
Closing rate	**13.5628**	14.5721	12.9209

MAJOR TRANSACTIONS

Accelerated bookbuild and rights offer

On 2 July 2014, Steinhoff announced a rights offer including an accelerated bookbuild of cum rights shares to institutional investors. The accelerated bookbuild was fully subscribed and 150 million Steinhoff ordinary shares were issued at R52.00 (€3.54) per share, amounting to R7.8 billion (€0.5 billion) of capital raised, which was paid to Steinhoff in a combination of euro and US dollars. A further approximately 200 million rights were taken up by investors, bringing the total capital raised to R18.2 billion (€1.3 billion).

Pepkor Holdings Proprietary Limited (Pepkor)

On 25 November 2014, it was announced that Steinhoff would acquire 92.34% of the issued share capital of Pepkor. The purchase consideration was settled through the issue of 839 million Steinhoff shares and a cash payment of R15 billion (€1.1 billion). Steinhoff shareholders approved the acquisition at a general meeting held on 26 January 2015. All conditions precedent were fulfilled on 31 March 2015. Pepkor was consolidated from 31 March 2015.

On 20 April 2015, the remaining 7.66% of Pepkor ordinary shares were acquired and the purchase consideration was settled through the issue of 87 million Steinhoff shares.

Convertible bond due 2016

During the year, conversion notices were received from holders of the convertible bond due 2016. On 3 March 2015, it was resolved to call on the redemption of the remainder of the convertible bonds due 2016. A total of 145 million ordinary shares of Steinhoff were issued to bondholders and R7.0 million (€0.5 million) was paid in cash.

Convertible bond due 2017

During the year, conversion notices were received from holders of the convertible bond due 2017. In total, 75.4 million ordinary shares of Steinhoff were issued to bondholders. At 30 June 2015, €181.1 million remained outstanding, representing 58 million underlying ordinary shares. Subsequent to year-end and up to the date of this report, conversion notices relating to a further €114.0 million bonds were received and 36.4 million shares issued.

PSG Limited (PSG)

On 30 June 2015, Steinhoff acquired 17.1 million shares in PSG in return for the issue of 45.4 million Steinhoff ordinary shares. This resulted in Steinhoff holding 27% of PSG (net of treasury shares). Subsequent to this transaction, Steinhoff has concluded that it has significant influence over PSG and therefore PSG has been recognised as an associate. A one-off capital profit of R3.5 billion (€0.3 billion) was recognised as a result of this transaction.

FINANCIAL INFORMATION OF LISTED ASSOCIATE COMPANIES

Detailed disclosure of listed associate companies is available on their websites:
www.kap.co.za
www.psggroup.co.za

SHARE CAPITAL

The company's authorised share capital comprises 6 000 000 000 ordinary shares of no par value and 1 000 000 000 non-redeemable, cumulative, non-participating preference shares of no par value. The authorised share capital was amended at the company's annual general meeting on 2 December 2014.

	Date	Number of shares
The following ordinary shares were issued during the year:		
Bookbuild[1]	3 July 2014	150 100 412
Rights offer[1]	4 August 2014	199 899 588
Conversion and redemption of convertible bond due 2016[2]	14 November 2014 to 7 April 2015	144 859 021
2011 Share incentive scheme[3]	8 December 2014 and 25 February 2015	11 067 184
Vendor consideration[4] (Pepkor transaction)	23 February 2015 and 30 March 2015	839 011 935
Vendor consideration[5] (Pepkor transaction)	20 April 2015	86 589 139
Conversion of convertible bond due 2017[6]	8 June 2015 to 26 June 2015	75 424 179
Vendor consideration[5] (PSG transaction)	30 June 2015	45 437 446

[1] *Issued under general authority granted at annual general meeting on 3 December 2013.*

[2] *Issued under general authority: convertible instruments annual general meeting on 7 December 2009, and due to adjustments, general authority granted at annual general meetings on 6 December 2010 and 3 December 2013.*

[3] *Issued under specific authority granted on 6 December 2010.*

[4] *Issued under specific authority granted at general meeting on 26 January 2015.*

[5] *Issued under general authority granted at annual general meeting on 2 December 2014.*

[6] *Issued under general authority: convertible instruments annual general meeting on 5 December 2011, and due to adjustments, general authority granted at annual general meetings on 3 December 2013.*

At year-end, subsidiaries and special-purpose vehicles of the group held 10 212 211 (2014: 9 963 800; 2013: 11 053 042) shares in the company, which have been netted off against issued ordinary share capital as treasury shares. In addition, the company has reserved for the allocation and potential issue on conversion 320 666 847 (2014: 529 416 368; 2013: 481 911 689) ordinary shares under its obligations to the holders of convertible bonds.

CONTRACTS

No contracts, other than those disclosed in note 31.6, in which directors and officers of the company had an interest and that significantly affected the affairs or business of the company or any of its subsidiaries, or which could have resulted in a conflict of interest, were entered into during the year.

EVENTS AFTER THE REPORTING DATE

The directors are not aware of any significant events after the reporting date that will have a material effect on the group's results or financial position as presented in these financial statements, except as discussed in this report.

Firm intention by Steinhoff to make an offer to acquire the remaining issued share capital of JD Group Limited (JD Group) and delisting of JD Group

On 12 June 2015, JD Group shareholders approved the scheme of arrangement and the delisting of JD ordinary shares from the main board of the JSE. As a result of the scheme of arrangement, Steinhoff increased its ownership in JD Group from 87% to 100%. JD Group was delisted from the JSE on 7 July 2015.

Firm intention by Steinhoff to make an offer to acquire Iliad Africa Limited (Iliad)

On 23 July 2015, Iliad announced Steinhoff's firm intention to extend an offer, through JD Group, to the shareholders of Iliad in terms of a Scheme of Arrangement for the acquisition of the entire issued share capital of Iliad for cash at R10 (€0.74) per Iliad share (scheme). The circular, including the notice of the meeting relating to the scheme, was despatched to Iliad shareholders on 28 August 2015, and the meeting at which Iliad shareholders will vote on the scheme, is scheduled to be held on 29 September 2015.

Convertible bond due 2022

On 30 July 2015, Steinhoff Finance Holding GmbH issued a seven-year, euro-denominated, convertible bond (the bond) to raise €1 116 million (before expenses). The bond pays interest semi-annually in arrears at a fixed rate of 1.25% per annum (pa) and is convertible into 150 million Steinhoff ordinary shares at an initial conversion price of R103.47 (€7.44) per share (representing an initial conversion premium of 35% to the prevailing underlying volume-weighted average (VWAP) share price at the date of pricing). The issue and redemption price of the bond is 100%. The bond is convertible into shares at the election of the bondholders. The company holds, subject to conditions, rights on early redemption. The bond is listed on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange.

Scheme of arrangement

On 7 August 2015, Steinhoff announced that it had received a firm intention from Genesis International Holdings N.V. (Genesis) to make an offer to acquire the entire issued share capital of Steinhoff by way of a scheme of arrangement, at a consideration of one Genesis share for each Steinhoff share. A circular was posted to shareholders on 7 August 2015 and can be viewed on the company's website. At a shareholder meeting on 7 September 2015, shareholders approved the scheme of arrangement.

DIRECTORATE

The executive directors in office during the financial year and date of this report were:
Markus Johannes Jooste - Chief executive officer
Hendrik Johan Karel Ferreira
Stephanus Johannes Grobler
Andries Benjamin la Grange - Chief financial officer
Fredrik Johannes Nel - Financial director
Daniël Maree van der Merwe - Chief operating officer

The non-executive directors in office during the financial year and date of this report were:
Dr Deenadayalen Konar[1] - Chairman
Dr Stefanes Francois Booysen[1]
Dr David Charles Brink[1]
Claas Edmund Daun[1] (German)
Thierry Louis Joseph Guibert (French) (resigned as executive director on 5 December 2014)
Dr Marthinus Theunis Lategan[1]
Johannes Fredericus Mouton[1]
Heather Joan Sonn[1]
Bruno Ewald Steinhoff (German)
Paul Denis Julia van den Bosch (Belgian)
Dr Christoffel Hendrik Wiese
[1] *Independent non-executive director*

The alternate directors in office during the financial year and date of this report were:
Johannes Nicolaas Stephanus du Plessis
Karel Johan Grové
Angela Krüger-Steinhoff [2] (German)
Mariza Nel
[2] *Non-executive director*

DIRECTORS' SHAREHOLDING

At 30 June 2015, the present directors and key management (including top executive management members) of the company held direct and indirect interests in 1 069 885 726 (2014: 332 594 878; 2013: 322 032 795) or 29.2% (2014: 15.8%; 2013: 17.5%) of the company's issued ordinary shares.

At the general meeting held on 26 January 2015, Steinhoff shareholders approved the acquisition of Pepkor on the basis of a condition precedent that a disinterested majority of shareholders waives the related mandatory offer by the Voting Pool (as that term is defined in the circular to Steinhoff shareholders dated 15 December 2014) (Voting Pool), to the remaining Steinhoff shareholders. At the date of this general meeting the Voting Pool held more than 35% of the issued share capital of Steinhoff (excluding treasury shares). Accordingly, Steinhoff shareholders approved the Pepkor acquisition on the basis that the Voting Pool comprises an integral part of its key terms and conditions. As a result of subsequent issuances of Steinhoff shares relating, inter alia, to the optional conversion of certain of the convertible bonds issued by Steinhoff Finance Holding GmbH, the Voting Pool currently holds approximately 33% of Steinhoff's issued shares (net of treasury shares).

There have been no changes to directors' shareholding between year-end and the date of this report. Details of the individual holdings are disclosed in note 32.

CORPORATE GOVERNANCE

The group complies with the Listings Requirements of the JSE Limited (JSE) and in all material respects with the Code of Corporate Practice and Conduct published in the King III Report on Corporate Governance.

SECRETARY

Steinhoff Africa Secretarial Services Proprietary Limited acts as secretary to the company. The board of directors has assessed the shareholders, directors and employees of Steinhoff Africa Secretarial Services Proprietary Limited, who performs the company secretary function and has concluded that an arm's length relationship has been maintained between themselves and Steinhoff.

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2018

Dr Deenadayalen Konar
Independent non-executive chairman

Markus Johannes Jooste
Chief executive officer

STEINHOFF INTERNATIONAL HOLDINGS LIMITED
INCOME STATEMENT
for the year ended 30 June 2015

	Notes	2015 €m	2014 €m	2013 €m
Continuing operations				
Revenue		**9 818**	8 321	8 540
Cost of sales		**(6 300)**	(5 349)	(5 541)
Gross profit		**3 518**	2 972	2 999
Other operating income		**264**	100	108
Distribution expenses		**(541)**	(501)	(479)
Other operating expenses		**(2 126)**	(1 676)	(1 775)
Capital items	1	**182**	106	(28)
Operating profit	2	**1 297**	1 001	825
Finance costs	3	**(279)**	(247)	(229)
Income from investments	3	**151**	106	87
Share of profit of equity accounted companies	12	**41**	21	21
Profit before taxation		**1 210**	881	704
Taxation	4	**(96)**	(139)	(84)
Profit from continuing operations		**1 114**	742	620
Discontinued operations				
(Loss)/profit from discontinued operations	5	**(155)**	(43)	74
Profit for the year		**959**	699	694
Profit attributable to:				
Owners of the parent		**976**	715	637
Non-controlling interests	20	**(17)**	(16)	57
Profit for the year		**959**	699	694
Earnings per share (cents)				
Basic earnings per share				
From continuing and discontinued operations	6	**34.9**	35.2	33.6
From continuing operations	6	**39.7**	36.2	31.0
Diluted earnings per share				
From continuing and discontinued operations	6	**32.2**	31.5	30.0
From continuing operations	6	**36.3**	32.3	27.9
Headline earnings per share (cents) (refer to note 6 for definition)				
Basic headline earnings per share				
From continuing and discontinued operations	6	**28.7**	31.5	34.1
From continuing operations	6	**33.1**	32.8	31.4
Diluted headline earnings per share				
From continuing and discontinued operations	6	**26.9**	28.5	30.3
From continuing operations	6	**30.6**	29.5	28.2

STEINHOFF INTERNATIONAL HOLDINGS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2015

	2015 €m	2014 €m	2013 €m
Profit for the year	**959**	699	694
Other comprehensive (loss)/income			
Items that will not be reclassified subsequently to profit or loss:			
Actuarial (losses)/gains on defined benefit plans	**(13)**	(10)	9
Deferred taxation	**3**	3	(2)
	(10)	(7)	7
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	**192**	(200)	(613)
Foreign currency translation reserve recycled on disposal of subsidiary	**-**	26	-
Net fair value gain/(loss) on cash flow hedges and other fair value reserves	**17**	(9)	(4)
Deferred taxation	**(4)**	2	-
Other comprehensive income of equity accounted companies, net of deferred taxation	**1**	-	-
	206	(181)	(617)
Total other comprehensive income/(loss) for the year	**196**	(188)	(610)
Total comprehensive income for the year	**1 155**	511	84
Total comprehensive income attributable to:			
Owners of the parent	**1 164**	565	150
Non-controlling interests	**(9)**	(54)	(66)
Total comprehensive income for the year	**1 155**	511	84

STEINHOFF INTERNATIONAL HOLDINGS LIMITED
STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2015

	Ordinary stated share capital €m	Distributable reserves €m	Convertible and redeemable bonds reserve €m	Foreign currency translation reserve €m	Share-based payment reserve €m	Premiums or discounts on changes in non-controlling interests €m	Other reserves €m	Total ordinary equity attributable to owners of the parent €m	Preference stated share capital €m	Total equity attributable to owners of the parent €m	Non-controlling interests €m	Total €m
Balance at 1 July 2012	958	2 860	94	166	62	59	(16)	4 183	371	4 554	646	5 200
Net shares issued	132	-	-	-	-	-	-	132	-	132	-	132
Purchase of shares	(11)	-	-	-	-	-	-	(11)	-	(11)	-	(11)
Proceeds on sale of shares net of capital gains taxation	18	-	-	-	-	-	-	18	6	24	-	24
Capital distribution	(148)	-	-	-	-	-	-	(148)	-	(148)	-	(148)
Redemption of preference shares	-	-	-	-	-	-	-	-	(39)	(39)	-	(39)
Total comprehensive income for the year	-	637	-	(490)	-	-	3	150	-	150	(66)	84
Profit for the year	-	637	-	-	-	-	-	637	-	637	57	694
Other comprehensive loss for the year	-	-	-	(490)	-	-	3	(487)	-	(487)	(123)	(610)
Preference dividends	-	(25)	-	-	-	-	-	(25)	-	(25)	-	(25)
Dividends paid	-	-	-	-	-	-	-	-	-	-	(32)	(32)
Net shares bought from/sold to non-controlling interests	-	-	-	-	-	(5)	-	(5)	-	(5)	(30)	(35)
Share-based payments	-	-	-	-	13	-	-	13	-	13	-	13
Convertible bonds issued and redeemed - equity portion net of deferred taxation	-	-	8	-	-	-	-	8	-	8	-	8
Transfers and other reserve movements	-	18	-	(7)	(13)	6	(4)	-	-	-	(3)	(3)
Balance at 30 June 2013	949	3 490	102	(331)	62	60	(17)	4 315	338	4 653	515	5 168
Net shares issued	757	-	-	-	-	-	-	757	-	757	-	757
Proceeds on sale of shares net of capital gains taxation	2	-	-	-	-	-	-	2	36	38	-	38
Redemption of preference shares	-	-	-	-	-	-	-	-	(47)	(47)	-	(47)
Total comprehensive income/(loss) for the year	-	715	-	(136)	-	-	(14)	565	-	565	(54)	511
Profit/(loss) for the year	-	715	-	-	-	-	-	715	-	715	(16)	699
Other comprehensive income/(loss) for the year	-	-	-	(136)	-	-	(14)	(150)	-	(150)	(38)	(188)
Preference dividends	-	(11)	-	-	-	-		(11)	-	(11)	-	(11)
Dividends paid	-	(107)	-	-	-	-	-	(107)	-	(107)	(15)	(122)
Released on derecognition of subsidiary	-	-	-	-	-	-	-	-	-	-	(195)	(195)
Introduced and acquired on acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	9	9
Net shares bought from/sold to non-controlling interests	-	-	-	-	-	16	-	16	-	16	(155)	(139)
Share-based payments	-	-	-	-	31	-	-	31	-	31	-	31
Convertible bonds issued and redeemed - equity portion net of deferred taxation	-	-	18	-	-	-	-	18	-	18	-	18
Transfers and other reserve movements	-	100	-	(4)	(5)	(98)	11	4	-	4	2	6
Balance at 30 June 2014	**1 708**	**4 187**	**120**	**(471)**	**88**	**(22)**	**(20)**	**5 590**	**327**	**5 917**	**107**	**6 024**
Net shares issued	**6 759**	**-**	**-**	**-**	**-**	**-**	**-**	**6 759**	**146**	**6 905**	**-**	**6 905**
Redemption of preference shares	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(36)**	**(36)**	**-**	**(36)**
Total comprehensive income/(loss) for the year	**-**	**976**	**-**	**184**	**-**	**-**	**4**	**1 164**	**-**	**1 164**	**(9)**	**1 155**
Profit/(loss) for the year	**-**	**976**	**-**	**-**	**-**	**-**	**-**	**976**	**-**	**976**	**(17)**	**959**
Other comprehensive income for the year	**-**	**-**	**-**	**184**	**-**	**-**	**4**	**188**	**-**	**188**	**8**	**196**
Preference dividends	**-**	**(24)**	**-**	**-**	**-**	**-**		**(24)**	**-**	**(24)**	**-**	**(24)**
Dividends paid	**-**	**(273)**	**-**	**-**	**-**	**-**	**-**	**(273)**	**-**	**(273)**	**(4)**	**(277)**
Introduced and acquired on acquisition of subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**108**	**108**
Net shares bought from/sold to non-controlling interests	**-**	**-**	**-**	**-**	**-**	**(333)**	**-**	**(333)**	**-**	**(333)**	**(116)**	**(449)**
Share-based payments	**-**	**-**	**-**	**-**	**41**	**-**	**-**	**41**	**-**	**41**	**-**	**41**
Convertible bonds redeemed - equity portion net of deferred taxation	**-**	**-**	**(27)**	**-**	**-**	**-**	**-**	**(27)**	**-**	**(27)**	**-**	**(27)**
Transfers and other reserve movements	**-**	**11**	**-**	**-**	**-**	**-**	**2**	**13**	**-**	**13**	**(5)**	**8**
Balance at 30 June 2015	**8 467**	**4 877**	**93**	**(287)**	**129**	**(355)**	**(14)**	**12 910**	**437**	**13 347**	**81**	**13 428**

STEINHOFF INTERNATIONAL HOLDINGS LIMITED
STATEMENT OF FINANCIAL POSITION
as at 30 June 2015

	Notes	2015 €m	2014 €m	2013 €m
ASSETS				
Non-current assets				
Goodwill	8	**5 933**	1 908	1 459
Intangible assets	9	**4 022**	2 628	3 219
Property, plant and equipment	10	**4 296**	3 733	3 512
Consumable biological assets	11	**-**	-	136
Investments in equity accounted companies	12	**1 170**	290	204
Investments and loans	13	**493**	713	86
Deferred taxation assets	14	**198**	95	57
Trade and other receivables	15	**11**	5	246
		16 123	9 372	8 919
Current assets				
Inventories and vehicle rental fleet	16	**1 945**	1 266	1 308
Trade and other receivables	15	**1 343**	1 243	1 551
Investments and loans	13	**656**	407	250
Cash and cash equivalents		**2 794**	1 121	716
		6 738	4 037	3 825
Assets and disposal groups classified as held for sale	17	**248**	472	29
		6 986	4 509	3 854
Total assets		**23 109**	13 881	12 773
EQUITY AND LIABILITIES				
Capital and reserves				
Ordinary stated share capital	18	**8 467**	1 708	949
Reserves		**4 443**	3 882	3 366
Preference stated share capital	19	**437**	327	338
Total equity attributable to equity holders of the parent		**13 347**	5 917	4 653
Non-controlling interests	20	**81**	107	515
Total equity		**13 428**	6 024	5 168
Non-current liabilities				
Interest-bearing loans and borrowings	21	**4 152**	3 814	3 487
Employee benefits	22	**78**	60	56
Deferred taxation liabilities	14	**1 001**	746	747
Provisions	23	**216**	109	201
Trade and other payables	24	**68**	26	18
		5 515	4 755	4 509
Current liabilities				
Trade and other payables	24	**3 416**	2 347	2 302
Employee benefits	22	**86**	51	69
Provisions	23	**96**	83	79
Interest-bearing loans and borrowings	21	**431**	440	396
Bank overdrafts and short-term facilities		**137**	167	245
		4 166	3 088	3 091
Liabilities and disposal groups classified as held for sale	17	**-**	14	5
		4 166	3 102	3 096
Total equity and liabilities		**23 109**	13 881	12 773
Net asset value per ordinary share (cents)	6	**353**	266	234

STEINHOFF INTERNATIONAL HOLDINGS LIMITED
STATEMENT OF CASH FLOWS
for the year ended 30 June 2015

	Notes	2015 €m	2014[1] €m	2013[1] €m
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash generated from operations	25	**1 943**	1 641	1 236
Net movement in instalment sale and loan receivables		**(16)**	(124)	(260)
Net dividends paid		**(286)**	(129)	(61)
Net finance charges		**(90)**	(131)	(139)
Taxation paid		**(76)**	(113)	(95)
Net cash inflow from operating activities		**1 475**	1 144	681
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to property, plant and equipment		**(341)**	(351)	(588)
Additions to intangible assets		**(19)**	(27)	(32)
Proceeds on disposal of property, plant and equipment and intangible assets		**16**	32	26
Acquisition of subsidiaries and businesses, net of cash on hand at acquisition	26	**(971)**	(459)	(34)
Disposal of subsidiaries and businesses, net of cash on hand at disposal	27	**-**	138	(1)
Decrease/(increase) in long-term investments and loans		**2**	(360)	(11)
Increase in short-term investments and loans		**(211)**	(157)	(84)
Net (increase)/decrease in investments in equity accounted companies		**(12)**	-	4
Net cash outflow from investing activities		**(1 536)**	(1 184)	(720)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds of ordinary shares issued		**1 325**	-	-
Proceeds of preference shares issued		**146**	-	-
Preference shares redeemed		**(36)**	(27)	(35)
Share issue expenses		**(28)**	-	-
Capital distribution paid		**-**	-	(28)
Decrease in treasury shares		**-**	20	6
Transactions with non-controlling interests		**(7)**	2	(41)
(Decrease)/increase in bank overdrafts and short-term facilities		**(81)**	(31)	1
Increase in long-term interest-bearing loans and borrowings		**877**	795	639
Decrease in short-term interest-bearing loans and borrowings		**(475)**	(297)	(519)
Net cash inflow from financing activities		**1 721**	462	23
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**1 660**	422	(16)
Effects of exchange rate translations on cash and cash equivalents		**13**	(17)	(47)
Cash and cash equivalents at beginning of the year		**1 121**	716	779
CASH AND CASH EQUIVALENTS AT END OF YEAR		**2 794**	1 121	716

[1] *The cash flow has been re-presented to combine the secured and unsecured instalment sales receivables movement, previously disclosed separately under working capital and cash flows from operating activities. Additions to vehicle rental fleet, which are financed through finance leases, are now excluded from working capital as non-cash items. Cash flows relating to treasury shares and transactions with non-controlling interests have been reclassified from investing activities to financing activities.*

STEINHOFF INTERNATIONAL HOLDINGS LIMITED
SEGMENTAL REPORTING
for the year ended 30 June 2015

	2015 €m	2014 €m	2013 €m
REVENUE - CONTINUING OPERATIONS			
Integrated retail: Household goods	**7 622**	7 122	7 188
Integrated retail: General merchandise	**888**	-	-
Integrated retail: Automotive	**1 308**	1 199	1 352
	9 818	8 321	8 540
OPERATING PROFIT BEFORE CAPITAL ITEMS - CONTINUING OPERATIONS			
Integrated retail: Household goods	**956**	859	812
Integrated retail: General merchandise	**120**	-	-
Integrated retail: Automotive	**39**	36	41
	1 115	895	853
RECONCILIATION BETWEEN OPERATING PROFIT PER INCOME STATEMENT AND OPERATING PROFIT BEFORE CAPITAL ITEMS PER SEGMENTAL ANALYSIS			
Operating profit per income statement	**1 297**	1 001	825
Capital items (note 1)	**(182)**	(106)	28
Operating profit before capital items per segmental analysis	**1 115**	895	853
SEGMENTAL ASSETS			
Integrated retail: Household goods	**10 271**	10 044	9 306
Integrated retail: General merchandise	**6 530**	-	-
Integrated retail: Automotive	**947**	834	499
	17 748	10 878	9 805
RECONCILIATION BETWEEN TOTAL ASSETS PER STATEMENT OF FINANCIAL POSITION AND SEGMENTAL ASSETS			
Total assets per statement of financial position	**23 109**	13 881	12 773
Less: Cash and cash equivalents	**(2 794)**	(1 121)	(716)
Less: Investments in equity accounted companies	**(1 170)**	(290)	(204)
Less: Long-term investments and loans	**(493)**	(713)	(86)
Less: Short-term investments and loans	**(656)**	(407)	(250)
Less: Assets of discontinued operations and assets held for sale[1]	**(248)**	(472)	(1 712)
Segmental assets	**17 748**	10 878	9 805
GEOGRAPHICAL ANALYSIS			
Revenue - continuing operations			
Continental Europe	**5 720**	5 235	5 154
Africa	**2 905**	2 168	2 541
Other	**1 193**	918	845
	9 818	8 321	8 540
Non-current assets			
Continental Europe	**8 758**	7 315	6 298
Africa	**6 151**	1 216	1 926
Other	**1 214**	841	695
	16 123	9 372	8 919

The segments have been re-presented in order to reflect the new group structure.

[1] *The prior year numbers include the assets of companies discontinued and classified as held for sale during the 2014 financial year.*

Basis of segmental presentation

The segmental information has been prepared in accordance with IFRS 8 - *Operating Segments* (IFRS 8), which defines requirements for the disclosure of financial information of an entity's operating segments. The standard requires segmentation based on the group's internal organisation and reporting of revenue and operating income based upon internal accounting methods.

Identification of segments

The group discloses its operating segments according to the entity components regularly reviewed by the chief operating decision-makers. The components comprise various operating segments located globally. The revenue and non-current assets are further disclosed within the geographical areas in which the group operates. Segmental information is prepared in conformity with the measure that is reported to the chief operating decision-makers. These values have been reconciled to the consolidated financial statements. The measures reported by the group are in accordance with the accounting policies adopted for preparing and presenting the consolidated financial statements.

Segment revenue excludes value added taxation. Intersegment revenue is eliminated in the segment from which it was sold. Sales between segments are made on a commercial basis. Segment operating profit before capital items represents segment revenue less segment expenses, excluding capital items included in note 1. Segment expenses include distribution expenses and other operating expenses. Depreciation and amortisation have been allocated to the segments to which they relate.

The segment assets comprise all assets of the different segments that are employed by the segment and that are either directly attributable to the segment or can be allocated to the segment on a reasonable basis.

Operational segments

Integrated retail: Household goods

Household goods

Revenue in this segment is derived through retailing furniture, beds, related homeware and household products in continental Europe, the United Kingdom, Africa and the Pacific Rim. This segment incorporates all the retail operations of Steinhoff Retail and Conforama in the European Union, Steinhoff UK Holdings in the United Kingdom, Steinhoff Asia Pacific and JD Group in Africa.

Integrated supply chain

In continental Europe, revenue is generated from manufactured and imported/sourced household goods and related homeware. Revenue also includes the importing operations in the Netherlands, the manufacturing and sourcing operations in Germany, the low-cost manufacturing operations in Hungary and Poland, and the manufacturing of household goods and automotive products in the United Kingdom, while in the Pacific Rim revenue is derived from the manufacturing operations in Australia and sourcing from the East.

This segment includes the specialised distribution and warehousing services delivered to the group and external parties through our distribution and warehouse companies situated in continental Europe, the United Kingdom and the Pacific Rim.

Steinhoff's various global corporate offices provide strategic direction and services to the decentralised operations globally, adding value through identifying and implementing our various strategies across the globe. Activities include managing of our own brands and trademarks, all group treasury-related income in various currencies, volume rebates, trade commissions, fee income, discounts and similar activities.

Properties

Revenue is derived from property rental income from internal and external customers through properties held by Steinhoff Properties and Hemisphere.

Integrated retail: General merchandise

Revenue in Pepkor is derived from a portfolio of retail chains focused on the discount and value segments and selling predominantly clothing, footwear, textiles, cell phones and airtime.

Integrated retail: Automotive

Unitrans Automotive offers a broad range of new and pre-owned vehicles, parts, insurance, accessories and servicing, complemented by the Hertz car rental division.

Geographical segments

The group's operations are principally located in continental Europe, Africa, the Pacific Rim and the United Kingdom.

Major customers

No single customer contributes 10% or more of the group's revenue.

Steinhoff is a South African registered company. The consolidated annual financial statements of Steinhoff for the year ended 30 June 2015 comprise Steinhoff and its subsidiaries (together referred to as the Steinhoff Group) and the group's interest in associate companies and joint-venture companies.

Statement of compliance

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the interpretations adopted by the International Accounting Standards Board (IASB), the IFRS Interpretations Committee of the IASB (IFRIC), the requirements of the South African Companies Act, 71 of 2008, as amended (the Act) and have been audited in compliance with all the requirements of section 29(1) of the Act, as required.

Adoption of revised standards

During the current year, the group has adopted all the revised standards and interpretations issued by the IASB and the IFRIC that are relevant to its operations and effective for annual reporting periods beginning on 1 July 2014. The adoption of these revised standards and interpretations has not resulted in material changes to the group's accounting policies.

The group adopted the following amended standards and interpretations during the year:

IAS 36	Impairment of Assets: Recoverable amount disclosures for non-financial assets
IAS 39	Financial Instruments: Recognition and Measurement: Novation of derivatives and continuation of hedge accounting
IFRIC 21	Levies

Basis of preparation

The consolidated annual financial statements are prepared in millions of euro (€m) on the historical-cost basis, except for certain assets and liabilities, which are carried at amortised cost, and certain financial instruments and consumable biological assets, which are stated at their fair value.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that may affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed under 'Judgements and estimates'.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these annual financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 - *Share-based Payments* , leasing transactions that are within the scope of IAS 17 - *Leases* , and measurements that have some similarities to fair value but are not fair value such as net realisable value in IAS 2 - *Inventories* or value in use in IAS 36 - *Impairment of Assets.*

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are defined as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can assess at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The material accounting policies applied by the group, as well as accounting policies where IFRS allows choice, are set out below and have been applied consistently to the periods presented in these consolidated annual financial statements, except where stated otherwise.

The accounting policies have been applied consistently by all group entities.

Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the group (including structured entities). An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In assessing control, substantive rights relating to an investee are taken into account. For a right to be substantive, the holder must have the practical ability to exercise that right.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair value at the date of acquisition. Any difference between the cost of acquisition and the group's share of the net identifiable assets, liabilities and contingent liabilities, fairly valued, is recognised and treated in terms of the group's accounting policy for goodwill.

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination.

Subsequently, any losses applicable to the non-controlling interests are allocated to the non-controlling interests even if this results in the non-controlling interests having deficit balances.

Associate companies

An associate company is an entity over which the group is in a position to exercise significant influence, through participation in the financial and operating policy decisions of the entity, but which it does not control or jointly control. The group applies equity accounting to its associates.

Dilution gains and losses arising on the investment in associate companies are recognised in other comprehensive income.

The profit or loss on transactions with associate companies is not eliminated.

Joint arrangements

A joint arrangement is defined as an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. There are two types of joint arrangements, namely joint operation and joint venture.

Joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint operators recognise and measure the assets and liabilities (and recognise the related revenues and expenses) in relation to its interest in the arrangement in accordance with the relevant IFRSs applicable to the particular assets, liabilities, revenues and expenses.

A joint venture is a joint arrangement whereby the parties that have control of the arrangement have rights to the net assets of the arrangement. A joint venturer recognises an investment and accounts for that investment using the equity method.

Contingent consideration

Where a structured business combination contains a puttable instrument on the interest of an apparent non-controlling shareholder, the acquirer will classify the obligation to pay contingent consideration that meets the definition of a financial instrument as a financial liability or as equity on the basis of the definitions of an equity instrument and financial liability in IAS 32 - *Financial Instruments: Presentation.*

Contingent consideration is measured at fair value at each reporting date, and changes in fair value are recognised in profit or loss.

Common control transactions and premiums and discounts arising on subsequent purchases from, or sales to non-controlling interests in subsidiaries

When a purchase price allocation has been performed for separate financial statements it is reversed for group consolidated accounts. Any increases or decreases in ownership interest in subsidiaries without a change in control are recognised as equity transactions. The carrying amounts of the group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any differences between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received are recognised directly in equity and attributed to owners of the company.

Goodwill

All business combinations are accounted for by applying the purchase method. Goodwill arising on the acquisition of a subsidiary, associate company or joint-venture company represents the excess of the aggregate consideration transferred, non-controlling interest in the acquiree and in business combinations achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree, over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary, associate company or joint-venture company recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. An impairment loss in respect of goodwill is not reversed.

Goodwill is allocated to cash-generating units (CGUs) and is tested annually for impairment, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

On disposal of a subsidiary, associate company or joint-venture company, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Gains on bargain purchases arising on acquisition are recognised directly as capital items in profit or loss.

Intangible assets

Intangible assets that are acquired by the group are stated at cost less accumulated amortisation and impairment losses. If an intangible asset is acquired in a business combination, the cost of that intangible asset is measured at its fair value at the acquisition date.

Expenditure on internally generated goodwill and brands is recognised in profit or loss as an expense as incurred.

Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation

Amortisation of intangible assets is recognised in profit or loss on a straight-line basis over the assets' estimated useful lives, unless such lives are indefinite. An intangible asset is regarded as having an indefinite useful life when, based on analysis of all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Intangible assets with indefinite useful lives and intangible assets not yet available for use are not amortised but are tested for impairment annually, or more often when there is an indication that the asset may be impaired. Other intangible assets are amortised from the date they are available for use.

The amortisation methods, estimated useful lives and residual values are reassessed annually, with the effect of any changes in estimate being accounted for on a prospective basis.

Property, plant and equipment

Owned assets

Property, plant and equipment are stated at cost to the group, less accumulated depreciation and impairment losses. The cost of self-constructed assets includes the costs of materials, direct labour, the initial estimate, where relevant, of the cost of dismantling and removing the items and restoring the site on which they are located, borrowing costs capitalised and an appropriate proportion of production overheads.

Leased assets

Leases that transfer substantially all the risks and rewards of ownership of the underlying asset to the group are classified as finance leases. Assets acquired in terms of finance leases are capitalised at the lower of fair value and the present value of the minimum lease payments at inception of the lease.

The capital element of future obligations under the leases is included as a liability in the statement of financial position. Lease payments are allocated using the effective-interest method to determine the lease finance costs, which are charged against income over the lease period, and the capital repayment, which reduces the liability to the lessor.

Subsequent costs

The group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when the cost is incurred, if it is probable that additional future economic benefits embodied within the item will flow to the group and the cost of such item can be measured reliably. Costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as an expense when incurred.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis at rates that will reduce the book values to estimated residual values over the estimated useful lives of the assets.

Land is not depreciated. Leasehold improvements on premises occupied under operating leases are written off over their expected useful lives or, where shorter, the term of the relevant lease.

The depreciation methods, estimated useful lives and residual values are reassessed annually, with the effect of any changes in estimate being accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Investment property
Investment property is land and buildings that are held to earn rental income or for capital appreciation, or both.

Investment property is initially recognised at cost, including transaction costs, when it is probable that future economic benefits associated with the investment property will flow to the group and the cost of the investment property can be measured reliably. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure. The cost of a self-constructed investment property is its cost at the date when the construction development is complete.

Investment property is accounted for under the cost model and the accounting treatment after initial recognition follows that applied to property, plant and equipment.

Consumable biological assets
The group's timber plantations and livestock are classified as consumable biological assets. These assets are measured on initial recognition and at each reporting date at their fair value less estimated costs to sell. Costs to sell include all costs that would be necessary to sell the assets, excluding costs necessary to get the assets to the market. Gains and losses arising from changes in the fair value of the plantations less estimated costs to sell are recorded in profit or loss.

Taxation
Current taxation
Income taxation on the profit or loss for the year comprises current and deferred taxation. Income taxation is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised directly in other comprehensive income or equity.

Current taxation is the expected taxation payable on the taxable income for the year, using taxation rates enacted or substantially enacted at the reporting date, and any adjustment to taxation payable in respect of previous years.

Deferred taxation
Deferred taxation is provided for using the statement of financial position liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used in the computation of taxable income. The following temporary differences are not provided for: goodwill not deductible for taxation purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit; and differences relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future.

Deferred taxation liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associate companies and interest in joint-venture companies, except where the group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred taxation assets and liabilities are offset when there is a legally enforceable right to set off current taxation assets against current taxation liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current taxation assets and liabilities on a net basis.

Deferred taxation assets and liabilities are measured at the taxation rates that are expected to apply in the period in which the liability is settled or the asset realised, based on the taxation rates (and taxation laws) that have been enacted or substantively enacted by the reporting date. The measurement of deferred taxation liabilities and assets reflects the taxation consequences that would follow from the manner in which the group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

A deferred taxation asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset will be utilised. Deferred taxation assets are reduced to the extent that it is no longer probable that the related taxation benefit will be realised.

Inventories
Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling and distribution expenses.

The cost of harvested timber is its fair value less estimated costs to sell at the date of harvest, determined in accordance with the accounting policy for consumable biological assets. Any change in fair value at the date of harvest is recognised in profit or loss. The cost of other inventories includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity.

Development properties comprise land valued at cost and development expenditure attributable to unsold properties.

Where necessary, the carrying amounts of inventory are adjusted for obsolete, slow-moving and defective inventories.

Non-current assets held for sale and discontinued operations
Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. These assets may be a component of an entity, a disposal group or an individual non-current asset. Upon initial classification as held for sale, non-current assets and disposal groups are recognised at the lower of their carrying amount and fair value less costs to sell.

A discontinued operation is a component of the group's business that represents a separate major line of business or geographical area of operation or a subsidiary acquired exclusively with a view to resell. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale.

Share capital
Preference shares
Preference shares are classified as equity if they are non-redeemable and any dividends are discretionary, or are redeemable but only at the group's option. Dividends on preference share capital classified as equity are recognised as distributions within equity.

In order to calculate earnings attributable to ordinary shareholders, the amount of preference dividends for cumulative preference shares required for that period, whether or not declared, is deducted from profit attributable to equity holders in determining earnings per ordinary share.

The amount of preference dividends for the period used to calculate earnings per ordinary share does not include the amount of any preference dividends for cumulative preference shares paid or declared during the current period in respect of previous periods.

Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders or if dividend payments are not discretionary. Dividends thereon are recognised in accordance with the group's dividend policy.

Treasury shares
When shares recognised as equity are purchased by group companies in their holding company and by the employee share trusts, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/from share premium.

Dividends
Non-discretionary dividends on preference shares are recognised as a liability and recognised as an interest expense using the effective-interest method. Other dividends are recognised as a liability in the period in which they are declared.

Dividends received on treasury shares are eliminated on consolidation.

Share-based payment transactions
Equity-settled
The fair value of the deferred delivery shares and the share rights granted to employees is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and is expensed over the period during which the employees are required to provide services in order to become unconditionally entitled to the equity instruments. The fair value of the instruments granted is measured using generally accepted valuation techniques, taking into account the terms and conditions upon which the instruments are granted. The amount recognised as an expense is adjusted to reflect the actual number of deferred delivery shares and the share rights that vest, except where forfeiture is only due to share prices not achieving the threshold for vesting.

Group share-based payment transactions
Transactions in which a parent grants rights to its equity instruments directly to the employees of its subsidiaries are classified as equity-settled in the financial statements of the subsidiary, provided the share-based payment is classified as equity-settled in the consolidated financial statements of the parent.

The subsidiary recognises the services acquired with the share-based payment as an expense and recognises a corresponding increase in equity representing a capital contribution from the parent for those services acquired. The parent recognises in equity the equity-settled share-based payment and recognises a corresponding increase in the investment in subsidiary.

A recharge arrangement exists whereby the subsidiary is required to fund the difference between the exercise price on the share right and the market price of the share at the time of exercising the right. The recharge arrangement is accounted for separately from the underlying equity-settled share-based payment as follows upon initial recognition:

- The subsidiary recognises a share scheme settlement provision at fair value, using cash-settled share-based payment principles, and a corresponding adjustment against equity for the capital contribution recognised in respect of the share-based payment.
- The parent recognises a corresponding share scheme settlement asset at fair value and a corresponding adjustment to the carrying amount of the investment in the subsidiary.

Subsequent to initial recognition, the recharge arrangement is remeasured at fair value at each subsequent reporting date until settlement date to the extent vested. Where the settlement provision recognised is greater than the initial capital contribution recognised by the subsidiary in respect of the share-based payment, the excess is recognised as a net capital distribution to the parent. The amount of the settlement asset in excess of the capital contribution recognised as an increase in the investment in subsidiary is deferred and recognised as dividend income by the parent when settled by the subsidiary.

Convertible bonds

Bonds which are convertible to share capital, where the number of shares to be issued does not vary with changes in their fair value, are accounted for as compound financial instruments. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of the proceeds. The equity component of the convertible bonds is calculated as the excess of the issue proceeds over the present value of the future interest and principal payments, discounted at the market rate of interest applicable to similar liabilities that do not have a conversion option. The interest expense recognised in profit or loss is calculated using the effective-interest method.

Provisions

Provisions are recognised when the group has a present constructive or legal obligation as a result of a past event, and when it is probable that it will result in an outflow of economic benefits that can be reasonably estimated.

If the effect is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

Restructuring

A provision for restructuring is recognised when the group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Future operating costs are not provided for.

Dilapidation and onerous contracts

A provision for dilapidation and onerous contracts is recognised when the expected benefits to be derived by the group from a contract are lower than the unavoidable cost of meeting the obligation under the contract.

Foreign currency

Foreign currency transactions

Transactions in currencies other than the functional currency of entities are initially recorded at the rates of exchange ruling on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are translated at the rates ruling on the reporting date. Foreign exchange differences arising on translation are recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at rates ruling at the dates the fair value was determined.

Financial statements of foreign operations

The assets and liabilities of all foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated at rates of exchange ruling at the reporting date. The revenues and expenses of foreign operations are translated at rates approximating the foreign exchange rates ruling at the date of the transactions.

Foreign exchange differences arising on translation are recognised in other comprehensive income and aggregated in the foreign currency translation reserve (FCTR). The FCTR applicable to a foreign operation is released to profit or loss as a capital item upon disposal of that foreign operation.

Net investment in foreign operations

Exchange differences arising from the translation of the net investment in foreign operations, and of related hedges, are recognised in other comprehensive income and accumulated in the FCTR. They are released to profit or loss as a capital item upon disposal of that foreign operation.

Financial instruments

Initial recognition

Financial assets and financial liabilities are recognised on the group's statement of financial position when the group becomes a party to the contractual provisions of the instrument.

Initial measurement

All financial instruments are initially recognised at fair value, including transaction costs that are incremental to the group and directly attributable to the acquisition or issue of the financial asset or financial liability, except for those classified as fair value through profit or loss where the transaction costs are recognised immediately in profit or loss.

Subsequent measurement
Financial instruments at fair value through profit or loss consist of items classified as held for trading or where they have been designated as fair value through profit or loss.

All financial liabilities, other than those at fair value through profit or loss, are classified as financial liabilities at amortised cost.

Loans and receivables are carried at amortised cost, with interest recognised in profit or loss for the period, using the effective-interest method.

Available-for-sale financial assets are measured at fair value, with any gains and losses recognised directly in equity along with the associated deferred taxation. Any foreign currency gains or losses, dividend income or interest revenue, measured on an effective-yield basis, are recognised in profit or loss.

Embedded derivatives
Certain derivatives embedded in financial host contracts are treated as separate derivatives and recognised on a standalone basis, when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value, with gains and losses reported in profit or loss.

Derecognition
The group derecognises a financial asset when the rights to receive cash flows from the asset have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

A financial liability is derecognised when, and only when, the liability is extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or has expired.

Impairment of financial assets
An impairment loss for loans and receivables is recognised in profit or loss when there is evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

When there is objective evidence that an available-for-sale financial asset is impaired, the cumulative unrealised gains and losses recognised in equity are reclassified to profit or loss, even though the financial asset has not been derecognised. Impairment losses are only reversed in a subsequent period if the fair value increases due to an objective event occurring since the loss was recognised. Impairment reversals other than available-for-sale debt securities are not reversed through profit or loss but through other comprehensive income.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets, with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. When trade and other receivables are considered uncollectible, they are written off against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Instalment sale and loan receivables, such as up-to-date and early-stage delinquent trade receivables, i.e. assets that are assessed not to be impaired individually, are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables includes the level of arrears of a customer, part payment of instalments or missed instalments, as well as observable changes in national or economic conditions that correlate with defaults on receivables.

Effective-interest method
The effective-interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of a financial instrument, or, where appropriate, a shorter period.

Hedge accounting
The group designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges in foreign exchange risk on firm commitments are accounted for as cash flow hedges.

Fair value hedges
Changes in fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss immediately, together with any changes in fair value of the hedged item that are attributable to the hedged risk.

Cash flow hedges
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts deferred in other comprehensive income are recycled to profit or loss in the periods when the hedged item is recognised in profit or loss, and it is included in the same line of the income statement as the recognised hedged item.

Hedges of net investments in foreign operations
Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income in the FCTR. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Gains and losses deferred in the FCTR are recognised in profit or loss on disposal of the foreign operation.

Insurance contracts
Classification of contracts
Contracts, under which the group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or other beneficiary, if a specified uncertain future event (the insured event) adversely affects the policyholder or other beneficiary, are classified as insurance contracts. Insurance risk is risk other than financial risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, a credit rating or credit index or other variable, provided in the case of a non-financial variable it is not specific to a party to the contract. Insurance contracts may also transfer some financial risk.

Premiums
Written premiums comprise the premiums on contracts (including inward reinsurance) entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period. Premiums are disclosed gross of commission payable to intermediaries and exclude value added taxation.

The earned portion of premiums received is recognised as revenue. Premiums are earned from the date of attachment of risk, over the indemnity period, based on the pattern of risks underwritten.

Unearned premium provision
The provision for unearned premiums comprises the proportion of gross premiums written, which is estimated to be earned in the following or subsequent financial years, computed separately for each insurance contract using the daily pro rata method.

Claims
Claims incurred in respect of general business consist of claims and claims handling expenses paid during the financial year, together with the movement in the provision for outstanding claims.

The outstanding claims provision comprises provisions for the group's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date, whether reported or not, and related internal and external claims handling expenses.

Deferred acquisition costs
Acquisition costs comprise all direct and indirect costs arising from the conclusion of insurance contracts. Deferred acquisition costs represent the portion of acquisition costs incurred that correspond to the unearned premium provision.

Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Goods sold and services rendered
Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at reporting date. The stage of completion is assessed by reference to surveys of the work performed.

Revenue is not recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods as well as continuing management involvement with goods to a degree usually associated with ownership. Where the group acts as agent and is remunerated on a commission basis, only the commission income, and not the value of the business transaction, is included in revenue.

The recovery of duties and taxes payable on imports and exports are not recognised in revenue but netted off against the expense paid on behalf of the customer.

Insurance premiums
Insurance premiums are stated before deducting reinsurances and commissions and are accounted for when they become due.

Interest
Interest is recognised on the time proportion basis, taking account of the principal debt outstanding and the effective rate over the period to maturity.

Rental income
Rental income is recognised in profit or loss on a straight-line basis over the term of the lease.

Dividend income
Dividend income from investments is recognised when the right to receive payment has been established.

Royalty income
Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

Operating leases
Payments and receipts under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

Segmental reporting
A segment is a distinguishable component of the group that is engaged in providing products or services that are subject to risks and rewards that are different from those of other segments. The basis of segmental reporting is representative of the internal structure used for management reporting as well as the structure in which the chief operating decision-makers review the information.

The basis of segmental allocation is determined as follows:

- Revenue that can be directly attributed to a segment and the relevant portion of the profit that can be allocated on a reasonable basis to a segment.
- Segmental assets are those assets that are employed by a segment in its operating activities and that are either directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segmental assets exclude investments in equity accounted companies, investments and loans, cash and cash equivalents, assets of discontinued operations and assets held for sale.

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities during the next financial year are discussed below.

Useful lives and residual values
The estimated useful lives for intangible assets with a finite life, property, plant and equipment and vehicle rental fleet are:

Intangible assets	
Customer relationship and trade and brand names	10 - 20 years
Contracts and licences	Over the term of the contract or project
Software	1 - 8 years

Patents, trademarks, trade names and brand names, which are considered to be well-established growing brands and product lines for which there is no foreseeable limit to the period in which these assets are expected to generate cash flows, are classified as indefinite useful life assets. The classification of such assets is reviewed annually.

Indefinite useful life intangible assets, excluding goodwill, recognised at fair value in business combinations, are expected to generate cash flows indefinitely and the carrying value would only be recovered in the event of disposal of such assets. Accordingly, deferred taxation is raised at the capital gains taxation rate on the fair value of such assets exceeding its taxation base.

Property, plant and equipment	
Buildings	5 - 80 years
Computer equipment	2 - 4 years
Motor vehicles	4 - 10 years
Office equipment and furniture	3 - 16 years
Plant and machinery	3 - 60 years
Vehicle rental fleet	Over the period of the buy-back agreement or estimated holding period

The estimated useful lives and residual values are reviewed annually, taking cognisance of the forecasted commercial and economic realities and through benchmarking of accounting treatments in the specific industries where these assets are used.

Consumable biological assets
The fair value of standing timber which has become marketable, is based on the market price of the estimated recoverable timber volumes, net of harvesting costs. The fair value of younger standing timber is based on the present value of the net cash flows expected to be generated by the plantation at maturity.

Impairment of assets
Investments, goodwill, property, plant and equipment, investment property and intangible assets that have an indefinite useful life, and intangible assets that are not yet ready for use, are assessed annually for impairment.

Deferred taxation assets
Deferred taxation assets are recognised to the extent that it is probable that taxable income will be available in the future against which these can be utilised. Future taxable profits are estimated based on business plans that include estimates and assumptions regarding economic growth, interest, inflation, taxation rates and competitive forces.

Contingent liabilities
Management applies its judgement to the fact patterns and advice it receives from its attorneys, advocates and other advisors in assessing whether an obligation is probable, more likely than not, or remote. This judgement application is used to determine whether the obligation is recognised as a liability or disclosed as a contingent liability.

Valuation of equity compensation benefits
Management classifies its share-based payment scheme as an equity-settled scheme, based on the assessment of its role and that of the employees in the transaction. In applying its judgement, management consulted with external expert advisors in the accounting and share-based payment advisory industry. The critical assumptions, as used in the valuation model, are detailed in note 18.6.

Post-employment benefit obligations
In applying its judgement to defined benefit plans, management consulted with external expert advisors in the accounting and post-employment benefit obligation industry. The critical estimates, as used in each benefit plan, are detailed in note 22.

Consolidation of special-purpose entities

Certain special-purpose entities established as part of the B-BBEE transactions have been consolidated as part of the group results. The group does not have any significant direct or indirect shareholding in these entities, but the substance of the relationship between the group and these entities was assessed and judgement was made that these are controlled entities.

Buy-back lease commitments

When a buy-back agreement is entered into, a provision is raised in respect of future reconditioning costs that may be incurred before the vehicle is made available for sale. Management based this provision on historical data and past experience.

Provision for bad debts

The provision for bad debts was based on a combination of specifically identified doubtful debtors and providing for older debtors.

A provision for bad debts held against instalment sales receivables is raised when there is objective evidence that the assets are impaired. Factors taken into account to determine impairment of an asset are the level of arrears, part payment of instalments or missed instalments. Estimated future cash flows, that are discounted at the effective interest rate, are determined utilising past payment history and probability of default.

Fair values in business combinations

Management uses valuation techniques to determine the fair value of assets, liabilities and contingent liabilities acquired in business combination. Fair value of property, plant and equipment is determined by using external valuations as well as rental return on property.

Although a comprehensive valuation exercise is performed for each business combination, the group applies initial accounting for its business combinations that will allow the group a period of one year after the acquisition date to adjust the provisional amounts recognised for a business combination.

Claims made under insurance contracts

The operations' estimates for reported and unreported losses and establishing resulting provisions are continually reviewed and updated, and adjustments resulting from this review are reflected in income. The process relies upon the basic assumption that past experience adjusted for the effect of current developments and likely trends is an appropriate basis for predicting future events.

The process used to determine the assumptions is intended to result in estimates of the most likely or expected outcome. The sources of data used as input for the assumptions are internal, using detailed studies that are carried out annually. The assumptions are checked to ensure that they are consistent with observable market prices or other published information.

The nature of the business makes it relatively easy to predict the likely outcome of claims and the ultimate cost of notified claims. Each notified claim is assessed on a separate, case-by-case basis with due regard to the claim circumstances, information available from loss adjusters and historical evidence of the size of similar claims. Case estimates are reviewed regularly and are updated as and when new information arises. The provisions are based on information currently available. However, the ultimate liabilities may vary as a result of subsequent developments.

	Gross of taxation and non-controlling interests 2015 €m	Net of taxation and non-controlling interests 2015 €m	Gross of taxation and non-controlling interests 2014 €m	Net of taxation and non-controlling interests 2014 €m	Gross of taxation and non-controlling interests 2013 €m	Net of taxation and non-controlling interests 2013 €m
1. CAPITAL ITEMS						
Continuing operations						
Capital items reflect and affect the resources committed in producing operating/trading performance and are not the performance itself. These items deal with the platform/capital base of the entity.						
(Income)/expenses of a capital nature are included in the 'capital items' line in the income statement. These (income)/expense items are:						
1.1 Impairment	**67**	**66**	5	5	29	12
Goodwill	**60**	**60**	1	1	1	2
Intangible assets (including software)	**4**	**3**	-	-	28	10
Property, plant and equipment	**1**	**1**	1	1	-	-
Other	**2**	**2**	3	3	-	-
1.2 Loss on disposal of intangible assets	**1**	**1**	3	2	1	1
1.3 Loss on scrapping of vehicle rental fleet	**1**	**1**	-	-	-	-
1.4 Loss/(profit) on disposal of property, plant and equipment	**6**	**4**	2	1	(3)	(3)
1.5 (Profit)/loss on sale and dilution of investments	**(257)**	**(257)**	(116)	(76)	1	-
	(182)	**(185)**	(106)	(68)	28	10

	2015 €m	2014 €m	2013 €m
2. OPERATING PROFIT			
Continuing operations			
Operating profit is stated after taking account of the following items:			
2.1 Amortisation and depreciation			
Amortisation	**17**	14	25
Depreciation	**145**	129	132
	162	143	157
Recognised in:			
Cost of sales	**7**	5	9
Distribution expenses	**79**	76	89
Other operating expenses	**76**	62	59
	162	143	157
2.2 Auditor's remuneration			
Audit fees	**6**	5	5
Expenses	**1**	1	-
Fees for other services	**1**	-	1
(Over)/underprovision in prior year	**(1)**	-	-
	7	6	6
2.3 Personnel expenses			
Retirement plans (note 2.4)	**25**	17	30
Salaries and wages	**1 496**	1 236	1 285
Share-based payments - equity-settled (note 18.6)	**29**	18	13
	1 550	1 271	1 328
2.4 Post-retirement benefit expenses			
Contributions to defined benefit plans	**14**	6	10
Contributions to defined contribution plans	**11**	11	20
	25	17	30
2.5 Net foreign exchange (gains)/losses			
Net (gain)/loss on forward exchange contracts	**(3)**	4	-
Net gain on conversion of monetary assets - realised	**(77)**	(13)	(33)
Net loss/(gain) on conversion of monetary assets - unrealised	**6**	(9)	(45)
	(74)	(18)	(78)
2.6 Fair value (gains)/losses (excluding forward exchange contracts)			
Fair value adjustment on cross-currency and interest rate swaps	**(1)**	4	-
Fair value adjustment on note purchase agreements	**-**	(10)	4
Fair value adjustment on financial assets through profit or loss	**(35)**	(1)	(1)
	(36)	(7)	3
2.7 Operating lease charges - properties			
Rental of properties	**311**	217	232
Rental recovered from third parties on long-term leases	**(7)**	(6)	(5)
	304	211	227
2.8 Operating lease charges - other			
Leases of plant, equipment, vehicles and other	**34**	30	24
2.9 Number of employees	**91 114**	55 876	57 672

3. FINANCE COSTS AND INCOME FROM INVESTMENTS

	Expense €m	Income €m	Net (income)/ expense €m
Continuing operations			
2015			
Dividends received	**-**	**(6)**	**(6)**
Interest			
Banks	**27**	**(45)**	**(18)**
Convertible bonds	**114**	**-**	**114**
Loans	**97**	**(90)**	**7**
Other	**41**	**(10)**	**31**
	279	**(151)**	**128**
2014			
Interest			
Banks	46	(34)	12
Convertible bonds	111	-	111
Loans	68	(57)	11
Other	22	(15)	7
	247	(106)	141
2013			
Interest			
Banks	24	(45)	(21)
Convertible bonds	113	-	113
Loans	87	(38)	49
Other	5	(4)	1
	229	(87)	142

	2015 €m	2014 €m	2013 €m
4. TAXATION			
Continuing operations			
4.1 Taxation charge			
Normal taxation			
South African normal taxation - current year	**72**	21	39
South African normal taxation - prior year adjustment	**(2)**	5	(1)
Foreign normal taxation - current year	**95**	59	43
	165	85	81
Deferred taxation			
South African deferred taxation - current year	**(50)**	29	(12)
South African deferred taxation - prior year adjustment	**(1)**	(5)	-
Foreign deferred taxation - current year	**(18)**	30	16
Foreign deferred taxation - prior year adjustment	**-**	-	(1)
	(69)	54	3
	96	139	84

For detail on deferred taxation assets/(liabilities) refer to note 14.

	%	%	%
4.2 Reconciliation of rate of taxation			
South African standard rate of taxation	**28.0**	28.0	28.0
Effect of different statutory taxation rates of subsidiaries in other jurisdictions	**(13.2)**	(12.2)	(16.1)
Effect of profit of equity accounted companies	**(0.9)**	(0.7)	(0.8)
Net creation of unrecognised taxation losses and deductible temporary differences	**2.4**	0.1	0.9
Permanent differences and other	**(8.2)**	0.5	0.2
Effective rate of taxation	**8.1**	15.7	12.2

5. DISCONTINUED OPERATIONS

5.1 Disposal of KAP and JD Group's Financial Services division

During the 2014 year, Steinhoff announced that it had disposed of 400 million shares in KAP, which resulted in Steinhoff's interest decreasing to 45%. As a result, KAP was no longer controlled by Steinhoff and was equity accounted effective 30 June 2014. For the 2014 year, KAP is disclosed as a discontinued operation. For the 2015 year, KAP is disclosed as an associate company.

During the 2014 year, JD Group accepted an offer from an international consumer finance provider to dispose, subject to conditions precedent, JD Group's Financial Services division.

On 20 May 2015, the Competition Tribunal approved the transaction after imposing employee-related conditions applicable to both the acquiring entity and JD Group. The conditions are being assessed, reviewed and considered by both the shareholders and management of both parties. This process, which is ongoing, has resulted in the transaction completion date being extended beyond one year from initial recognition of the business as a disposal group.

Accordingly, JD Group's Financial Services division is shown as a discontinued operation in the results for all years presented. The assets and the liabilities of JD Group's Financial Services division are disclosed as assets and liabilities held for sale in the statement of financial position. Details of the assets and liabilities classified as a disposal group are included in note 17.

5.2 Analysis of (loss)/profit for the year from discontinued operations

The results of the discontinued operations included in the income statement are set out below.

	2015 €m	2014 €m	2013 €m
Revenue	**153**	1 311	1 589
Cost of sales	**-**	(886)	(1 081)
Gross profit	**153**	425	508
Other operating income	**-**	36	51
Distribution expenses	**-**	(36)	(38)
Other operating expenses	**(308)**	(448)	(386)
Capital items (note 5.3)	**6**	-	(2)
Operating (loss)/profit	**(149)**	(23)	133
Net finance costs	**(7)**	(42)	(35)
Share of profit of equity accounted companies	**-**	-	1
(Loss)/profit before taxation	**(156)**	(65)	99
Taxation	**21**	22	(25)
	(135)	(43)	74
Loss on disposal of discontinued operations	**(23)**	(16)	-
Attributable income taxation	**3**	16	-
(Loss)/profit for the year from discontinued operations	**(155)**	(43)	74
(Loss)/profit from discontinued operations attributable to:			
Owners of the parent	**(132)**	(19)	47
Non-controlling interests	**(23)**	(24)	27
	(155)	(43)	74

	Gross of taxation and non-controlling interests 2015 €m	**Net of taxation and non-controlling interests 2015 €m**	Gross of taxation and non-controlling interests 2014 €m	Net of taxation and non-controlling interests 2014 €m	Gross of taxation and non-controlling interests 2013 €m	Net of taxation and non-controlling interests 2013 €m
5.3 Capital items for the year from discontinued operations						
Profit on sale of investments	**-**	**-**	(7)	(4)	(2)	-
(Reversal of impairment)/ impairment	**(6)**	**(4)**	6	3	4	2
Loss on disposal of property, plant and equipment	**-**	**-**	1	-	-	-
Capital items per income statement	**(6)**	**(4)**	-	(1)	2	2
Loss on disposal of discontinued operations	**23**	**17**	16	(6)	-	-
	17	**13**	16	(7)	2	2

	2015 €m	2014 €m	2013 €m
5.4 Cash flows from discontinued operations			
Net cash inflow/(outflow) from operating activities	**30**	86	(48)
Net cash inflow from investing activities	**-**	(61)	61
Net cash outflow from financing activities	**(30)**	(56)	(51)
Net cash outflow	**-**	(31)	(38)

	2015 Cents	2014 Cents	2013 Cents

6. EARNINGS PER SHARE

The calculation of per share numbers uses the exact unrounded numbers, which may result in differences when compared to calculating the numbers using the rounded number of shares and earnings as disclosed below.

Basic earnings per share
Basic earnings per share is calculated by dividing the net earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year, excluding shares purchased by the group and held as treasury shares.

	2015 Cents	2014 Cents	2013 Cents
From continuing operations	**39.7**	36.2	31.0
From discontinued operations	**(4.8)**	(1.0)	2.6
Basic earnings per share	**34.9**	35.2	33.6

Diluted earnings per share
Diluted earnings per share is calculated by dividing the diluted earnings attributable to ordinary shareholders by the diluted weighted average number of ordinary shares in issue during the year. The calculation assumes conversion of all dilutive potential shares, regardless of whether the applicable market price triggers have been met. The calculation does not recognise any funds to be received from the exercise of allocated rights or any projected growth in attributable earnings arising from such additional funds, which could compensate for any dilution in earnings per share.

	2015 Cents	2014 Cents	2013 Cents
From continuing operations	**36.3**	32.3	27.9
From discontinued operations	**(4.1)**	(0.8)	2.1
Diluted earnings per share	**32.2**	31.5	30.0

Headline earnings per share
Headline earnings is an additional earnings number that is permitted by IAS 33 - *Earnings per Share.* The starting point is earnings as determined in IAS 33, excluding separately identifiable remeasurements, net of related taxation (both current and deferred) and related non-controlling interests other than remeasurements specifically included in headline earnings.

Separately identifiable remeasurements are those where the applicable IFRS explicitly requires separate disclosure of the operating and/or the platform remeasurement in the consolidated financial statements. No adjustments would be permitted on the basis of voluntary disclosure of gains or losses (or components of these).

Headline earnings per share is calculated by dividing the headline earnings by the weighted average number of ordinary shares in issue during the year.

	2015 Cents	2014 Cents	2013 Cents
From continuing operations	**33.1**	32.8	31.4
From discontinued operations	**(4.4)**	(1.3)	2.7
Headline earnings per share	**28.7**	31.5	34.1

Diluted headline earnings per share
Diluted headline earnings per share is calculated by dividing the diluted headline earnings by the diluted weighted average number of shares in issue during the year.

	2015 Cents	2014 Cents	2013 Cents
From continuing operations	**30.6**	29.5	28.2
From discontinued operations	**(3.7)**	(1.0)	2.1
Diluted headline earnings per share	**26.9**	28.5	30.3

	2015 Cents	2014 Cents	2013 Cents
Net asset value per share			
Net asset value per ordinary share is calculated by dividing the ordinary shareholders' equity, adjusted by the cumulative preference shares, by the number of ordinary shares in issue at year-end.			
Net asset value per share	**353**	266	234

	Million	Million	Million
6.1 Weighted average number of ordinary shares			
Issued ordinary shares at beginning of the year	**2 110**	1 836	1 770
Effect of own shares held	**(10)**	(11)	(13)
Effect of own shares held as prepayment	**(58)**	-	-
Effect of capitalisation share award	**-**	-	31
Effect of rights issue and accelerated bookbuild	**333**	19	17
Effect of shares issued	**362**	133	15
Weighted average number of ordinary shares at end of the year for the purpose of basic earnings per share and headline earnings per share	**2 737**	1 977	1 820
Effect of dilutive potential ordinary shares - convertible bonds[1]	**473**	486	464
Effect of dilutive potential ordinary shares - other	**25**	25	21
Weighted average number of ordinary shares for the purpose of diluted earnings per share and diluted headline earnings per share	**3 235**	2 488	2 305

[1] *All the ordinary shares underlying the convertible bonds are treated as dilutive potential ordinary shares, without taking into account the probability of conversion.*

	Continuing operations €m	**Discontinued operations €m**	**Total €m**
6.2 Earnings and headline earnings attributable to owners of the parent			
2015			
Earnings for the year attributable to owners of the parent	**1 108**	**(132)**	**976**
Dividend entitlement on cumulative preference shares	**(18)**	**-**	**(18)**
Earnings attributable to owners of the parent	**1 090**	**(132)**	**958**
Adjusted for capital items of equity accounted companies	**2**	**-**	**2**
Adjusted for capital items (note 1 and note 5.3)	**(185)**	**13**	**(172)**
Headline earnings attributable to owners of the parent	**907**	**(119)**	**788**
2014			
Earnings for the year attributable to owners of the parent	734	(19)	715
Dividend entitlement on cumulative preference shares	(19)	-	(19)
Earnings attributable to owners of the parent	715	(19)	696
Adjusted for capital items of equity accounted companies	(1)	-	(1)
Adjusted for capital items (note 1 and note 5.3)	(68)	(7)	(75)
Headline earnings attributable to owners of the parent	646	(26)	620
2013			
Earnings for the year attributable to owners of the parent	590	47	637
Dividend entitlement on cumulative preference shares	(24)	-	(24)
Earnings attributable to owners of the parent	566	47	613
Adjusted for capital items of equity accounted companies	(4)	-	(4)
Adjusted for capital items (note 1 and note 5.3)	10	2	12
Headline earnings attributable to owners of the parent	572	49	621

6.3 Diluted earnings and diluted headline earnings attributable to owners of the parent

	Continuing operations €m	Discontinued operations €m	Total €m
2015			
Earnings attributable to owners of the parent	**1 090**	**(132)**	**958**
Dilutive adjustment on earnings - convertible bonds[1]	**85**	**-**	**85**
Diluted earnings attributable to owners of the parent	**1 175**	**(132)**	**1 043**
Adjusted for capital items of equity accounted companies	**2**	**-**	**2**
Adjusted for capital items (note 1 and note 5.3)	**(185)**	**13**	**(172)**
Diluted headline earnings attributable to owners of the parent	**992**	**(119)**	**873**
2014			
Earnings attributable to owners of the parent	715	(19)	696
Dilutive adjustment on earnings - convertible bonds[1]	87	-	87
Dilutive adjustment on earnings - other	1	-	1
Diluted earnings attributable to owners of the parent	803	(19)	784
Adjusted for capital items of equity accounted companies	(1)	-	(1)
Adjusted for capital items (note 1 and note 5.3)	(68)	(7)	(75)
Diluted headline earnings attributable to owners of the parent	734	(26)	708
2013			
Earnings attributable to owners of the parent	566	47	613
Dilutive adjustment on earnings - convertible bonds[1]	79	-	79
Dilutive adjustment on earnings - other	1	-	1
Diluted earnings attributable to owners of the parent	646	47	693
Adjusted for capital items of equity accounted companies	(4)	-	(4)
Adjusted for capital items (note 1 and note 5.3)	10	2	12
Diluted headline earnings attributable to owners of the parent	652	49	701

[1] *All the ordinary shares underlying the convertible bonds are treated as dilutive potential ordinary shares, without taking into account the probability of conversion.*

6.4 Net asset value

	2015 €m	2014 €m	2013 €m
Attributable to owners of the parent	**13 347**	5 917	4 653
Preference stated share capital	**(437)**	(327)	(338)
Attributable to ordinary shareholders	**12 910**	5 590	4 315

	2015 Cents	2014 Cents	2013 Cents
7. DISTRIBUTION TO SHAREHOLDERS			
7.1 Cash dividend to ordinary shareholders			
The board has approved and declared a cash dividend from retained earnings of 10.6 euro cents (165 rand cents) per share (the Dividend). Shareholders will, however, be entitled to decline the Dividend or any part thereof and instead elect to receive a capitalisation issue alternative (the Capitalisation Issue Alternative). The Dividend and Capitalisation Issue Alternative for the year ended 30 June 2015 will be paid or issued to shareholders registered as such in Steinhoff's share register at the close of business on Friday, 13 November 2015 (the Record Date) (2014: The board declared a cash dividend from retained earnings of 10.8 euro cents (150 rand cents) (2013: 6.1 euro cents (80 rand cents))).	**10.6**	10.8	6.1
7.2 Distribution to Steinhoff Investment preference shareholders			
A preference dividend in respect of the period 1 January 2014 to 30 June 2014 (2014: 1 January 2013 to 30 June 2013; 2013: 1 January 2012 to 30 June 2012) was paid on 27 October 2014 (2014: 28 October 2013; 2013: 29 October 2012) to those Steinhoff Investment preference shareholders recorded in the books of the company at the close of business on 24 October 2014 (2014: 25 October 2013; 2013: 26 October 2012).	**26.2**	26.3	35.4
A preference dividend in respect of the period 1 July 2014 to 31 December 2014 (2014: 1 July 2013 to 31 December 2013; 2013: 1 July 2012 to 31 December 2012) was paid on 20 April 2015 (2014: 22 April 2014; 2013: 22 April 2013) to those Steinhoff Investment preference shareholders recorded in the books of the company at the close of business on 17 April 2015 (2014: 17 April 2014; 2013: 19 April 2013).	**29.2**	23.8	30.1
The directors of Steinhoff Investment have resolved to declare and pay preference dividends on 19 October 2015 (2014: 27 October 2014; 2013: 28 October 2013) for the period 1 January 2015 to 30 June 2015 (2014: 1 January 2014 to 30 June 2014; 2013: 1 January 2013 to 30 June 2013) to those Steinhoff Investment preference shareholders recorded in the books of the company at the close of business on 16 October 2015 (2014: 24 October 2014; 2013: 25 October 2013).	**24.3**	26.2	26.3

	2015 €m	2014 €m	2013 €m
8. GOODWILL			
Carrying amount at beginning of the year	**1 908**	1 459	1 506
Arising on business combinations (note 26)	**3 965**	517	33
Goodwill attributable to acquisition at offer price	**3 319**	517	33
Goodwill attributable to share price increase	**646**	-	-
Additional goodwill raised and transferred on completion of IFRS 3 valuation	**20**	-	-
Disposal of subsidiaries (note 27)	**-**	(15)	-
Transfer to assets classified as held for sale	**-**	(54)	-
Impairments	**(60)**	(1)	(2)
Exchange differences on consolidation of foreign subsidiaries	**100**	2	(78)
Carrying amount at end of the year	**5 933**	1 908	1 459
Cost	**6 006**	1 919	1 470
Accumulated impairment	**(73)**	(11)	(11)
Carrying amount at end of the year	**5 933**	1 908	1 459

When the group acquires a business that qualifies as a business combination in respect of IFRS 3 - *Business Combinations,* the group allocates the purchase price paid to the assets acquired, including identifiable intangible assets, and the liabilities assumed. Any excess of the aggregate of the consideration transferred, non-controlling interest in the acquiree and for a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree, over the fair value of those net assets, is considered to be goodwill. The goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating unit (CGU) that is expected to benefit from that business. Goodwill is assessed for impairment annually, irrespective of whether there is any indication of impairment.

Goodwill attributable to share price increase
The increase in the Steinhoff share price between the initial Pepkor purchase agreement (R57.00 (€4.15) per share) and the accounting recognition date, 31 March 2015 (R67.58 (€4.92)), gave rise to an additional consideration recognised for accounting purposes of €646 million on the transaction.

Review of impairment
The impairment test compares the carrying amount of the unit, including goodwill, both goodwill attributable to acquisition at offer price and goodwill attributable to share price increase, to the value-in-use, or fair value of the unit. The recoverable amount of the CGU is determined from the value-in-use calculation. The key assumptions for the value in use calculation are those regarding the discount rates, growth rates and the expected changes to the selling prices and the direct costs during the period. The discount rates are based on the weighted average cost of capital, while growth rates are based on management's experience and expectations. Growth rates used do not exceed the long-term average growth rate for the area in which the CGU operates. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market and are derived from the most recent financial budgets and forecasts that have been prepared by management.

Where an intangible asset, such as a trademark, trade name and brand name and/or patent, has been assessed as having an indefinite useful life (see accounting policies), the cash flow of the CGU, supporting the goodwill and driven by the trademark, brand or patent is also assumed to be indefinite.

An impairment charge is required for both goodwill and other indefinite life intangible assets when the carrying amount exceeds the recoverable amount. An impairment charge of €60 million was recorded for the year ended 30 June 2015 (2014: €1 million; 2013: €2 million). It mainly relates to JD Group, which is included in the Integrated retail: Household goods segment.

The group prepared cash flow forecasts derived from the most recent financial budgets approved by management for the next year and extrapolated cash flows for the following years based on an estimated growth rate as set out on the next page.

All impairment testing was consistent with methods applied as at 30 June 2014.

Impairment tests for CGUs containing goodwill

The following units have significant carrying amounts of goodwill:

	Pre-tax discount rate	Post-tax discount rate	Forecasted cash flows	2015 €m	2014 €m	2013 €m
Integrated retail: Household goods						
Europe						
Conforama Holdings S.A.	3.35%	2.58%	Budget years 1 to 3, thereafter 1.0% growth rate.	**803**	760	685
Steinhoff Retail GmbH (Austria)	2.39% - 3.16%	2.07% - 2.53%	Budget years 1 to 3, thereafter 1.0% growth rate.	**669**	662	231
Pacific Rim						
Steinhoff Asia Pacific	10.50%	8.08%	Budget year 1, thereafter growth for sales of 3.5% and growth of expenses of 2.5% until year 5, and thereafter zero sales growth with a reduced discount rate.	**102**	97	100
Africa						
JD Group Limited[1]				**-**	64	132
United Kingdom						
Alvaglen Estates Limited	6.83%	5.60%	Budget years 1 to 3, thereafter 1.0% growth rate.	**12**	11	-
JWC (International) Limited	6.83%	5.60%	Budget year 1, thereafter growth of 2.7% until year 3 and thereafter 1.0% growth rate.	**12**	12	12
Steinhoff UK Holdings	6.83%	5.60%	Budget year 1 to 3, thereafter 2.7% growth rate.	**335**	298	278
Other				**12**	4	5
Integrated retail: General merchandise						
Pepkor Holdings Proprietary Limited[2]	11.46%	11.11%	Budget years 1 to 3, thereafter decreasing growth rates to year 10, and a growth rate of 4.5% thereafter.	**3 988**	-	-
Other						
KAP Industrial Holdings Limited[3]				**-**	-	16
Carrying amount at end of the year				**5 933**	1 908	1 459

[1] *The goodwill relating to JD Group was fully impaired during the year and is included in capital items (note 1). Goodwill relating to individual businesses in JD Group are included in Integrated retail: Household goods: other.*

[2] *The goodwill relating to Pepkor was measured as the sum of the parts of the African, Australian and European businesses. The discount rates disclosed are calculated as the weighted average of the businesses, based on the size of the businesses.*

[3] *Subsidiary became an associate company during 2014.*

The impairment models were prepared on the same basis as the comparative years. Discount rates reduced in line with the decrease in global risk-free interest rates. The forecast cash flow periods and other inputs are all consistent with those of the comparative years.

Sensitivity analysis

Management has adjusted the cash flows of each CGU for entity-specific risk factors to arrive at the future cash flows expected to be generated from the CGU. There is no indication based on a reasonable fluctuation in those risk factors that the goodwill of the CGUs is further impaired.

	Trade and brand names €m	Software and ERP systems €m	Dealership agreements and other €m	Total €m
9. INTANGIBLE ASSETS				
Balance at 1 July 2012	2 904	86	282	3 272
Additions	5	27	-	32
Amortisation	-	(21)	(12)	(33)
Disposals	-	(2)	(1)	(3)
Acquired on acquisition of subsidiaries (note 26)	72	-	1	73
Impairment	-	(28)	(1)	(29)
Transfer to assets classified as held for sale	-	-	(2)	(2)
Transfer from property, plant and equipment	-	34	-	34
Exchange differences on consolidation of foreign subsidiaries	(63)	(9)	(53)	(125)
Balance at 30 June 2013	2 918	87	214	3 219
Additions	-	26	1	27
Amortisation	-	(15)	(6)	(21)
Disposals	-	(4)	-	(4)
Acquired on acquisition of subsidiaries (note 26)	-	4	-	4
Disposal of subsidiaries (note 27)	(489)	(2)	(75)	(566)
Impairment	-	-	(2)	(2)
Transfer to assets classified as held for sale	-	(12)	-	(12)
Transfer (to)/from property, plant and equipment	-	6	-	6
Exchange differences on consolidation of foreign subsidiaries	1	(2)	(22)	(23)
Balance at 30 June 2014	**2 430**	**88**	**110**	**2 628**
Additions	**-**	**19**	**-**	**19**
Amortisation	**-**	**(16)**	**(1)**	**(17)**
Disposals	**-**	**(1)**	**-**	**(1)**
Acquired on acquisition of subsidiaries (note 26)	**1 342**	**-**	**-**	**1 342**
Impairment	**(4)**	**-**	**-**	**(4)**
Transfer to assets classified as held for sale	**-**	**(6)**	**-**	**(6)**
Transfer to goodwill	**-**	**(2)**	**-**	**(2)**
Exchange differences on consolidation of foreign subsidiaries	**52**	**2**	**9**	**63**
Balance at 30 June 2015	**3 820**	**84**	**118**	**4 022**
Cost	2 918	171	238	3 327
Amortisation and impairment	-	(84)	(24)	(108)
Net book value at 30 June 2013	2 918	87	214	3 219
Cost	2 431	162	118	2 711
Amortisation and impairment	(1)	(74)	(8)	(83)
Net book value at 30 June 2014	2 430	88	110	2 628
Cost	**3 826**	**175**	**125**	**4 126**
Amortisation and impairment	**(6)**	**(91)**	**(7)**	**(104)**
Net book value at 30 June 2015	**3 820**	**84**	**118**	**4 022**

Patents and trademarks have been aggregated with dealership agreements and other.

Review of impairment

In determining the appropriate methodology to be adopted in the valuation of the value in use of the majority of the group's intangible assets, the relief from royalty approach was considered to be the most applicable as a primary valuation methodology, because it is predominantly and widely used as a basis for the structuring of licensing agreements both locally in the countries where these intangible assets originate and internationally, and this approach is generally accepted internationally as a reliable means of valuing trademarks.

IAS 38 - *Intangible Assets* (IAS 38) gives guidance on how the fair value of intangible assets can be determined. The guidance has been applied throughout the valuation of the trade names, brand names and trademarks. Impairment tests typically take into account the most recent management forecast whereafter a reasonable rate of growth is applied based on market and industry conditions. Discount rates used in the discounted cash flow models are based on a weighted average cost of capital, while royalty rates used are determined with reference to industry benchmarks.

Impairment

All intangible assets were tested for impairment during the year under review, and a €4 million impairment was recognised (2014: €2 million; 2013: €29 million). Included in the 2013 impairment charge is an impairment of €30 million relating to JD Group's capitalised software development costs (primarily relating to the SAP infrastructure) as the carrying value of capitalised software development costs exceeded the recoverable amount. The impairment indicator identified in this regard was the fact that the total SAP project costs to date were materially higher than initially budgeted. Management obtained a valuation from a third party within the IT industry evidencing the fact that the carrying amount exceeded the recoverable amount. This valuation formed the basis of the impairment calculation, with the fair value less costs to sell determined to be its recoverable amount.

All impairment testing was done consistently with methods used in the prior year. The inputs to the models are classified as level 3 in the fair value hierarchy.

Useful lives

Under IAS 38, the useful life of an asset is either finite or indefinite. An indefinite life does not mean an infinite useful life, but rather that there is no foreseeable limit to the period over which the asset can be expected to generate cash flows for the entity. Intangible assets with an indefinite useful life are not amortised; they are tested for impairment at least annually.

The majority of the group's trade names, brand names and/or trademarks have been assessed as having an indefinite useful life. The majority of these trade names and brand names were assessed independently at the time of the acquisitions, and the indefinite useful life assumptions were supported by the following evidence:

- The industry is a mature, well-established industry.
- The trade names, brand names and/or trademarks are long established relative to the market and have been in existence for a long time.
- The intangible assets relate to trade names, brand names, trademarks and patents rather than products and are therefore not vulnerable to typical product lifecycles or to the technical, technological, commercial or other types of obsolescence that can be seen to limit the useful lives of other trade names and brand names.
- There is a relatively low turnover of comparable intangible assets, implying stability within the industry.

Royalty rates

The royalty rate represents the assumed amount which would be paid to the owner of the intangible asset as a royalty fee, expressed as a percentage of revenue, for the use of the intangible asset. It is necessary to look to the industry in which the brand is operational to determine an appropriate notional royalty rate.

A database search of the RoyaltySource Intellectual Property Database for comparable worldwide licensing or franchising transactions of trademarks in the retail industry, focusing on furniture and/or household goods, revealed royalty rates varying from 2.5% to 5.0%, with an average rate of 4.0%. The royalty rates used in assessing the value in use of the Steinhoff trade names and brand names all fall within or below this recommended range and vary from 0.25% to 4.0%.

Dealership agreements

Dealership are expected to continue trading with the group as there have been no major changes in the operating environment of the group or the dealers. No material changes to the existing agreements have taken place and there is no foreseeable limit to the period over which the asset is expected to generate cash flows, therefore dealership agreements have been determined to have indefinite useful lives. A discounted cash flow valuation was performed, which used management forecasts for three years. The pre-taxation discount rate used to test for impairment is 10.5%, and cash flows were expected to grow at 5.5%.

	Investment property €m	Land and buildings €m	Plant and machinery €m	Capital work-in-progress €m	Leasehold improve-ments €m	Office and computer equipment, furniture and other assets €m	Total €m
10. PROPERTY, PLANT AND EQUIPMENT							
Balance at 1 July 2012	46	2 435	166	108	285	385	3 425
Additions	1	312	9	112	59	97	590
Reclassification to assets held for sale	-	(4)	(2)	-	-	-	(6)
Depreciation	-	(29)	(19)	-	(68)	(78)	(194)
Disposals	(3)	(3)	(1)	-	(3)	(11)	(21)
Impairment	-	(1)	(2)	-	-	-	(3)
Acquisition of subsidiary companies (note 26)	-	-	-	-	-	3	3
Disposal of subsidiary companies (note 27)	-	-	-	-	-	(2)	(2)
Reclassification	3	53	2	(99)	17	24	-
Transfer to intangible assets	-	-	-	(32)	-	(2)	(34)
Exchange differences on consolidation of foreign subsidiaries	(10)	(118)	(29)	(16)	(7)	(66)	(246)
Balance at 30 June 2013	37	2 645	124	73	283	350	3 512
Additions	1	129	19	30	69	103	351
Reclassification to assets held for sale	(1)	-	(1)	-	-	(2)	(4)
Depreciation	-	(22)	(16)	-	(58)	(77)	(173)
Disposals	(2)	(15)	(1)	(1)	(6)	(9)	(34)
Impairment	-	-	(2)	-	(3)	2	(3)
Acquisition of subsidiary companies (note 26)	-	621	-	11	5	1	638
Disposal of subsidiary companies (note 27)	(1)	(112)	(115)	(6)	(2)	(243)	(479)
Reclassification	-	(11)	28	(56)	27	12	-
Transfer (to)/from intangible assets	-	-	-	(7)	-	1	(6)
Exchange differences on consolidation of foreign subsidiaries	(5)	(24)	(9)	(5)	(4)	(22)	(69)
Balance at 30 June 2014	**29**	**3 211**	**27**	**39**	**311**	**116**	**3 733**
Additions	**12**	**94**	**26**	**80**	**63**	**66**	**341**
Depreciation	**-**	**(10)**	**(16)**	**-**	**(65)**	**(44)**	**(135)**
Disposals	**-**	**(8)**	**(1)**	**(1)**	**(7)**	**(4)**	**(21)**
Impairment	**-**	**-**	**-**	**-**	**-**	**(1)**	**(1)**
Acquisition of subsidiary companies (note 26)	**-**	**96**	**172**	**-**	**40**	**17**	**325**
Disposal of subsidiary companies (note 27)	**-**	**(2)**	**-**	**-**	**-**	**-**	**(2)**
Reclassification	**28**	**(110)**	**(7)**	**(40)**	**93**	**36**	**-**
Transfer to goodwill	**-**	**-**	**-**	**(1)**	**-**	**(2)**	**(3)**
Transfer to inventories	**-**	**(2)**	**-**	**(1)**	**-**	**-**	**(3)**
Exchange differences on consolidation of foreign subsidiaries	**3**	**31**	**11**	**-**	**9**	**8**	**62**
Balance at 30 June 2015	**72**	**3 300**	**212**	**76**	**444**	**192**	**4 296**
Cost	37	2 785	205	73	513	654	4 267
Accumulated depreciation and impairment	-	(140)	(81)	-	(230)	(304)	(755)
Net book value at 30 June 2013	37	2 645	124	73	283	350	3 512
Cost	29	3 350	67	39	544	282	4 311
Accumulated depreciation and impairment	-	(139)	(40)	-	(233)	(166)	(578)
Net book value at 30 June 2014	29	3 211	27	39	311	116	3 733
Cost	**72**	**3 372**	**448**	**76**	**761**	**468**	**5 197**
Accumulated depreciation and impairment	**-**	**(72)**	**(236)**	**-**	**(317)**	**(276)**	**(901)**
Net book value at 30 June 2015	**72**	**3 300**	**212**	**76**	**444**	**192**	**4 296**

The investment property note has been combined with property, plant and equipment note. Long-haul motor vehicles, bus fleet and equipment have been aggregated with office and computer equipment, furniture and other assets.

Investment property
No depreciation was recognised on investment property in the current or prior years as the residual values exceeded the carrying values of all properties classified as investment property.

At 30 June 2015, investment property was valued by management at €101 million (2014: €38 million; 2013: €49 million). The fair valuation of the group's investment has been carried out by Steinhoff Properties. Steinhoff Properties has adequate knowledge and experience to value the properties and therefore an independent valuator was not used. The fair value was based on the income approach whereby the market-related net income of the property is discounted at the market yield for a similar property. The market yields used in the valuation ranged between 9.00% and 12.00% (2014: 9.00% and 11.25%; 2013: 8.00% and 11.00%). In estimating the fair value of investment properties, the highest and best use for the majority of the properties is their current use. There has been no change to the valuation technique since the previous year.

The fair value of investment property is classified as level 3, based on the fair value hierarchy. There were no transfers between the levels during the year.

No restrictions exist on the sale of investment property.

There are no material contractual obligations to purchase, construct or develop investment property. There are, however, service level agreements and building maintenance contracts in place with third-party contractors for security, repairs, maintenance and minor enhancements.

Land and buildings
Details of land and buildings are available for inspection by shareholders on request at the various registered offices of the company and its subsidiaries.

Encumbered assets
Assets with a book value of €1 248 million (2014: €1 156 million; 2013: €668 million) are encumbered as set out in note 21.

Insurance
Property, plant and equipment, with the exception of motor vehicles, bus fleet, long-haul motor vehicles and land, are insured at approximate cost of replacement. Motor vehicles are insured at market value. Bus fleet and long-haul motor vehicles are self-insured.

Impairment losses
Refer to 'Capital items' (note 1 and 5.3).

Useful lives
The estimated useful lives are reflected under 'Judgements and estimates' in accounting policies.

11. CONSUMABLE BIOLOGICAL ASSETS

	2014 €m	2013 €m
Carrying amount at beginning of the year	136	160
Disposal of subsidiary companies (note 27)	(133)	-
Decrease due to harvesting	(15)	(19)
Fair value adjustment to plantations	23	29
Exchange differences on consolidation of foreign subsidiaries	(11)	(34)
Carrying amount at end of the year	-	136
Expenses incurred in the management and operations of plantations		
Harvesting expenses	15	19
Other operating expenses	14	19
	29	38

The group owned and managed timber plantations for use in manufacturing timber products. In terms of IAS 41 - *Agriculture,* the plantations are valued at fair value less estimated costs to sell. The Faustmann formula and discounted cash flow models were applied in determining the fair value of the plantations. The principal assumptions used in the Faustmann formula include surveying physical hectares planted, age analysis and the industry mean annual incremental growth.

The fair value of mature standing timber, being the age at which it becomes marketable, is based on the market price of the estimated recoverable timber volumes, net of harvesting costs. The fair value of younger standing timber is based on the present value of the net cash flows expected to be generated by the plantation at maturity.

At 30 June 2014, before being derecognised as part of the disposal of KAP Industrial Holdings Limited, consumable biological assets were valued by management at €133 million (2013: €136 million). The valuation of the group's consumable biological assets has been carried out by management. The valuation technique is consistent with the method used at 30 June 2013. The fair value of consumable biological assets is classified as level 3 based on the fair value hierarchy. There were no transfers between the levels during the year.

The Faustmann formula is sensitive to the market price and the growth rate used to determine the fair value of timber plantations. A one percent increase in the market price and growth rate would result in an increase in the fair valuation of the timber plantations in 2014 of €1.1 million and €0.6 million (2013: €1.3 million and €0.3 million), respectively.

	Nature of business	2015 % holding	2014 % holding	2013 % holding
12. INVESTMENTS IN EQUITY ACCOUNTED COMPANIES				
12.1 Associate companies				
Listed				
KAP Industrial Holdings Limited	Diverse industrial and logistics business	**43.3**	44.7[1]	-
PSG Group Limited	Investment company	**27.0**[2]	-[3]	19.6
Unlisted				
Various unlisted associate companies	Insurance, manufacturing, retail and logistics	**24.5 - 50.0**	24.5 - 50.0	24.5 - 50.0

No material impairments on associate companies were recognised during any year presented.

Commitments
The group's obligation in respect of losses and contingent liabilities from associate companies is limited to the extent of the carrying values of the investments.

	Nature of business	2015 % holding	2014 % holding	2013 % holding
12.2 Joint-venture companies				
Various joint-venture companies	Property, automotive, insurance and manufacturing	50.0	-	33.0 - 50.0[4]

No material impairments on joint-venture companies were recognised during any year presented.

[1] *KAP was previously accounted for as a subsidiary and became an associate on 30 June 2014. The decrease in percentage ownership in 2015 is a result of shares issued by KAP.*

[2] *PSG was recognised as an associate on 30 June 2015. The percentage ownership calculated is net of treasury shares.*

[3] *PSG was derecognised as an associate on 13 June 2014, and the 18.6% (net of treasury shares) interest then held was classified as investments and loans at 30 June 2014.*

[4] *KAP's joint-ventures were derecognised when KAP became an associate.*

	€m	€m	€m
12.3 Carrying values of associate and joint-venture companies			
KAP Industrial Holdings Limited	**325**	277	-
PSG Group Limited	**805**	-	152
Various unlisted companies	**40**	13	52
	1 170	290	204

12.4 Summarised information in respect of material associate companies

Summarised information in respect of KAP

The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRS. As KAP became an associate on 30 June 2014, only the statement of financial position disclosure is included below for 2014.

	€m	€m	€m
Non-current assets	**794**	689	-
Current assets	**379**	379	-
Non-current liabilities	**(317)**	(310)	-
Current liabilities	**(272)**	(287)	-
Non-controlling interests	**(12)**	(10)	-
Net assets	**572**	461	-

	2015 €m	2014 €m	2013 €m
Revenue	**1 140**	-	-
Profit for the year	**68**	-	-
Other comprehensive income for the year	**2**	-	-
Total comprehensive income for the year	**70**	-	-
Reconciliation of the above summarised financial information to the carrying amount of the interest in KAP recognised in the consolidated financial statements:			
Net assets of KAP	**572**	461	-
Proportion of the group's ownership interest in KAP	**43.3%**	44.7%	-
Proportion of the group's ownership interest in the net assets of KAP	**248**	206	-
Goodwill	**77**	71	-
Carrying amount of the group's interest in KAP	**325**	277	-
Market value of KAP	**449**	280	-

Summarised information in respect of PSG

The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRS. PSG's financial year-end is 28 February. Adjustments are made for material transactions occurring between 28 February and 30 June each year (where necessary). PSG was derecognised as an associate on 13 June 2014. Due to the additional shares acquired by Steinhoff in 2015, PSG became an associate on 30 June 2015. As PSG became an associate on 30 June 2015, only the statement of financial position disclosure is included below for 2015.

	2015 €m	2014 €m	2013 €m
Non-current assets	**2 406**	-	1 352
Current assets	**956**	-	649
Non-current liabilities	**(1 130)**	-	(706)
Current liabilities	**(824)**	-	(510)
Non-controlling interests	**(670)**	-	(322)
Net assets	**738**	-	463
Revenue	**-**	-	266
Profit for the year	**-**	-	132
Other comprehensive income for the year	**-**	-	2
Total comprehensive income for the year	**-**	-	134
Reconciliation of the above summarised financial information to the carrying amount of the interest in PSG recognised in the consolidated financial statements:			
Net assets of PSG	**738**	-	463
Proportion of the group's ownership interest in PSG (net of treasury)	**27.0%**	-	19.6%
Proportion of the group's ownership interest in the net assets of PSG	**199**	-	91
Transitory goodwill[1]	**606**	-	63
Dividend received post PSG year-end	**-**	-	(2)
Carrying amount of the group's interest in PSG	**805**	-	152
Market value of PSG	**822**	-	186

[1] *The recognition of PSG as an associate company took place on 30 June 2015 and therefore, the fair value allocation in terms of IAS 28 -* Investments in Associates and Joint Ventures *will be completed and the final allocation done before 30 June 2016 as allowed by IFRS.*

	2015 €m	2014 €m	2013 €m

The 30 June 30-day volume-weighted average share prices on the JSE Limited (JSE) were used to determine the market value of listed associates. Where there were impairment indicators, discounted cash flows were used to determine the value in use of these associates. This is consistent with methods and models applied in the prior year. For listed associates, publicly available information was used to determine value in use. No impairment was recognised on listed associates during any of the years presented. The fair value of listed associates is classified as level 1 in the fair value hierarchy. There were no transfers between levels during the year for listed associates.

12.5 Aggregate total comprehensive income from associate and joint-venture companies

	2015 €m	2014 €m	2013 €m
The group's share of profit	**41**	21	21
The group's share of other comprehensive income	**1**	-	-
The group's share of total comprehensive income	**42**	21	21

13. INVESTMENTS AND LOANS

	2015 €m	2014 €m	2013 €m
Long-term investments and loans			
At fair value through profit or loss			
Listed investments			
Unit trusts	**6**	5	5
Available-for-sale financial assets			
Listed investments			
Ordinary shares[1]	**5**	253	-
Unlisted investments			
Ordinary shares	**21**	14	5
	26	267	5
Loans and receivables at amortised cost			
Unlisted investments			
Preference shares	**5**	27	35
Interest-bearing loans	**456**	414	41
	461	441	76
	493	713	86
Short-term investments and loans			
At fair value through profit or loss			
Listed investments			
Ordinary shares	**118**	-	-
Loans and receivables at amortised cost			
Interest-bearing loans	**538**	407	250
	656	407	250
The following fair value adjustments were made during the year (increase/(decrease)):			
At fair value through profit or loss			
Listed investments			
Ordinary shares	**35**	-	-
Unit trusts	**-**	1	1
	35	1	1
Available-for-sale financial assets - through other comprehensive income			
Listed investments			
Ordinary shares	**270**	(16)	-
Fair value through other comprehensive income recycled to profit or loss	**(253)**	-	-
Unlisted investments			
Ordinary shares	**7**	12	(2)
	24	(4)	(2)
Total fair value adjustments	**59**	(3)	(1)

[1] *The 2014 balance includes the investment in PSG. On 30 June 2015, PSG became an associate company.*

	2015 €m	2014 €m	2013 €m

Details of investments are available at the registered office of the company for inspection by shareholders.

The loans and receivables at amortised cost consist of various loans with repayment terms ranging between 1 and 73 months unless called earlier, bearing interest at market-related interest rates and participating in profit share.

None of the loans and receivables at amortised cost are past due or impaired at reporting date and there are no indications that any of these counterparties will not meet their repayment obligations.

The fair value of loans are disclosed in note 29.

14. DEFERRED TAXATION ASSETS/(LIABILITIES)

14.1 Deferred taxation movement

	2015 €m	2014 €m	2013 €m
(Liabilities)/assets			
Balance at beginning of the year	**(651)**	(690)	(683)
Deferred taxation of subsidiaries acquired	**(218)**	4	-
Deferred taxation of subsidiaries disposed	**-**	78	-
Transferred to asset/liabilities held for sale	**-**	(20)	-
Amounts charged directly to other comprehensive income and equity			
Convertible bond	**-**	(15)	(7)
Share-based payments	**12**	13	2
Other	**(2)**	4	(5)
Current year charge			
Continuing operations	**67**	(54)	(4)
Discontinued operations	**-**	46	(14)
Exchange differences on consolidation of foreign subsidiaries	**(11)**	(17)	21
Balance at end of the year	**(803)**	(651)	(690)

14.2 Deferred taxation balances

	2015 €m	2014 €m	2013 €m
Assets			
Provision for taxation on temporary differences resulting from South African normal taxation rate (28%), South African capital gains taxation (SA CGT) rate (18.6%) and foreign taxation rates:			
Prepayments and provisions	**60**	17	14
Property, plant and equipment (including consumable biological assets)	**4**	12	(1)
Share-based payments	**27**	13	4
Other	**5**	(1)	-
	96	41	17
Taxation losses and credits			
Taxation losses	**102**	54	40
Total deferred taxation assets	**198**	95	57

Realisation of the deferred taxation asset is expected out of future taxable income, which was assessed and deemed to be reasonable.

	2015 €m	2014 €m	2013 €m
Liabilities			
Provision for taxation on temporary differences resulting from South African normal taxation rate (28%), SA CGT rate (18.6%) and foreign taxation rates:			
Equity component of convertible bonds	**(9)**	(16)	(12)
Intangible assets	**(715)**	(543)	(554)
Investments	**(38)**	(40)	-
Prepayments and provisions	**14**	(6)	13
Property, plant and equipment (including consumable biological assets)	**(206)**	(159)	(258)
Share-based payments	**-**	5	6
Other	**(50)**	11	(5)
	(1 004)	(748)	(810)
Taxation losses and credits			
Taxation losses	**3**	2	63
Total deferred taxation liabilities	**(1 001)**	(746)	(747)

	2015 €m	2014 €m	2013 €m
14.3 Unrecognised deferred taxation assets			
Deferred taxation assets have not been recognised in respect of the following items:			
Taxation losses	**588**	187	287

The taxation losses and deductible temporary differences do not expire under current taxation legislation. Deferred taxation assets have not been recognised in respect of these items because it is not yet certain that future taxable profits will be available against which the group can realise the benefits therefrom. Deferred taxation assets are assessed at each statutory entity individually.

	2015 €m	2014 €m	2013 €m
14.4 Taxation losses			
Estimated taxation losses available for offset against future taxable income	**964**	376	597

15. TRADE AND OTHER RECEIVABLES

	2015 €m	2014 €m	2013 €m
Non-current trade and other receivables			
Instalment sale and loan receivables[1]	**-**	4	239
Derivative financial assets	**10**	-	7
Non-current trade and other receivables (financial assets)	**10**	4	246
Equalisation of operating lease payments	**1**	1	-
	11	5	246
Current trade and other receivables			
Trade receivables	**810**	903	848
Instalment sale and loan receivables[1]	**142**	28	514
Other amounts due	**208**	182	88
Less: Provision for bad debts (note 29.6)	**(62)**	(61)	(135)
Derivative financial assets	**19**	1	12
Current trade and other receivables (financial assets)	**1 117**	1 053	1 327
Prepayments	**111**	87	87
Taxation receivable	**37**	31	30
Value added taxation receivable	**78**	72	107
	1 343	1 243	1 551

[1] *During the 2014 year, JD Group's consumer finance business was classified as a disposal group held for sale and has been disclosed as such for 2014 and 2015.*

The credit terms of instalment sale and loan receivables range from 3 to 36 months.

The credit period on sales of goods is between 30 and 90 days. Where relevant, interest is charged at market-related rates on outstanding balances.

Before accepting any new customers, credit risk management uses various credit bureaux and performs credit assessments to assess the potential customer's credit potential and credit limit. The credit limits are reviewed on a regular basis as and when increased limits are required. Customers with material balances are subject to additional security requirements or are insured as appropriate.

In determining the recoverability of a customer, the group considers any change in the credit quality of the customer from the date credit was initially granted up to the reporting date.

The provision against instalment sales and loan receivables has been deducted against the current portion of the instalment sales and loan receivables. Due to the nature of the calculation of the provision, it was not split into non-current and current portions.

Given the diverse nature of the group's operations (both geographically and segmentally), it does not have significant concentration of credit risk in respect of trade receivables, with exposure spread over a large number of customers. Accordingly, the directors believe that no further credit provision is required in excess of the provision for bad debts.

No customer represents more than 5% of the total trade receivables at year-end.

	2015 €m	2014 €m	2013 €m

In 2013, €4 million of the BCM group's (subsidiary of KAP) trade receivables, as well as the applicable insurance policies were ceded in favour of facilities with banks.

The group's exposure to currency and credit risk related to trade and other receivables is disclosed in notes 29.3 and 29.6.

16. INVENTORIES AND VEHICLE RENTAL FLEET

	2015 €m	2014 €m	2013 €m
16.1 Inventories at cost less provisions			
Finished goods and merchandise	**1 768**	1 207	1 192
Goods in transit	**91**	-	-
Raw materials	**23**	19	56
Other	**8**	3	25
	1 890	1 229	1 273
16.2 Vehicle rental fleet			
Balance at beginning of the year	**37**	35	36
Additions	**81**	57	68
Impairment and scrapping of vehicle rental fleet	**(2)**	(1)	(1)
Transfer to inventories	**(54)**	(40)	(51)
Depreciation	**(10)**	(9)	(9)
Exchange differences on consolidation of foreign subsidiaries	**3**	(5)	(8)
Balance at end of the year	**55**	37	35
	1 945	1 266	1 308
16.3 Amount of write-down of inventories to net realisable value included as an expense during the year	**8**	4	6

Included in inventories above are vehicles relating to the operations of Unitrans Automotive, which were subject to a lien of €112 million (2014: €100 million; 2013: €103 million) in respect of the manufacturers' floorplan financing, comprising interest-bearing and interest-free amounts and which are included in trade and other payables.

Inventories carried at net realisable value are immaterial.

Encumbered assets
Vehicle rental fleet with a book value of €51 million (2014: €17 million; 2013: €25 million) are encumbered as set out in note 21.

17. ASSETS/(LIABILITIES) AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

As described in note 5, JD Group is in the process of disposing the JD Group Financial Services division and anticipates that the disposal will be completed in the next financial year. The group does not expect that the aggregate carrying amount of the related assets and liabilities will exceed the fair value less costs to sell off the business. Therefore an impairment loss was recognised on the assets and liabilities as held for sale as at 30 June 2015 and 30 June 2014 to the extent that the carrying amount of the assets exceeds the fair value of the assets.

These assets are available for sale in their present condition. Management is committed to the sale, which is expected to occur within 12 months of year-end.

The carrying amount of total assets held for sale still carried on the statement of financial position is:

	2015 €m	2014 €m	2013 €m
Assets			
Goodwill	**-**	54	-
Intangible assets	**19**	12	2
Property, plant and equipment	**1**	-	6
Deferred taxation asset	**-**	19	-
Inventories and vehicle rental fleet	**-**	-	9
Trade and other receivables (including instalment sale and loan receivables)	**305**	495	12
	325	580	29
Impairment of goodwill	**-**	(54)	-
Impairment of disposal group	**(77)**	(54)	-
	248	472	29
Liabilities			
Trade and other payables	**-**	(11)	(4)
Employee benefits	**-**	(3)	(1)
	-	(14)	(5)
Net assets/(liabilities) and disposal groups classified as held for sale	**248**	458	24

The event that gave rise to the impairment of goodwill in 2014 was the impending sale of the JD Financial Services division for a price less than the carrying amount of the net assets held for sale. Deteriorating quality of the instalment sale and loan receivable book, the increase in the debtors cost and the resulting loss from discontinued operations in 2014 have resulted in the impairment of the disposal group as a whole.

The fair value of the disposal group is based on the estimated selling price as offered by a third party. The disposal group assets and liabilities held for sale are therefore considered to be a level 3 financial asset/liability.

	2015 Number of shares	2014 Number of shares	2013 Number of shares	**2015 €m**	2014 €m	2013 €m
18. ORDINARY STATED SHARE CAPITAL						
18.1 Authorised						
Ordinary shares of no par value (2014 and 2013: 0.5 rand cents each)	**6 000 000 000**	3 000 000 000	3 000 000 000	**-**	*	*
18.2 Issued						
Balance at beginning of the year	**2 109 880 692**	1 836 154 196	1 769 701 344	**1 722**	965	976
Shares issued during the year net of transaction costs	**1 552 388 904**	273 726 496	66 452 852	**6 759**	757	132
Profit on treasury share transactions net of capital gains taxation	**-**	-	-	**-**	-	5
Capital distribution	**-**	-	-	**-**	-	(148)
Balance at end of the year	**3 662 269 596**	2 109 880 692	1 836 154 196	**8 481**	1 722	965
18.3 Treasury shares						
Balance at beginning of the year	**(9 963 800)**	(11 053 042)	(13 863 094)	**(14)**	(16)	(18)
Purchases of shares	**(266 434)**	-	(4 794 527)	**-**	-	(11)
Sale of shares	**18 023**	1 089 242	7 763 072	**-**	2	13
Capital distribution	**-**	-	(158 493)	**-**	-	-
Balance at end of the year	**(10 212 211)**	(9 963 800)	(11 053 042)	**(14)**	(14)	(16)
Total issued ordinary stated share capital	**3 652 057 385**	2 099 916 892	1 825 101 154	**8 467**	1 708	949
18.4 Movement of net stated share capital						
Balance at beginning of the year				**1 708**	949	958
Net shares issued				**6 759**	757	132
Purchases of shares				**-**	-	(11)
Proceeds on sale of shares net of capital gains taxation				**-**	2	18
Capital distribution				**-**	-	(148)
Balance at end of the year				**8 467**	1 708	949

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meetings of the company.

	Number of shares	Number of shares	Number of shares
18.5 Unissued shares			
Reserved for bond holders	**320 666 847**	529 416 368	481 911 689
Shares reserved for future participation in share schemes	**97 109 276**	104 372 913	118 890 841
Shares reserved for current participation in share schemes	**32 235 368**	35 885 136	31 147 659
Shares under the control of the directors until the forthcoming annual general meeting	**167 973 415**	87 605 581	180 000 000
Unissued shares	**1 719 745 498**	132 839 310	351 895 615
Total unissued shares	**2 337 730 404**	890 119 308	1 163 845 804

At year-end, the directors were still authorised, by resolutions of the shareholders and until the forthcoming annual general meeting, to issue 18 million unissued shares, subject to the Listings Requirements of the JSE.

Subsequent to year-end and before the date of this report, Steinhoff issued a convertible bond due 2022, which is convertible into 149 997 984 ordinary shares of the company. Refer to the directors' report.

** Amount less than €500 000.*

18.6 Share-based payments

Steinhoff Executive Share Right Scheme

At the annual general meeting on 6 December 2010, a new share incentive scheme was approved and implemented. The share rights granted since December 2010 relate to the Executive Share Right Scheme, and are subject to the following conditions:

a) Rights are granted to qualifying senior executives on an annual basis.
b) Vesting of rights occur on the third anniversary of grant date, provided performance criteria, as set by Steinhoff's remuneration committee at or about the time of the grant date, have been achieved.
c) In the event of performance criteria not being satisfied by the third anniversary of the relevant annual grant, all rights attaching to the particular grant will lapse.

	2015 Number of rights	2014 Number of rights	2013 Number of rights
The number of share rights outstanding is:			
Outstanding at beginning of the year	**35 885 136**	31 147 659	37 585 134
Exercised during the year	**(10 913 405)**	(9 741 951)	(13 661 554)
Forfeited during the year[1]	**(753 404)**	(357 992)	(2 772 447)
Granted during the year	**8 017 041**	14 837 420	9 996 526
Outstanding at end of the year	**32 235 368**	35 885 136	31 147 659

[1] *Certain divisions and individuals did not meet performance targets for the share vesting and forfeited their share rights relating to these grants.*

Assumptions

The fair value of services received in return for share rights granted is measured by reference to the fair value of the share rights granted. The estimated fair value of the services received is measured based on the assumption that all vesting conditions are met and all employees remain in service. The pricing model used was the Black-Schöles model. The volatility was estimated using the Steinhoff daily closing share price over a rolling three-year period.

	2014 grant	**2013 grant**	**2012 grant**	**2011 grant**	**2010 grant**
Fair value of share rights and assumptions:					
Fair value at measurement date	R53.76	R37.78	R25.01	R21.30	R19.74
Share price at grant date	R58.00	R40.42	R27.39	R23.40	R21.50
Exercise price	R0.005	R0.005	R0.005	R0.005	R0.005
Expected volatility	24.39%	26.33%	21.44%	28.53%	23.80%
Dividend yield	2.57%	2.32%	3.08%	3.20%	2.90%
Risk-free interest rate	6.45%	6.72%	5.37%	6.12%	6.41%
Option life	3 years	3 years	3 years	3 years	3 years

Refer to note 32 for directors' interests in the share incentive scheme.

	2015 Number of shares	2014 Number of shares	2013 Number of shares	**2015 €m**	2014 €m	2013 €m
19. PREFERENCE STATED SHARE CAPITAL						
19.1 Authorised						
Steinhoff						
Non-redeemable, cumulative, non-participating preference shares of no par value (2014 and 2013: 0.1 rand cents each)	**1 000 000 000**	1 000 000 000	1 000 000 000	*****	*	*
Steinhoff Investment						
Variable rate, cumulative, non-redeemable, non-participating preference shares of 0.1 rand cents each	**495 000 000**	495 000 000	495 000 000	*****	*	*
Steinhoff Africa						
Class A perpetual preference shares of 1 rand cent each	**2 000**	2 000	2 000	*****	*	*
Class B perpetual preference shares of no par value	**2 000**	-	-	**-**	-	-
Cumulative redeemable preference shares of 1 rand cent each	**2 000**	-	-	*****	-	-
19.2 Issued						
Steinhoff Investment						
In issue at beginning of the year	**15 000 000**	15 000 000	15 000 000	**139**	150	150
Loss on treasury share transactions net of capital gains taxation	**-**	-	-	**-**	(11)	-
In issue at end of the year	**15 000 000**	15 000 000	15 000 000	**139**	139	150
Steinhoff Africa (class A and class B perpetual preference shares)						
In issue at beginning of the year	**1 333**	1 585	1 850	**188**	224	263
Shares issued during the year	**2 000**	-	-	**146**	-	-
Shares redeemed during the year	**(333)**	(252)	(265)	**(36)**	(36)	(39)
In issue at end of the year	**3 000**	1 333	1 585	**298**	188	224
19.3 Treasury shares						
Balance at beginning of the year	**-**	(3 347 393)	(3 979 170)	**-**	(36)	(42)
Sale of shares	**-**	3 347 393	631 777	**-**	36	6
	-	-	(3 347 393)	**-**	-	(36)
Total issued preference stated share capital	**15 003 000**	15 001 333	11 654 192	**437**	327	338

** Amount less than €500 000.*

Terms of issued Steinhoff Investment preference shares
The preference shares earn dividends on the issue price at the rate of 82.5% of the SA prime lending rate quoted by Absa Bank Limited or its successor in title in South Africa. Although the rights to receive dividends are cumulative, declaration of such dividends is at the discretion of the board of directors of Steinhoff Investment Holdings Limited.

Terms of issued Steinhoff Africa preference shares
The preference shares earn dividends on the issue price at the rate of 72% of the SA prime lending rate quoted by Standard Bank Group Limited or its successor in title in South Africa. Although the rights to receive dividends are cumulative, declaration of such dividends is at the discretion of the board of directors of Steinhoff Africa.

The directors are authorised, by resolution of the shareholders and until the forthcoming annual general meeting, to dispose of the unissued preference shares, subject to the Listings Requirements of the JSE relating to a general authority of directors to issue shares for cash.

20. NON-CONTROLLING INTERESTS

20.1 Details of subsidiaries that have material non-controlling interests:

	Proportion of ownership interests and voting rights held by non-controlling interests			Profit or loss allocated to non-controlling interests			Accumulated non-controlling interests		
	2015	2014	2013	**2015**	2014	2013	**2015**	2014	2013
	%	%	%	**€m**	€m	€m	**€m**	€m	€m
JD Group Limited[1, 2]	**13**	14	44	**(21)**	(42)	29	**53**	77	298
KAP Industrial Holdings Limited[1, 3]	**n/a**	n/a	38	**-**	22	25	**-**	-	196
Individually immaterial subsidiaries with non-controlling interests[4]				**4**	4	3	**28**	30	21
				(17)	(16)	57	**81**	107	515

[1] Incorporated in South Africa.

[2] Subsequent to year-end, the non-controlling interests in JD Group were bought out on 6 July 2015.

[3] KAP became an associate on 30 June 2014.

[4] Included in immaterial subsidiaries with non-controlling interests is Pepkor, which had an 8% non-controlling interest for the period 31 March 2015 to 20 April 2015. On 20 April 2015, Steinhoff bought out the non-controlling interest by issuing 86.6 million ordinary share. The buyout resulted in a premium paid on acquisition of non-controlling interest of €0.3 billion accounted for in the premiums or discounts on changes in non-controlling interests reserve.

20.2 Summarised financial information in respect of each of the group's subsidiaries that has material non-controlling interests:

The summarised financial information below represents amounts before intragroup eliminations and consolidation entries.

	2015 €m	2014 €m	2013 €m
JD Group Limited			
Non-current assets	**532**	470	766
Current assets	**832**	973	1 024
Non-current liabilities	**(64)**	(393)	(498)
Current liabilities	**(893)**	(513)	(585)
Revenue from continuing operations	**2 283**	2 168	2 542
Profit for the year from continuing operations	**5**	14	54
(Loss)/profit for the year from discontinued operations	**(172)**	(151)	1
(Loss)/profit for the year	**(167)**	(137)	55
(Loss)/profit attributable to owners of the parent	**(169)**	(139)	53
Profit attributable to the non-controlling interests	**2**	2	2
(Loss)/profit for the year	**(167)**	(137)	55
Total comprehensive (loss)/income attributable to owners of the parent	**(170)**	(137)	53
Total comprehensive income attributable to the non-controlling interests	**2**	2	2
Total comprehensive (loss)/income for the year	**(168)**	(135)	55
Dividends paid to non-controlling interests	**-**	9	23
Net inflow/(outflow) from operating activities	**112**	35	(195)
Net outflow from investing activities	**(10)**	(15)	(130)
Net (outflow)/inflow from financing activities	**(81)**	(14)	262
Net cash inflow/(outflow)	**21**	6	(63)

	2015 €m	2014 €m	2013 €m

21. INTEREST-BEARING LOANS AND BORROWINGS

21.1 Analysis of closing balance

	2015 €m	2014 €m	2013 €m
Secured financing			
Capitalised finance lease and instalment sale agreements	**119**	115	28
Mortgage and term loans	**155**	255	178
Phaello senior secured notes	**-**	-	68
	274	370	274
Unsecured financing			
Convertible bonds	**1 065**	1 661	1 434
German loan notes	**637**	-	-
Steinhoff Services domestic medium-term note programme	**404**	318	270
JD Group domestic medium-term note programme	**132**	196	238
Promissory notes	**-**	-	24
US note purchase agreements	**130**	260	271
Preference shares: Micawber 455 Proprietary Limited	**-**	10	11
Preference shares: Ainsley Holdings Proprietary Limited	**446**	-	-
Syndicated loan facilities	**1 235**	1 180	919
Term loans	**231**	239	431
Other loans	**29**	20	11
	4 309	3 884	3 609
Total interest-bearing loans and borrowings	**4 583**	4 254	3 883
Portion payable within 12 months included in current liabilities	**(431)**	(440)	(396)
Total non-current interest-bearing loans and borrowings	**4 152**	3 814	3 487

The book value of assets encumbered in favour of the above mortgage and term loans and finance lease and instalment sale agreements amounts to €1 299 million (2014: €1 174 million; 2013: €693 million) (notes 10 and 16).

21.2 Analysis of repayment

	2015 €m	2014 €m	2013 €m
Repayable within the next year and thereafter			
Next year	**431**	440	396
Within two years	**463**	654	621
Within three years	**819**	719	1 381
Within four years	**965**	571	718
Within five years	**883**	1 219	617
Thereafter	**1 022**	651	150
	4 583	4 254	3 883

Loans and borrowings are carried at amortised cost. The only exception was the 2005 note purchase agreement, which was carried at fair value until it was repaid on 15 March 2015. The fair values of interest-bearing loans and borrowings are disclosed in note 29.

21. INTEREST-BEARING LOANS AND BORROWINGS

21.3 Loan details

	Facility million	Maturity date	Interest rate	2015 €m	2014 €m	2013 €m
Steinhoff						
Secured						
Mortgage loans						
Loans with various banks, repayable over various repayment terms and secured under mortgage bonds over various properties in Europe in favour of the relevant banks.	€190	Various maturities up to June 2024	3.05% to 6.13%	**84**	163	61
Syndicated property loan. This loan is secured by a charge over the assets financed by this loan.	€69	31 July 2016	EURIBOR plus 3.50%	**69**	92	114
Capitalised finance lease and instalment sale agreements Secured hire purchase and lease agreements repayable in monthly or annual instalments over periods of one to five years. These leases are with various counterparties.	-	-	Various	**86**	95	-
Unsecured						
Convertible bond due 2013 The bond was redeemed by 31 July 2013.	-	31 July 2013	5.70%	**-**	-	1
Convertible bond due 2015 The bond was converted and redeemed during October and November 2013.	-	20 July 2015	9.63%	**-**	-	138
Convertible bond due 2016 The bond was converted and redeemed between November 2014 and April 2015.	-	22 May 2016	5.00%	**-**	398	387
Convertible bond due 2017 The bond is convertible to 56.98 million ordinary shares of Steinhoff at R33.84 per ordinary share. The coupon rate is 6.375% per annum and the redemption price is 100%.	€181	26 May 2017	6.38%	**175**	397	393
Convertible bond due 2018 The bond is convertible to 144.30 million ordinary shares of Steinhoff at R30.86 per ordinary share. The coupon rate is 4.5% per annum and the redemption price is 110.68%.	€468	31 March 2018	4.50%	**473**	457	442
Convertible bond due 2021 The bond is convertible to 119.38 million ordinary shares of Steinhoff at R58.11 per ordinary share. The coupon rate is 4% per annum and the redemption price is 100%.	€465	30 January 2021	4.00%	**417**	409	-

The fair values of the liability components and the equity conversion components were determined at issuance of the bonds and were calculated using market interest rates for equivalent non-convertible bonds. The residual amounts, representing the values of the equity conversion components, are included in shareholders' equity, net of deferred taxation.

	Facility million	Maturity date	Interest rate	2015 €m	2014 €m	2013 €m
German loan note						
SSD five-year floating rate note	€402	17 July 2020	EURIBOR plus 1.25%	**402**	-	-
SSD seven-year floating note	€92	18 July 2022	EURIBOR plus 1.50%	**92**	-	-
SSD five-year fixed rate note	€62	17 July 2020	1.88%	**62**	-	-
SSD seven-year fixed rate note	€77	18 July 2022	2.46%	**77**	-	-
SSD ten-year fixed rate note	€4	17 June 2025	3.08%	**4**	-	-
Steinhoff Services domestic medium-term note programme: senior unsecured	R10 000					
SHS01 - R227 million floating rate note		15 December 2016	JIBAR plus 2.30%	**17**	16	18
SHS04 - R651 million floating rate note		29 June 2017	JIBAR plus 2.30%	**48**	45	51
SHS05 - R421 million fixed rate note		29 June 2017	8.75%	**31**	29	33
SHS06 - R580 million floating rate note		12 December 2017	JIBAR plus 2.20%	**43**	40	45
SHS07 - R150 million floating rate note		10 April 2016	JIBAR plus 1.60%	**11**	10	12
SHS08 - R200 million floating rate note		21 May 2016	JIBAR plus 1.60%	**15**	14	15
SHS11U - R300 million floating rate note		19 November 2016	JIBAR plus 1.70%	**22**	21	-
SHS12 - R100 million floating rate note		12 December 2016	JIBAR plus 1.60%	**7**	7	-
SHS14 - R200 million floating rate note		17 June 2017	JIBAR plus 1.60%	**15**	14	-
SHS16U - R100 million floating rate note		29 June 2016	JIBAR plus 2.40%	**7**	7	-
SHS17U - R200 million floating rate note		30 September 2016	JIBAR plus 4.75%	**15**	14	-
SHS18U - R250 million amortising floating rate note		30 November 2016	JIBAR plus 2.40%	**14**	17	-
SHS19 - R247 million fixed rate note		10 September 2017	10.16%	**19**	-	-
SHS20 - R149 million floating rate note		19 April 2016	JIBAR plus 2.25%	**11**	-	-
SHS22 - R250 million floating rate note		23 February 2020	JIBAR plus 2.00%	**19**	-	-
SHS23 - R400 million floating rate note		29 June 2018	JIBAR plus 1.65%	**29**	-	-
SHS24 - R350 million floating rate note		29 June 2020	JIBAR plus 1.95%	**26**	-	-
SHS25 - R250 million fixed rate note		29 June 2020	9.83%	**18**	-	-
SHS26 - R500 million floating rate note		29 June 2020	JIBAR plus 1.95%	**37**	-	-
Fixed rate notes that have been repaid		19 September 2014 to 10 September 2017	8.08% to 10.16%	**-**	21	20
Floating rate notes that have been repaid		19 April 2014 to 19 April 2016	JIBAR plus 0.65% to 3.00%	**-**	63	76
Steinhoff, Steinhoff Investment and Steinhoff Africa have committed themselves as guarantors in respect of the Steinhoff Services (SHS) note programme.						
In addition and after year-end, Ainsley Holdings Proprietary Limited and Pepkor Holdings Proprietary Limited resolved to accede as guarantors to the note programme.						
Promissory notes	-	6 September 2013 to 29 May 2014	5.75% to 11.53%	**-**	-	20
This loan was repaid during the 2014 year						
2005 US note purchase agreement						
Senior notes series B	-	15 March 2015	EURIBOR plus 0.88%	**-**	109	119
The group has entered into a combined cross-currency interest rate swap on the series B loan (note 29). The series B loan was fair valued through profit or loss in order to eliminate the accounting mismatch arising from measuring the derivative hedging instrument through profit or loss.						
This loan was repaid during the year						

	Facility million	**Maturity date**	**Interest rate**	**2015 €m**	2014 €m	2013 €m
2012 US note purchase agreement						
Senior notes series A	-	25 April 2015	EURIBOR plus 3.07%	**-**	30	31
This loan was repaid during the year						
Senior notes series B	\$28	25 April 2019	EURIBOR plus 3.49%	**25**	21	21
Senior notes series C	\$32	25 April 2022	EURIBOR plus 3.74%	**29**	24	24
Senior notes series D	€38	25 April 2019	5.38%	**38**	38	38
Senior notes series E	€38	25 April 2022	5.92%	**38**	38	38
The group has entered into a combined cross-currency interest rate swap on the series A, B and C loans (note 29). These swaps are designated as cash flow hedges. The notes are carried at amortised cost.						
Preference shares: Ainsley Holdings Proprietary Limited	R6 000	30 March 2019	69.00% of SA prime	**446**	-	-
Preference shares: Micawber 455 Proprietary Limited	-	28 January 2015	74.00% of SA prime	**-**	10	11
This loan was repaid during the year						
Syndicated loan facilities						
Revolving credit facility[1]	€1 800	29 June 2019	EURIBOR plus 1.75%	**700**	1 139	510
Structured term loan	€20	31 March 2031	Structured rate of 4.10% plus 3.00%	**20**	20	20
Term loan	£11	31 March 2016	LIBOR plus 3.00%	**12**	21	29
Revolving credit facility	R2 000	31 March 2016	JIBAR plus 0.65%	**51**	-	-
Syndicated term loan	R2 500	30 March 2018	JIBAR plus 1.65%	**187**	-	-
Syndicated term loan	R1 050	30 March 2019	JIBAR plus 1.80%	**78**	-	-
Syndicated term loan	R2 500	30 March 2020	JIBAR plus 2.00%	**187**	-	-
Amortising term loan	-	29 June 2016	EURIBOR plus 2.00%	**-**	-	360
This loan was repaid during the year						
Term loans						
Term loan	£5	15 February 2021	LIBOR plus 1.00%	**4**	-	-
Term loan	€6	31 August 2021	4.22%	**6**	-	-
Term loan	€23	30 June 2024	EURIBOR plus 1.50%	**23**	-	-
Term loan	€6	31 December 2021	4.54%	**6**	-	-
Amortising term loan	AUD17	10 May 2018	BBR plus 0.50%	**21**	1	13
Term loan	AUD3	31 January 2017	BBSY	**4**	-	-
Floating rate term loans that have been repaid	-	27 December 2014 to 31 August 2020	JIBAR plus 2.00% to 2.85%	**-**	212	175
Fixed rate term loans that have been repaid	-	24 August 2016 to 8 May 2017	8.66% to 9.01%	**-**	26	-
Other loans				**26**	17	-

[1] *The margin could vary, depending on the achievement of financial covenants.*

	Facility million	Maturity date	Interest rate	2015 €m	2014 €m	2013 €m
JD Group						
Secured						
Capitalised finance lease and instalment sale agreements	-	-	SA prime less 2.50% to 0.90%	**33**	20	27
Secured hire purchase and lease agreements repayable in monthly or annual instalments over periods of one to five years. These leases are with various counterparties.						
Unsecured						
Amortising term loans						
Floating rate loans that have been repaid	-	30 July 2013 to 30 November 2016	JIBAR plus 1.90% to 2.40%	**-**	-	25
Fixed rate loans that have been ceded to Steinhoff	-	24 August 2016 to 8 May 2017	8.66% to 9.01%	**-**	-	39
Floating rate loan that has been ceded to Steinhoff	-	28 September 2017	JIBAR plus 2.45%	**-**	-	35
Term loans						
Floating rate term loans that have been repaid	-	22 August 2012 to 30 May 2016	JIBAR plus 1.98% to 2.60%	**-**	-	59
Fixed rate term loans that have been repaid	-	31 July 2014 to 30 April 2015	8.72% to 9.19%	**-**	-	58
Floating rate term loans that have been ceded to Steinhoff	-	19 September 2014 to 30 September 2016	JIBAR plus 2.25% to 4.75%	**-**	-	27
Convertible bond due 2017	-	19 June 2017	7.50%	**-**	-	73
The convertible bond due 2017 was redeemed during 2014.						
JD Group domestic medium-term note programme: senior unsecured	R8 000					
JDG01 - listed fixed rate note		30 October 2015	7.17%	**72**	68	77
JDG03 - listed floating rate note		15 April 2016	JIBAR plus 1.65%	**32**	31	35
JDG04 - listed floating rate note		15 April 2018	JIBAR plus 2.03%	**22**	21	23
JDG03U - unlisted floating rate note		21 February 2016	JIBAR plus 1.80%	**6**	6	7
Unlisted fixed rate notes that have been repaid		29 January 2015	6.98%	**-**	8	-
Unlisted floating rate notes that have been repaid		14 November 2013 to 18 March 2015	JIBAR plus 0.65% to 1.40%	**-**	62	96
Promissory notes						
Floating rate note that has been repaid		17 July 2013	JIBAR plus 0.41%	**-**	-	4
Accrued interest				**2**	3	6

	Facility million	Maturity date	Interest rate	2015 €m	2014 €m	2013 €m
KAP						
On 30 June 2014, KAP became an associate and its interest-bearing debt was derecognised.						
Secured						
Capitalised finance lease and instalment sale agreements	-	-	-	**-**	-	1
Phaello senior secured notes	-	-	-	**-**	-	68
Term loans	-	-	-	**-**	-	3
Unsecured						
Other loans	-	-	-	**-**	-	5
Pepkor						
Secured						
Amortising term loan	PLN8	31 March 2024	WIBOR plus 2.20%	**2**	-	-
Unsecured						
Term loans						
Term loan	AUD30	25 February 2017	BBSY plus 2.25%	**21**	-	-
Term loan	AUD35	3 December 2016	BBSY plus 2.25%	**24**	-	-
Term loan	AUD32	14 March 2017	BBSY plus 2.20%	**22**	-	-
Term loan	R1 300	30 September 2015	LIBOR plus 1.40%	**96**	-	-
Term loan	NZD7	18 July 2018	BBBR plus 3.20%	**4**	-	-
Other loans				**1**	-	-
				4 583	4 254	3 883

21.4 Convertible bonds

	2015 €m	2014 €m	2013 €m
Balance at beginning of the year	**1 661**	1 434	1 201
Proceeds from issue of convertible bonds	**-**	458	413
Amount classified as equity	**-**	(57)	(28)
Redemption of convertible bonds	**(1)**	(74)	(124)
Conversion of convertible bonds	**(636)**	(125)	(2)
Coupon interest	**(73)**	(78)	(82)
Market implied interest	**114**	123	121
Exchange differences on consolidation of foreign subsidiaries	**-**	(20)	(65)
Balance at end of the year	**1 065**	1 661	1 434

	2015 €m	2014 €m	2013 €m
22. EMPLOYEE BENEFITS			
Conforama France Pension Fund	**46**	40	34
Other pension funds	**4**	4	9
Post-retirement medical benefits	**6**	-	-
Performance-based bonus accrual	**25**	20	29
Leave pay accrual	**49**	23	32
Other	**34**	24	21
Total liability	**164**	111	125
Transferred to short-term employee benefits	**(86)**	(51)	(69)
Long-term employee benefits	**78**	60	56

22.1 Defined contribution plans

The group has various defined contribution plans to which employees contribute. The assets of these schemes are held in administered trust funds separate from the group's assets.

22.2 Defined benefit plans

Various defined benefit plans are in operation throughout the group. The assets of these schemes are held in administered trust funds separate from the group's assets. Certain of the funds have surpluses, which have not been recognised as the employer is not entitled to any of the surpluses or unutilised reserves.

Conforama France Pension Fund

Under the scheme, the employees are entitled to retirement benefits based on final salary on attainment of retirement age (or earlier withdrawal or death) and the number of years worked for Conforama. No other post-retirement benefits are provided.

The fund was valued on 30 June 2014, which is in line with group policies. There are 8 396 (2014: 8 406; 2013: 8 141) employees currently covered by the fund.

22.3 The financial details of the different funds and the effect on the group's annual financial statements are:

	Conforama Pension Fund			**Other pension funds**		
	2015 €m	2014 €m	2013 €m	**2015 €m**	2014 €m	2013 €m
The amount included in the consolidated statement of financial position arising from the entity's obligation in respect of its defined benefit plans are as follows:						
Present value of funded defined benefit obligation	**(46)**	(42)	(36)	**(101)**	(92)	(89)
Fair value of plan asset	**-**	2	2	**97**	88	80
Net liability arising from defined benefit obligation	**(46)**	(40)	(34)	**(4)**	(4)	(9)

	Conforama Pension Fund			Other pension funds		
	2015	2014	2013	**2015**	2014	2013
	€m	€m	€m	**€m**	€m	€m
Components of defined benefit cost recognised in total comprehensive income						
Service cost	**(2)**	(2)	(2)	**-**	-	-
Net interest expense	**(1)**	(1)	(1)	**-**	-	-
Other expenses	**-**	-	-	**(1)**	(1)	(1)
Components of defined benefit cost recognised in profit or loss	**(3)**	(3)	(3)	**(1)**	(1)	(1)
Remeasurement on the net defined benefit liability:						
Return on plan assets (excluding amounts included in net interest expense)	**(1)**	-	-	**3**	2	3
Remeasurement gains/(losses) arising from changes in:						
Demographic assumptions	**-**	(2)	-	**-**	1	-
Financial assumptions	**(3)**	(1)	(1)	**(4)**	(5)	(5)
Experience adjustments	**-**	(2)	2	**-**	5	-
Components of defined benefit cost recognised in other comprehensive income	**(4)**	(5)	1	**(1)**	3	(2)
	(7)	(8)	(2)	**(2)**	2	(3)
Movements in the present value of the defined benefit obligation						
Opening defined benefit obligation	**(42)**	(36)	(35)	**(92)**	(89)	(90)
Current service cost	**(2)**	(2)	(2)	**-**	-	-
Interest cost	**(1)**	(1)	(1)	**(4)**	(4)	(4)
Remeasurement gains/(losses) arising from changes in:						
Demographic assumptions	**-**	(2)	-	**-**	1	-
Financial assumptions	**(3)**	(1)	(1)	**(4)**	(5)	(5)
Experience adjustments	**-**	(2)	2	**-**	5	-
Past service cost	**-**	1	-	**-**	-	-
Acquired on acquisition of subsidiary company	**-**	(1)	-	**-**	-	-
Benefits paid	**2**	2	1	**11**	6	4
Exchange differences on consolidation of foreign subsidiaries	**-**	-	-	**(12)**	(6)	6
Closing defined benefit obligation	**(46)**	(42)	(36)	**(101)**	(92)	(89)
Movements in the fair value of the plan assets						
Opening fair value of plan assets	**2**	2	2	**88**	80	80
Interest income	**-**	-	-	**4**	4	4
Return on plan assets (excluding amounts included in net interest expense)	**(1)**	-	-	**3**	2	3
Employer contributions	**2**	2	1	**3**	3	3
Other expenses	**-**	-	-	**(1)**	(1)	(1)
Settlements	**(1)**	-	-	**-**	-	-
Benefits paid	**(2)**	(2)	(1)	**(11)**	(6)	(4)
Exchange differences on consolidation of foreign subsidiaries	**-**	-	-	**11**	6	(5)
Closing fair value of plan assets	**-**	2	2	**97**	88	80

	Conforama Pension Fund			Other pension funds		
	2015	2014	2013	**2015**	2014	2013
	€m	€m	€m	**€m**	€m	€m
The major categories of plan assets are:						
Equities/diversified growth fund	**-**	-	-	**61**	57	53
Bonds	**-**	-	-	**36**	30	26
Cash	**-**	3	2	**-**	-	-
Escrow account	**-**	-	-	**-**	1	-
Total market value of assets	**-**	3	2	**97**	88	79
The principal assumptions used for the purposes of the actuarial valuations are:						
Discount rate	**2.0%**	2.5%	2.8%	**3.9%**	4.2%	4.6%
Expected rates of salary increase	**2.0%**	2.0%	2.0%	**n/a**	n/a	n/a
Inflation	**2.0%**	2.0%	2.0%	**3.2%**	3.2%	3.3%

	Performance-based bonus €m	Leave pay €m	Total €m
22.4 Performance-based bonus and leave pay accruals			
Balance at 1 July 2012	39	35	74
Accrual raised	27	26	53
Amounts unused reversed	(2)	(7)	(9)
Amounts utilised	(27)	(15)	(42)
Exchange differences on consolidation of foreign subsidiaries	(8)	(7)	(15)
Balance at 30 June 2013	29	32	61
Accrual raised	22	15	37
Amounts unused reversed	(2)	(2)	(4)
Amounts utilised	(15)	(13)	(28)
Transferred to assets classified as held for sale	(1)	(1)	(2)
Net acquisition and disposal of subsidiaries and businesses	(11)	(6)	(17)
Exchange differences on consolidation of foreign subsidiaries	(2)	(2)	(4)
Balance at 30 June 2014	**20**	**23**	**43**
Accrual raised	**13**	**19**	**32**
Amounts unused reversed	**(1)**	**-**	**(1)**
Amounts utilised	**(8)**	**(14)**	**(22)**
Net acquisition and disposal of subsidiaries and businesses	**-**	**20**	**20**
Exchange differences on consolidation of foreign subsidiaries	**1**	**1**	**2**
Balance at 30 June 2015	**25**	**49**	**74**

Performance-based bonus accrual

The bonus payable is fixed by applying a specific formula based on the employee's achievement of performance targets.

Leave pay accrual

The leave pay accrual relates to vesting leave pay to which employees may become entitled on leaving the employment of the group. The accrual arises as employees render a service that increases their entitlement to future compensated leave and is calculated based on an employee's total cost of employment. The accrual is utilised when employees become entitled to and are paid for the accumulated leave or utilise compensated leave due to them.

23. PROVISIONS

	Dilapidation, onerous lease and onerous contract provisions €m	Warranty provisions €m	Contingent liabilities raised on business combinations €m	Other €m	Total €m
Balance at 1 July 2012	200	35	52	2	289
Provision raised	89	1	-	38	128
Amounts unused reversed	-	(24)	-	(29)	(53)
Amounts utilised	(27)	(1)	(23)	(25)	(76)
Exchange differences on consolidation of foreign subsidiaries	(37)	-	-	29	(8)
Balance at 30 June 2013	225	11	29	15	280
Provision raised	15	17	-	31	63
Amounts unused reversed	(42)	(1)	-	(13)	(56)
Amounts utilised	(75)	(1)	(11)	(26)	(113)
Net acquisition and disposal of subsidiaries and businesses	-	1	6	12	19
Exchange differences on consolidation of foreign subsidiaries	(15)	(1)	-	15	(1)
Balance at 30 June 2014	**108**	**26**	**24**	**34**	**192**
Provision raised	**13**	**13**	**-**	**25**	**51**
Amounts unused reversed	**(26)**	**(1)**	**-**	**(20)**	**(47)**
Amounts utilised	**(20)**	**(14)**	**(14)**	**(2)**	**(50)**
Net acquisition and disposal of subsidiaries and businesses	**18**	**-**	**116**	**6**	**140**
Exchange differences on consolidation of foreign subsidiaries	**5**	**2**	**2**	**17**	**26**
Balance at 30 June 2015	**98**	**26**	**128**	**60**	**312**

	2015 €m	2014 €m	2013 €m
Long-term provisions	**216**	109	201
Short-term provisions	**96**	83	79
	312	192	280

Dilapidation, onerous lease and onerous contract provisions
Provision for dilapidation of buildings occupied by the group and provision for long-term leases containing onerous provisions or terms in comparison with average terms and conditions of leases.

Provision for unfavourable legally binding contracts where the terms of the contract are unfavourable, based on market-related rates.

Warranty provisions
The warranty provision represents management's best estimate, based on past experience, of the group's liability under warranties granted on products sold.

Contingent liabilities raised on business combinations
IFRS 3 requires certain contingent liabilities of the acquiree to be recognised and measured in a business combination at acquisition date fair value. Therefore, contrary to IAS 37 - *Provision, Contingent Liabilities and Contingent Assets,* the acquirer recognises a contingent liability assumed in a business combination at the acquisition date even if it is not probable that an outflow of economic benefits will be required to settle the obligation. This provision includes amounts for possible supplier settlements, customer claims and legal disputes.

Other provisions
Other provisions include the amounts under insurance contracts, see note 30.

	2015 €m	2014 €m	2013 €m
24. TRADE AND OTHER PAYABLES			
Non-current trade and other payables			
Derivative financial liabilities	**7**	2	-
Equalisation of operating lease payments	**61**	24	18
	68	26	18
Current trade and other payables			
Trade payables	**2 262**	1 487	1 427
Accruals	**147**	139	177
Floorplan creditors	**128**	114	118
Cash received in advance	**242**	215	193
Other payables and amounts due	**383**	224	213
Derivative financial liabilities	**4**	14	2
Trade and other payables (financial liabilities)	**3 166**	2 193	2 130
Equalisation of operating lease payments	**2**	6	1
Taxation payable	**149**	51	66
Value added taxation payable	**99**	97	105
	3 416	2 347	2 302

The fair value of trade and other payables is disclosed in note 29.

	2015 €m	2014 €m	2013 €m
25. CASH GENERATED FROM OPERATIONS			
Operating profit	**1 297**	1 001	825
Adjusted for:			
Operating (loss)/profit of discontinued operations including loss on disposal	**(172)**	(39)	133
Debtors' costs	**239**	231	80
Depreciation and amortisation	**162**	203	236
Fair value (profit)/loss on financial assets	**(36)**	(7)	17
Impairments	**61**	11	33
Inventories written down to net realisable value and movement in provision for inventories	**28**	22	14
Loss on disposal of discontinued operations	**23**	16	-
Net loss/(profit) on disposal and scrapping of property, plant and equipment, vehicle rental fleet and intangible assets	**8**	6	(2)
Profit on disposal and dilution of investments	**(257)**	(123)	(1)
Share-based payment expense	**29**	21	15
Other non-cash adjustments	**(7)**	8	(5)
Cash generated before working capital changes	**1 375**	1 350	1 345
Working capital changes			
Decrease/(increase) in inventories	**82**	(71)	71
Increase in vehicle rental fleet	**(9)**	(23)	(13)
Decrease/(increase) in trade and other receivables	**148**	124	(59)
(Increase)/decrease in assets held for sale	**(3)**	28	1
Movement in net derivative financial liabilities/assets	**(16)**	20	(5)
Decrease in liabilities held for sale	**(14)**	(5)	-
Decrease in non-current and current provisions	**(59)**	(103)	(2)
Increase/(decrease) in non-current and current employee benefits	**3**	3	(3)
Increase/(decrease) in trade and other payables	**436**	318	(99)
Net changes in working capital	**568**	291	(109)
Cash generated from operations	**1 943**	1 641	1 236

The cash flow has been re-presented to combine the secured and unsecured instalment sales receivables movement, previously disclosed separately under working capital and cash flows from operating activities. Additions to vehicle rental fleet, which are financed through finance leases, are now excluded from working capital as non-cash items.

	Pepkor €m	Other €m	2015 €m	2014 €m	2013 €m
26. NET CASH FLOW ON ACQUISITION OF SUBSIDIARIES AND BUSINESSES					
26.1 The fair value of assets and liabilities assumed at date of acquisition					
Assets					
Intangible assets	**1 342**	**-**	**1 342**	4	73
Property, plant and equipment	**314**	**11**	**325**	638	3
Investments in equity accounted companies	**3**	**-**	**3**	-	(1)
Long-term investments and loans	**33**	**-**	**33**	12	-
Deferred taxation assets	**23**	**3**	**26**	4	-
Short-term investments and loans	**-**	**-**	**-**	1	-
Cash on hand	**138**	**3**	**141**	35	-
Liabilities					
Non-current interest-bearing loans and borrowings	**(266)**	**-**	**(266)**	(204)	(1)
Deferred taxation liability	**(244)**	**-**	**(244)**	-	-
Current interest-bearing loans and borrowings	**(34)**	**(25)**	**(59)**	(26)	-
Bank overdraft and short-term facilities	**(48)**	**-**	**(48)**	(2)	(70)
Working capital	**135**	**(4)**	**131**	24	(3)
Existing non-controlling interests	**(1)**	**-**	**(1)**	(9)	-
Total assets and liabilities acquired	**1 395**	**(12)**	**1 383**	477	1
Less: Non-controlling interests' portion of assets and liabilities acquired	**(107)**	**-**	**(107)**	-	-
Group's share of total assets and liabilities acquired	**1 288**	**(12)**	**1 276**	477	1
Goodwill attributable to acquisition at offer price	**3 293**	**26**	**3 319**	517	33
Goodwill attributable to share price increase	**646**	**-**	**646**	-	-
Total consideration	**5 227**	**14**	**5 241**	994	34
Cash on hand at date of acquisition	**(138)**	**(3)**	**(141)**	(35)	-
Purchase price settled through loan account	**-**	**(1)**	**(1)**	-	-
Purchase price settled through issue of shares	**(4 128)**	**-**	**(4 128)**	(500)	-
Net cash outflow on acquisition of subsidiaries	**961**	**10**	**971**	459	34

The goodwill arising on the acquisition of these companies is attributable to the strategic business advantages acquired, principal retail locations and leases, as well as knowledgeable employees and management strategies that did not meet the criteria for recognition as other intangible assets on the date of acquisition.

26.2 Acquisition of Pepkor

The fair value of the ordinary shares issued as part of the consideration paid for Pepkor was measured using the 30-day VWAP of Steinhoff's ordinary shares on the acquisition date. The valuation is a level 1 input, based on the fair value hierarchy.

The increase in the Steinhoff share price between the initial Pepkor purchase agreement (R57.00 (€4.15) per share) and the accounting recognition date, 31 March 2015 (R67.58 (€4.92)), gave rise to an additional consideration recognised for accounting purposes of €646 million on the transaction.

The fair value of the non-controlling interest in Pepkor was recognised at the proportionate share of net asset value. This non-controlling interest was acquired in a subsequent transaction on 20 April 2015.

The revenue and net profit, included in the consolidated income statement since 31 March 2015, contributed by Pepkor was €888 million and €83 million, respectively.

Acquisition-related costs, included in operating expenses in Steinhoff's Income Statement for the year ended 30 June 2015, amounted to €8 million.

	Pepkor €m	Other €m	2015 €m	2014 €m	2013 €m
26.3 The carrying value of identifiable assets and liabilities immediately prior to acquisition					
Assets					
Goodwill	**96**	**-**	**96**	-	22
Intangible assets	**34**	**-**	**34**	4	73
Property, plant and equipment	**320**	**11**	**331**	638	3
Investments in equity accounted companies	**3**	**-**	**3**	-	(1)
Long-term investments and loans	**33**	**-**	**33**	12	-
Deferred taxation assets	**41**	**3**	**44**	4	-
Short-term investments and loans	**-**	**-**	**-**	1	-
Cash on hand	**146**	**3**	**149**	35	-
Liabilities					
Non-current interest-bearing loans and borrowings	**(350)**	**-**	**(350)**	(204)	(1)
Deferred taxation liability	**(15)**	**-**	**(15)**	-	-
Current interest-bearing loans and borrowings	**(34)**	**(25)**	**(59)**	(26)	-
Bank overdraft and short-term facilities	**(48)**	**-**	**(48)**	(2)	(70)
Working capital	**297**	**3**	**300**	24	(3)
Non-controlling interests	**(1)**	**-**	**(1)**	(9)	-
Total assets and liabilities acquired	**522**	**(5)**	**517**	477	23

	2015 €m	2014 €m	2013 €m
27. NET CASH FLOW ON DISPOSAL OF SUBSIDIARIES AND BUSINESSES			
The carrying values of assets and liabilities disposed of at the date of disposal were:			
Assets			
Goodwill	**-**	15	-
Intangible assets	**-**	566	-
Property, plant and equipment	**2**	479	2
Consumable biological assets	**-**	133	-
Investment in equity accounted companies	**-**	44	-
Investments and loans	**-**	3	-
Deferred taxation assets	**-**	5	-
Cash on hand	**-**	73	2
Liabilities			
Interest-bearing loans and borrowings	**-**	(224)	-
Deferred taxation liability	**-**	(83)	-
Working capital	**(2)**	(415)	-
Non-controlling interests	**-**	(200)	(2)
Carrying value of assets and liabilities disposed	**-**	396	2
Investment in associate company recognised	**-**	(287)	(1)
(Loss)/profit on disposal	**-**	102	-
Proceeds on disposal	**-**	211	1
Cash on hand at date of disposal	**-**	(73)	(2)
Net cash inflow/(outflow) on disposal of subsidiaries	**-**	138	(1)

	2015 €m	2014 €m	2013 €m
28. COMMITMENTS AND CONTINGENCIES			
28.1 Capital expenditure			
Contracts for capital expenditure authorised	**42**	94	82
Capital expenditure authorised but not contracted for	**113**	49	85
Capital expenditure will be financed from cash and existing loan facilities.			
28.2 Borrowing facilities			
In terms of the memorandum of incorporation, the borrowing powers of the company are unlimited.			
28.3 Unutilised borrowing facilities at 30 June	**2 157**	1 322	1 071

	Property €m	Plant, equipment, vehicles and other €m	2015 Total €m	2014 Total €m	2013 Total €m
28.4 Operating leases					
Amounts outstanding under non-cancellable operating lease agreements payable within the next year and thereafter:					
Next year	**472**	**22**	**494**	238	244
Within two to five years	**1 085**	**27**	**1 112**	586	656
Thereafter	**422**	**-**	**422**	362	369

Balances denominated in currencies other than euro were converted at the closing rates of exchange ruling at 30 June.

The majority of the property operating leases relate to retail stores from which the group trades.

28.5 Contingent liabilities

Certain companies in the group are involved in disputes where the outcomes are uncertain. However, the directors are confident that they will be able to defend these actions and that the potential of outflow or settlement is remote and, if not, that the potential impact on the group will not be material.

There is no other litigation, current or pending, which is considered likely to have a material adverse effect on the group.

The group has a number of guarantees and sureties outstanding at year-end. However, the directors are confident that no material liability will arise as a result of these guarantees and sureties.

Steinhoff Investment Holdings Limited (Steinhoff Investment) has subordinated R4 250 million (€313 million) of the shareholder's loan due from Steinhoff Africa in favour of all other creditors.

Steinhoff has subordinated R1 306 million (€96 million) of the shareholder's loan due from Steinhoff Investment in favour of all other creditors.

29. FINANCIAL INSTRUMENTS

The executive team is responsible for implementing the risk management strategy to ensure that an appropriate risk management framework is operating effectively across the group, embedding a risk management culture throughout the group. The board and the audit and risk committee are provided with a consolidated view of the risk profile of the group, and any major exposures and relevant mitigating actions are identified.

The system of risk management is designed so that the different business units are able to tailor and adapt their risk management processes to suit their specific circumstances.

Regular management reporting and internal audit reports provide a balanced assessment of key risks and controls. The financial director provides quarterly confirmation to the board that financial and accounting control frameworks have operated satisfactorily and consistently.

The group does not speculate in the trading of derivative or other financial instruments. It is group policy to hedge exposure to cash and future contracted transactions.

	At fair value through profit or loss[1] €m	Designated as at fair value through profit or loss €m	Available for sale financial assets €m	Loans and receivables and other financial liabilities at amortised cost €m	Total carrying values €m	Loans and receivables and other financial liabilities at fair value €m	Total fair values €m
29.1 Total financial assets and liabilities							
2015							
Investments and loans	6	-	26	461	493	461	493
Trade and other receivables (financial assets)	10	-	-	-	10	-	10
Non-current financial assets	16	-	26	461	503	461	503
Trade and other receivables (financial assets)	19	-	-	1 098	1 117	1 098	1 117
Investments and loans	118	-	-	538	656	538	656
Cash and cash equivalents	-	-	-	2 794	2 794	2 794	2 794
Current financial assets	137	-	-	4 430	4 567	4 430	4 567
Long-term interest-bearing loans and borrowings	-	-	-	(4 152)	(4 152)	(4 308)	(4 308)
Trade and other payables (financial liabilities)	(7)	-	-	-	(7)	-	(7)
Non-current financial liabilities	(7)	-	-	(4 152)	(4 159)	(4 308)	(4 315)
Short-term interest-bearing loans and borrowings	-	-	-	(431)	(431)	(431)	(431)
Bank overdrafts and short-term facilities	-	-	-	(137)	(137)	(137)	(137)
Trade and other payables (financial liabilities)	(4)	-	-	(3 162)	(3 166)	(3 162)	(3 166)
Current financial liabilities	(4)	-	-	(3 730)	(3 734)	(3 730)	(3 734)
	142	-	26	(2 991)	(2 823)	(3 147)	(2 979)
Net gains recognised in profit or loss	(37)	(5)	(259)	-	(301)		
Net gains recognised in other comprehensive income	-	-	(25)	-	(25)		
	(37)	(5)	(284)	-	(326)		
Total interest income from continuing and discontinued operations		-	-	(143)	(143)		
Total interest expense from continuing and discontinued operations		5	-	255	260		
		5	-	112	117		

[1] *This category includes derivative financial instruments.*

	At fair value through profit or loss[1] €m	Designated as at fair value through profit or loss €m	Available for sale financial assets €m	Loans and receivables and other financial liabilities at amortised cost €m	Total carrying values €m	Loans and receivables and other financial liabilities at fair value €m	Total fair values €m
2014							
Investments and loans	5	-	267	441	713	441	713
Trade and other receivables (financial assets)	-	-	-	4	4	4	4
Non-current financial assets	5	-	267	445	717	445	717
Trade and other receivables (financial assets)	1	-	-	1 052	1 053	1 052	1 053
Investments and loans	-	-	-	407	407	407	407
Cash and cash equivalents	-	-	-	1 121	1 121	1 121	1 121
Current financial assets	1	-	-	2 580	2 581	2 580	2 581
Long-term interest-bearing loans and borrowings	-	-	-	(3 814)	(3 814)	(4 085)	(4 085)
Trade and other payables (financial liabilities)	(2)	-	-	-	(2)	-	(2)
Non-current financial liabilities	(2)	-	-	(3 814)	(3 816)	(4 085)	(4 087)
Short-term interest-bearing loans and borrowings	-	(109)	-	(331)	(440)	(331)	(440)
Bank overdrafts and short-term facilities	-	-	-	(167)	(167)	(167)	(167)
Trade and other payables (financial liabilities)	(14)	-	-	(2 179)	(2 193)	(2 179)	(2 193)
Current financial liabilities	(14)	(109)	-	(2 677)	(2 800)	(2 677)	(2 800)
	(10)	(109)	267	(3 466)	(3 318)	(3 737)	(3 589)
Net (gains) and losses recognised in profit or loss	12	(10)	3	(25)	(20)		
Net (gains) and losses recognised in other comprehensive income	-	-	4	5	9		
	12	(10)	7	(20)	(11)		
Total interest income from continuing and discontinued operations		-	-	(107)	(107)		
Total interest expense from continuing and discontinued operations		6	-	259	265		
		6	-	152	158		

[1] *This category includes derivative financial instruments.*

	At fair value through profit or loss[1] €m	Designated as at fair value through profit or loss €m	Available for sale financial assets €m	Loans and receivables and other financial liabilities at amortised cost €m	Total carrying values €m	Loans and receivables and other financial liabilities at fair value €m	Total fair values €m
2013							
Investments and loans	5	-	5	76	86	76	86
Trade and other receivables (financial assets)	7	-	-	239	246	239	246
Non-current financial assets	12	-	5	315	332	315	332
Trade and other receivables (financial assets)	12	-	-	1 315	1 327	1 315	1 327
Investments and loans	-	-	-	250	250	250	250
Cash and cash equivalents	-	-	-	716	716	716	716
Current financial assets	12	-	-	2 281	2 293	2 281	2 293
Long-term interest-bearing loans and borrowings	-	(119)	-	(3 368)	(3 487)	(3 529)	(3 648)
Non-current financial liabilities	-	(119)	-	(3 368)	(3 487)	(3 529)	(3 648)
Short-term interest-bearing loans and borrowings	-	-	-	(396)	(396)	(397)	(397)
Bank overdrafts and short-term facilities	-	-	-	(245)	(245)	(245)	(245)
Trade and other payables (financial liabilities)	(2)	-	-	(2 128)	(2 130)	(2 128)	(2 130)
Current financial liabilities	(2)	-	-	(2 769)	(2 771)	(2 770)	(2 772)
	22	(119)	5	(3 541)	(3 633)	(3 703)	(3 795)
Net (gains) and losses recognised in profit or loss	(5)	4	-	(64)	(65)		
Net (gains) and losses recognised in other comprehensive income	-	-	2	-	2		
	(5)	4	2	(64)	(63)		
Total interest income from continuing and discontinued operations		-	-	(109)	(109)		
Total interest expense from continuing and discontinued operations		6	-	285	291		
		6	-	176	182		

No items were classified as 'held to maturity' during any period presented.

[1] *This category includes derivative financial instruments.*

	Fair value hierarchy	Valuation techniques and key inputs	Fair value 2015 €m	2014 €m	2013 €m
29.2 Fair values					
Listed investments - ordinary shares, preference shares and unit trusts	Level 1	Quoted 30-day volume weighted average prices in an active market.	**129**	258	5
Unlisted investments - ordinary shares	Level 2	Adjusted quoted prices in an active market.	**21**	14	5
Trade and other receivables - derivative financial assets - interest rate swaps	Level 2	The fair values of interest rate swaps are based on broker quotes. Those quotes are tested for reasonability by discounting estimated future cash flows based on the terms	**10**	-	7
Trade and other payables - derivative financial liabilities - interest rate swaps	Level 2	and maturity of each contract using market interest rates for a similar instrument at the measurement date.	**(7)**	(11)	-
Trade and other receivables - derivative financial assets - foreign currency forward contracts	Level 2	The fair values of forward exchange contracts are based on their listed market price, if available. If a listed market price is not available, then the fair value is estimated by	**19**	1	12
Trade and other payables - derivative financial liabilities - foreign currency forward contracts	Level 2	discounting the difference between the contractual forward price and current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).	**(4)**	(5)	(2)
Interest-bearing loans and borrowings - 2005 US note purchase agreement	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of the counterparty.	**-**	(109)	(119)

The fair values are not necessarily indicative of the amounts the group could realise in the normal course of business.

There were no level 3 financial assets or financial liabilities at 30 June 2015, 30 June 2014 and 30 June 2013. There were no transfers between level 1 and level 2 during the year.

29.3 Foreign currency risk

The group's manufacturing and sourcing operating costs and expenses are principally incurred in Chinese yuan, Hungarian forint, Polish zloty, South African rand and US dollars. Its revenue derived from outside Africa, however, is principally in Australian dollars, euros, Polish zloty, Swiss franc, UK pounds and US dollars. The group's business model is based on the strategy of locating production in, and sourcing materials from, emerging low-cost economies and supplying finished products into developed economies.

It is group policy to hedge exposure to cash and future contracted transactions in foreign currencies for a range of forward periods, but not to hedge exposure for the translation of reported profits or reported assets and liabilities.

Exposure to currency risk

Currency risk (or foreign exchange risk), as defined by IFRS 7, arises on financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured. For the purpose of IFRS 7, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

Differences resulting from the translation of subsidiary financial statements into the group's presentation currency are not taken into consideration.

The carrying amounts of the group's material foreign currency denominated monetary assets and liabilities (excluding intragroup loan balances) that will have an impact on profit or loss when exchange rates change, at reporting date, are as follows:

	Euros €m	UK pounds €m	US dollars €m
2015			
Investments and loans	**1**	**-**	**-**
Trade and other receivables (financial assets excluding financial derivatives)	**24**	**7**	**4**
Cash and cash equivalents	**9**	**1**	**1**
Long-term interest-bearing loans and borrowings	**(2)**	**-**	**(54)**
Short-term interest-bearing loans and borrowings	**(1)**	**(12)**	**-**
Trade and other payables (financial liabilities excluding financial derivatives)	**(53)**	**-**	**(71)**
Pre-derivative position	**(22)**	**(4)**	**(120)**
Derivative effect	**1**	**-**	**15**
Open position	**(21)**	**(4)**	**(105)**
2014			
Trade and other receivables (financial assets excluding financial derivatives)	13	10	4
Cash and cash equivalents	2	-	2
Long-term interest-bearing loans and borrowings	-	(13)	(44)
Short-term interest-bearing loans and borrowings	-	(11)	(139)
Trade and other payables (financial liabilities excluding financial derivatives)	(11)	-	(71)
Pre-derivative position	4	(14)	(248)
Derivative effect	10	-	(103)
Open position	14	(14)	(351)
2013			
Investments and loans	-	-	5
Trade and other receivables (financial assets excluding financial derivatives)	19	5	7
Cash and cash equivalents	3	-	2
Long-term interest-bearing loans and borrowings	-	(29)	(196)
Trade and other payables (financial liabilities excluding financial derivatives)	(26)	(3)	(129)
Pre-derivative position	(4)	(27)	(311)
Derivative effect	(22)	(2)	572
Open position	(26)	(29)	261

The following significant exchange rates applied during the year and were used in calculating sensitivities:

	Forecast rate[1] 30 June 2016	Forecast rate[1] 30 June 2015	Forecast rate[1] 30 June 2014	**Reporting date spot rate 2015**	Reporting date spot rate 2014	Reporting date spot rate 2013
Euro						
UK pound	**0.6863**	0.7962	0.8330	**0.7114**	0.8015	0.8572
US dollar	**1.0440**	1.3311	1.2609	**1.1189**	1.3657	1.3080

[1] *The forecast rates represent a weighting of foreign currency rates forecasted by the major banks that the group transacts with regularly. These rates are not necessarily management's expectations of currency movements.*

Sensitivity analysis

The table below indicates the group's sensitivity at year-end to the movements in the major currencies that the group is exposed to on its financial instruments. The percentages given below represent a weighting of foreign currency rates forecasted by the major banks that the group transacts with regularly. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis was performed on the same basis for 2014 and 2013.

	2015 €m	2014 €m	2013 €m
The impact on the reported numbers, using the forecast rates as opposed to the reporting date spot rates, is set out below.			
Through (profit)/loss			
UK pound weakening by 3.5% (2014: 0.7%; 2013: 2.8%) to the euro	**-**	-	1
US dollar weakening by 6.7% (2014: 2.5%; 2013: 3.6%) to the euro	**(7)**	(9)	(9)

If the foreign currencies were to weaken/strengthen against the rand, by the same percentages as set out in the table above, it would have an equal, but opposite, effect on profit or loss.

Foreign exchange contracts

The group uses forward exchange contracts to hedge its foreign currency risk against the functional currency of its various global operations. Most of the forward exchange contracts have maturities of less than one year after reporting date. As a matter of policy, the group does not enter into derivative contracts for speculative purposes. The fair values of such contracts at year-end, by currency, were:

	2015 €m	2014 €m	2013 €m
Short-term derivatives			
Assets			
Fair value of foreign exchange contracts			
Chinese yuan	**3**	-	-
Euro	**-**	-	2
US dollar	**16**	-	9
Other	**-**	1	-
Third currency embedded derivatives	**-**	-	1
	19	1	12
Liabilities			
Fair value of foreign exchange contracts			
Euro	**(3)**	-	(1)
Swiss franc	**(1)**	(1)	-
US dollar	**-**	(4)	-
Interest rate swap and third currency embedded derivatives	**-**	(9)	(1)
	(4)	(14)	(2)
Net derivative assets	**15**	(13)	10
Long-term derivatives			
Interest rate swaps and cross-currency derivatives			
Assets	**10**	-	7
Liabilities	**(7)**	(2)	-
	3	(2)	7

Currency options are only purchased as a cost-effective alternative to forward currency contracts.

Cash flow hedges

The group classifies certain of its forward exchange contracts that hedge forecast transactions as cash flow hedges. The fair value of such contracts recognised as derivative assets and liabilities and adjusted against the hedging reserve at year-end was:

	2015 €m	2014 €m	2013 €m
Fair value loss for the year recognised in other comprehensive income	**8**	5	3

Changes in the fair value of forward exchange contracts of economically hedged monetary assets and liabilities in foreign currencies and for which no hedge accounting is applied, are recognised in profit or loss.

29.4 Interest rate risk

Given the group's global footprint and its strategy of low-cost manufacturing and sourcing in emerging markets and sales in developed countries, the group follows a policy of maintaining a balance between fixed and variable rate loans to reflect, as accurately as possible, different interest rate environments, the stability of the relevant currencies, the effect which the relevant interest rates have on group operations and consumer spending within these environments. These variables are taken into account in structuring the group's borrowings to achieve a reasonable, competitive, market-related cost of funding.

As part of the process of managing the group's borrowings mix, the interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates. Interest rate exposure is managed within limits agreed by the board.

The interest and related terms of the group's interest-bearing loans are disclosed in note 21.

At the reporting date the interest rate profile of the group's financial instruments were:

	Subject to interest rate movement					
	Variable EURIBOR €m	Variable JIBAR and SA prime €m	Variable other €m	Fixed rate €m	Non-interest-bearing €m	Total €m
2015						
Non-current financial assets	**351**	**31**	**-**	**56**	**55**	**493**
Current financial assets	**10**	**361**	**213**	**3 312**	**671**	**4 567**
Non-current financial liabilities	**(756)**	**(1 197)**	**(94)**	**(2 103)**	**(2)**	**(4 152)**
Current financial liabilities	**(96)**	**(221)**	**(210)**	**(404)**	**(2 813)**	**(3 744)**
	(491)	**(1 026)**	**(91)**	**861**	**(2 089)**	**(2 836)**
Effect of interest rate swaps	**(213)**	**-**	**-**	**216**	**-**	**3**
	(704)	**(1 026)**	**(91)**	**1 077**	**(2 089)**	**(2 833)**
2014						
Non-current financial assets	355	4	-	80	278	717
Current financial assets	4	94	12	1 461	1 010	2 581
Non-current financial liabilities	(1 363)	(490)	(23)	(1 848)	(90)	(3 814)
Current financial liabilities	(396)	(176)	(122)	(42)	(2 055)	(2 791)
	(1 400)	(568)	(133)	(349)	(857)	(3 307)
Effect of interest rate swaps	(194)	-	-	183	-	(11)
	(1 594)	(568)	(133)	(166)	(857)	(3 318)
2013						
Non-current financial assets	-	6	-	291	28	325
Current financial assets	249	142	43	886	973	2 293
Non-current financial liabilities	(990)	(630)	-	(1 865)	(2)	(3 487)
Current financial liabilities	(268)	(271)	(11)	(61)	(2 160)	(2 771)
	(1 009)	(753)	32	(749)	(1 161)	(3 640)
Effect of interest rate swaps	(189)	-	-	196	-	7
	(1 198)	(753)	32	(553)	(1 161)	(3 633)

Sensitivity analysis

The group is sensitive to movements in the EURIBOR, JIBAR and SA prime rates, which are the primary interest rates to which the group is exposed.

The sensitivities calculated below are based on an increase of 100 basis points for each interest category. These rates are also used when reporting sensitivities internally to key management personnel.

	2015 €m	2014 €m	2013 €m
Through (profit)/loss			
EURIBOR - 100 basis point increase	**7**	16	12
JIBAR and SA prime - 100 basis point increase	**10**	6	8

A 100 basis point decrease in the above rates would have had an equal, but opposite, effect on profit or loss.

Cross-currency interest rate swap contracts

The group has entered into a number of cross-currency interest rate swap contracts to effectively convert fixed-interest US dollar borrowings into variable-interest euro borrowings. The value of the group's cross-currency interest rate swaps can effectively be split into two components: a portion that is attributable to converting a US dollar-denominated borrowing liability into a euro-denominated borrowing liability (the currency portion) - the value of this portion changes as currency exchange rates change; and a portion that is attributable to converting fixed-rate US dollar interest payments into variable rate euro interest payments (the interest portion) - the value of this portion of the swap changes as US dollar fixed-interest rates, euro variable-interest rates and foreign currency exchange rates change.

The swaps are dedicated to convert a total of US$60 million (2014: US$242 million; 2013: US$242 million) of the fixed-rate US dollar-denominated senior notes (note 21) to a variable-rate euro liability. The maturity dates of the swaps are identical to those of the underlying series of senior notes that they effectively offset.

Under the terms of the swaps, the group receives fixed interest at rates varying from 4.49% to 6.27% and pays floating-rate interest at fixed spreads above the six-month EURIBOR rate. The interest payments are due bi-annually, with reset dates being the first day of each calculation period. The embedded derivatives contained within the transactions were calculated with the assistance of major investment banks.

The fair value of the swaps entered into on 15 March 2005, that matured on 15 March 2015, was estimated as a liability of €2.1 million at 30 June 2014 (2013: asset of €6.3 million) and was offset with the liability arising from the fair value of the underlying debt liability (the US dollar-denominated senior notes, see note 21) which effectively decreased during 2014 (2013: increased) with a fairly similar amount. These fixed-interest rate note purchase agreement liabilities were fair valued through profit or loss in order to eliminate the potential accounting mismatch arising from measuring the derivative cross-currency interest rate swaps at fair value through profit or loss.

The fair value of the swaps entered into on 12 April 2012 was estimated as an asset of €9.9 million (2014: liability of €2.3 million; 2013: asset of €0.5 million). These swaps are designated as cash flow hedges of the exposure to variability in the cash flows arising from foreign currency exchange, initially on the note's US dollar nominal value to be exchanged, and subsequent to the effective date, on the repayments of US dollar interest and capital on the notes.

Fixed for floating interest rate swap contracts

The group has entered into a number of fixed for floating-interest rate swap contracts to swap EURIBOR interest payments for fixed-rate interest payments. Cash flows from these swaps are matched with the interest payments on the underlying liabilities. The underlying loans have various maturity dates up to 30 June 2024.

29.5 Other price risks

Equity price sensitivity analysis

A one percent change in the 30-day VWAP used in the valuation of the listed ordinary shares, categorised as available for sale, would result in a €0.3 million (2014: €2.5 million; 2013: nil) adjustment to the fair value, through other comprehensive income before taxation.

A one percent change in the 30-day VWAP used in the valuation of the listed ordinary shares, categorised as at fair value through profit or loss, would result in a €1.3 million (2014 and 2013: nil) adjustment to the fair value, through profit and loss before taxation.

29.6 Credit risk

Potential concentration of credit risk consists principally of short-term cash and cash equivalent investments, trade and other receivables, and loans receivable. The group deposits short-term cash surpluses with major banks of quality credit standing. Trade receivables comprise a large and widespread customer base and group companies perform ongoing credit evaluations on the financial condition of their customers, and appropriate use is made of credit guarantee insurance. At 30 June 2015, the group did not consider there to be any significant concentration of credit risk which had not been adequately provided for. The amounts presented in the statement of financial position are net of provisions for bad debts, estimated by the group companies' management based on prior experience and the current economic environment.

The carrying amounts of financial assets represent the maximum credit exposure.

	2015 €m	2014 €m	2013 €m
The maximum exposure to credit risk at the reporting date without taking account of the value of any collateral obtained was:			
Non-current financial assets	**503**	717	332
Current financial assets	**4 567**	2 581	2 293
Less: Instalment sale and loan receivables[1]	**(142)**	(32)	(753)
	4 928	3 266	1 872

[1] *Included in the trade and other receivables balance is the JD Group and Tenacity's instalment sale and loan receivables. These have been analysed separately, due to the different credit risk relating to these books. JD Group's instalment sale and loan receivables relating to the disposal group for 2014 and 2015 are included in assets held for sale.*

	2015 €m	2014 €m	2013 €m
The maximum exposure to credit risk, including instalment sale and loan receivables, at the reporting date by segment was (carrying amounts):			
Integrated retail: Household goods	**4 530**	3 222	2 544
Integrated retail: General merchandise	**459**	-	-
Integrated retail: Automotive	**81**	76	81
	5 070	3 298	2 625
The maximum exposure to credit risk at the reporting date by geographical region was (carrying amounts):			
Continental Europe	**4 140**	2 372	1 294
Africa	**812**	497	1 210
Other	**118**	429	121
	5 070	3 298	2 625

	2015 €m	**2015 %**	2014 €m	2014 %	2013 €m	2013 %
Ageing of financial assets, excluding instalment sales and loan receivables						
Not past due or impaired	**4 848**	**98.4**	3 197	97.9	1 767	94.4
Past due 1 to 30 days but not impaired	**36**	**0.7**	30	0.9	54	2.9
Past due 31 to 60 days but not impaired	**6**	**0.1**	7	0.2	16	0.9
Past due 61 to 90 days but not impaired	**9**	**0.2**	5	0.1	8	0.4
Past due more than 90 days but not impaired	**26**	**0.5**	25	0.8	15	0.8
Past due but not impaired in full	**3**	**0.1**	2	0.1	12	0.6
	4 928	**100.0**	3 266	100.0	1 872	100.0

	Continuing operations			**Discontinued operations**		
	Secured €m	**Unsecured €m**	**Total €m**	**Secured €m**	**Unsecured €m**	**Total €m**
Credit exposure by class to instalment sale and loans receivables						
2015						
Up to date	**2**	**110**	**112**	**173**	**22**	**195**
Performing	**3**	**15**	**18**	**74**	**7**	**81**
Non-performing	**1**	**11**	**12**	**77**	**17**	**94**
	6	**136**	**142**	**324**	**46**	**370**
2014						
Up to date	-	-	-	187	60	247
Performing	-	-	-	71	19	90
Non-performing	31	1	32	240	120	360
	31	1	32	498	199	697

	Total operations Secured €m	Unsecured €m	Total €m
2013			
Up to date	287	117	404
Performing	87	37	124
Non-performing	175	50	225
	549	204	753

	Discontinued operations 2015 Provision and IFRS 5 impairments €m	2015 As percentage of loan receivable	2014 Provision and IFRS 5 impairments €m	2014 As percentage of loan receivable
Provision and IFRS 5 impairments against instalment sale and loan receivables included as assets held for sale:				
Up to date	**2**	**0.9%**	1	0.4%
Performing	**37**	**45.7%**	11	12.2%
Non-performing	**94**	**100.0%**	253	70.3%
	133	**35.9%**	265	38.0%

The 'classes' have been determined on the basis of the market segment in which the individual trading brand operates:

Secured	Secured against retail product sold
Unsecured	Unsecured in nature and includes personal loans and third-party loans

The debtors book has been analysed into the following types of accounts, reflecting the accounts in the following categories:

Up to date	These accounts have no arrears, are therefore up to date and are neither past due nor impaired. An unidentified impairment is raised for these accounts.
Performing	These accounts are in arrears by less than four contractual instalments and are considered to be past due. Arrears are defined as less than 95% of a contractual instalment. An unidentified impairment is raised for these accounts.
Non-performing	These accounts are in arrears by four or more contractual instalments. Arrears are defined as less than 95% of a contractual instalment. An identified impairment provision is raised against accounts that are four or more instalments in arrears.

	Continuing operations Secured €m	Continuing operations Unsecured €m	Total €m	Discontinued operations Secured €m	Discontinued operations Unsecured €m	Total €m
Risk analysis for up to date accounts						
2015						
Low risk	**1**	**110**	**111**	**100**	**16**	**116**
Medium risk	**1**	**-**	**1**	**58**	**4**	**62**
High risk	**-**	**-**	**-**	**15**	**2**	**17**
	2	**110**	**112**	**173**	**22**	**195**
2014						
Low risk	-	-	-	73	36	109
Medium risk	-	-	-	84	23	107
High risk	-	-	-	30	1	31
	-	-	-	187	60	247

	Total operations Secured €m	Unsecured €m	Total €m
2013			
Low risk	98	57	155
Medium risk	96	35	131
High risk	93	25	118
	287	117	404

	2015 €m	2014 €m	2013 €m
Movement in provision for bad debts			
Balance at beginning of the year	**(61)**	(135)	(135)
Provision raised (including amounts acquired on acquisition of subsidiaries)	**(48)**	(266)	(103)
Amounts unused reversed	**6**	2	3
Amounts used during the year	**74**	111	78
Transfer to assets classified as held for sale	**-**	217	-
Acquired on acquisition of subsidiaries and businesses	**(33)**	-	-
Eliminated on disposal of subsidiaries and businesses	**2**	3	-
Exchange differences on consolidation of foreign subsidiaries	**(2)**	7	22
Balance at end of the year	**(62)**	(61)	(135)

The group has liens over items sold until full payment has been received from customers. The fair value of collateral held against these loans and receivables is linked to the value of the liens. Furthermore, the group has credit insurance to cover its exposure to risk on receivables. In 2013, in addition to the liens over inventories, the group had collateral over other assets of counterparties valued at €22.8 million.

29.7 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the entity could be required to pay its liabilities earlier than expected.

The group manages liquidity risk by monitoring forecast cash flows and by ensuring that adequate borrowing facilities are available. Cash surpluses and short-term financing needs of manufacturing and sales companies are mainly centralised in African and European central offices. These central treasury offices invest net cash reserves on the financial markets, mainly in short-term instruments linked to variable interest rates.

The following table details the group's remaining contractual maturity for its financial liabilities. The table has been drawn up on the undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to pay. The table includes both interest and principal cash flows:

	2015 €m	2014 €m	2013 €m
0 to 3 months	**(3 491)**	(2 087)	(2 366)
4 to 12 months	**(354)**	(776)	(714)
Year 2	**(661)**	(889)	(796)
Years 3 to 5	**(3 032)**	(2 755)	(2 980)
After 5 years	**(1 146)**	(708)	(173)
	(8 684)	(7 215)	(7 029)

29.8 Treasury risk

A finance forum, consisting of senior executives of the group, meets on a regular basis to analyse currency and interest rate exposure and to review and, if required, adjust the group's treasury management strategies in the context of prevailing and forecast economic conditions.

29.9 Capital risk

The group manages its capital to ensure that entities in the group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the group consists of debt, which includes the borrowings disclosed in note 21, cash and cash equivalents, and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the statement of changes in equity.

The group's risk management committee reviews the capital structure of the group on a semi-annual basis. As a part of this review, the committee considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the committee, the group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

		2015 €m	2014 €m	2013 €m
30. INSURANCE AND INSURANCE RISK MANAGEMENT				
30.1	**Assets under insurance contracts**			
	Short-term operations			
	Unearned reinsurance premium	**5**	5	5
	Claims outstanding	**4**	4	1
	Deferred acquisition costs	**3**	3	3
		12	12	9
30.2	**Liabilities under insurance contracts**			
	30.2.1 Short-term operations			
	Provision for unearned premiums	**19**	14	6
	Provision for outstanding claims, including the incurred but not recognised (IBNR) provision	**4**	9	5
	Reinsurance premium due	**1**	1	5
		24	24	16
	30.2.2 Long-term operation			
	Provision for unearned premiums	**2**	4	3
	Provision for outstanding claims, including IBNR	**3**	5	3
		5	9	6

It is expected that all insurance contract liabilities will be settled within 12 months from year-end.

The group believes that the liabilities for claims reported in the statement of financial position are adequate. However, it recognises that the process of estimation is based upon certain variables and assumptions which could differ when the claims arise.

		2015 €m	2014 €m	2013 €m
30.3	**Financial assets**			
	Investments	**6**	5	5
	Treasury bills	**12**	15	15
	Short-term deposits	**24**	36	29
	Cash at bank	**9**	7	7
		51	63	56
30.4	**Revenue**			
	Premium income comprised the following:			
	30.4.1 Short-term operations			
	Gross premiums written	**52**	59	64
	Provision for unearned premiums	**(2)**	(4)	-
	Outward reinsurance premiums	**(10)**	(15)	(9)
	Earned premiums	**40**	40	55
	30.4.2 Long-term operation			
	Gross premiums written	**67**	82	83
	Provision for unearned premiums	**(2)**	2	(1)
	Earned premiums	**65**	84	82
	30.4.3 Total premium income	**105**	124	137

30.5 Insurance operations

30.5.1 African operations

Risk management objectives and policies for mitigating risk

The primary insurance activities carried out by the insurance operations assume the risk of loss from persons that are directly subject to the risk. The insured risks are directly associated with furniture, electronic equipment, motor, accident and health, assets, business interruption, commercial crime and life cover. Cover is provided to persons taking secured and unsecured loans from retailers within the JD Group, to persons purchasing vehicles from dealerships within the JD Group and to companies within the Steinhoff group.

The theory of probability is applied to the pricing and provisioning for the portfolio of insurance contracts. The principal risk to the operations is pricing for the relevant insurance contracts written. With regard to the insured risks associated with furniture, electronic equipment, vehicles and the life of consumers, the pricing risk is considered to be low due to the low sums insured and the short duration of the indemnity period. Pricing risk with regard to the group asset insurance is managed through reinsurance treaties locally and offshore.

In addition, the insurance operation manages its insurance risk through underwriting limits, approval procedures for transactions that involve new products or that exceed set limits, pricing guidelines, centralised management of reinsurance transactions and monitoring of emerging issues.

Underwriting strategy

The operation's underwriting strategy is to ensure a balanced portfolio and is based on a large portfolio of similar risks over a large geographical area. This reduces the variability of the outcome.

Terms and conditions of insurance contracts

The short-term operations offer cover against physical loss or theft of, or damages to, the insured movable assets.

The long-term operations offer a credit life product. This insurance contract protects the policyholder against the financial obligations from the credit sale agreement in the event of death, temporary or disability or retrenchment. The long-term operations also offer funeral products with individual, immediate family, parent and extended family cover options.

Claims development

The operation is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term, subject to predetermined time scales dependent on the nature of the insurance contract. The operation could therefore be exposed to the risk that claims reserves will not be adequate to fund historic claims (run-off risk). This risk is mitigated through adequate IBNR claims reserves.

In addition, the majority of the operation's insurance contracts are classified as ‘short-tailed', meaning that any claim is settled within a year after the loss date, reducing the exposure to historic claims.

In terms of IFRS 4 - *Insurance Contracts,* an insurer need only disclose claims run-off information where uncertainty exists about the amount and timing of claims payments not resolved within one year. Therefore, detailed claims run-off information is not presented.

Financial risk management

Transactions in financial instruments may result in the operations assuming financial risks. These include market risk, credit risk and liquidity risk. Each of these financial risks is described below, together with a summary of the ways in which the operations manage these risks.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the operation's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The operations have limited market risk exposure due to the nature and duration of its financial instruments. The operations do not transact in foreign currency.

Credit risk
The operation has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due.

The operations have adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from default. The operations only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies, where available, and, if not available, the operation uses other publicly available financial information and its own records to rate its policyholders.

The major concentration of credit risk arises from the operations' cash balances and trade and other receivables. Reputable financial institutions are used for investing and cash handling purposes. Management makes regular reviews to assess the degree of compliance with the operation's procedures on credit.

Credit exposure is controlled and managed by counterparty limits that are reviewed and approved by the insurance entities' risk committee, which meets quarterly.

Liquidity risk
Liquidity risk is the risk that cash may not be available to pay obligations when due. The operation's liabilities are matched by appropriate assets and they have significant liquid resources to cover its obligations. The operation's liquidity and ability to meet such calls are monitored quarterly by the risk committee. Trade and other payables all fall due within 12 months.

Capital management
The operation manages its capital base to achieve a prudent balance between maintaining capital ratios to support business growth and confidence, and providing competitive returns to shareholders. The capital management process ensures that the operation maintains sufficient capital levels for legal and regulatory compliance purposes. The operation ensures that their actions do not compromise sound governance and appropriate business practices and they eliminate any negative effect on payment capacity, liquidity or profitability.

Long-term operations
The operation submit quarterly and annual returns to the Financial Services Board in terms of the Long-term Insurance Act, 52 of 1998.The capital adequacy requirement (CAR) is determined in terms of the same Act. It is an additional capital requirement (i.e. in addition to capital required to fund current liabilities) for the financial soundness requirement of a long-term insurance company. As at 30 June 2015, the operation's CAR was €3.5 million (2014: €3.0 million; 2013: €3.3 million) and the CAR cover was 13 times (2014: 12 times; 2013: 11 times).

Short-term operations
The operation submits quarterly and annual returns to the Financial Services Board in terms of the Short-term Insurance Act, 53 of 1998. The operation is required at all times to maintain a statutory surplus asset ratio as defined in the same Act. The quarterly return as at 30 June 2015, submitted by the operations to the Regulator, showed that the companies met the minimum capital requirements as at year-end, calculated in terms of the new solvency and assessment management interim measures.

The Long-term and the Short-term operations meet the minimum capital requirements calculated in terms of the new solvency and assessment management's Comprehensive Parallel Runs.

30.5.2 International operations
Risk management objectives and policies for mitigating risk
Each line of business and each policy is underwritten individually. The risks and exposures are assessed and then mitigated using any of the following: premium, capital, reinsurance protection and collateral (e.g. letter of credit).

Underwriting strategy
The underwriting strategy is to assist the clients in managing their insurance risk by providing cost-effective bespoke solutions. The insurance operations are unable to underwrite compulsory insurance.

Terms and conditions of insurance contracts
The terms and conditions of the insurance contracts reflect the usual market cover for the risks being insured. The policies also include specific conditions reflecting the structure of the insurance operations.

Claims development
The claims function is largely outsourced to third-party adjusters. Based on their assessment of the loss, a claims reserve is created on behalf of the relevant client. The claim reserve is then adjusted to reflect claim payments or additional claim costs as the claim develops.

Market risk, credit risk, liquidity risk and capital management

The risks are continually monitored by the insurance managers, with oversight ultimately provided by the White Rock board of directors at the quarterly meetings.

Market risk is minimised by holding funds in local currency in order to match the expected claims.

Reinsurance is used to mitigate insurance risk, but a credit risk remains. The creditworthiness of the reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract.

All assets are held in cash using current bank accounts. The cash is deposited with European banks with a minimum Standard & Poor's credit rating of 'A-' (or equivalent).

31. RELATED-PARTY TRANSACTIONS

Related-party relationships exist between shareholders, subsidiaries, joint-venture companies and associate companies within the group and its company directors and group key management personnel.

These transactions are concluded at arm's length in the normal course of business and include transactions as a result of the group-wide treasury management of foreign currency movements. All material intergroup transactions are eliminated on consolidation.

31.1 Significant subsidiaries

	Country of incorporation	**2015 Ownership %**	2014 Ownership %	2013 Ownership %
Steinhoff Investment Holdings Limited	South Africa	**100**	100	100
Steinhoff Africa Holdings Proprietary Limited	South Africa	**100**	100	100
Ainsley Holdings Proprietary Limited	South Africa	**100**	100	100
KAP Industrial Holdings Limited[1]	South Africa	**43**	45	62
JD Group Limited	South Africa	**87**	86	56
Pepkor Holdings Proprietary Limited	South Africa	**100**	-	-
Steinhoff Services Limited	South Africa	**100**	100	100
Steinhoff Finance Holdings GmbH	Austria	**100**	100	100
Steinhoff Möbel Holdings Alpha GmbH	Austria	**100**	100	100
Steinhoff Europe AG	Austria	**100**	100	100
Pat Cornick International BV	The Netherlands	**100**	100	100
Steinhoff Asia Pacific Holdings Proprietary Limited	Australia	**100**	100	100
Steinhoff Asia Pacific Limited	Australia	**100**	100	100
Steinhoff Germany GmbH	Germany	**100**	100	100
Steinhoff Europe AG	Switzerland	**100**	100	100
Steinhoff Retail GmbH	Austria	**100**	100	100
Conforama Holdings S.A.	France	**99**	99	99
Steinhoff UK Holdings Limited	United Kingdom	**100**	100	100
Homestyle Operation Limited	United Kingdom	**100**	100	100
Steinhoff UK Beds Limited	United Kingdom	**100**	100	100
Tau Enterprises GmbH	Germany	**100**	100	-
Hemisphere International Properties BV	The Netherlands	**100**	100	100

A full list of subsidiaries of the company is available for inspection by shareholders on request at the registered office of the company.

[1] *Subsidiary became an associate company.*

31.2 Trading transactions

Key management personnel did not have any material transaction with the group. All transactions were at market-related prices.

The following is a summary of material transactions with associate companies and joint-venture companies during the year and receivables and payables balances at year-end:

	2015 €m	2014 €m	2013 €m
Net goods and services purchased from/sold to:			
KAP Industrial Holdings Limited and its subsidiaries	**27**	4	11
Net fees and settlement discounts, including administration and management fees:			
KAP Industrial Holdings Limited and its subsidiaries	**4**	-	-
Net rent received from:			
KAP Industrial Holdings Limited and its subsidiaries	**2**	-	-

	2015 €m	2014 €m	2013 €m
Net finance costs received from:			
KAP Industrial Holdings Limited and its subsidiaries	**1**	-	-
Dividend received from:			
KAP Industrial Holdings Limited	**9**	-	-
PSG Group Limited	**5**	4	4
	14	4	4
Receivables from:			
KAP Industrial Holdings Limited and its subsidiaries	**8**	6	2
Payables to:			
KAP Industrial Holdings Limited and its subsidiaries	**9**	2	3
Loans to/(from) associate companies:			
KAP Industrial Holdings Limited and its subsidiaries	**(1)**	(8)	-
Wanchai Property International Limited	**-**	-	22
	(1)	(8)	22

31.3 Compensation of key management personnel

Key management personnel are defined as directors of the company and executive directors of the company's major subsidiaries (as defined in the JSE Listing Requirements):

	2015 €m	2014 €m	2013 €m
Short-term employee benefits	**24**	14	14
Share-based payments - related expense	**14**	13	8
	38	27	22
Number of members	**25**	30	30

The three top earners received €3.6 million (2014: €2.5 million; 2013: €2.2 million) and share vestings to the value of €3.6 million (2014: €2.6 million; 2013: €2.0 million) in compensation during the year. The employees of listed subsidiaries as well as the directors of Steinhoff have been excluded from this calculation.

31.4 Directors

Details relating to directors' emoluments, shareholding in the company and interest of directors and officers are disclosed in note 32.

31.5 Shareholders

The principal shareholders of the company are detailed in the analysis of shareholders in the annual financial statements booklet.

Directors' shareholdings are detailed in note 32.

31.6 Interest of directors and officers in contracts

All directors and officers of the company have, other than described below, confirmed that they had no interest in any agreement of significance with the company or any of its subsidiary companies, which could have resulted in a conflict of interest during the year.

During the year under review, contracts were concluded with the following companies:

- Hoffman Attorneys (of which SJ Grobler is a partner) provided legal services to group companies and was reimbursed for expenses to the amount of approximately €0.7 million (2014: €0.6 million; 2013: €0.8 million).
- PSG Capital Limited and associate companies (of which JF Mouton is a director) (a subsidiary of PSG Group Limited of which JF Mouton and MJ Jooste are directors) acted as sponsor and advisor to the group, in respect of which fees were paid totalling approximately €0.1 million (2014: €0.1 million; 2013: €nil).
- During the year, Steinhoff acquired 52.47% of Pepkor Holdings Proprietary Limited from Titan Premier Investments Proprietary Limited (Titan). As consideration Steinhoff issued 609 145 624 ordinary shares to Thibault Square Financial Services Proprietary Limited (Thibault). CH Wiese is a beneficiary of a family trust, which is the ultimate controlling shareholder of Titan and Thibault.

- During the year, Steinhoff acquired 37.06% of Pepkor Holdings Proprietary Limited from Brait SE (Brait). As consideration Steinhoff issued 200 million ordinary shares to Brait and paid cash of €1.1 billion. CH Wiese has a 34.64% indirect interest in Brait ordinary shares.

- During the year, Pepkor Retail Proprietary Limited received fees from Southern View Finance Limited (in which CH Wiese has material indirect interests) to the amount of €4.9 million. At year-end, €0.4 million of this amount was still receivable.

- MJD Aviation Partnership (of which MJ Jooste, KJ Grové and DM van der Merwe are partners) provided aviation services to the group in the prior year for an immaterial amount.

- During the 2014 year, Mayfair Speculators Proprietary Limited (of which MJ Jooste is a director) made short-term deposits with a subsidiary of the group. Interest paid during the year amounted to €0.1 million (2014: €0.2 million). The deposit of €12.8 million was repaid on 4 August 2014.

- During the 2013 financial year, KAP Manufacturing purchased a property for €1.7 million from Soundprops 123 Proprietary Limited which is a subsidiary of the Courthiel Holdings Proprietary Limited of which CE Daun is a director.

All the contracts were concluded at arm's length in the normal course of business and are no more favourable than those arranged with third parties.

	Basic remuneration €'000	Company contribution and expense allowances €'000	Annual bonus €'000	Strategic bonus €'000	Deferred bonus[1] €'000	Company directors' fees[2] €'000	Remuneration and fees (including foreign amounts converted to rand for reporting purposes) €'000
32. REMUNERATION REPORT							
32.1 Remuneration							
Executive directors							
2015							
HJK Ferreira	**393**	**36**	**681**	**485**	**-**	**57**	**1 652**
SJ Grobler[3]	**401**	**26**	**681**	**485**	**-**	**57**	**1 650**
TLJ Guibert[4, 5]	**448**	**-**	**1 431**	**-**	**-**	**30**	**1 909**
MJ Jooste	**2 097**	**61**	**1 855**	**485**	**875**	**57**	**5 430**
AB la Grange	**475**	**22**	**729**	**485**	**-**	**57**	**1 768**
FJ Nel	**215**	**15**	**136**	**73**	**-**	**57**	**496**
DM van der Merwe	**1 022**	**56**	**954**	**182**	**650**	**57**	**2 921**
						372	**15 826**
2014							
HJK Ferreira	375	34	213	-	-	53	675
SJ Grobler[3]	387	25	213	-	-	53	678
TLJ Guibert[4]	901	-	450	-	-	53	1 404
MJ Jooste	1 744	58	801	-	-	53	2 656
AB la Grange	445	20	213	-	-	53	731
FJ Nel	201	16	123	-	-	53	393
DM van der Merwe	850	51	229	-	-	53	1 183
						371	7 720
2013							
HJK Ferreira	440	41	240	-	218	61	1 000
SJ Grobler[3]	454	30	240	-	218	61	1 003
TLJ Guibert[4]	839	-	400	-	-	61	1 300
MJ Jooste	1 617	72	653	-	741	61	3 144
AB la Grange[6]	471	24	196	-	218	61	970
FJ Nel	229	25	142	-	-	61	457
DM van der Merwe	790	49	262	-	218	61	1 380
						427	9 254

[1] *Refer to the remuneration report in the integrated report.*

[2] *Directors' fees were paid with basic remuneration.*

[3] *Includes fees and remuneration in respect of professional services rendered.*

[4] *Paid to an entity as management fees.*

[5] *TLJ Guibert became a non-executive director on 5 December 2014.*

[6] *AB la Grange changed from an alternate director to an executive director on 5 March 2013.*

	Basic remuneration €'000	Company contribution and expense allowances €'000	Annual bonus €'000	Strategic bonus €'000	Deferred bonus[1] €'000	Company directors' fees[2] €'000	Remuneration and fees (including foreign amounts converted to rand for reporting purposes) €'000
Alternate directors and officers							
2015							
JNS du Plessis	**268**	**-**	**309**	**109**	**-**	**57**	**743**
KJ Grové	**266**	**48**	**347**	**146**	**-**	**57**	**864**
A Krüger-Steinhoff[3]	**-**	**-**	**-**	**-**	**-**	**27**	**27**
M Nel	**242**	**26**	**419**	**243**	**-**	**57**	**987**
						198	**2 621**
2014							
JNS du Plessis	253	-	142	-	-	53	448
KJ Grové	241	44	319	-	-	53	657
A Krüger-Steinhoff[3]	-	-	-	-	-	24	24
M Nel	212	23	124	-	-	53	412
						183	1 541
2013							
JNS du Plessis	295	-	153	-	-	61	509
KJ Grové	281	50	268	-	262	61	922
A Krüger-Steinhoff[3]	-	-	-	-	-	28	28
M Nel	226	24	120	-	-	61	431
						211	1 890

[1] *Refer to the remuneration report in the integrated report.*

[2] *Directors' fees were paid with basic remuneration.*

[3] *Non-executive director.*

	Fees as director Basic €'000	Committees €'000	Fees for services €'000	Total €'000
Non-executive directors				
2015				
SF Booysen	**30**	**28**	**32**	**90**
DC Brink	**30**	**28**	**26**	**84**
CE Daun	**30**	**-**	**-**	**30**
TLJ Guibert[1, 2]	**15**	**1**	**-**	**16**
D Konar	**121**	**-**	**-**	**121**
MT Lategan	**30**	**16**	**32**	**78**
JF Mouton[2]	**30**	**3**	**-**	**33**
HJ Sonn	**30**	**3**	**-**	**33**
BE Steinhoff	**30**	**-**	**420**	**450**
PDJ van den Bosch	**30**	**3**	**255**	**288**
CH Wiese[2]	**30**	**3**	**215**	**248**
	406	**85**	**980**	**1 471**

[1] *TLJ Guibert became a non-executive director on 5 December 2014.*

[2] *Paid to various entities as management fees.*

	Fees as director Basic €'000	Fees as director Committees €'000	Fees for services €'000	Total €'000
2014				
SF Booysen	28	26	-	54
DC Brink	28	26	-	54
YZ Cuba[1]	14	1	-	15
CE Daun	28	-	-	28
D Konar	111	-	-	111
MT Lategan	28	14	-	42
JF Mouton[2]	28	2	-	30
FA Sonn[1]	14	5	-	19
HJ Sonn[3]	19	-	-	19
BE Steinhoff	28	-	423	451
PDJ van den Bosch	28	2	274	304
CH Wiese	28	2	-	30
	382	78	697	1 157
2013				
SF Booysen	32	30	-	62
DC Brink	32	30	-	62
YZ Cuba	26	3	-	29
CE Daun	26	-	-	26
D Konar	128	-	-	128
MT Lategan	32	17	-	49
JF Mouton[2]	32	3	-	35
FA Sonn	32	11	-	43
BE Steinhoff	32	-	418	450
PDJ van den Bosch	32	3	271	306
CH Wiese[4]	9	1	-	10
	413	98	689	1 200

[1] *YZ Cuba and FA Sonn retired on 3 December 2013.*

[2] *Paid to various entities as management fees.*

[3] *HJ Sonn was appointed as an independent non-executive director on 3 December 2013.*

[4] *CH Wiese was appointed as an independent non-executive director on 5 March 2013.*

	2015 €'000	2014 €'000	2013 €'000
Directors' fees and remuneration			
Remuneration paid by:			
- Company	**455**	424	470
- Subsidiary companies	**19 463**	9 994	11 874
	19 918	10 418	12 344

	Offer date	Number of rights as at 30 June 2013	Number of rights (exercised)/awarded during the two years	Number of rights as at 30 June 2015
32.2 Share rights				
Executive directors				
HJK Ferreira	December 2010[1]	464 684	(464 684)	-
	December 2011[2]	392 487	(392 487)	-
	December 2012	393 250	-	393 250
	December 2013	-	442 919	442 919
	December 2014	-	203 370	203 370
		1 250 421	**(210 882)**	**1 039 539**
SJ Grobler	December 2010[1]	464 684	(464 684)	-
	December 2011[2]	392 487	(392 487)	-
	December 2012	393 250	-	393 250
	December 2013	-	442 919	442 919
	December 2014	-	203 370	203 370
		1 250 421	**(210 882)**	**1 039 539**
MJ Jooste	December 2010[1]	1 266 034	(1 266 034)	-
	December 2011[2]	1 056 504	(1 056 504)	-
	December 2012	1 186 514	-	1 186 514
	December 2013	-	1 669 183	1 669 183
	December 2014	-	869 301	869 301
		3 509 052	**215 946**	**3 724 998**
AB la Grange	December 2010[1]	354 045	(354 045)	-
	December 2011[2]	321 126	(321 126)	-
	December 2012	393 250	-	393 250
	December 2013	-	487 490	487 490
	December 2014	-	233 499	233 499
		1 068 421	**45 818**	**1 114 239**
FJ Nel	December 2010[1]	265 534	(265 534)	-
	December 2011[2]	231 924	(231 924)	-
	December 2012	229 396	-	229 396
	December 2013	-	258 369	258 369
	December 2014	-	120 515	120 515
		726 854	**(118 574)**	**608 280**
DM van der Merwe	December 2010[1]	486 812	(486 812)	-
	December 2011[2]	428 168	(428 168)	-
	December 2012	610 207	-	610 207
	December 2013	-	858 437	858 437
	December 2014	-	439 041	439 041
		1 525 187	**382 498**	**1 907 685**
Total executive directors		**9 330 356**	**103 924**	**9 434 280**

[1] *The market price of share rights exercised was €2.90 (R40.15) on 1 December 2013.* [3]

[2] *The market price of share rights exercised was €4.97 (R65.97) on 17 February 2015.* [3]

[3] *Translated at spot rate on the exercise date.*

	Offer date	Number of rights as at 30 June 2013	Number of rights (exercised)/awarded during the two years	Number of rights as at 30 June 2015
Alternate directors				
JNS du Plessis	December 2010[1]	292 087	(292 087)	-
	December 2011[2]	249 765	(249 765)	-
	December 2012	262 166	-	262 166
	December 2013	-	295 279	295 279
	December 2014	-	135 580	135 580
		804 018	**(110 993)**	**693 025**
KJ Grové	December 2010[1]	309 789	(309 789)	-
	December 2011[2]	267 605	(267 605)	-
		577 394	**(577 394)**	**-**
M Nel	December 2010[1, 3]	141 618	(141 618)	-
	December 2011[2]	196 597	(196 597)	-
	December 2012	229 396	-	229 396
	December 2013	-	278 565	278 565
	December 2014	-	135 580	135 580
		567 611	**75 930**	**643 541**
Total alternate directors and officers		**1 949 023**	**(612 457)**	**1 336 566**
Non-executive directors				
TLJ Guibert[4]	December 2011[5]	568 281	(568 281)	-
	December 2012	610 207	-	610 207
	December 2013	-	858 437	858 437
Total non-executive directors		**1 178 488**	**290 156**	**1 468 644**
Share rights in associate company: KAP				
KJ Grové	December 2012	2 377 036	-	2 377 036
	December 2013	-	2 818 191	2 818 191
	December 2014	-	2 191 160	2 191 160
		2 377 036	**5 009 351**	**7 386 387**

[1] *The market price of share rights exercised was €2.90 (R40.15) on 1 December 2013.* [6]

[2] *The market price of share rights exercised was €4.97 (R65.97) on 17 February 2015.* [6]

[3] *Granted prior to being a director.*

[4] *Granted while serving the company as an executive director.*

[5] *The market price of share rights exercised was €4.18 (R57.62) on 1 December 2014.* [6]

[6] *Translated at spot rate on the exercise date.*

Some of the exercised share rights were sold by directors during the year. Refer to note 32.3 for directors' interest in share capital.

All the share rights granted were granted on 1 December 2013 and 1 December 2014. The purchase price for Steinhoff shares is 0.5 rand cents per share and KAP shares is 20 rand cents per share.

	2015		2014		2013	
	Number of rights exercised	**Value of rights exercised[1] €'000**	Number of rights exercised	Value of rights exercised[1] €'000	Number of rights exercised	Value of rights exercised[1] €'000
Value of share rights exercised during the year						
Executive directors						
HJK Ferreira	**392 487**	**1 951**	464 684	1 348	601 348	1 437
SJ Grobler	**392 487**	**1 951**	464 684	1 348	601 348	1 437
TLJ Guibert	**568 281**	**2 375**	-	-	-	-
MJ Jooste	**1 056 504**	**5 251**	1 266 034	3 671	1 957 602	4 679
AB la Grange	**321 126**	**1 596**	354 045	1 027	398 202	952
FJ Nel	**231 924**	**1 153**	265 534	770	366 720	876
DM van der Merwe	**428 168**	**2 128**	486 812	1 412	626 776	1 498
	3 390 977	**16 405**	3 301 793	9 576	4 551 996	10 879
Alternate directors						
JNS du Plessis	**249 765**	**1 241**	292 087	847	398 218	952
KJ Grové	**267 605**	**1 330**	309 789	898	427 978	1 023
M Nel	**196 597**	**977**	141 618	411	180 267	431
	713 967	**3 548**	743 494	2 156	1 006 463	2 406

[1] *Translated at spot rate on the exercise date.*

32.3 Interest in Steinhoff share capital

	Direct interest Beneficial	Indirect interest Beneficial	Indirect Non-beneficial	Total
Executive directors				
2015				
HJK Ferreira	**-**	**3 055 577**	**-**	**3 055 577**
SJ Grobler	**-**	**4 674 303**	**-**	**4 674 303**
MJ Jooste	**-**	**67 056 504**	**-**	**67 056 504**
AB la Grange	**1 289 376**	**-**	**-**	**1 289 376**
FJ Nel	**2 182 105**	**4 104**	**214**	**2 186 423**
DM van der Merwe	**-**	**5 711 982**	**-**	**5 711 982**
	3 471 481	**80 502 470**	**214**	**83 974 165**
2014				
HJK Ferreira	-	2 663 090	-	2 663 090
SJ Grobler	-	4 281 816	-	4 281 816
MJ Jooste	-	65 527 209	-	65 527 209
AB la Grange	968 250	-	-	968 250
FJ Nel	1 950 181	2 554	-	1 952 735
DM van der Merwe	-	5 283 814	-	5 283 814
	2 918 431	77 758 483	-	80 676 914
2013				
HJK Ferreira	-	2 848 406	-	2 848 406
SJ Grobler	-	4 244 369	-	4 244 369
MJ Jooste	-	71 913 617	-	71 913 617
AB la Grange	747 641	-	-	747 641
FJ Nel	1 791 441	399 634	-	2 191 075
DM van der Merwe	-	5 639 814	-	5 639 814
	2 539 082	85 045 840	-	87 584 922
Non-executive directors				
2015				
SF Booysen	**-**	**213 907**	**-**	**213 907**
DC Brink	**-**	**200 000**	**-**	**200 000**
CE Daun	**-**	**2 399 856**	**-**	**2 399 856**
TLJ Guibert	**-**	**300 000**	**-**	**300 000**
D Konar	**356 271**	**-**	**-**	**356 271**
ML Lategan	**142 247**	**210 759**	**39 815**	**392 821**
JF Mouton	**-**	**7 000 000**	**-**	**7 000 000**
BE Steinhoff	**9 100 000**	**182 750 000**	**-**	**191 850 000**
PDJ van den Bosch	**669 561**	**-**	**-**	**669 561**
CH Wiese	**-**	**654 874 971**	**-**	**654 874 971**
	10 268 079	**847 949 493**	**39 815**	**858 257 387**
2014				
SF Booysen	-	213 907	-	213 907
DC Brink	-	200 000	-	200 000
CE Daun	-	2 399 856	-	2 399 856
D Konar	356 271	-	-	356 271
ML Lategan	142 247	194 759	39 815	376 821
JF Mouton	-	7 000 000	-	7 000 000
BE Steinhoff	7 923 741	182 692 813	-	190 616 554
PDJ van den Bosch	669 561	-	-	669 561
CH Wiese	-	44 729 337	-	44 729 337
	9 091 820	237 430 672	39 815	246 562 307

	Direct interest Beneficial	Indirect interest Beneficial	Indirect Non-beneficial	Total
2013				
SF Booysen	-	213 907	-	213 907
DC Brink	-	125 803	-	125 803
YZ Cuba	103 417	-	-	103 417
CE Daun	-	2 399 856	-	2 399 856
D Konar	351 008	-	-	351 008
ML Lategan	82 733	72 491	36 196	191 420
JF Mouton	-	7 000 000	-	7 000 000
FA Sonn	-	67 574	-	67 574
BE Steinhoff	2 497 198	169 440 730	-	171 937 928
PDJ van den Bosch	669 561	-	-	669 561
CH Wiese[1]	-	42 739 037	-	42 739 037
	3 703 917	222 059 398	36 196	225 799 511

	Direct interest Beneficial	Indirect interest Beneficial	Indirect Non-beneficial	Total
Alternate directors				
2015				
JNS du Plessis	**-**	**838 582**	**-**	**838 582**
KJ Grové	**-**	**1 540 283**	**2 068**	**1 542 351**
A Krüger-Steinhoff[2]	**746 112**	**63 500**	**-**	**809 612**
M Nel	**427 268**	**-**	**-**	**427 268**
	1 173 380	**2 442 365**	**2 068**	**3 617 813**
2014				
JNS du Plessis	-	688 723	-	688 723
KJ Grové	-	1 272 678	2 068	1 274 746
A Krüger-Steinhoff[2]	746 112	63 500	-	809 612
M Nel	309 310	-	-	309 310
	1 055 422	2 024 901	2 068	3 082 391
2013				
JNS du Plessis	-	513 676	-	513 676
KJ Grové	-	1 087 022	2 068	1 089 090
A Krüger-Steinhoff[2]	746 112	63 502	-	809 614
M Nel	237 153	-	-	237 153
	983 265	1 664 200	2 068	2 649 533

[1] *CH Wiese in addition to his shareholding has one million single stock futures which is an indirect interest beneficial.*
[2] *Non-executive director.*

33. NEW ACCOUNTING PRONOUNCEMENTS

		Effective date - annual periods commencing on or after
At the date of authorisation of these annual financial statements, there are standards and interpretations in issue but not yet effective. These include the following standards and interpretations that have not been early adopted and may have an impact on future financial statements:		
IFRS 9	Financial Instruments	1 January 2018
IFRS 10	Consolidated Financial Statements: Investment entities: Applying the consolidation exception	1 January 2016
IFRS 11	Joint arrangements: Investment entities: Applying the consolidation exception	1 January 2016
IFRS 12	Disclosure of Interests in Other Entities: Investment entities: Applying the consolidation exception	1 January 2016
IFRS 14	Regulatory Deferral Accounts	1 January 2016
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IAS 1	Presentation of Financial Statements: Disclosure initiative	1 January 2016
IAS 27	Separate Financial Statements: Equity method in separate financial statements	1 January 2016
IAS 28	Investments in Associates: Investment entities: Applying the consolidation exception	1 January 2016
Annual Improvements to IFRSs 2012-2014 Cycle		1 January 2016

33.1 IFRS 9

In July 2014, the IASB issued the completed version of IFRS 9 - *Financial Instruments* (IFRS 9). The statement addresses the classification and measurement of financial assets and financial liabilities. The new standard enhances the ability of investors and other users of financial information to understand the accounting of financial assets and financial liabilities and aims to reduce complexity. The group is in the process of evaluating the impact the standard will have on the group. This standard will be adopted by the effective date.

33.2 IFRS 10, IFRS 11, IFRS 12, IAS 27 and IAS 28

In December 2014, the IASB issued *Investment Entities: Applying the Consolidation Exception.* The amendments provide clarification to the requirements on accounting for investment entities. The amendments also provide relief in particular circumstances. The group currently does not meet the definition of an investment entity and therefore the amendments are not expected to affect the group. The amendments will be adopted by the effective date.

33.3 IFRS 14

In December 2012, the IASB decided to develop an interim standard to provide short-term guidance until the rate-regulated activities research project is completed. The group is in the process of evaluating the impact the standard will have on the group. This standard will be adopted by the effective date.

33.4 IFRS 15

In June 2014, the IASB issued IFRS 15 - *Revenue from Contracts with Customers* (IFRS 15). The standard is aimed at improving the financial reporting of revenue and improving the comparability of the top line in financial statements globally. The core principle of the new standard is for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the company expects to be entitled in exchange for those goods or services. The group is in the process of evaluating the impact the standard will have on the group. This standard will be adopted by the effective date.

33.5 IAS 1

In December 2014, the IASB made improvements on the effectiveness of disclosure by issuing amendments to IAS 1: *Presentation of Financial Statements.* The amendments encourage companies to apply further professional judgement in determining what information to disclose in their financial statements. The group is in the process of evaluating the impact the amendments will have on the group. The amendments will be adopted by the effective date.

33.6 Annual Improvements to IFRSs 2012-2014

In September 2014, the IASB issued Annual Improvements to IFRSs 2012-2014. The improvements cover the following topics: IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations: Changes in methods of disposal;* IFRS 7 - *Financial Instruments: Disclosures: Servicing contracts and Applicability of the amendments to IFRS 7 to condensed interim financial statements;* IAS 19 - *Employee Benefits: Discount rate: regional market issue* and IAS 34 - *Interim Financial Reporting: Disclosure of information 'elsewhere in the interim financial report'.* The group is in the process of evaluating the impact the standard will have on the group. The improvements will be adopted by the effective date.