STEINHOFF
INTERNATIONAL HOLDINGS LTD

AUDITED FINANCIAL RESULTS

AUDITED GROUP ANNUAL FINANCIAL STATEMENTS 30 JUNE 2015

2015

STEINHOFF INTERNATIONAL HOLDINGS LIMITED
AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
30 JUNE 2015

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CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
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Preparation supervised by: Frikkie (FJ) Nel CA(SA), Financial director

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF STEINHOFF INTERNATIONAL HOLDINGS LIMITED

We have audited the consolidated financial statements of Steinhoff International Holdings Limited, set out on pages 10 to 98, which comprise the statement of financial position as at 30 June 2015, and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements
The company's directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Steinhoff International Holdings Limited as at 30 June 2015, and its consolidated financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act
As part of our audit of the consolidated financial statements for the year ended 30 June 2015, we have read the directors' report, the audit committee's report and the secretary's certification for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Deloitte, Touche.

Deloitte & Touche
Registered Auditors
Per X Botha
Partner
8 September 2015

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41 Matroosberg Road
Ashlea Gardens X6
Pretoria
0081

Buildings 1 and 2
Deloitte Place
The Woodlands
Woodmead Drive
Woodmead, Sandton

The directors have pleasure in presenting the consolidated annual financial statements of Steinhoff International Holdings Limited (Steinhoff or group) for the year ended 30 June 2015.

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 R135 billion (2014: R117 billion), 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 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).

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 per share, amounting to R7.8 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.

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. 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 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 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	Rm
The following ordinary shares were issued during the year:			
Bookbuild[1]	3 July 2014	150 100 412	7 805
Rights offer[1]	4 August 2014	199 899 588	10 395
Conversion and redemption of convertible bond due 2016[2]	14 November 2014 to 7 April 2015	144 859 021	5 584
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	56 703
Vendor consideration[5] (Pepkor transaction)	20 April 2015	86 589 139	6 124
Conversion of convertible bond due 2017[6]	8 June 2015 to 26 June 2015	75 424 179	3 245
Vendor consideration[5] (PSG transaction)	30 June 2015	45 437 446	3 374

[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) 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) ordinary shares under its obligations to the holders of convertible bonds.

CONTRACTS

No contracts, other than those disclosed in note 30.6, 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 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 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) or 29.2% (2014: 15.8%) 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 31.

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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APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

It is the directors' responsibility to ensure that the consolidated annual financial statements fairly present the state of affairs of the group. The external auditors are responsible for independently auditing and reporting on the financial statements.

The directors are also responsible for the systems of internal control. These are designed to provide reasonable, but not absolute, assurance on the reliability of the consolidated annual financial statements, to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatement and loss. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The consolidated annual financial statements set out in this report have been prepared by management on the basis of appropriate accounting policies, which have been consistently applied except where stated otherwise. The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the South African Companies Act, 71 of 2008, as amended.

The directors reasonably believe that the group has adequate resources to continue in operation for the foreseeable future, and the consolidated annual financial statements have therefore been prepared on the going-concern basis.

The annual financial statements for the year ended 30 June 2015, which appear on pages 3 to 98, were approved by the board and signed on its behalf on 8 September 2015.

D Konar

Dr Deenadayalen Konar
Independent non-executive chairman

Markus Johannes Jooste
Chief executive officer

SECRETARY CERTIFICATION

We certify, in accordance with section 88(2)(e) of the South African Companies Act, 71 of 2008, as amended (the Act) that the company has lodged with the Companies and Intellectual Properties Commission all such returns as are required for a public company in terms of the Act and that all such returns are true, correct and up to date.

Steinhoff Africa Secretarial Services Proprietary Limited
Company secretary

STEINHOFF INTERNATIONAL HOLDINGS LIMITED
AUDIT COMMITTEE REPORT
for the year ended 30 June 2015

BACKGROUND

The Steinhoff audit committee is pleased to present our report for the financial year ended 30 June 2015 as recommended by the King III Report on Corporate Governance and in line with the South African Companies Act, 71 of 2008, as amended (the Act).

The committee's operation is guided by a formal detailed charter that is in line with the Act and is approved by the board as and when it is amended. The committee has discharged all its responsibilities as contained in the charter. This process is supported by the audit subcommittees that are in place for all significant operating divisions and subsidiaries. These subcommittees meet in terms of formal mandates and deal with all issues arising at the operational division or subsidiary level. These subcommittees then elevate any unresolved issues of concern to the committee.

OBJECTIVE AND SCOPE

The overall objectives of the committee are as follows:

- To review the principles, policies and practices adopted in the preparation of the accounts of companies in the group and to ensure that the consolidated annual financial statements of the group and any other formal announcements relating to the financial performance comply with all statutory, regulatory and Steinhoff requirements as may be required.
- To ensure that the consolidated interim financial statements of the group, in respect of the first six-month period, comply with all statutory, regulatory and Steinhoff requirements.
- To ensure that all financial information contained in any consolidated submissions to Steinhoff is suitable for inclusion in its consolidated financial statements in respect of any reporting period.
- To annually assess the appointment of the auditors and confirm their independence, recommend their appointment to the annual general meeting and approve their fees.
- To review the work of the group's external and internal auditors to ensure the adequacy and effectiveness of the group's financial, operating, compliance and risk management controls.
- To review the management of risk and the monitoring of compliance effectiveness within the group.
- To perform duties that are attributed to it by the Act, the JSE and the King III Report.

The committee performed the following activities:

- Received and reviewed reports from both internal and external auditors concerning the effectiveness of the internal control environment, systems and processes.
- Reviewed the reports of both internal and external auditors detailing their concerns arising out of their audits and requested appropriate responses from management resulting in their concerns being addressed.
- Made appropriate recommendations to the board of directors regarding the corrective actions to be taken as a consequence of audit findings.
- Considered the independence and objectivity of the external auditors and ensured that the scope of their additional services provided was not such that they could be seen to have impaired their independence.
- Reviewed and recommended for adoption by the board of directors such financial information that is publicly disclosed, which for the year included:
  - the integrated report for the year ended 30 June 2015,
  - the consolidated results for the year ended 30 June 2015, and
  - the consolidated interim results for the six months ended 31 December 2014.
- Considered the effectiveness of internal audit, approved the one-year operational strategic internal audit plan and monitored adherence of internal audit to its annual plan.
- Meetings were held with the internal and external auditors, where management was not present, and no matters of concern were raised.
- Considered the appropriateness of the experience and expertise of the group financial director and concluded that these were appropriate.
- Considered the expertise, resources and experience of the finance function and concluded that these were appropriate.

The audit committee is of the opinion that the objectives of the committee were met during the year under review.

Where weaknesses in specific controls had been identified, management undertook to implement appropriate corrective actions to mitigate the weaknesses identified.

MEMBERSHIP

During the course of the year, the membership of the committee comprised solely independent non-executive directors. They are:

- Dr Stefanes Francois Booysen - Chairman
- Dr David Charles Brink
- Dr Marthinus Theunis Lategan

For the members' qualifications refer to the integrated report and the company's website.

EXTERNAL AUDIT

The committee has satisfied itself through enquiry that the auditors of Steinhoff are independent as defined by the Act.

The committee, in consultation with executive management, agreed to the audit fee for the 2015 financial year. The fee is considered appropriate for the work that could reasonably have been foreseen at that time. Audit fees are disclosed in note 2.2 to the financial statements.

There is a formal procedure that governs the process whereby the external auditor is considered for the provision of non-audit services, and each request for additional services is considered in accordance with our set policy and procedure.

Meetings were held with the auditor, where management was not present, and no matters of concern were raised.

The audit committee appointed a subcommittee consisting of Stefanes Francois Booysen (audit committee chairman), Andries Benjamin la Grange (chief financial officer) and Hein Odendaal (audit executive) to investigate and recommend the approval process in respect of the appointment of the external auditors for the 2016 financial year.

ANNUAL FINANCIAL STATEMENTS

The committee has evaluated the consolidated annual financial statements for the year ended 30 June 2015, and considers that they comply, in all material aspects, with the requirements of the Act and International Financial Reporting Standards. The committee has therefore recommended the consolidated annual financial statements, for approval to the board. The board has subsequently approved the financial statements which will be open for discussion at the forthcoming annual general meeting.

Dr Stefanes Francois Booysen
Audit committee chairman
8 September 2015

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

	Notes	2015 Rm	2014 Rm
Continuing operations			
Revenue		**134 868**	117 364
Cost of sales		**(86 541)**	(75 446)
Gross profit		**48 327**	41 918
Other operating income		**3 623**	1 404
Distribution expenses		**(7 429)**	(7 060)
Other operating expenses		**(29 206)**	(23 640)
Capital items	1	**2 513**	1 500
Operating profit	2	**17 828**	14 122
Finance costs	3	**(3 830)**	(3 486)
Income from investments	3	**2 071**	1 491
Share of profit of equity accounted companies	11	**569**	290
Profit before taxation		**16 638**	12 417
Taxation	4	**(1 343)**	(1 954)
Profit from continuing operations		**15 295**	10 463
Discontinued operations			
Loss from discontinued operations	5	**(2 140)**	(600)
Profit for the year		**13 155**	9 863
Profit attributable to:			
Owners of the parent		**13 383**	10 090
Non-controlling interests	19	**(228)**	(227)
Profit for the year		**13 155**	9 863
Earnings per share (cents)			
Basic earnings per share			
From continuing and discontinued operations	6	**479.7**	496.8
From continuing operations	6	**546.3**	510.2
Diluted earnings per share			
From continuing and discontinued operations	6	**442.0**	444.3
From continuing operations	6	**498.3**	455.2
Headline earnings per share (cents) (refer to note 6 for definition)			
Basic headline earnings per share			
From continuing and discontinued operations	6	**393.8**	443.5
From continuing operations	6	**453.7**	461.7
Diluted headline earnings per share			
From continuing and discontinued operations	6	**369.4**	402.0
From continuing operations	6	**420.1**	416.7

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

	2015 Rm	2014 Rm
Profit for the year	**13 155**	9 863
Other comprehensive (loss)/income		
Items that will not be reclassified subsequently to profit or loss:		
Actuarial losses on defined benefit plans	**(174)**	(145)
Deferred taxation	**39**	43
	(135)	(102)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	**(4 647)**	5 959
Net fair value gain/(loss) on cash flow hedges and other fair value reserves	**228**	(124)
Deferred taxation	**(61)**	32
Other comprehensive income of equity accounted companies, net of deferred taxation	**12**	1
	(4 468)	5 868
Total other comprehensive (loss)/income for the year	**(4 603)**	5 766
Total comprehensive income for the year	**8 552**	15 629
Total comprehensive income attributable to:		
Owners of the parent	**8 781**	15 844
Non-controlling interests	**(229)**	(215)
Total comprehensive income for the year	**8 552**	15 629

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

	Ordinary stated share capital Rm	Distributable reserves Rm	Convertible and redeemable bonds reserve Rm
Balance at 1 July 2013	9 801	36 786	1 079
Net shares issued	10 685	-	-
Proceeds on sale of shares net of capital gains taxation	21	-	-
Redemption of preference shares	-	-	-
Total comprehensive income/(loss) for the year	-	10 090	-
Profit/(loss) for the year	-	10 090	-
Other comprehensive income/(loss) for the year	-	-	-
Preference dividends	-	(152)	-
Dividends paid	-	(1 516)	-
Released on derecognition of subsidiary	-	-	-
Introduced and acquired on acquisition of subsidiaries	-	-	-
Net shares bought from/sold to non-controlling interests	-	-	-
Share-based payments	-	-	-
Convertible bonds issued and redeemed - equity portion net of deferred taxation	-	-	351
Transfers and other reserve movements	-	1 429	-
Balance at 30 June 2014	**20 507**	**46 637**	**1 430**
Net shares issued	**92 844**	**-**	**-**
Proceeds on sale of shares net of capital gains taxation	**(6)**	**-**	**-**
Redemption of preference shares	**-**	**-**	**-**
Total comprehensive income/(loss) for the year	**-**	**13 383**	**-**
Profit/(loss) for the year	**-**	**13 383**	**-**
Other comprehensive loss for the year	**-**	**-**	**-**
Preference dividends	**-**	**(332)**	**-**
Dividends paid	**-**	**(3 749)**	**-**
Introduced and acquired on acquisition of subsidiaries	**-**	**-**	**-**
Net shares bought from/sold to non-controlling interests	**-**	**-**	**-**
Share-based payments	**-**	**-**	**-**
Convertible bonds redeemed - equity portion net of deferred taxation	**-**	**-**	**(369)**
Transfers and other reserve movements	**-**	**167**	**-**
Balance at 30 June 2015	**113 345**	**56 106**	**1 061**

Discount on introduction and premium on acquisition of non-controlling interests has been aggregated with net shares bought from/sold to non-controlling interests.

Foreign currency translation reserve Rm	Share-based payment reserve Rm	Premiums or discounts on changes in non-controlling interests Rm	Other reserves Rm	Total ordinary equity attributable to owners of the parent Rm	Preference stated share capital Rm	Total equity attributable to owners of the parent Rm	Non-controlling interests Rm	Total Rm
7 865	636	617	(168)	56 616	3 497	60 113	6 655	66 768
-	-	-	-	10 685	-	10 685	-	10 685
-	-	-	-	21	380	401	-	401
-	-	-	-	-	(496)	(496)	-	(496)
5 947	-	-	(193)	15 844	-	15 844	(215)	15 629
-	-	-	-	10 090	-	10 090	(227)	9 863
5 947	-	-	(193)	5 754	-	5 754	12	5 766
-	-	-		(152)	-	(152)	-	(152)
-	-	-	-	(1 516)	-	(1 516)	(208)	(1 724)
-	-	-	-	-	-	-	(2 814)	(2 814)
-	-	-	-	-	-	-	132	132
-	-	228	-	228	-	228	(2 019)	(1 791)
-	431	-	-	431	-	431	-	431
-	-	-	-	351	-	351	-	351
(28)	(56)	(1 107)	108	346	-	346	10	356
13 784	**1 011**	**(262)**	**(253)**	**82 854**	**3 381**	**86 235**	**1 541**	**87 776**
-	**-**	**-**	**-**	**92 844**	**2 000**	**94 844**	**-**	**94 844**
-	**-**	**-**	**-**	**(6)**	**-**	**(6)**	**-**	**(6)**
-	**-**	**-**	**-**	**-**	**(499)**	**(499)**	**-**	**(499)**
(4 646)	**-**	**-**	**44**	**8 781**	**-**	**8 781**	**(229)**	**8 552**
-	**-**	**-**	**-**	**13 383**	**-**	**13 383**	**(228)**	**13 155**
(4 646)	**-**	**-**	**44**	**(4 602)**	**-**	**(4 602)**	**(1)**	**(4 603)**
-	**-**	**-**		**(332)**	**-**	**(332)**	**-**	**(332)**
-	**-**	**-**	**-**	**(3 749)**	**-**	**(3 749)**	**(48)**	**(3 797)**
-	**-**	**-**	**-**	**-**	**-**	**-**	**1 477**	**1 477**
-	**-**	**(4 580)**	**-**	**(4 580)**	**-**	**(4 580)**	**(1 590)**	**(6 170)**
-	**558**	**-**	**-**	**558**	**-**	**558**	**-**	**558**
-	**-**	**-**	**-**	**(369)**	**-**	**(369)**	**-**	**(369)**
-	**-**	**-**	**33**	**200**	**-**	**200**	**(64)**	**136**
9 138	**1 569**	**(4 842)**	**(176)**	**176 201**	**4 882**	**181 083**	**1 087**	**182 170**

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

	Notes	2015 Rm	2014 Rm
ASSETS			
Non-current assets			
Goodwill	8	**80 502**	27 810
Intangible assets	9	**54 570**	38 306
Property, plant and equipment	10	**58 294**	54 422
Investments in equity accounted companies	11	**15 869**	4 223
Investments and loans	12	**6 697**	10 399
Deferred taxation assets	13	**2 682**	1 390
Trade and other receivables	14	**150**	70
		218 764	136 620
Current assets			
Inventories and vehicle rental fleet	15	**26 394**	18 455
Trade and other receivables	14	**18 208**	18 112
Investments and loans	12	**8 905**	5 928
Cash and cash equivalents		**37 905**	16 341
		91 412	58 836
Assets and disposal groups classified as held for sale	16	**3 364**	6 865
		94 776	65 701
Total assets		**313 540**	202 321
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary stated share capital	17	**113 345**	20 507
Reserves		**62 856**	62 347
Preference stated share capital	18	**4 882**	3 381
Total equity attributable to equity holders of the parent		**181 083**	86 235
Non-controlling interests	19	**1 087**	1 541
Total equity		**182 170**	87 776
Non-current liabilities			
Interest-bearing loans and borrowings	20	**56 344**	55 580
Employee benefits	21	**1 061**	868
Deferred taxation liabilities	13	**13 578**	10 878
Provisions	22	**2 927**	1 603
Trade and other payables	23	**920**	388
		74 830	69 317
Current liabilities			
Trade and other payables	23	**46 378**	34 222
Employee benefits	21	**1 166**	750
Provisions	22	**1 287**	1 213
Interest-bearing loans and borrowings	20	**5 847**	6 411
Bank overdrafts and short-term facilities		**1 856**	2 436
		56 534	45 032
Liabilities and disposal groups classified as held for sale	16	**6**	196
		56 540	45 228
Total equity and liabilities		**313 540**	202 321
Net asset value per ordinary share (cents)	6	**4 825**	3 946

Investment property and vehicle rental fleet have been aggregated with property, plant and equipment and inventories, respectively.

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

	Notes	2015 Rm	2014[1] Rm
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	24	**26 706**	23 146
Net movement in instalment sale and loan receivables		**(218)**	(1 753)
Net dividends paid		**(3 931)**	(1 818)
Net finance charges		**(1 232)**	(1 842)
Taxation paid		**(1 039)**	(1 592)
Net cash inflow from operating activities		**20 286**	16 141
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		**(4 679)**	(4 948)
Additions to intangible assets		**(258)**	(381)
Proceeds on disposal of property, plant and equipment and intangible assets		**213**	451
Acquisition of subsidiaries and businesses, net of cash on hand at acquisition	25	**(13 366)**	(6 473)
Disposal of subsidiaries and businesses, net of cash on hand at disposal	26	**-**	1 955
Decrease/(increase) in long-term investments and loans		**22**	(5 078)
Increase in short-term investments and loans		**(2 892)**	(2 211)
Net (increase)/decrease in investments in equity accounted companies		**(164)**	1
Net cash outflow from investing activities		**(21 124)**	(16 684)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of ordinary shares issued		**18 200**	-
Proceeds of preference shares issued		**2 000**	-
Preference shares redeemed		**(499)**	(378)
Share issue expenses		**(386)**	(2)
(Increase)/decrease in treasury shares		**(6)**	284
Transactions with non-controlling interests		**(103)**	29
Decrease in bank overdrafts and short-term facilities		**(1 106)**	(443)
Increase in long-term interest-bearing loans and borrowings		**12 052**	11 206
Decrease in short-term interest-bearing loans and borrowings		**(6 522)**	(4 183)
Net cash inflow from financing activities		**23 630**	6 513
NET INCREASE IN CASH AND CASH EQUIVALENTS		**22 792**	5 970
Effects of exchange rate translations on cash and cash equivalents		**(1 228)**	1 122
Cash and cash equivalents at beginning of the year		**16 341**	9 249
CASH AND CASH EQUIVALENTS AT END OF YEAR		**37 905**	16 341

[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 Rm	2014 Rm
REVENUE - CONTINUING OPERATIONS		
Integrated retail: Household goods	**104 696**	100 449
Integrated retail: General merchandise	**12 199**	-
Integrated retail: Automotive	**17 973**	16 915
	134 868	117 364
OPERATING PROFIT BEFORE CAPITAL ITEMS - CONTINUING OPERATIONS		
Integrated retail: Household goods	**13 134**	12 110
Integrated retail: General merchandise	**1 645**	-
Integrated retail: Automotive	**536**	512
	15 315	12 622
RECONCILIATION BETWEEN OPERATING PROFIT PER INCOME STATEMENT AND OPERATING PROFIT BEFORE CAPITAL ITEMS PER SEGMENTAL ANALYSIS		
Operating profit per income statement	**17 828**	14 122
Capital items (note 1)	**(2 513)**	(1 500)
Operating profit before capital items per segmental analysis	**15 315**	12 622
SEGMENTAL ASSETS		
Integrated retail: Household goods	**139 338**	146 411
Integrated retail: General merchandise	**88 609**	-
Integrated retail: Automotive	**12 853**	12 154
	240 800	158 565
RECONCILIATION BETWEEN TOTAL ASSETS PER STATEMENT OF FINANCIAL POSITION AND SEGMENTAL ASSETS		
Total assets per statement of financial position	**313 540**	202 321
Less: Cash and cash equivalents	**(37 905)**	(16 341)
Less: Investments in equity accounted companies	**(15 869)**	(4 223)
Less: Long-term investments and loans	**(6 697)**	(10 399)
Less: Short-term investments and loans	**(8 905)**	(5 928)
Less: Assets of discontinued operations and assets held for sale	**(3 364)**	(6 865)
Segmental assets	**240 800**	158 565
GEOGRAPHICAL ANALYSIS		
Revenue - continuing operations		
Continental Europe	**78 581**	73 850
Africa	**39 899**	30 572
Other	**16 388**	12 942
	134 868	117 364
Non-current assets		
Continental Europe	**118 828**	106 627
Africa	**83 463**	17 730
Other	**16 473**	12 263
	218 764	136 620

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

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 rand (Rm) 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.

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 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.

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 17.6.

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 21.

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 Rm	**Net of taxation and non-controlling interests 2015 Rm**	Gross of taxation and non-controlling interests 2014 Rm	Net of taxation and non-controlling interests 2014 Rm
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 Foreign currency translation reserve released on disposal of subsidiary	**-**	**-**	6	6
1.2 Gain on bargain purchase	**-**	**-**	(1)	(1)
1.3 Impairment	**910**	**891**	76	71
Goodwill	**823**	**823**	14	14
Intangible assets	**52**	**37**	-	-
Property, plant and equipment	**10**	**7**	14	9
Other	**25**	**24**	48	48
1.4 Loss on disposal of intangible assets	**15**	**11**	45	31
1.5 Loss on scrapping of vehicle rental fleet	**13**	**8**	3	1
1.6 Loss on disposal of property, plant and equipment	**76**	**54**	22	10
1.7 Profit on sale and dilution of investments	**(3 527)**	**(3 527)**	(1 651)	(1 068)
	(2 513)	**(2 563)**	(1 500)	(950)

		2015 Rm	2014 Rm
2.	**OPERATING PROFIT**		
	Continuing operations		
	Operating profit is stated after taking account of the following items:		
2.1	**Amortisation and depreciation**		
	Amortisation	**234**	198
	Depreciation	**1 988**	1 818
		2 222	2 016
	Recognised in:		
	Cost of sales	**94**	75
	Distribution expenses	**1 087**	1 066
	Other operating expenses	**1 041**	875
		2 222	2 016
2.2	**Auditor's remuneration**		
	Audit fees	**86**	74
	Expenses	**15**	11
	Fees for other services	**16**	7
	(Over)/underprovision in prior year	**(9)**	1
		108	93
2.3	**Personnel expenses**		
	Retirement plans (note 2.4)	**343**	245
	Salaries and wages	**20 562**	17 436
	Share-based payments - equity-settled (note 17.6)	**393**	248
		21 298	17 929
2.4	**Post-retirement benefit expenses**		
	Contributions to defined benefit plans	**189**	91
	Contributions to defined contribution plans	**154**	154
		343	245
2.5	**Net foreign exchange (gains)/losses**		
	Net (gain)/loss on forward exchange contracts	**(47)**	57
	Net gain on conversion of monetary assets - realised	**(1 058)**	(180)
	Net loss/(gain) on conversion of monetary assets - unrealised	**88**	(123)
		(1 017)	(246)
2.6	**Fair value (gains)/losses (excluding forward exchange contracts)**		
	Fair value adjustment on cross-currency and interest rate swaps	**(13)**	58
	Fair value adjustment on note purchase agreements	**(4)**	(136)
	Fair value adjustment on financial assets through profit or loss	**(487)**	(10)
		(504)	(88)
2.7	**Operating lease charges - properties**		
	Rental of properties	**4 277**	3 057
	Rental recovered from third parties on long-term leases	**(96)**	(80)
		4 181	2 977
2.8	**Operating lease charges - other**		
	Leases of plant, equipment, vehicles and other	**470**	424
2.9	**Number of employees**	**91 114**	55 876

3. FINANCE COSTS AND INCOME FROM INVESTMENTS

	Expense Rm	Income Rm	Net (income)/ expense Rm
Continuing operations			
2015			
Dividends received	**-**	**(79)**	**(79)**
Interest			
Banks	**376**	**(617)**	**(241)**
Convertible bonds	**1 558**	**-**	**1 558**
Loans	**1 328**	**(1 231)**	**97**
Other	**568**	**(144)**	**424**
	3 830	**(2 071)**	**1 759**
2014			
Dividends received	-	(3)	(3)
Interest			
Banks	652	(477)	175
Convertible bonds	1 562	-	1 562
Loans	961	(811)	150
Other	311	(200)	111
	3 486	(1 491)	1 995

4. TAXATION

	2015 Rm	2014 Rm
Continuing operations		
4.1 Taxation charge		
Normal taxation		
South African normal taxation - current year	**989**	301
South African normal taxation - prior year adjustment	**(30)**	72
Foreign normal taxation - current year	**1 311**	823
	2 270	1 196
Deferred taxation		
South African deferred taxation - current year	**(684)**	416
South African deferred taxation - prior year adjustment	**(7)**	(77)
Foreign deferred taxation - current year	**(241)**	419
Foreign deferred taxation - prior year adjustment	**5**	-
	(927)	758
	1 343	1 954

For detail on deferred taxation assets/(liabilities) refer to note 13.

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

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 16.

5.2 Analysis of loss for the year from discontinued operations

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

	2015 Rm	2014 Rm
Revenue	**2 099**	18 501
Cost of sales	**-**	(12 503)
Gross profit	**2 099**	5 998
Other operating income	**-**	514
Distribution expenses	**-**	(511)
Other operating expenses	**(4 236)**	(6 310)
Capital items (note 5.3)	**80**	6
Operating loss	**(2 057)**	(303)
Net finance costs	**(92)**	(596)
Share of loss of equity accounted companies	**-**	(5)
Loss before taxation	**(2 149)**	(904)
Taxation	**284**	307
	(1 865)	(597)
Loss on disposal of discontinued operations	**(313)**	(229)
Attributable income taxation	**38**	226
Loss for the year from discontinued operations	**(2 140)**	(600)
Loss from discontinued operations attributable to:		
Owners of the parent	**(1 821)**	(265)
Non-controlling interests	**(319)**	(335)
	(2 140)	(600)

		Gross of taxation and non-controlling interests 2015 Rm	Net of taxation and non-controlling interests 2015 Rm	Gross of taxation and non-controlling interests 2014 Rm	Net of taxation and non-controlling interests 2014 Rm
5.3	**Capital items for the year from discontinued operations**				
	Profit on sale of investments	**-**	**-**	(94)	(53)
	(Reversal of impairment)/impairment	**(80)**	**(56)**	78	40
	Loss on disposal of property, plant and equipment	**-**	**-**	10	(1)
	Capital items per income statement	**(80)**	**(56)**	(6)	(14)
	Loss on disposal of discontinued operations	**313**	**237**	229	(79)
		233	**181**	223	(93)

		2015 Rm	2014 Rm
5.4	**Cash flows from discontinued operations**		
	Net cash inflow from operating activities	**406**	1 218
	Net cash outflow from investing activities	**(3)**	(864)
	Net cash outflow from financing activities	**(403)**	(794)
	Net cash outflow	**-**	(440)

	2015 Cents	2014 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
From continuing operations	**546.3**	510.2
From discontinued operations	**(66.6)**	(13.4)
Basic earnings per share	**479.7**	496.8

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
From continuing operations	**498.3**	455.2
From discontinued operations	**(56.3)**	(10.9)
Diluted earnings per share	**442.0**	444.3

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
From continuing operations	**453.7**	461.7
From discontinued operations	**(59.9)**	(18.2)
Headline earnings per share	**393.8**	443.5

	2015 Cents	2014 Cents
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.		
From continuing operations	**420.1**	416.7
From discontinued operations	**(50.7)**	(14.7)
Diluted headline earnings per share	**369.4**	402.0
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	**4 825**	3 946

		Million	Million
6.1	**Weighted average number of ordinary shares**		
	Issued ordinary shares at beginning of the year	**2 110**	1 836
	Effect of own shares held	**(10)**	(11)
	Effect of own shares held as prepayment	**(58)**	-
	Effect of rights issue and accelerated bookbuild	**333**	19
	Effect of shares issued	**362**	133
	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
	Effect of dilutive potential ordinary shares - convertible bonds[1]	**473**	486
	Effect of dilutive potential ordinary shares - other	**25**	25
	Weighted average number of ordinary shares for the purpose of diluted earnings per share and diluted headline earnings per share	**3 235**	2 488

[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 Rm	Discontinued operations Rm	Total Rm
6.2	**Earnings and headline earnings attributable to owners of the parent**			
	2015			
	Earnings for the year attributable to owners of the parent	**15 204**	**(1 821)**	**13 383**
	Dividend entitlement on cumulative preference shares	**(254)**	**-**	**(254)**
	Earnings attributable to owners of the parent	**14 950**	**(1 821)**	**13 129**
	Adjusted for capital items of equity accounted companies	**31**	**-**	**31**
	Adjusted for capital items (note 1 and note 5.3)	**(2 563)**	**181**	**(2 382)**
	Headline earnings attributable to owners of the parent	**12 418**	**(1 640)**	**10 778**
	2014			
	Earnings for the year attributable to owners of the parent	10 355	(265)	10 090
	Dividend entitlement on cumulative preference shares	(269)	-	(269)
	Earnings attributable to owners of the parent	10 086	(265)	9 821
	Adjusted for capital items of equity accounted companies	(8)	-	(8)
	Adjusted for capital items (note 1 and note 5.3)	(950)	(93)	(1 043)
	Headline earnings attributable to owners of the parent	9 128	(358)	8 770

		Continuing operations Rm	Discontinued operations Rm	Total Rm
6.3	**Diluted earnings and diluted headline earnings attributable to owners of the parent**			
	2015			
	Earnings attributable to owners of the parent	**14 950**	**(1 821)**	**13 129**
	Dilutive adjustment on earnings - convertible bonds[1]	**1 170**	**-**	**1 170**
	Diluted earnings attributable to owners of the parent	**16 120**	**(1 821)**	**14 299**
	Adjusted for capital items of equity accounted companies	**31**	**-**	**31**
	Adjusted for capital items (note 1 and note 5.3)	**(2 563)**	**181**	**(2 382)**
	Diluted headline earnings attributable to owners of the parent	**13 588**	**(1 640)**	**11 948**
	2014			
	Earnings attributable to owners of the parent	10 086	(265)	9 821
	Dilutive adjustment on earnings - convertible bonds[1]	1 228	-	1 228
	Dilutive adjustment on earnings - other	10	(5)	5
	Diluted earnings attributable to owners of the parent	11 324	(270)	11 054
	Adjusted for capital items of equity accounted companies	(8)	-	(8)
	Adjusted for capital items (note 1 and note 5.3)	(950)	(93)	(1 043)
	Diluted headline earnings attributable to owners of the parent	10 366	(363)	10 003

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

		2015 Rm	2014 Rm
6.4	**Net asset value**		
	Attributable to owners of the parent	**181 083**	86 235
	Preference stated share capital	**(4 882)**	(3 381)
	Attributable to ordinary shareholders	**176 201**	82 854

	2015 Cents	2014 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 165 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 150 cents).	**165**	150
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) was paid on 27 October 2014 (2014: 28 October 2013) 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).	**365**	348
A preference dividend in respect of the period 1 July 2014 to 31 December 2014 (2014: 1 July 2013 to 31 December 2013) was paid on 20 April 2015 (2014: 22 April 2014) 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).	**384**	354
The directors of Steinhoff Investment have resolved to declare and pay preference dividends on 19 October 2015 (2014: 27 October 2014) for the period 1 January 2015 to 30 June 2015 (2014: 1 January 2014 to 30 June 2014) 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).	**378**	365

	2015 Rm	2014 Rm
8. GOODWILL		
Carrying amount at beginning of the year	**27 810**	18 850
Arising on business combinations (note 25)	**54 474**	7 295
Goodwill attributable to acquisition at offer price	**45 595**	7 295
Goodwill attributable to share price increase	**8 879**	-
Additional goodwill raised and transferred on completion of IFRS 3 valuation	**268**	-
Disposal of subsidiaries (note 26)	**-**	(209)
Transfer to assets classified as held for sale	**-**	(767)
Impairments	**(823)**	(15)
Exchange differences on consolidation of foreign subsidiaries	**(1 227)**	2 656
Carrying amount at end of the year	**80 502**	27 810
Cost	**81 487**	27 976
Accumulated impairment	**(985)**	(166)
Carrying amount at end of the year	**80 502**	27 810

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 per share) and the accounting recognition date, 31 March 2015 (R67.58), gave rise to an additional consideration recognised for accounting purposes of R8 879 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 R823 million was recorded for the year ended 30 June 2015 (2014: R15 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 Rm	2014 Rm
Integrated retail: Household goods					
Europe					
Conforama Holdings S.A.	3.35%	2.58%	Budget years 1 to 3, thereafter 1.0% growth rate.	**10 890**	11 076
Steinhoff Retail GmbH (Austria)	2.39% - 3.16%	2.07% - 2.53%	Budget years 1 to 3, thereafter 1.0% growth rate.	**9 083**	9 652
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.	**1 387**	1 412
Africa					
JD Group Limited[1]				**-**	935
United Kingdom					
Alvaglen Estates Limited	6.83%	5.60%	Budget years 1 to 3, thereafter 1.0% growth rate.	**166**	159
JWC (International) Limited	6.83%	5.60%	Budget year 1, thereafter growth of 2.7% until year 3 and thereafter 1.0% growth rate.	**163**	175
Steinhoff UK Holdings	6.83%	5.60%	Budget year 1 to 3, thereafter 2.7% growth rate.	**4 550**	4 339
Other				**149**	62
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.	**54 114**	-
Carrying amount at end of the year				**80 502**	27 810

[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.*

The impairment models were prepared on the same basis as the comparative year. 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 year.

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.

9. INTANGIBLE ASSETS

	Trade and brand names Rm	Software and ERP systems Rm	Dealership agreements and other Rm	Total Rm
Balance at 1 July 2013	37 702	1 124	2 759	41 585
Additions	-	369	10	379
Amortisation	(5)	(215)	(70)	(290)
Disposals	-	(52)	-	(52)
Acquired on acquisition of subsidiaries (note 25)	-	61	2	63
Disposal of subsidiaries (note 26)	(6 896)	(27)	(1 054)	(7 977)
Impairment	-	-	(32)	(32)
Transfer to assets classified as held for sale	-	(171)	(8)	(179)
Transfer (to)/from property, plant and equipment	(2)	86	-	84
Exchange differences on consolidation of foreign subsidiaries	4 623	101	1	4 725
Balance at 30 June 2014	**35 422**	**1 276**	**1 608**	**38 306**
Additions	**-**	**258**	**-**	**258**
Amortisation	**(5)**	**(224)**	**(5)**	**(234)**
Disposals	**-**	**(16)**	**-**	**(16)**
Acquired on acquisition of subsidiaries (note 25)	**18 434**	**5**	**-**	**18 439**
Impairment	**(48)**	**(4)**	**-**	**(52)**
Transfer to assets classified as held for sale	**-**	**(77)**	**-**	**(77)**
Transfer to goodwill	**-**	**(33)**	**-**	**(33)**
Exchange differences on consolidation of foreign subsidiaries	**(1 968)**	**(51)**	**(2)**	**(2 021)**
Balance at 30 June 2015	**51 835**	**1 134**	**1 601**	**54 570**
Cost	35 441	2 357	1 715	39 513
Amortisation and impairment	(19)	(1 081)	(107)	(1 207)
Net book value at 30 June 2014	35 422	1 276	1 608	38 306
Cost	**51 910**	**2 372**	**1 704**	**55 986**
Amortisation and impairment	**(75)**	**(1 238)**	**(103)**	**(1 416)**
Net book value at 30 June 2015	**51 835**	**1 134**	**1 601**	**54 570**

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 R52 million impairment was recognised (2014: R32 million).

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

Dealerships 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 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%.

10. PROPERTY, PLANT AND EQUIPMENT

	Investment property Rm	Land and buildings Rm	Plant and machinery Rm	Capital work-in-progress Rm	Leasehold improve-ments Rm	Office and computer equipment, furniture and other assets Rm	Total Rm
Balance at 1 July 2013	480	34 171	1 602	939	3 655	4 530	45 377
Additions	13	1 815	271	421	973	1 462	4 955
Reclassification to assets held for sale	(20)	-	(11)	(3)	-	(18)	(52)
Depreciation	-	(315)	(225)	-	(822)	(1 080)	(2 442)
Disposals	(27)	(213)	(12)	(11)	(85)	(134)	(482)
Impairment	-	-	(27)	-	(39)	22	(44)
Acquisition of subsidiary companies (note 25)	-	8 760	4	155	70	8	8 997
Disposal of subsidiary companies (note 26)	(19)	(1 574)	(1 626)	(82)	(33)	(3 428)	(6 762)
Reclassification	-	(153)	390	(796)	384	175	-
Transfer (to)/from intangible assets	-	-	-	(94)	-	10	(84)
Exchange differences on consolidation of foreign subsidiaries	-	4 315	27	35	428	154	4 959
Balance at 30 June 2014	**427**	**46 806**	**393**	**564**	**4 531**	**1 701**	**54 422**
Additions	**167**	**1 288**	**360**	**1 099**	**869**	**898**	**4 681**
Depreciation	**-**	**(142)**	**(224)**	**-**	**(892)**	**(590)**	**(1 848)**
Disposals	**(3)**	**(105)**	**(19)**	**(18)**	**(93)**	**(49)**	**(287)**
Impairment	**-**	**-**	**-**	**-**	**-**	**(10)**	**(10)**
Acquisition of subsidiary companies (note 25)	**-**	**1 325**	**2 360**	**-**	**550**	**224**	**4 459**
Disposal of subsidiary companies (note 26)	**-**	**(30)**	**-**	**-**	**-**	**-**	**(30)**
Reclassification	**387**	**(1 511)**	**(98)**	**(553)**	**1 281**	**494**	**-**
Transfer to goodwill	**-**	**-**	**-**	**(17)**	**-**	**(18)**	**(35)**
Transfer to inventories	**-**	**(31)**	**-**	**(7)**	**-**	**(7)**	**(45)**
Exchange differences on consolidation of foreign subsidiaries	**-**	**(2 821)**	**105**	**(32)**	**(216)**	**(49)**	**(3 013)**
Balance at 30 June 2015	**978**	**44 779**	**2 877**	**1 036**	**6 030**	**2 594**	**58 294**
Cost	427	48 829	970	564	7 928	4 129	62 847
Accumulated depreciation and impairment	-	(2 023)	(577)	-	(3 397)	(2 428)	(8 425)
Net book value at 30 June 2014	427	46 806	393	564	4 531	1 701	54 422
Cost	**978**	**45 758**	**6 078**	**1 036**	**10 336**	**6 339**	**70 525**
Accumulated depreciation and impairment	**-**	**(979)**	**(3 201)**	**-**	**(4 306)**	**(3 745)**	**(12 231)**
Net book value at 30 June 2015	**978**	**44 779**	**2 877**	**1 036**	**6 030**	**2 594**	**58 294**

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 R1 364 million (2014: R548 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%). 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 R16 928 million (2014: R16 856 million) are encumbered as set out in note 20.

Insurance
Property, plant and equipment, with the exception of motor vehicles and land, are insured at approximate cost of replacement. Motor vehicles are insured at market value.

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.

	Nature of business	2015 % holding	2014 % holding

11. INVESTMENTS IN EQUITY ACCOUNTED COMPANIES

11.1 Associate companies

	Nature of business	2015 % holding	2014 % holding
Listed			
KAP Industrial Holdings Limited	Diverse industrial and logistics business	**43.3**	44.7[1]
PSG Group Limited	Investment company	**27.0**[2]	-[3]
Unlisted			
Various unlisted associate companies	Insurance, manufacturing, retail and logistics	**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.

11.2 Joint-venture companies

	Nature of business	2015 % holding	2014 % holding
Various joint-venture companies	Property	50.0	-

No material impairments on joint-venture companies were recognised during both years 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.

11.3 Carrying values of associate and joint-venture companies

	2015 Rm	2014 Rm
KAP Industrial Holdings Limited	**4 404**	4 041
PSG Group Limited	**10 930**	-
Various unlisted companies	**535**	182
	15 869	4 223

11.4 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.

	2015 Rm	2014 Rm
Non-current assets	**10 777**	10 039
Current assets	**5 147**	5 518
Non-current liabilities	**(4 308)**	(4 519)
Current liabilities	**(3 686)**	(4 179)
Non-controlling interests	**(169)**	(150)
Net assets	**7 761**	6 709

	2015 Rm	2014 Rm
Revenue	**15 664**	-
Profit for the year	**930**	-
Other comprehensive income for the year	**27**	-
Total comprehensive income for the year	**957**	-

Reconciliation of the above summarised financial information to the carrying amount of the interest in KAP recognised in the consolidated financial statements:

	2015 Rm	2014 Rm
Net assets of KAP	**7 761**	6 709
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	**3 362**	2 999
Goodwill	**1 042**	1 042
Carrying amount of the group's interest in KAP	**4 404**	4 041
Market value of KAP	**6 087**	4 088

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 Rm	2014 Rm
Non-current assets	**32 642**	-
Current assets	**12 965**	-
Non-current liabilities	**(15 328)**	-
Current liabilities	**(11 183)**	-
Non-controlling interests	**(9 097)**	-
Net assets	**9 999**	-

Reconciliation of the above summarised financial information to the carrying amount of the interest in PSG recognised in the consolidated financial statements:

	2015 Rm	2014 Rm
Net assets of PSG	**9 999**	-
Proportion of the group's ownership interest in PSG (net of treasury)	**27.0%**	-
Proportion of the group's ownership interest in the net assets of PSG	**2 702**	-
Transitory goodwill[1]	**8 228**	-
Carrying amount of the group's interest in PSG	**10 930**	-
Market value of PSG	**11 153**	-

[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 Rm	2014 Rm

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.

	2015 Rm	2014 Rm
11.5 Aggregate total comprehensive income from associate and joint-venture companies		
The group's share of profit	**569**	290
The group's share of other comprehensive income	**12**	1
The group's share of total comprehensive income	**581**	291

12. INVESTMENTS AND LOANS

	2015 Rm	2014 Rm
Long-term investments and loans		
At fair value through profit or loss		
Listed investments		
Unit trusts	**86**	80
Available-for-sale financial assets		
Listed investments		
Ordinary shares[1]	**64**	3 685
Preference shares	**-**	4
Unlisted investments		
Ordinary shares	**286**	206
	350	3 895
Loans and receivables at amortised cost		
Unlisted investments		
Preference shares	**65**	386
Interest-bearing loans	**6 196**	6 038
	6 261	6 424
	6 697	10 399
Short-term investments and loans		
At fair value through profit or loss		
Listed investments		
Ordinary shares	**1 599**	-
Loans and receivables at amortised cost		
Interest-bearing loans	**7 306**	5 928
	8 905	5 928

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

	2015 Rm	2014 Rm
The following fair value adjustments were made during the year (increase/(decrease)):		
At fair value through profit or loss		
Listed investments		
Ordinary shares	**481**	-
Unit trusts	**6**	10
	487	10
Available-for-sale financial assets - through other comprehensive income		
Listed investments		
Ordinary shares	**3 714**	(220)
Fair value through other comprehensive income recycled to profit or loss	**(3 469)**	-
Unlisted investments		
Ordinary shares	**98**	165
	343	(55)
Total fair value adjustments	**830**	(45)

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 28.

13. DEFERRED TAXATION ASSETS/(LIABILITIES)

13.1 Deferred taxation movement

	2015 Rm	2014 Rm
(Liabilities)/assets		
Balance at beginning of the year	**(9 488)**	(8 922)
Deferred taxation of subsidiaries acquired	**(3 001)**	58
Deferred taxation of subsidiaries disposed	**-**	1 090
Transferred to asset/liabilities held for sale	**-**	(279)
Amounts charged directly to other comprehensive income and equity		
Convertible bond	**-**	(208)
Share-based payments	**160**	189
Other	**(22)**	59
Current year charge		
Continuing operations	**927**	(758)
Discontinued operations	**-**	649
Exchange differences on consolidation of foreign subsidiaries	**528**	(1 366)
Balance at end of the year	**(10 896)**	(9 488)

		2015	2014
		Rm	Rm
13.2	**Deferred taxation balances**		
	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	**809**	253
	Property, plant and equipment	**56**	171
	Share-based payments	**372**	185
	Other	**61**	(4)
		1 298	605
	Taxation losses and credits		
	Taxation losses	**1 384**	785
	Total deferred taxation assets	**2 682**	1 390
	Realisation of the deferred taxation asset is expected out of future taxable income, which was assessed and deemed to be reasonable.		
	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	**(125)**	(227)
	Intangible assets	**(9 701)**	(7 918)
	Investments	**(513)**	(583)
	Prepayments and provisions	**193**	(92)
	Property, plant and equipment	**(2 796)**	(2 322)
	Share-based payments	**-**	68
	Other	**(670)**	162
		(13 612)	(10 912)
	Taxation losses and credits		
	Taxation losses	**34**	34
	Total deferred taxation liabilities	**(13 578)**	(10 878)
13.3	**Unrecognised deferred taxation assets**		
	Deferred taxation assets have not been recognised in respect of the following items:		
	Taxation losses	**7 974**	2 722
	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.		
13.4	**Taxation losses**		
	Estimated taxation losses available for offset against future taxable income	**13 080**	5 479

	2015 Rm	2014 Rm
14. TRADE AND OTHER RECEIVABLES		
Non-current trade and other receivables		
Instalment sale and loan receivables[1]	**-**	55
Derivative financial assets	**133**	-
Non-current trade and other receivables (financial assets)	**133**	55
Equalisation of operating lease payments	**17**	15
	150	70
Current trade and other receivables		
Trade receivables	**10 986**	13 163
Instalment sale and loan receivables[1]	**1 928**	415
Other amounts due	**2 823**	2 635
Less: Provision for bad debts (note 28.6)	**(848)**	(890)
Derivative financial assets	**268**	13
Current trade and other receivables (financial assets)	**15 157**	15 336
Prepayments	**1 503**	1 275
Taxation receivable	**496**	451
Value added taxation receivable	**1 052**	1 050
	18 208	18 112

[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.

The group's exposure to currency and credit risk related to trade and other receivables is disclosed in notes 28.3 and 28.6.

		2015 Rm	2014 Rm
15.	**INVENTORIES AND VEHICLE RENTAL FLEET**		
15.1	**Inventories at cost less provisions**		
	Finished goods and merchandise	**23 992**	17 599
	Goods in transit	**1 239**	-
	Raw materials	**313**	282
	Other	**107**	40
		25 651	17 921
15.2	**Vehicle rental fleet**		
	Balance at beginning of the year	**534**	455
	Additions	**1 116**	800
	Impairment and scrapping of vehicle rental fleet	**(23)**	(18)
	Transfer to inventories	**(744)**	(570)
	Depreciation	**(140)**	(133)
	Balance at end of the year	**743**	534
		26 394	18 455
15.3	**Amount of write-down of inventories to net realisable value included as an expense during the year**	**116**	52

Included in inventories above are vehicles relating to the operations of Unitrans Automotive, which were subject to a lien of R1 526 million (2014: R1 459 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 R696 million (2014: R255 million) are encumbered as set out in note 20.

	2015 Rm	2014 Rm

16. 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 Rm	2014 Rm
Assets		
Goodwill	**-**	767
Intangible assets	**252**	180
Property, plant and equipment	**14**	2
Deferred taxation asset	**-**	279
Trade and other receivables (including instalment sale and loan receivables)	**4 140**	7 212
	4 406	8 440
Impairment of goodwill	**-**	(767)
Impairment of disposal group	**(1 042)**	(808)
	3 364	6 865
Liabilities		
Trade and other payables	**-**	(153)
Employee benefits	**(6)**	(43)
	(6)	(196)
Net assets/(liabilities) and disposal groups classified as held for sale	**3 358**	6 669

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	2015 Rm	2014 Rm
17. ORDINARY STATED SHARE CAPITAL				
17.1 Authorised				
Ordinary shares of no par value (2014: 0.5 cents each)	**6 000 000 000**	3 000 000 000	**-**	15
17.2 Issued				
Balance at beginning of the year	**2 109 880 692**	1 836 154 196	**20 648**	9 962
Shares issued during the year net of transaction costs	**1 552 388 904**	273 726 496	**92 844**	10 685
Profit on treasury share transactions net of capital gains taxation	**-**	-	**-**	1
Balance at end of the year	**3 662 269 596**	2 109 880 692	**113 492**	20 648
17.3 Treasury shares				
Balance at beginning of the year	**(9 963 800)**	(11 053 042)	**(141)**	(161)
Purchases of shares	**(266 434)**	-	**(6)**	-
Sale of shares	**18 023**	1 089 242	**-**	20
Balance at end of the year	**(10 212 211)**	(9 963 800)	**(147)**	(141)
Total issued ordinary stated share capital	**3 652 057 385**	2 099 916 892	**113 345**	20 507
17.4 Movement of net stated share capital				
Balance at beginning of the year			**20 507**	9 801
Net shares issued			**92 844**	10 685
Purchases of shares			**(6)**	-
Proceeds on sale of shares net of capital gains taxation			**-**	21
Balance at end of the year			**113 345**	20 507

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 (2015)	Number of shares (2014)
17.5 Unissued shares		
Reserved for bond holders	**320 666 847**	529 416 368
Shares reserved for future participation in share schemes	**97 109 276**	104 372 913
Shares reserved for current participation in share schemes	**32 235 368**	35 885 136
Shares under the control of the directors until the forthcoming annual general meeting	**167 973 415**	87 605 581
Unissued shares	**1 719 745 498**	132 839 310
Total unissued shares	**2 337 730 404**	890 119 308

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.

17.6 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
The number of share rights outstanding is:		
Outstanding at beginning of the year	**35 885 136**	31 147 659
Exercised during the year	**(10 913 405)**	(9 741 951)
Forfeited during the year[1]	**(753 404)**	(357 992)
Granted during the year	**8 017 041**	14 837 420
Outstanding at end of the year	**32 235 368**	35 885 136

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

Refer to note 31 for directors' interests in the share incentive scheme.

	2015 Number of shares	2014 Number of shares	2015 Rm	2014 Rm
18. PREFERENCE STATED SHARE CAPITAL				
18.1 Authorised				
Steinhoff				
Non-redeemable, cumulative, non-participating preference shares of no par value (2014: 0.1 cents each)	**1 000 000 000**	1 000 000 000	**-**	1
Steinhoff Investment				
Variable rate, cumulative, non-redeemable, non-participating preference shares of 0.1 cents each	**495 000 000**	495 000 000	*	*
Steinhoff Africa				
Class A perpetual preference shares of 1 cent each	**2 000**	2 000	*	*
Class B perpetual preference shares of no par value	**2 000**	-	**-**	-
Cumulative redeemable preference shares of 1 cent each	**2 000**	-	*	-
18.2 Issued				
Steinhoff Investment				
In issue at beginning of the year	**15 000 000**	15 000 000	**1 430**	1 548
Loss on treasury share transactions net of capital gains taxation	**-**	-	**-**	(118)
In issue at end of the year	**15 000 000**	15 000 000	**1 430**	1 430
Steinhoff Africa (class A and class B perpetual preference shares)				
In issue at beginning of the year	**1 333**	1 585	**1 951**	2 329
Shares issued during the year	**2 000**	-	**2 000**	-
Shares redeemed during the year	**(333)**	(252)	**(499)**	(378)
In issue at end of the year	**3 000**	1 333	**3 452**	1 951
18.3 Treasury shares				
Balance at beginning of the year	**-**	(3 347 393)	**-**	(380)
Sale of shares	**-**	3 347 393	**-**	380
	-	-	**-**	-
Total issued preference stated share capital	**15 003 000**	15 001 333	**4 882**	3 381

** Amount less than R500 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.

19. NON-CONTROLLING INTERESTS

19.1 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	**2015**	2014	**2015**	2014
	%	%	**Rm**	Rm	**Rm**	Rm
JD Group Limited[1, 2]	**13**	14	**(293)**	(598)	**713**	1 117
KAP Industrial Holdings Limited[1, 3]	**n/a**	n/a	**-**	309	**-**	-
Individually immaterial subsidiaries with non-controlling interests[4]			**65**	62	**374**	424
			(228)	(227)	**1 087**	1 541

[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 R4.7 billion accounted for in the premiums or discounts on changes in non-controlling interests reserve.*

19.2 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	2014
	Rm	Rm
JD Group Limited		
Non-current assets	**7 219**	6 852
Current assets	**11 290**	14 183
Non-current liabilities	**(863)**	(5 726)
Current liabilities	**(12 117)**	(7 485)
Revenue from continuing operations	**31 356**	30 582
Profit for the year from continuing operations	**66**	201
Loss for the year from discontinued operations	**(2 368)**	(2 124)
Loss for the year	**(2 302)**	(1 923)
Loss attributable to owners of the parent	**(2 327)**	(1 947)
Profit attributable to the non-controlling interests	**25**	24
Loss for the year	**(2 302)**	(1 923)
Total comprehensive loss attributable to owners of the parent	**(2 330)**	(1 929)
Total comprehensive income attributable to the non-controlling interests	**25**	24
Total comprehensive loss for the year	**(2 305)**	(1 905)
Dividends paid to non-controlling interests	**-**	124
Net inflow from operating activities	**1 540**	489
Net outflow from investing activities	**(144)**	(212)
Net outflow from financing activities	**(1 119)**	(197)
Net cash inflow	**277**	80

	2015 Rm	2014 Rm
20. INTEREST-BEARING LOANS AND BORROWINGS		
20.1 Analysis of closing balance		
Secured financing		
Capitalised finance lease and instalment sale agreements	**1 619**	1 667
Mortgage and term loans	**2 101**	3 731
	3 720	5 398
Unsecured financing		
Convertible bonds	**14 447**	24 198
German loan notes	**8 654**	-
Steinhoff Services domestic medium-term note programme	**5 494**	4 644
JD Group domestic medium-term note programme	**1 807**	2 847
US note purchase agreements	**1 755**	3 768
Preference shares: Micawber 455 Proprietary Limited	**-**	153
Preference shares: Ainsley Holdings Proprietary Limited	**6 058**	-
Syndicated loan facilities	**16 745**	17 206
Term loans	**3 127**	3 484
Other loans	**384**	293
	58 471	56 593
Total interest-bearing loans and borrowings	**62 191**	61 991
Portion payable within 12 months included in current liabilities	**(5 847)**	(6 411)
Total non-current interest-bearing loans and borrowings	**56 344**	55 580

The book value of assets encumbered in favour of the above mortgage and term loans and finance lease and instalment sale agreements amounts to R17 624 million (2014: R17 111 million) (notes 10 and 15).

	2015 Rm	2014 Rm
20.2 Analysis of repayment		
Repayable within the next year and thereafter		
Next year	**5 847**	6 411
Within two years	**6 281**	9 528
Within three years	**11 115**	10 487
Within four years	**13 088**	8 320
Within five years	**11 983**	17 764
Thereafter	**13 877**	9 481
	62 191	61 991

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 28.

20. INTEREST-BEARING LOANS AND BORROWINGS

20.3 Loan details

	Facility million	Maturity date	Interest rate	2015 Rm	2014 Rm
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%	**1 137**	2 392
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%	**941**	1 339
Capitalised finance lease and instalment sale agreements	-	-	Various	**1 173**	1 378
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					
Convertible bond due 2016	-	22 May 2016	5.00%	**-**	5 795
The bond was converted and redeemed between November 2014 and April 2015.					
Convertible bond due 2017	€181	26 May 2017	6.38%	**2 378**	5 780
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%.					
Convertible bond due 2018	€468	31 March 2018	4.50%	**6 408**	6 657
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%.					
Convertible bond due 2021	€465	30 January 2021	4.00%	**5 661**	5 966
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%.					

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 Rm	2014 Rm
German loan note					
SSD five-year floating rate note	€402	17 July 2020	EURIBOR plus 1.25%	**5 459**	-
SSD seven-year floating note	€92	18 July 2022	EURIBOR plus 1.50%	**1 248**	-
SSD five-year fixed rate note	€62	17 July 2020	1.88%	**848**	-
SSD seven-year fixed rate note	€77	18 July 2022	2.46%	**1 038**	-
SSD ten-year fixed rate note	€4	17 June 2025	3.08%	**61**	-
Steinhoff Services domestic medium-term note programme: senior unsecured	R10 000				
SHS01 - R227 million floating rate note		15 December 2016	JIBAR plus 2.30%	**228**	228
SHS04 - R651 million floating rate note		29 June 2017	JIBAR plus 2.30%	**653**	654
SHS05 - R421 million fixed rate note		29 June 2017	8.75%	**426**	428
SHS06 - R580 million floating rate note		12 December 2017	JIBAR plus 2.20%	**583**	582
SHS07 - R150 million floating rate note		10 April 2016	JIBAR plus 1.60%	**153**	152
SHS08 - R200 million floating rate note		21 May 2016	JIBAR plus 1.60%	**200**	200
SHS11U - R300 million floating rate note		19 November 2016	JIBAR plus 1.70%	**303**	303
SHS12 - R100 million floating rate note		12 December 2016	JIBAR plus 1.60%	**100**	100
SHS14 - R200 million floating rate note		17 June 2017	JIBAR plus 1.60%	**201**	201
SHS16U - R100 million floating rate note		29 June 2016	JIBAR plus 2.40%	**100**	100
SHS17U - R200 million floating rate note		30 September 2016	JIBAR plus 4.75%	**200**	200
SHS18U - R250 million amortising floating rate note		30 November 2016	JIBAR plus 2.40%	**189**	250
SHS19 - R247 million fixed rate note		10 September 2017	10.16%	**255**	-
SHS20 - R149 million floating rate note		19 April 2016	JIBAR plus 2.25%	**151**	-
SHS22 - R250 million floating rate note		23 February 2020	JIBAR plus 2.00%	**252**	-
SHS23 - R400 million floating rate note		29 June 2018	JIBAR plus 1.65%	**400**	-
SHS24 - R350 million floating rate note		29 June 2020	JIBAR plus 1.95%	**350**	-
SHS25 - R250 million fixed rate note		29 June 2020	9.83%	**250**	-
SHS26 - R500 million floating rate note		29 June 2020	JIBAR plus 1.95%	**500**	-
Fixed rate notes that have been repaid		19 September 2014 to 10 September 2017	8.08% to 10.16%	**-**	308
Floating rate notes that have been repaid		28 July 2014 to 19 April 2016	JIBAR plus 0.65% to 3.00%	**-**	938
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.					
2005 US note purchase agreement					
Senior notes series B	-	15 March 2015	EURIBOR plus 0.88%	**-**	1 594
The group has entered into a combined cross-currency interest rate swap on the series B loan (note 28). 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 Rm	2014 Rm
2012 US note purchase agreement					
Senior notes series A	-	25 April 2015	EURIBOR plus 3.07%	**-**	431
This loan was repaid during the year					
Senior notes series B	$28	25 April 2019	EURIBOR plus 3.49%	**343**	302
Senior notes series C	$32	25 April 2022	EURIBOR plus 3.74%	**392**	345
Senior notes series D	€38	25 April 2019	5.38%	**510**	548
Senior notes series E	€38	25 April 2022	5.92%	**510**	548
The group has entered into a combined cross-currency interest rate swap on the series A, B and C loans (note 28). 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	**6 058**	-
Preference shares: Micawber 455 Proprietary Limited	-	28 January 2015	74.00% of SA prime	**-**	153
This loan was repaid during the year					
Syndicated loan facilities					
Revolving credit facility[1]	€1 800	29 June 2019	EURIBOR plus 1.75%	**9 494**	16 612
Structured term loan	€20	31 March 2031	Structured rate of 4.10% plus 3.00%	**271**	291
Term loan	£11	31 March 2016	LIBOR plus 3.00%	**159**	303
Revolving credit facility	R2 000	31 March 2016	JIBAR plus 0.65%	**687**	-
Syndicated term loan	R2 500	30 March 2018	JIBAR plus 1.65%	**2 534**	-
Syndicated term loan	R1 050	30 March 2019	JIBAR plus 1.80%	**1 064**	-
Syndicated term loan	R2 500	30 March 2020	JIBAR plus 2.00%	**2 536**	-
Term loans					
Term loan	£5	15 February 2021	LIBOR plus 1.00%	**52**	-
Term loan	€6	31 August 2021	4.22%	**79**	-
Term loan	€23	30 June 2024	EURIBOR plus 1.50%	**316**	-
Term loan	€6	31 December 2021	4.54%	**75**	-
Amortising term loan	AUD17	10 May 2018	BBR plus 0.50%	**284**	20
Term loan	AUD3	31 January 2017	BBSY	**57**	-
Floating rate term loans that have been repaid	-	15 June 2015 to 31 August 2020	JIBAR plus 2.00% to 2.85%	**-**	3 088
Fixed rate term loans that have been repaid	-	24 August 2016 to 8 May 2017	8.66% to 9.01%	**-**	376
Other loans				**349**	245

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

	Facility million	Maturity date	Interest rate	2015 Rm	2014 Rm
JD Group					
Secured					
Capitalised finance lease and instalment sale agreements	-	-	SA prime less 2.50% to 0.90%	**444**	289
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					
JD Group domestic medium-term note programme: senior unsecured	R8 000				
JDG01 - listed fixed rate note		30 October 2015	7.17%	**982**	1 000
JDG03 - listed floating rate note		15 April 2016	JIBAR plus 1.65%	**440**	450
JDG04 - listed floating rate note		15 April 2018	JIBAR plus 2.03%	**300**	300
JDG03U - unlisted floating rate note		21 February 2016	JIBAR plus 1.80%	**85**	85
Unlisted fixed rate notes that have been repaid		29 January 2015	6.98%	**-**	114
Unlisted floating rate notes that have been repaid		14 November 2013 to 18 March 2015	JIBAR plus 0.65% to 1.40%	**-**	898
Accrued interest				**25**	48
Pepkor					
Secured					
Capitalised finance lease and instalment sale agreements	-	Various	Various	**2**	-
Secured hire purchase and lease agreements repayable in monthly or annual instalments over periods of one to six years. These leases are with various counterparties.					
Amortising term loan	PLN8	31 March 2024	WIBOR plus 2.20%	**23**	-
Unsecured					
Term loans					
Term loan	AUD30	25 February 2017	BBSY plus 2.25%	**280**	-
Term loan	AUD35	3 December 2016	BBSY plus 2.25%	**327**	-
Term loan	AUD32	14 March 2017	BBSY plus 2.20%	**297**	-
Term loan	R1 300	30 September 2015	LIBOR plus 1.40%	**1 300**	-
Term loan	NZD7	18 July 2018	BBBR plus 3.20%	**60**	-
Other loans				**10**	-
				62 191	61 991

		2015 Rm	2014 Rm
20.4	**Convertible bonds**		
	Balance at beginning of the year	**24 198**	18 515
	Proceeds from issue of convertible bonds	**-**	6 457
	Amount classified as equity	**-**	(802)
	Redemption of convertible bonds	**(7)**	(1 050)
	Conversion of convertible bonds	**(8 829)**	(1 770)
	Coupon interest	**(998)**	(1 101)
	Market implied interest	**1 558**	1 729
	Exchange differences on consolidation of foreign subsidiaries	**(1 475)**	2 220
	Balance at end of the year	**14 447**	24 198

21. EMPLOYEE BENEFITS

	2015 Rm	2014 Rm
Conforama France Pension Fund	**641**	594
Other pension funds	**53**	62
Post-retirement medical benefits	**75**	-
Performance-based bonus accrual	**339**	285
Leave pay accrual	**662**	331
Other	**457**	346
Total liability	**2 227**	1 618
Transferred to short-term employee benefits	**(1 166)**	(750)
Long-term employee benefits	**1 061**	868

21.1 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.

21.2 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) employees currently covered by the fund.

21.3 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 Rm	2014 Rm	**2015 Rm**	2014 Rm
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	**(641)**	(631)	**(1 365)**	(1 342)
Fair value of plan asset	**-**	37	**1 312**	1 280
Net liability arising from defined benefit obligation	**(641)**	(594)	**(53)**	(62)

	Conforama Pension Fund		Other pension funds	
	2015	2014	**2015**	2014
	Rm	Rm	**Rm**	Rm
Components of defined benefit cost recognised in total comprehensive income				
Service cost	**(32)**	(28)	**-**	-
Net interest expense	**(15)**	(13)	**(2)**	(5)
Other expenses	**-**	-	**(14)**	(7)
Components of defined benefit cost recognised in profit or loss	**(47)**	(41)	**(16)**	(12)
Remeasurement on the net defined benefit liability:				
Return on plan assets (excluding amounts included in net interest expense)	**(14)**	-	**36**	33
Remeasurement gains/(losses) arising from changes in:				
Demographic assumptions	**-**	(25)	**-**	9
Financial assumptions	**(37)**	(18)	**(51)**	(70)
Experience adjustments	**2**	(26)	**2**	70
Components of defined benefit cost recognised in other comprehensive income	**(49)**	(69)	**(13)**	42
	(96)	(110)	**(29)**	30
Movements in the present value of the defined benefit obligation				
Opening defined benefit obligation	**(631)**	(476)	**(1 342)**	(1 147)
Current service cost	**(32)**	(28)	**-**	-
Interest cost	**(15)**	(14)	**(54)**	(57)
Remeasurement gains/(losses) arising from changes in:				
Demographic assumptions	**-**	(25)	**-**	9
Financial assumptions	**(37)**	(18)	**(51)**	(70)
Experience adjustments	**2**	(26)	**2**	70
Past service cost	**4**	16	**(6)**	-
Acquired on acquisition of subsidiary company	**(3)**	(18)	**-**	-
Benefits paid	**27**	22	**149**	88
Exchange differences on consolidation of foreign subsidiaries	**44**	(64)	**(63)**	(235)
Closing defined benefit obligation	**(641)**	(631)	**(1 365)**	(1 342)
Movements in the fair value of the plan assets				
Opening fair value of plan assets	**37**	32	**1 280**	1 034
Interest income	**-**	1	**52**	52
Return on plan assets (excluding amounts included in net interest expense)	**(14)**	-	**36**	33
Employer contributions	**24**	22	**46**	41
Other expenses	**-**	-	**(14)**	(7)
Settlements	**(18)**	-	**-**	-
Benefits paid	**(27)**	(22)	**(149)**	(88)
Exchange differences on consolidation of foreign subsidiaries	**(2)**	4	**61**	215
Closing fair value of plan assets	**-**	37	**1 312**	1 280
The major categories of plan assets are:				
Equities/diversified growth fund	**-**	-	**824**	832
Bonds	**-**	-	**486**	433
Cash	**-**	37	**2**	4
Escrow account	**-**	-	**-**	11
Total market value of assets	**-**	37	**1 312**	1 280

	Conforama Pension Fund		Other pension funds	
	2015	2014	**2015**	2014
	Rm	Rm	**Rm**	Rm
The principal assumptions used for the purposes of the actuarial valuations are:				
Discount rate	**2.0%**	2.5%	**3.9%**	4.2%
Expected rates of salary increase	**2.0%**	2.0%	**n/a**	n/a
Inflation	**2.0%**	2.0%	**3.2%**	3.2%

		Performance-based bonus Rm	Leave pay Rm	Total Rm
21.4	**Performance-based bonus and leave pay accruals**			
	Balance at 1 July 2013	372	416	788
	Accrual raised	316	213	529
	Amounts unused reversed	(23)	(29)	(52)
	Amounts utilised	(217)	(180)	(397)
	Transferred to assets classified as held for sale	(9)	(21)	(30)
	Net acquisition and disposal of subsidiaries and businesses	(155)	(90)	(245)
	Exchange differences on consolidation of foreign subsidiaries	1	22	23
	Balance at 30 June 2014	**285**	**331**	**616**
	Accrual raised	**176**	**263**	**439**
	Amounts unused reversed	**(13)**	**(4)**	**(17)**
	Amounts utilised	**(109)**	**(198)**	**(307)**
	Net acquisition and disposal of subsidiaries and businesses	**-**	**281**	**281**
	Exchange differences on consolidation of foreign subsidiaries	**-**	**(11)**	**(11)**
	Balance at 30 June 2015	**339**	**662**	**1 001**

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.

22. PROVISIONS

	Dilapidation, onerous lease and onerous contract provisions Rm	Warranty provisions Rm	Contingent liabilities raised on business combinations Rm	Other Rm	Total Rm
Balance at 1 July 2013	2 904	139	374	204	3 621
Provision raised	209	246	-	443	898
Amounts unused reversed	(587)	(14)	-	(182)	(783)
Amounts utilised	(1 063)	(19)	(155)	(361)	(1 598)
Net acquisition and disposal of subsidiaries and businesses	(5)	8	87	163	253
Exchange differences on consolidation of foreign subsidiaries	122	26	43	234	425
Balance at 30 June 2014	**1 580**	**386**	**349**	**501**	**2 816**
Provision raised	**181**	**185**	**-**	**340**	**706**
Amounts unused reversed	**(352)**	**(7)**	**-**	**(276)**	**(635)**
Amounts utilised	**(271)**	**(193)**	**(192)**	**(29)**	**(685)**
Net acquisition and disposal of subsidiaries and businesses	**251**	**1**	**1 598**	**78**	**1 928**
Exchange differences on consolidation of foreign subsidiaries	**(63)**	**(24)**	**(22)**	**193**	**84**
Balance at 30 June 2015	**1 326**	**348**	**1 733**	**807**	**4 214**

	2015 Rm	2014 Rm
Long-term provisions	**2 927**	1 603
Short-term provisions	**1 287**	1 213
	4 214	2 816

Contingent liabilities raised on business combinations were re-presented from other.

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 29.

	2015 Rm	2014 Rm
23. TRADE AND OTHER PAYABLES		
Non-current trade and other payables		
Derivative financial liabilities	**93**	34
Equalisation of operating lease payments	**827**	354
	920	388
Current trade and other payables		
Trade payables	**30 706**	21 676
Accruals	**1 995**	2 023
Floorplan creditors	**1 739**	1 663
Cash received in advance	**3 284**	3 138
Other payables and amounts due	**5 203**	3 267
Derivative financial liabilities	**61**	197
Trade and other payables (financial liabilities)	**42 988**	31 964
Equalisation of operating lease payments	**30**	94
Taxation payable	**2 019**	745
Value added taxation payable	**1 341**	1 419
	46 378	34 222

The fair value of trade and other payables is disclosed in note 28.

24. CASH GENERATED FROM OPERATIONS

	2015 Rm	2014 Rm
Operating profit	**17 828**	14 122
Adjusted for:		
Operating loss of discontinued operations including loss on disposal	**(2 370)**	(532)
Debtors' costs	**3 282**	3 258
Depreciation and amortisation	**2 222**	2 865
Fair value profit on financial assets	**(504)**	(88)
Impairments	**830**	154
Inventories written down to net realisable value and movement in provision for inventories	**378**	308
Loss on disposal of discontinued operations	**313**	229
Net loss on disposal and scrapping of property, plant and equipment, vehicle rental fleet and intangible assets	**104**	80
Profit on disposal and dilution of investments	**(3 527)**	(1 745)
Share-based payment expense	**393**	295
Other non-cash adjustments	**(59)**	93
Cash generated before working capital changes	**18 890**	19 039
Working capital changes		
Decrease/(increase) in inventories	**1 133**	(1 001)
Increase in vehicle rental fleet	**(118)**	(323)
Decrease in trade and other receivables	**2 038**	1 746
(Increase)/decrease in assets held for sale	**(42)**	400
Movement in net derivative financial liabilities/assets	**(223)**	284
Decrease in liabilities held for sale	**(190)**	(67)
Decrease in non-current and current provisions	**(813)**	(1 452)
Increase in non-current and current employee benefits	**39**	36
Increase in trade and other payables	**5 992**	4 484
Net changes in working capital	**7 816**	4 107
Cash generated from operations	**26 706**	23 146

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.

25. NET CASH FLOW ON ACQUISITION OF SUBSIDIARIES AND BUSINESSES

25.1 The fair value of assets and liabilities assumed at date of acquisition

	Pepkor Rm	Other Rm	2015 Rm	2014 Rm
Assets				
Intangible assets	18 434	5	18 439	63
Property, plant and equipment	4 315	144	4 459	8 997
Investments in equity accounted companies	38	-	38	-
Long-term investments and loans	452	-	452	172
Deferred taxation assets	321	31	352	63
Short-term investments and loans	-	-	-	12
Cash on hand	1 902	30	1 932	494
Liabilities				
Non-current interest-bearing loans and borrowings	(3 647)	-	(3 647)	(2 879)
Deferred taxation liability	(3 353)	-	(3 353)	(5)
Current interest-bearing loans and borrowings	(469)	(342)	(811)	(361)
Bank overdraft and short-term facilities	(657)	-	(657)	(26)
Working capital	1 835	(26)	1 809	335
Existing non-controlling interests	(9)	-	(9)	(132)
Total assets and liabilities acquired	19 162	(158)	19 004	6 733
Less: Non-controlling interests' portion of assets and liabilities acquired	(1 468)	-	(1 468)	-
Group's share of total assets and liabilities acquired	17 694	(158)	17 536	6 733
Goodwill attributable to acquisition at offer price	45 235	360	45 595	7 295
Goodwill attributable to share price increase	8 879	-	8 879	-
Gain on bargain purchase at acquisition	-	-	-	(1)
Total consideration	71 808	202	72 010	14 027
Cash on hand at date of acquisition	(1 902)	(30)	(1 932)	(494)
Purchase price settled through loan account	-	(9)	(9)	(2)
Purchase price settled through issue of shares	(56 703)	-	(56 703)	(7 058)
Net cash outflow on acquisition of subsidiaries	13 203	163	13 366	6 473

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.

25.2 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 per share) and the accounting recognition date, 31 March 2015 (R67.58), gave rise to an additional consideration recognised for accounting purposes of R8 879 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 R12 199 million and R1 135 million, respectively.

Acquisition-related costs, included in operating expenses in Steinhoff's Income Statement for the year ended 30 June 2015, amounted to R109 million.

	Pepkor Rm	Other Rm	2015 Rm	2014 Rm
25.3 The carrying value of identifiable assets and liabilities immediately prior to acquisition				
Assets				
Goodwill	**1 315**	**-**	**1 315**	-
Intangible assets	**472**	**5**	**477**	63
Property, plant and equipment	**4 399**	**144**	**4 543**	8 997
Investments in equity accounted companies	**38**	**-**	**38**	-
Long-term investments and loans	**452**	**-**	**452**	172
Deferred taxation assets	**565**	**31**	**596**	63
Short-term investments and loans	**-**	**-**	**-**	12
Cash on hand	**2 002**	**30**	**2 032**	494
Liabilities				
Non-current interest-bearing loans and borrowings	**(4 808)**	**-**	**(4 808)**	(2 879)
Deferred taxation liability	**(202)**	**-**	**(202)**	(5)
Current interest-bearing loans and borrowings	**(469)**	**(342)**	**(811)**	(361)
Bank overdraft and short-term facilities	**(657)**	**-**	**(657)**	(26)
Working capital	**4 070**	**74**	**4 144**	335
Non-controlling interests	**(9)**	**-**	**(9)**	(132)
Total assets and liabilities acquired	**7 168**	**(58)**	**7 110**	6 733

	2015 Rm	2014 Rm
26. 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	**-**	209
Intangible assets	**-**	7 977
Property, plant and equipment	**30**	6 762
Consumable biological assets	**-**	1 875
Investment in equity accounted companies	**-**	620
Investments and loans	**-**	44
Deferred taxation assets	**-**	75
Cash on hand	**-**	1 028
Liabilities		
Interest-bearing loans and borrowings	**-**	(3 161)
Deferred taxation liability	**-**	(1 165)
Working capital	**(28)**	(5 859)
Non-controlling interests	**-**	(2 814)
Carrying value of assets and liabilities disposed	**2**	5 591
Investment in associate company recognised	**-**	(4 041)
(Loss)/profit on disposal	**(2)**	1 433
Proceeds on disposal	**-**	2 983
Cash on hand at date of disposal	**-**	(1 028)
Net cash inflow on disposal of subsidiaries	**-**	1 955

	2015 Rm	2014 Rm
27. COMMITMENTS AND CONTINGENCIES		
27.1 Capital expenditure		
Contracts for capital expenditure authorised	**575**	1 370
Capital expenditure authorised but not contracted for	**1 535**	718

Capital expenditure will be financed from cash and existing loan facilities.

27.2 Borrowing facilities

In terms of the memorandum of incorporation, the borrowing powers of the company are unlimited.

	2015 Rm	2014 Rm
27.3 Unutilised borrowing facilities at 30 June	**29 266**	19 272

	Property Rm	**Plant, equipment, vehicles and other Rm**	**2015 Total Rm**	2014 Total Rm
27.4 Operating leases				
Amounts outstanding under non-cancellable operating lease agreements payable within the next year and thereafter:				
Next year	**6 411**	**296**	**6 707**	3 475
Within two to five years	**14 718**	**360**	**15 078**	8 537
Thereafter	**5 731**	**3**	**5 734**	5 270

Balances denominated in currencies other than South African rand 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.

27.5 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 of the shareholder's loan due from Steinhoff Africa in favour of all other creditors.

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

28. 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] Rm	Designated as at fair value through profit or loss Rm	Available for sale financial assets Rm	Loans and receivables and other financial liabilities at amortised cost Rm	Total carrying values Rm	Loans and receivables and other financial liabilities at fair value Rm	Total fair values Rm
28.1 Total financial assets and liabilities							
2015							
Investments and loans	86	-	350	6 261	6 697	6 261	6 697
Trade and other receivables (financial assets)	133	-	-	-	133	-	133
Non-current financial assets	219	-	350	6 261	6 830	6 261	6 830
Trade and other receivables (financial assets)	268	-	-	14 889	15 157	14 889	15 157
Investments and loans	1 599	-	-	7 306	8 905	7 306	8 905
Cash and cash equivalents	-	-	-	37 905	37 905	37 905	37 905
Current financial assets	1 867	-	-	60 100	61 967	60 100	61 967
Long-term interest-bearing loans and borrowings	-	-	-	(56 344)	(56 344)	(58 455)	(58 455)
Trade and other payables (financial liabilities)	(93)	-	-	-	(93)	-	(93)
Non-current financial liabilities	(93)	-	-	(56 344)	(56 437)	(58 455)	(58 548)
Short-term interest-bearing loans and borrowings	-	-	-	(5 847)	(5 847)	(5 847)	(5 847)
Bank overdrafts and short-term facilities	-	-	-	(1 856)	(1 856)	(1 856)	(1 856)
Trade and other payables (financial liabilities)	(61)	-	-	(42 927)	(42 988)	(42 927)	(42 988)
Current financial liabilities	(61)	-	-	(50 630)	(50 691)	(50 630)	(50 691)
	1 932	-	350	(40 613)	(38 331)	(42 724)	(40 442)
Net gains recognised in profit or loss	(511)	(64)	(3 551)	-	(4 126)		
Net gains recognised in other comprehensive income	-	-	(341)	-	(341)		
	(511)	(64)	(3 892)	-	(4 467)		
Total interest income from continuing and discontinued operations		-	-	(1 967)	(1 967)		
Total interest expense from continuing and discontinued operations		63	-	3 509	3 572		
		63	-	1 542	1 605		

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

	At fair value through profit or loss[1] Rm	Designated as at fair value through profit or loss Rm	Available for sale financial assets Rm	Loans and receivables and other financial liabilities at amortised cost Rm	Total carrying values Rm	Loans and receivables and other financial liabilities at fair value Rm	Total fair values Rm
2014							
Investments and loans	80	-	3 895	6 424	10 399	6 424	10 399
Trade and other receivables (financial assets)	-	-	-	55	55	55	55
Non-current financial assets	80	-	3 895	6 479	10 454	6 479	10 454
Trade and other receivables (financial assets)	13	-	-	15 323	15 336	15 323	15 336
Investments and loans	-	-	-	5 928	5 928	5 928	5 928
Cash and cash equivalents	-	-	-	16 341	16 341	16 341	16 341
Current financial assets	13	-	-	37 592	37 605	37 592	37 605
Long-term interest-bearing loans and borrowings	-	-	-	(55 580)	(55 580)	(59 548)	(59 548)
Trade and other payables (financial liabilities)	(34)	-	-	-	(34)	-	(34)
Non-current financial liabilities	(34)	-	-	(55 580)	(55 614)	(59 548)	(59 582)
Short-term interest-bearing loans and borrowings	-	(1 594)	-	(4 817)	(6 411)	(4 831)	(6 425)
Bank overdrafts and short-term facilities	-	-	-	(2 436)	(2 436)	(2 436)	(2 436)
Trade and other payables (financial liabilities)	(197)	-	-	(31 767)	(31 964)	(31 767)	(31 964)
Current financial liabilities	(197)	(1 594)	-	(39 020)	(40 811)	(39 034)	(40 825)
	(138)	(1 594)	3 895	(50 529)	(48 366)	(54 511)	(52 348)
Net (gains) and losses recognised in profit or loss	168	(143)	43	(354)	(286)		
Net (gains) and losses recognised in other comprehensive income	-	-	55	69	124		
	168	(143)	98	(285)	(162)		
Total interest income from continuing and discontinued operations		-	-	(1 506)	(1 506)		
Total interest expense from continuing and discontinued operations		78	-	3 656	3 734		
		78	-	2 150	2 228		

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

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

	Fair value hierarchy	Valuation techniques and key inputs	Fair value 2015 Rm	Fair value 2014 Rm
28.2 Fair values				
Listed investments - ordinary shares, preference shares and unit trusts	Level 1	Quoted 30-day volume weighted average prices in an active market.	**1 749**	3 769
Unlisted investments - ordinary shares	Level 2	Adjusted quoted prices in an active market.	**286**	206
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 and maturity of each contract using market interest rates for a similar instrument at the measurement date.	**133**	-
Trade and other payables - derivative financial liabilities - interest rate swaps	Level 2		**(93)**	(165)
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 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).	**268**	13
Trade and other payables - derivative financial liabilities - foreign currency forward contracts	Level 2		**(61)**	(66)
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.	**-**	(1 594)

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 and 30 June 2014. There were no transfers between level 1 and level 2 during the year.

28.3 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 Rm	**UK pounds Rm**	**US dollars Rm**
2015			
Investments and loans	**10**	**-**	**-**
Trade and other receivables (financial assets excluding financial derivatives)	**327**	**99**	**55**
Cash and cash equivalents	**123**	**11**	**7**
Long-term interest-bearing loans and borrowings	**(21)**	**-**	**(737)**
Short-term interest-bearing loans and borrowings	**(8)**	**(159)**	**-**
Trade and other payables (financial liabilities excluding financial derivatives)	**(719)**	**(3)**	**(970)**
Pre-derivative position	**(288)**	**(52)**	**(1 645)**
Derivative effect	**8**	**-**	**205**
Open position	**(280)**	**(52)**	**(1 440)**
2014			
Investments and loans	1	-	-
Trade and other receivables (financial assets excluding financial derivatives)	187	146	52
Cash and cash equivalents	36	2	35
Long-term interest-bearing loans and borrowings	-	(193)	(646)
Short-term interest-bearing loans and borrowings	-	(160)	(2 025)
Trade and other payables (financial liabilities excluding financial derivatives)	(154)	(1)	(1 030)
Pre-derivative position	70	(206)	(3 614)
Derivative effect	146	-	(1 505)
Open position	216	(206)	(5 119)

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	**Reporting date spot rate 2015**	Reporting date spot rate 2014
Rand				
Euro	**13.1225**	14.1025	**13.5628**	14.5721
UK pound	**19.1208**	17.7125	**19.0652**	18.1816
US dollar	**12.5700**	10.5950	**12.1211**	10.6697
Euro				
UK pound	**0.6863**	0.7962	**0.7114**	0.8015
US dollar	**1.0440**	1.3311	**1.1189**	1.3657

[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.

	2015 Rm	2014 Rm
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		
Euro weakening by 3.2% (2014: 3.2%) to the rand	**(9)**	7
UK pound strengthening by 0.3% (2014: weakening by 2.6%) to the rand	**-**	(5)
US dollar strengthening by 3.7% (2014: weakening by 0.7%) to the rand	**53**	(36)

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 Rm	2014 Rm
Short-term derivatives		
Assets		
Fair value of foreign exchange contracts		
Chinese yuan	**45**	-
US dollar	**221**	-
Other	**2**	13
	268	13
Liabilities		
Fair value of foreign exchange contracts		
Euro	**(46)**	(1)
Swiss franc	**(14)**	(11)
US dollar	**(1)**	(53)
Other	**-**	(1)
Interest rate swap and third currency embedded derivatives	**-**	(131)
	(61)	(197)
Net derivative assets	**207**	(184)
Long-term derivatives		
Interest rate swaps and cross-currency derivatives		
Assets	**133**	-
Liabilities	**(93)**	(34)
	40	(34)

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 Rm	2014 Rm
Fair value loss for the year recognised in other comprehensive income	**113**	69

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.

28.4 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 20.

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

	Subject to interest rate movement					
	Variable EURIBOR Rm	Variable JIBAR and SA prime Rm	Variable other Rm	Fixed rate Rm	Non-interest-bearing Rm	Total Rm
2015						
Non-current financial assets	**4 757**	**418**	**-**	**759**	**763**	**6 697**
Current financial assets	**136**	**4 896**	**2 893**	**44 936**	**9 106**	**61 967**
Non-current financial liabilities	**(10 253)**	**(16 247)**	**(1 270)**	**(28 540)**	**(34)**	**(56 344)**
Current financial liabilities	**(1 296)**	**(3 003)**	**(2 851)**	**(5 479)**	**(38 195)**	**(50 824)**
	(6 656)	**(13 936)**	**(1 228)**	**11 676**	**(28 360)**	**(38 504)**
Effect of interest rate swaps	**(2 886)**	**-**	**-**	**2 926**	**-**	**40**
	(9 542)	**(13 936)**	**(1 228)**	**14 602**	**(28 360)**	**(38 464)**
2014						
Non-current financial assets	5 173	62	-	1 159	4 060	10 454
Current financial assets	63	1 364	171	21 292	14 715	37 605
Non-current financial liabilities	(19 871)	(7 137)	(334)	(26 934)	(1 304)	(55 580)
Current financial liabilities	(5 775)	(2 570)	(1 779)	(614)	(29 942)	(40 680)
	(20 410)	(8 281)	(1 942)	(5 097)	(12 471)	(48 201)
Effect of interest rate swaps	(2 827)	-	-	2 662	-	(165)
	(23 237)	(8 281)	(1 942)	(2 435)	(12 471)	(48 366)

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 Rm	2014 Rm
Through (profit)/loss		
EURIBOR - 100 basis point increase	**95**	232
JIBAR and SA prime - 100 basis point increase	**139**	83

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) of the fixed-rate US dollar-denominated senior notes (note 20) 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 R31 million at 30 June 2014 and was offset with the liability arising from the fair value of the underlying debt liability (the US dollar-denominated senior notes, see note 20) which effectively decreased during 2014 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 R134 million (2014: liability of R34 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.

28.5 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 R4 million (2014: R37 million) 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 R17 million (2014: nil) adjustment to the fair value, through profit and loss before taxation.

28.6 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 Rm	2014 Rm
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	**6 830**	10 454
Current financial assets	**61 967**	37 605
Less: Instalment sale and loan receivables[1]	**(1 928)**	(470)
	66 869	47 589

[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 Rm	2014 Rm
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	**61 465**	46 950
Integrated retail: General merchandise	**6 232**	-
Integrated retail: Automotive	**1 100**	1 109
	68 797	48 059
The maximum exposure to credit risk at the reporting date by geographical region was (carrying amounts):		
Continental Europe	**56 176**	34 581
Africa	**11 020**	7 252
Other	**1 601**	6 226
	68 797	48 059

	2015 Rm	**2015 %**	2014 Rm	2014 %
Ageing of financial assets, excluding instalment sales and loan receivables				
Not past due or impaired	**65 781**	**98.4**	46 596	97.9
Past due 1 to 30 days but not impaired	**484**	**0.7**	431	0.9
Past due 31 to 60 days but not impaired	**83**	**0.1**	96	0.2
Past due 61 to 90 days but not impaired	**125**	**0.2**	70	0.1
Past due more than 90 days but not impaired	**350**	**0.5**	362	0.8
Past due but not impaired in full	**46**	**0.1**	34	0.1
	66 869	**100.0**	47 589	100.0

	Continuing operations			Discontinued operations		
	Secured Rm	Unsecured Rm	Total Rm	Secured Rm	Unsecured Rm	Total Rm
Credit exposure by class to instalment sale and loans receivables						
2015						
Up to date	**23**	**1 509**	**1 532**	**2 354**	**305**	**2 659**
Performing	**36**	**205**	**241**	**1 010**	**100**	**1 110**
Non-performing	**10**	**145**	**155**	**1 039**	**228**	**1 267**
	69	**1 859**	**1 928**	**4 403**	**633**	**5 036**
2014						
Up to date	-	1	1	2 732	872	3 604
Performing	-	1	1	1 033	281	1 314
Non-performing	449	19	468	3 498	1 756	5 254
	449	21	470	7 263	2 909	10 172

	Discontinued operations			
	2015		2014	
	Provision and IFRS 5 impairments Rm	**As percentage of loan receivable**	Provision and IFRS 5 impairments Rm	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	**23**	**0.9%**	13	0.4%
Performing	**521**	**46.9%**	158	12.0%
Non-performing	**1 267**	**100.0%**	3 693	70.3%
	1 811	**36.0%**	3 864	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 Rm	Unsecured Rm	Total Rm	Discontinued operations Secured Rm	Unsecured Rm	Total Rm
Risk analysis for up to date accounts						
2015						
Low risk	**13**	**1 509**	**1 522**	**1 359**	**213**	**1 572**
Medium risk	**8**	**-**	**8**	**793**	**59**	**852**
High risk	**2**	**-**	**2**	**202**	**33**	**235**
	23	**1 509**	**1 532**	**2 354**	**305**	**2 659**
2014						
Low risk	-	-	-	1 066	521	1 587
Medium risk	-	1	1	1 224	340	1 564
High risk	-	-	-	442	11	453
	-	1	1	2 732	872	3 604

	2015 Rm	2014 Rm
Movement in provision for bad debts		
Balance at beginning of the year	**(890)**	(1 749)
Provision raised (including amounts acquired on acquisition of subsidiaries)	**(656)**	(3 753)
Amounts unused reversed	**76**	22
Amounts used during the year	**1 010**	1 571
Transfer to assets classified as held for sale	**-**	3 057
Acquired on acquisition of subsidiaries and businesses	**(450)**	-
Eliminated on disposal of subsidiaries and businesses	**26**	39
Exchange differences on consolidation of foreign subsidiaries	**36**	(77)
Balance at end of the year	**(848)**	(890)

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.

28.7 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 Rm	2014 Rm
0 to 3 months	**(47 368)**	(30 417)
4 to 12 months	**(4 802)**	(11 311)
Year 2	**(8 970)**	(12 959)
Years 3 to 5	**(41 143)**	(40 164)
After 5 years	**(15 556)**	(10 321)
	(117 839)	(105 172)

28.8 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.

28.9 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 20, 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 Rm	2014 Rm
29. INSURANCE AND INSURANCE RISK MANAGEMENT		
29.1 Assets under insurance contracts		
Short-term operations		
Unearned reinsurance premium	**73**	75
Claims outstanding	**55**	58
Deferred acquisition costs	**38**	40
	166	173
29.2 Liabilities under insurance contracts		
29.2.1 Short-term operations		
Provision for unearned premiums	**260**	210
Provision for outstanding claims, including the incurred but not recognised (IBNR) provision	**57**	131
Reinsurance premium due	**9**	17
	326	358
29.2.2 Long-term operation		
Provision for unearned premiums	**22**	54
Provision for outstanding claims, including IBNR	**44**	76
	66	130

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 Rm	2014 Rm
29.3 Financial assets		
Investments	**86**	79
Treasury bills	**157**	218
Short-term deposits	**327**	523
Cash at bank	**117**	105
	687	925

29.4 Revenue
Premium income comprised the following:

	2015 Rm	2014 Rm
29.4.1 Short-term operations		
Gross premiums written	**708**	832
Provision for unearned premiums	**(28)**	(56)
Outward reinsurance premiums	**(136)**	(216)
Earned premiums	**544**	560

		2015 Rm	2014 Rm
29.4.2	**Long-term operation**		
	Gross premiums written	**915**	1 153
	Provision for unearned premiums	**(32)**	24
	Earned premiums	**883**	1 177
29.4.3	**Total premium income**	**1 427**	1 737

29.5 Insurance operations

29.5.1 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 ensure 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 R47 million (2014: R44 million) and the CAR cover was 13 times (2014: 12 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.

29.5.2 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).

30. 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.

30.1 Significant subsidiaries

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

30.2 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 Rm	2014 Rm
Net goods and services purchased from/sold to:		
KAP Industrial Holdings Limited and its subsidiaries	**376**	60
Net fees and settlement discounts, including administration and management fees:		
KAP Industrial Holdings Limited and its subsidiaries	**56**	-
PSG Group Limited and its subsidiaries	**1**	-
	57	-
Net rent received from:		
KAP Industrial Holdings Limited and its subsidiaries	**34**	-
Net finance costs received from:		
KAP Industrial Holdings Limited and its subsidiaries	**19**	-
Dividend received from:		
KAP Industrial Holdings Limited	**125**	-
PSG Group Limited	**75**	50
	200	50
Receivables from:		
KAP Industrial Holdings Limited and its subsidiaries	**111**	91
Payables to:		
KAP Industrial Holdings Limited and its subsidiaries	**122**	35
Loans from associate companies:		
KAP Industrial Holdings Limited and its subsidiaries	**(11)**	(116)

30.3 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 Rm	2014 Rm
Short-term employee benefits	**330**	198
Share-based payments - related expense	**194**	183
	524	381
Number of members	**25**	30

The three top earners received R49.7 million (2014: R34.9 million) and share vestings to the value of R49.5 million (2014: R36.2 million) in compensation during the year. The employees of listed subsidiaries as well as the directors of Steinhoff have been excluded from this calculation.

30.4 Directors

Details relating to directors' emoluments, shareholding in the company and interest of directors and officers are disclosed in note 31.

30.5 Shareholders

The principal shareholders of the company are detailed in the analysis of shareholders.

Directors' shareholdings are detailed in note 31.

30.6 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 R9.0 million (2014: R8.3 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 R0.7 million (2014: R1.3 million).

- 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 R15.1 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 R67.1 million. At year-end, R5.2 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 amount of R0.2 million.

- 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 R1.0 million (2014: R3.4 million). The deposit of R186 million was repaid on 4 August 2014.

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.

31. REMUNERATION REPORT

31.1 Remuneration

	Basic foreign remuneration €'000	Basic remuneration R'000	Company contribution and expense allowances R'000	Annual bonus '000	Strategic bonus R'000	Deferred bonus[1] R'000	Company directors' fees[2] R'000	Remuneration and fees (including foreign amounts converted to rand for reporting purposes) R'000
Executive directors								
2015								
HJK Ferreira	**150**	**3 340**	**488**	**R9 360**	**6 667**	**-**	**788**	**22 702**
SJ Grobler[3]	**180**	**3 039**	**361**	**R9 360**	**6 667**	**-**	**788**	**22 687**
TLJ Guibert[4, 5]	**448**	**-**	**-**	**€1 431**	**-**	**-**	**394**	**26 206**
MJ Jooste	**2 097**	**-**	**825**	**R25 478**	**6 667**	**12 018**	**788**	**74 574**
AB la Grange	**279**	**2 690**	**304**	**R10 000**	**6 667**	**-**	**788**	**24 278**
FJ Nel	**90**	**1 722**	**210**	**R1 855**	**1 000**	**-**	**788**	**6 810**
DM van der Merwe	**1 022**	**-**	**771**	**R13 102**	**2 500**	**8 927**	**788**	**40 125**
							5 122	**217 382**
2014								
HJK Ferreira	150	3 192	474	R3 000	-	-	744	9 527
SJ Grobler[3]	180	2 930	346	R3 000	-	-	744	9 560
TLJ Guibert[4]	901	-	-	€450	-	-	744	19 811
MJ Jooste	1 744	-	825	R11 306	-	-	744	37 481
AB la Grange	279	2 353	278	R3 000	-	-	744	10 310
FJ Nel	90	1 568	228	R1 750	-	-	744	5 560
DM van der Merwe	850	-	719	R3 230	-	-	744	16 692
							5 208	108 941
Alternate directors and officers								
2015								
JNS du Plessis	**60**	**2 858**	**-**	**R4 240**	**1 500**	**-**	**788**	**10 210**
KJ Grové	**-**	**3 650**	**662**	**R4 770**	**2 000**	**-**	**788**	**11 870**
A Krüger-Steinhoff[6]	**-**	**-**	**-**	**-**	**-**	**-**	**368**	**368**
M Nel	**50**	**2 636**	**364**	**R5 750**	**3 333**	**-**	**788**	**13 558**
							2 732	**36 006**
2014								
JNS du Plessis	60	2 716	-	R2 000	-	-	744	6 307
KJ Grové	-	3 405	621	R4 500	-	-	744	9 270
A Krüger-Steinhoff[6]	-	-	-	-	-	-	344	344
M Nel	50	2 283	323	R1 750	-	-	744	5 806
							2 576	21 727

[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] *Non-executive director.*

	Fees as director Basic R'000	Fees as director Committees R'000	Fees for services R'000	Total R'000
Non-executive directors				
2015				
SF Booysen	**415**	**389**	**440**	**1 244**
DC Brink	**415**	**384**	**357**	**1 156**
CE Daun	**415**	**-**	**-**	**415**
TLJ Guibert[1, 2]	**208**	**18**	**-**	**226**
D Konar	**1 662**	**-**	**-**	**1 662**
MT Lategan	**415**	**218**	**440**	**1 073**
JF Mouton[2]	**415**	**36**	**-**	**451**
HJ Sonn	**415**	**36**	**-**	**451**
BE Steinhoff	**415**	**-**	**5 766**	**6 181**
PDJ van den Bosch	**415**	**36**	**3 498**	**3 949**
CH Wiese[2]	**415**	**36**	**2 950**	**3 401**
	5 605	**1 153**	**13 451**	**20 209**
2014				
SF Booysen	390	364	-	754
DC Brink	390	360	-	750
YZ Cuba[3]	195	17	-	212
CE Daun	390	-	-	390
D Konar	1 560	-	-	1 560
MT Lategan	390	204	-	594
JF Mouton[2]	390	34	-	424
FA Sonn[3]	195	65	-	260
HJ Sonn[4]	273	-	-	273
BE Steinhoff	390	-	5 960	6 350
PDJ van den Bosch	390	34	3 866	4 290
CH Wiese	390	34	-	424
	5 343	1 112	9 826	16 281

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

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

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

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

	2015 R'000	2014 R'000
Directors' fees and remuneration		
Remuneration paid by:		
- Company	**6 260**	5 985
- Subsidiary companies	**267 337**	140 964
	273 597	146 949

		Offer date	Number of rights as at 30 June 2014	Number of rights (exercised)/awarded during the year	Number of rights as at 30 June 2015
31.2	**Share rights**				
	Executive directors				
	HJK Ferreira	December 2011[1]	392 487	(392 487)	-
		December 2012	393 250	-	393 250
		December 2013	442 919	-	442 919
		December 2014	-	203 370	203 370
			1 228 656	**(189 117)**	**1 039 539**
	SJ Grobler	December 2011[1]	392 487	(392 487)	-
		December 2012	393 250	-	393 250
		December 2013	442 919	-	442 919
		December 2014	-	203 370	203 370
			1 228 656	**(189 117)**	**1 039 539**
	MJ Jooste	December 2011[1]	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
			3 912 201	**(187 203)**	**3 724 998**
	AB la Grange	December 2011[1]	321 126	(321 126)	-
		December 2012	393 250	-	393 250
		December 2013	487 490	-	487 490
		December 2014	-	233 499	233 499
			1 201 866	**(87 627)**	**1 114 239**
	FJ Nel	December 2011[1]	231 924	(231 924)	-
		December 2012	229 396	-	229 396
		December 2013	258 369	-	258 369
		December 2014	-	120 515	120 515
			719 689	**(111 409)**	**608 280**
	DM van der Merwe	December 2011[1]	428 168	(428 168)	-
		December 2012	610 207	-	610 207
		December 2013	858 437	-	858 437
		December 2014	-	439 041	439 041
			1 896 812	**10 873**	**1 907 685**
	Total executive directors		**10 187 880**	**(753 600)**	**9 434 280**
	Alternate directors				
	JNS du Plessis	December 2011[1]	249 765	(249 765)	-
		December 2012	262 166	-	262 166
		December 2013	295 279	-	295 279
		December 2014	-	135 580	135 580
			807 210	**(114 185)**	**693 025**
	KJ Grové	December 2011[1]	267 605	(267 605)	-
			267 605	**(267 605)**	**-**
	M Nel	December 2011[1]	196 597	(196 597)	-
		December 2012	229 396	-	229 396
		December 2013	278 565	-	278 565
		December 2014	-	135 580	135 580
			704 558	**(61 017)**	**643 541**
	Total alternate directors and officers		**1 779 373**	**(442 807)**	**1 336 566**

[1] *The market price of share rights exercised was R65.97 on 17 February 2015.*

	Offer date	Number of rights as at 30 June 2014	Number of rights (exercised)/awarded during the year	Number of rights as at 30 June 2015
Non-executive directors				
TLJ Guibert[1]	December 2011[2]	568 281	(568 281)	-
	December 2012	610 207	-	610 207
	December 2013	858 437	-	858 437
Total non-executive directors		**2 036 925**	**(568 281)**	**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
		5 195 227	**2 191 160**	**7 386 387**

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

[2] *The market price of share rights exercised was R57.62 on 1 December 2014.*

Some of the exercised share rights were sold by directors during the year. Refer to note 31.3 for directors' interest in share capital.

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

	2015		2014	
	Number of rights exercised	**Value of rights exercised R'000**	Number of rights exercised	Value of rights exercised R'000
Value of share rights exercised during the year				
Executive directors				
HJK Ferreira	**392 487**	**25 892**	464 684	18 657
SJ Grobler	**392 487**	**25 892**	464 684	18 657
TLJ Guibert	**568 281**	**32 744**	-	-
MJ Jooste	**1 056 504**	**69 698**	1 266 034	50 831
AB la Grange	**321 126**	**21 185**	354 045	14 215
FJ Nel	**231 924**	**15 300**	265 534	10 661
DM van der Merwe	**428 168**	**28 246**	486 812	19 546
	3 390 977	**218 957**	3 301 793	132 567
Alternate directors				
JNS du Plessis	**249 765**	**16 477**	292 087	11 727
KJ Grové	**267 605**	**17 654**	309 789	12 438
M Nel	**196 597**	**12 970**	141 618	5 686
	713 967	**47 101**	743 494	29 851

		Direct interest Beneficial	Indirect interest Beneficial	Indirect Non-beneficial	Total
31.3	**Interest in Steinhoff share capital**				
	Executive directors				
	2015				
	HJK Ferreira	**-**	**3 055 577**	**-**	**3 055 577**
	SJ Grobler	**-**	**4 674 303**	**-**	**4 674 303**
	MJ Jooste	**-**	**67 056 502**	**-**	**67 056 502**
	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	**80 502 468**	**214**	**83 974 163**
	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
	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
Alternate directors				
2015				
JNS du Plessis	**-**	**838 582**	**-**	**838 582**
KJ Grové	**-**	**1 540 283**	**2 068**	**1 542 351**
A Krüger-Steinhoff[1]	**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[1]	746 112	63 500	-	809 612
M Nel	309 310	-	-	309 310
	1 055 422	2 024 901	2 068	3 082 391

[1] *Non-executive director.*

		Effective date - annual periods commencing on or after

32. NEW ACCOUNTING PRONOUNCEMENTS

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

32.1 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.

32.2 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.

32.3 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.

32.4 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.

32.5 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.

32.6 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.

STEINHOFF INTERNATIONAL HOLDINGS LIMITED
ANALYSIS OF SHAREHOLDING
for the year ended 30 June 2015

	Public	%	Directors and key management	%	Other	%
Shareholders in South Africa						
• Number of shareholders	48 095	99.91	41	0.09	1	-
• Number of shares	1 445 579 814	62.14	873 671 612	37.56	6 941 250	0.30
Shareholders other than in South Africa						
• Number of shareholders	1 270	99.45	6	0.47	1	0.08
• Number of shares	1 139 742 525	85.31	196 214 114	14.69	120 281	-
Total						
• Number of shareholders	49 365	99.90	47	0.10	2	-
• Number of shares	2 585 322 339	70.59	1 069 885 726	29.21	7 061 531	0.20

	30 June 2015 Number	%	30 June 2014 Number	%
According to the share register of the company, the following shareholders are registered as holding in excess of 5% of the issued share capital of the company:				
Standard Bank Nominees Transvaal Proprietary Limited	**1 202 464 112**	**32.83**	440 426 957	20.87
Ferbros Nominees Proprietary Limited	**801 035 914**	**21.87**	120 617 493	5.72
First National Nominees Proprietary Limited	**401 716 499**	**10.97**	279 129 149	13.23
SA Stockbrokers Nominees Proprietary Limited	**202 070 094**	**5.52**	847 287	-
CMB Nominees Proprietary Limited	**177 130 707**	**4.84**	108 145 738	5.13
Nedcor Bank Nominees Limited	**127 245 642**	**3.47**	441 170 684	20.91
	2 911 662 968	**79.50**	1 390 337 308	65.86
Save for the above, according to the disclosure in terms of section 56 of the Companies Act, the following shareholders are registered as holding in excess of 5% of the issued share capital of the company, as compiled from the nominee disclosures:				
BS Beteiligungs und Verwaltungs GmbH	**191 850 000**	**5.24**	190 616 554	9.03
Brait SE	**190 000 000**	**5.19**	-	-
Coronation Fund Managers	**194 011 890**	**5.30**	20 569 975	0.01
Public Investment Commissioners	**345 776 460**	**9.44**	297 777 975	14.11
Thibault Square Financial Services[1]	**654 874 971**	**17.88**	-	-

[1] *CH Wiese's shares in 2014 were held in another entity.*

STEINHOFF INTERNATIONAL HOLDINGS LIMITED

Resolutions passed at the annual general meeting of shareholders held on 2 December 2014, approving:

- the directors' remuneration for the period 2 December 2014 to the date of the 2015 annual general meeting;
- the acquisition by the company, and any of its subsidiaries, of shares issued by the company;
- the provision by the company of financial assistance to any related or inter-related company, in accordance with the provisions of sections 44(3)(a)(ii) and 45(3)(a)(ii) of the Companies Act;
- the conversion of the issued and authorised ordinary shares and preference shares in the company to shares of no par value; and
- the creation of a further 3 000 000 000 (three billion) ordinary no par value shares in the authorised share capital of the company so as to increase the existing no par value shares in the authorised ordinary share capital of the company to 6 000 000 000 (six billion) ordinary shares of no par value each.

Resolutions passed at a general meeting of shareholders held on 26 January 2015, approving the transactions giving rise to the acquisition by the Steinhoff group of Pepkor Holdings Proprietary Limited.

STEINHOFF INVESTMENT HOLDINGS LIMITED

Resolution passed at the general meeting of shareholders held on 9 September 2014, approving the provision by the company of financial assistance to any related or inter-related company, in accordance with the provisions of sections 44(3)(a)(ii) and 45(3)(a)(ii) of the Companies Act.

STEINHOFF AFRICA HOLDINGS PROPRIETARY LIMITED

Resolution passed at the general meeting of shareholders held on 29 August 2014, approving the provision by the company of financial assistance to any related or inter-related company, in accordance with the provisions of sections 44(3)(a)(ii) and 45(3)(a)(ii) of the Companies Act.

Resolution passed at the general meeting of shareholders held on 20 February 2015, approving the amendment to the memorandum of incorporation of the company by increasing the share capital of the company through the creation of 10 000 unclassified shares and adopting the terms and conditions attaching to the perpetual preference shares in issue.

Resolution passed at the general meeting of shareholders held on 21 May 2015, approving the further amendment to the memorandum of incorporation of the company by the reclassification of the existing preference shares in issue as A class preference shares of R0.01 (one cent) each; and adopting the terms and conditions attaching to a number of previously unclassified shares newly classified and issued as B Class preference shares.

AINSLEY HOLDINGS PROPRIETARY LIMITED

Resolution passed at the general meeting of shareholders held on 26 January 2015, approving the conversion of the authorised ordinary share capital in the company to no par value shares.

Resolution passed at the general meeting of shareholders held on 3 March 2015, approving the increase in the authorised share capital of the company through the creation of an additional 15 000 000 unclassified shares.

Resolution passed at the general meeting of shareholders held on 21 May 2015, approving the amendment to the memorandum of incorporation of the company through the adoption of the terms and conditions attaching to a number of previously unclassified shares newly classified and issued as preference shares in the share capital of the company.

REGISTRATION NUMBER
1998/003951/06

REGISTERED OFFICE
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SECRETARY
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SPONSOR
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TRANSFER SECRETARIES
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COMMERCIAL BANK
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(A division of The Standard Bank of South Africa Limited)
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In addition, the group has commercial facilities with various other banking and financial institutions worldwide.