

INVESTMENT CASE

A truly integrated global lifestyle supplier

Founded in 1964, and listed on the JSE in 1998, Steinhoff's strategy is to produce and source furniture and related household goods in low-cost, developing environments, and to sell these in developed markets. Owning key parts of the supply chain in order to protect margin and deliver exceptional customer service, has resulted in sustained growth with compound annual growth in revenues and operating profit in excess of 25% since listing.



The Steinhoff investment case is built on:

DIVERSE GEOGRAPHICAL FOOTPRINT

Geographically, Steinhoff's manufacturing and sourcing operations are located in emerging markets while consumer facing businesses mainly focus on the volume segment of developed markets. Each region employs the most appropriate supply chain given the strengths and opportunities inherent in the individual market. The geographical diversity and the group's shared knowledge base have provided us with a competitive edge that has endured varying economic conditions.

INTEGRATED SUPPLY CHAIN

Significant influence over the supply chain, consolidating all points of contact from raw material to retail outlets across an extensive product offering, has resulted in consistent margins and key competitive advantages. In Europe products include furniture and related homewares and in Africa, integrated timber, raw material and logistics operations.

FLEXIBILITY AND BALANCE

The vertically integrated model is one of flexibility and balance in production, sourcing and supply to the internal and external customer base. This versatility manages concentration risk and protects and enhances margins. Our owned manufacturing operations operate a flexible manufacturing/ assembling structure that is focused on traditional product ranges such as upholstered furniture and mattresses while our sourcing business allows flexibility and diversity in sourcing destinations.

LOGISTICS SERVICES

Provision of logistics services through supply chain solutions and effective management of warehouses and distribution networks remain essential to each of our businesses, ranging from hauling saw logs from a forest to the ultimate delivery of household goods to the end consumer. Control over the supply chain, gives rise to better service levels and guarantees product delivery within a competitive cost structure.

MASS-MARKET APPEAL

The majority of our operations are positioned towards the mass-market segment of the market. Ownership of aspirational brands and designs exposes us directly and indirectly to additional market segments.

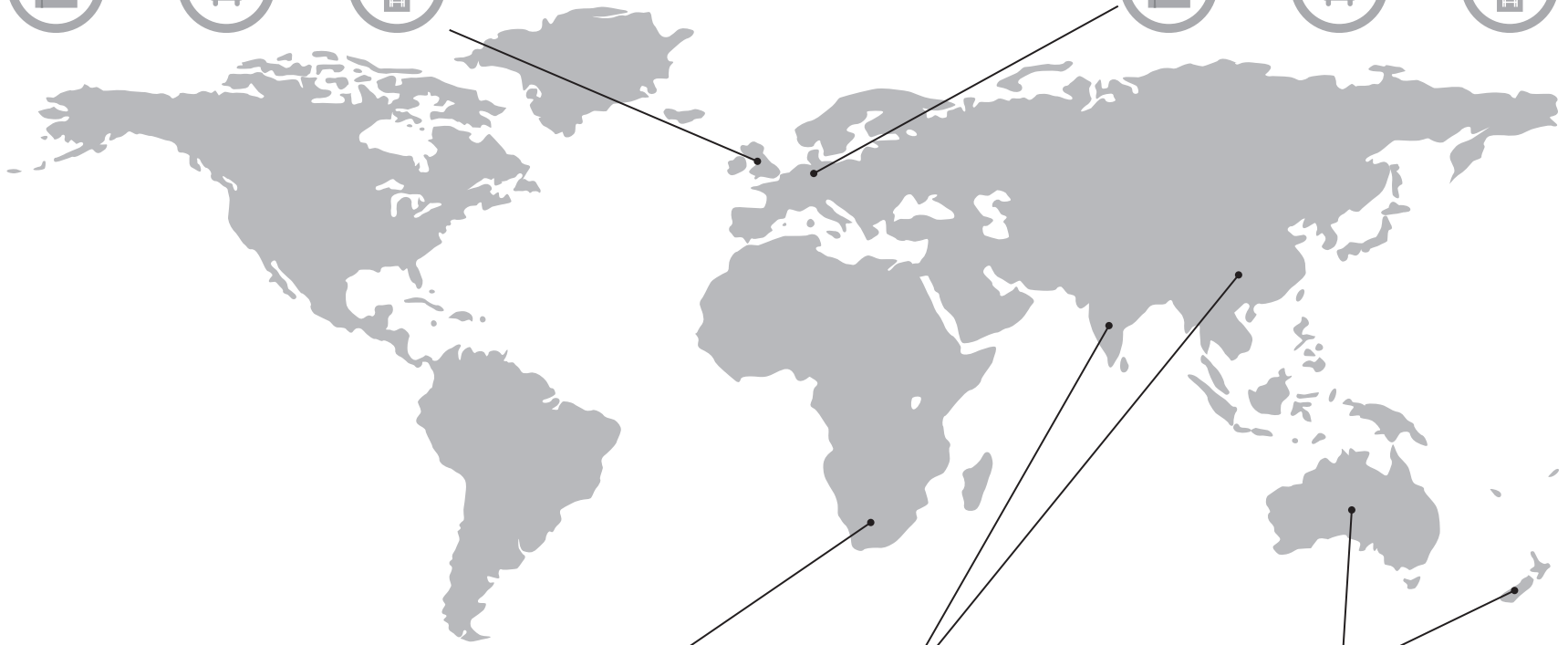
GROWTH

Steinhoff Africa and Steinhoff Europe are managed as two separate divisions. Within the European business, the fragmented furniture industry is consolidating and Steinhoff is well positioned to grow its market share both organically and through selective investments in this environment. Our investments within our diverse industrial African group over the past three years has provided the platform for above average growth in our operations.

UNITED KINGDOM



EUROPE



AFRICA



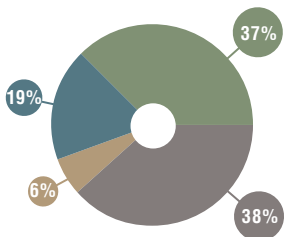
INDIA AND ASIA



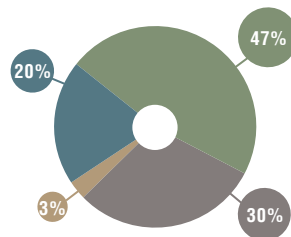
PACIFIC RIM



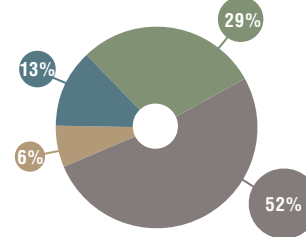
GEOGRAPHICAL REVENUE SPLIT



GEOGRAPHICAL NON-CURRENT ASSETS SPLIT



GEOGRAPHICAL EMPLOYEES SPLIT



- Continental Europe
- Pacific Rim
- United Kingdom
- Africa and India

GROUP AT A GLANCE

UNITED KINGDOM		Geographical revenue	Geographical non-current assets
	Relyon, Pritex, SUKU, Norma*, Hukla Beds*, Sprung Slumber		
	Unitrans UK		
	Harveys, Bensons for Beds, Sleepmasters, The Bed Shed, Reid, Cargo		
CONTINENTAL EUROPE		Geographical revenue	Geographical non-current assets
	Andante, Designwerk, Dieter Knoll, Dining@home, Ego, H2L, Habufa, Hukla Upholstery, Kaniza trend, Klose Kollektion, Living Tex, Longlife, Novalife, Option, Poco Polstermöbel, Polster Galerie, Puris Bad, Steinhoff Home, 1913		
	Global Warehouse Logistics (GWL)		
	European Retail Management (ERM), Esprit, Habufa, Henders & Hazel, Klose, Quattro Mobili		

* European mattress brands managed as part of the UK business.

AFRICA AND INDIA

Geographical revenue

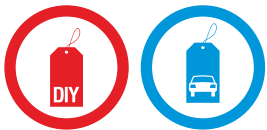
Geographical non-current assets



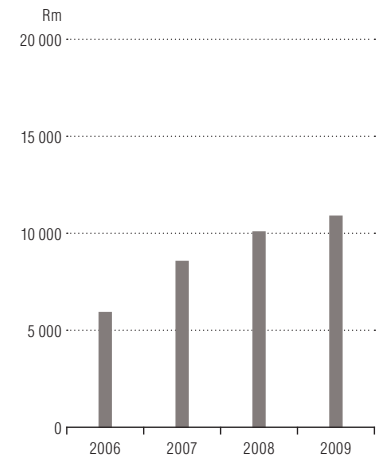
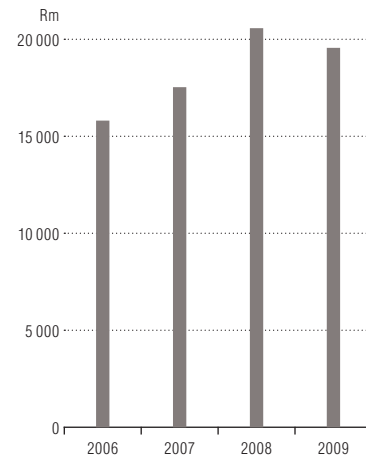
PG Bison: BisonBord, Formica, Moja, Supawood, Woodline, Surinno, Melawood, Woodchem, BCM, Mattex, Vitafoam, Alam Tannery, Namib Foam



Unitrans



Pennypinchers, Timbercity, The Tile Shop
Unitrans automotive: Alfa, Audi, BMW, Cadillac, Chevrolet, Isuzu, Fiat, Freightliner, Fuso, Lexus, Mercedes-Benz, Mini, Mitsubishi, Nissan, Opel, Saab, Toyota, VW, Hertz



PACIFIC RIM AND ASIA

Geographical revenue

Geographical non-current assets



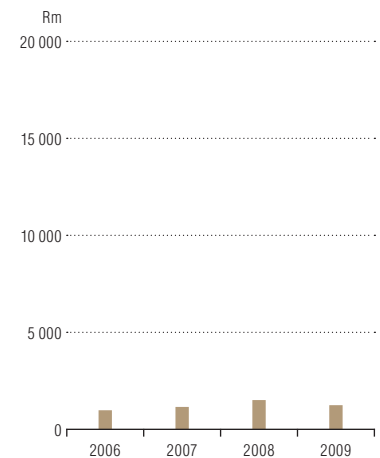
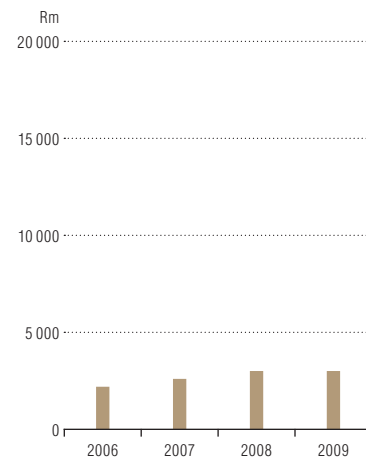
Steinhoff Manufacturing, Steinhoff International Sourcing



Kings Park



BayLeatherRepublic, Freedom, Freedom Home, Snooze



INTERNATIONAL MANAGEMENT

NORTHERN HEMISPHERE

UNITED KINGDOM

CEO
Markus Jooste
Age: 48
CA(SA)



CEO
Ian Topping
Age: 49
MA, MBA



CFO
Phillip Dieperink
Age: 53
CA(SA)



Mark Ashcroft (52) Group Company Secretary | **Bill Carrahar (46)** MD: Bensons for Beds | **Jim Drummond (50)** MD: The Bed Shed | **Gordon Forsyth (51)** Group Property Director | **Ulrich Gaupp (42)** MD: Hukla Matratzen | **Clive Gilbert (37)** MD: Cargo | **Alan Marnie (38)** MD: Harveys/Reid | **Johan Martin (42)** MD: Unitrans UK Limited | **Howard Mills (51)** MD: Steinhoff UK Upholstery | **Andy Murdoch (57)** MD: Pritex | **Iain Stewart (59)** MD: Reid Furniture | **Chris Tattersall (40)** MD: Relyon | **Ad van der Horst (56)** MD: Norma | **Alan Williams (48)** MD: Sleepmasters

CONTINENTAL EUROPE

CFO
Siegmar Schmidt
Age: 50
CA



EUROPE UPHOLSTERY

CEO
Andreas Bogdanski
Age: 47
Econ



CFO
Gerrit Venter
Age: 36
CA(SA)



LEGAL
Hans-Ulrich Bossas
Age: 54
BComm, BProc



Mirko Mikalef (40) Sales | **Jürgen Mussmann (47)** Upholstery Production | **Heino Oelkers (61)** Administration | **Bernd Tepe (48)** Marketing

Our balance sheet strength and liquidity profile enabled our decentralised management teams to focus on the many opportunities brought about by the prevailing economic environment.

CONTINENTAL EUROPE: CONTINUED



HABUFA

MD
Paul van den Bosch
Age: 47
VEcon, MBA



OTHER EUROPEAN OPERATIONS

George Billert (44) MD: Sales and Finance Puris Bad | **Johannes Bühner (47)** MD: Bruno Steinhoff GmbH | **James Moore (50)** European Retail Management | **Uwe Smidt (48)** MD: Logistics | **Gavin van der Merwe (49)** European Retail Development | **Gabor Wilhelm (55)** European Leather Sales | **Rainer Willeke (48)** MD: Production Puris Bad

INTERNATIONAL MANAGEMENT

SOUTHERN HEMISPHERE

PACIFIC RIM

CEO

Danie van der Merwe
Age: 51
BComm, LLB



STEINHOFF ASIA PACIFIC

GROUP MD
Geoff McIntosh
Age: 55



MD: GROUP SERVICES
Michael Gordon
Age: 43
CA(SA), ACA(Aust)



COMPANY SECRETARY AND MD: BAYLEATHER REPUBLIC
Tim Schaafsma
Age: 36
LLB, ACIS, Solicitor



Simon Beaty (53) MD: Snooze | **Michael Cleghorn (45)** Brand Director: Freedom | **Debbie Ridling (40)** Freedom New Zealand | **Italo Tius (59)** Retail Director: Freedom Australia and BayLeatherRepublic

CFO

Ben la Grange
Age: 35
CA(SA)



MD: GLOBAL TRADING AND SOURCING
Gavin van der Merwe
Age: 49
HDipCS, MBL



MD: STEINHOFF INTERNATIONAL SOURCING
Tom Huang
Age: 35
CA(SA)



MD: INDIA
Mahmud Alam
Age: 45
BComm (Hons)



AFRICA



PG BISON

CHAIRMAN

Chris van Niekerk
Age: 62
BA (HED)



CEO

Jan van der Merwe
Age: 50
CA(SA)



Gary Chaplin (38) Director: Forestry/Timber beneficiation |
André Norval (50) CFO | **Philip Roux (39)** Director: Logistics |
Themba Siyolo (45) HR Director



STEINBUILD

MD

Theodore de Klerk
Age: 40
BComm (Hons), CTA,
HDip Tax



André de Jager (45) Manager: Operations |
Johann Fourie (49) Manager: Business Development |
Wayne Opperman (44) CFO



UNITRANS

CEO

Jo Grové
Age: 60
AMP (Oxford)



MD: AUTOMOTIVE AND FINANCIAL SERVICES

Steve Keys
Age: 48
CA(SA)



MD: UNITRANS PASSENGER

Nico Boshoff
Age: 52
CA(SA)



MD: UNITRANS SUPPLY CHAIN SOLUTIONS

Frank Wagner
Age: 48
CA(SA)



RAW MATERIAL

MD: VITAFOAM

Frans Human
Age: 54
BA



MD: BCM AND MATTEX

Nico Siebrits
Age: 49
CA(SA)



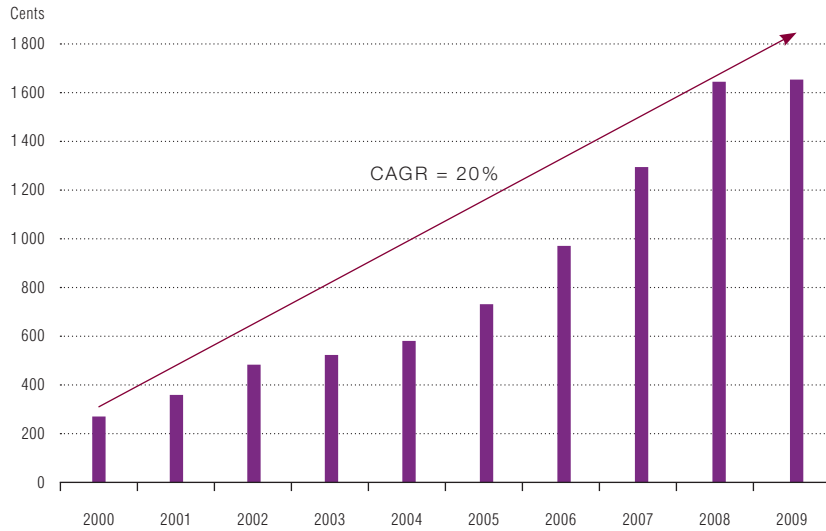
10-YEAR REVIEW

	IFRS COMPLIANT									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
INCOME STATEMENT										
Revenue	50 869	45 046	34 229	30 159	18 958	10 572	9 949	8 208	5 774	4 594
Operating profit before capital items	5 153	4 662	3 059	2 715	1 944	1 190	1 050	740	479	454
Capital items	49	(193)	(57)	(88)	(10)	(53)	(47)	(5)	163	35
Operating profit	5 202	4 469	3 002	2 627	1 934	1 137	1 003	735	642	489
Net finance costs	(1 000)	(704)	(454)	(292)	(193)	(80)	(126)	(81)	(47)	(54)
Share of profit of associate companies	7	37	67	61	58	115	91	56	38	13
Profit before taxation	4 209	3 802	2 615	2 396	1 799	1 172	968	710	633	448
Taxation	(581)	(366)	(325)	(383)	(213)	(145)	(98)	(53)	(27)	(16)
Profit from discontinued operations	–	–	684	–	–	–	–	–	–	–
Profit for the year	3 628	3 436	2 974	2 013	1 586	1 027	870	657	606	432
Attributable to:										
Equity holders of the parent	3 379	3 310	2 970	1 949	1 545	1 023	873	659	608	433
Minorities	249	126	4	64	41	4	(3)	(2)	(2)	(1)
Profit for the year	3 628	3 436	2 974	2 013	1 586	1 027	870	657	606	432
CASH FLOW STATEMENT										
Operating profit before working capital changes	5 871	5 387	3 929	3 352	2 401	1 442	1 253	895	825	533
Net changes in working capital	(1 937)	98	(475)	134	(977)	97	(355)	60	(91)	(408)
Cash generated from operations	3 934	5 485	3 454	3 486	1 424	1 539	898	955	734	125
PERFORMANCE INDICATORS										
Profitability										
Return on shareholders' equity ¹ (%)	16,2%	17,9%	21,8%	20,3%	21,1%	18,0%	18,7%	18,1%	23,8%	22,4%
Return on total assets ² (%)	9,2%	9,9%	8,8%	9,6%	10,2%	10,3%	11,6%	10,3%	8,9%	11,2%
Gross margin (%)	34,8%	32,9%	31,2%	31,5%	31,6%	41,4%	38,8%	37,3%	36,3%	32,0%
Operating margin (%)	10,1%	10,3%	8,9%	9,0%	10,3%	11,3%	10,6%	9,0%	8,3%	9,9%
Employee statistics										
Number of employees	41 400	43 300	43 400	50 000	41 500	26 600	20 400	22 600	21 200	20 000
Paid to employees (Rm)	8 532	7 224	6 148	5 558	2 708	859	799	829	640	579

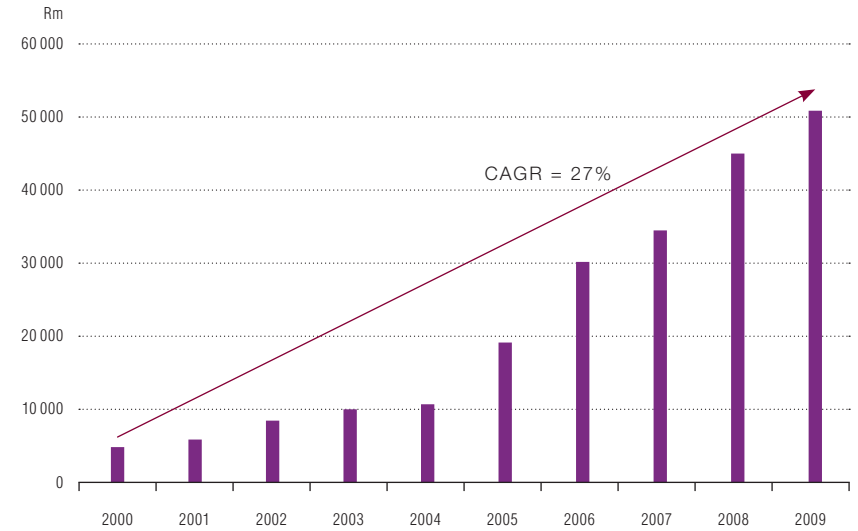
1 Earnings attributable to equity holders of the parent ÷ average shareholders' equity

2 Operating profit before capital items ÷ average total assets

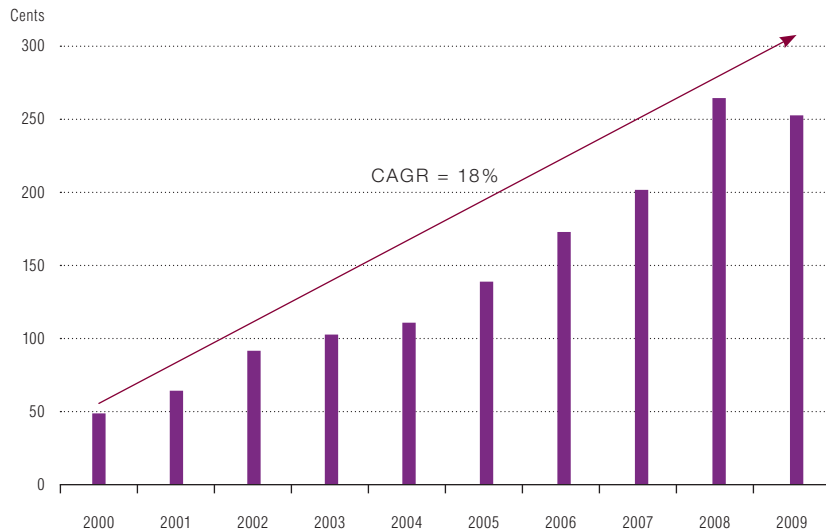
NET ASSET VALUE PER SHARE



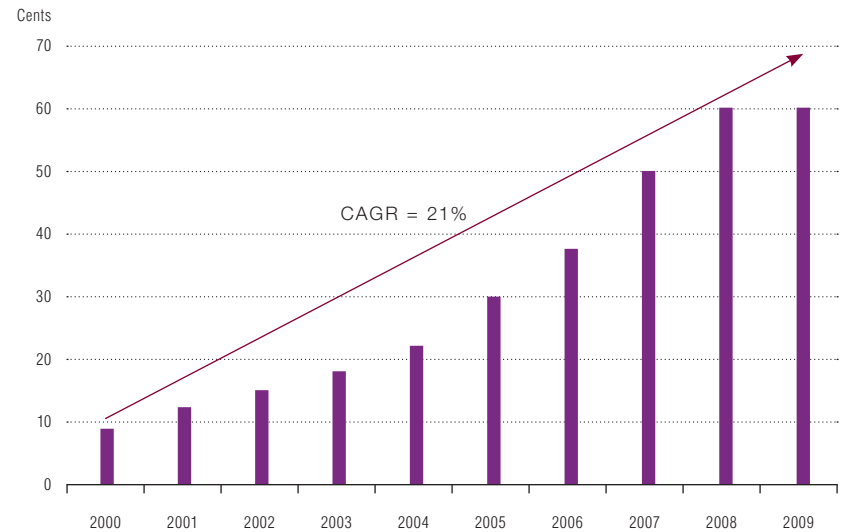
REVENUE GROWTH



HEADLINE EARNINGS PER SHARE



DISTRIBUTION TO SHAREHOLDERS



CAGR = Compound annual growth rate.

10-YEAR REVIEW

	IFRS COMPLIANT									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
BALANCE SHEET										
Goodwill and intangible assets	18 875	21 227	10 247	7 893	4 000	504	327	415	26	30
Property, plant and equipment, investment properties and biological assets	11 277	11 288	7 999	5 652	4 909	2 787	2 202	2 316	1 555	1 493
Other non-current assets	6 474	5 127	3 923	3 872	1 883	1 491	1 206	1 252	555	309
Current assets	18 661	19 274	15 365	14 535	13 780	8 778	5 749	4 654	3 650	3 179
Total assets	55 287	56 916	37 534	31 952	24 572	13 560	9 484	8 637	5 786	5 011
Total equity	24 924	24 784	17 358	12 767	9 714	6 490	4 944	4 412	2 906	2 220
Interest-bearing debt	17 882	16 686	11 053	10 716	6 353	3 697	2 063	1 639	1 058	932
Interest-free liabilities	12 481	15 446	9 123	8 469	8 505	3 373	2 477	2 586	1 822	1 859
Total equity and liabilities	55 287	56 916	37 534	31 952	24 572	13 560	9 484	8 637	5 786	5 011
PERFORMANCE INDICATORS										
Efficiency										
Net asset revenue ratio (times) ³	2,4	2,1	2,3	2,7	2,3	1,8	2,1	2,2	2,3	2,4
Depreciation to cost of property, plant and equipment (%)	9%	7%	9%	11%	9%	8%	9%	7%	8%	5%
Debt leverage										
Gearing ratio ⁴ (%)	35%	38%	24%	30%	21%	0%	15%	24%	20%	30%
Debt coverage (times) ⁵	0,2	0,3	0,3	0,3	0,2	0,4	0,3	0,4	0,5	0,1
Borrowing cost cover (times) ⁶	5,2	6,6	6,7	9,3	10,1	14,9	8,3	9,1	10,2	8,4
Shareholders' returns										
Earnings per share (cents)	256,1	249,8	241,9	165,6	137,0	95,8	90,8	76,2	74,0	51,0
Headline earnings per share (cents)	252,9	263,5	200,1	172,5	138,0	110,3	102,5	90,8	62,1	48,0
Distribution per share (cents)	60,0	60,0	50,0	37,5	30,0	22,0	18,0	15,0	12,0	9,0
Distribution cover (times)	4,3	4,2	4,8	4,4	4,6	4,4	5,0	5,1	6,2	5,7
Net asset value per share (cents)	1 642,2	1 637,0	1 292,4	965,5	723,9	574,8	523,2	483,4	349,3	273,8
Annual increase in revenue (%)	13%	32%	13%	59%	79%	6%	21%	42%	26%	67%
EBITDA to revenue (%)	12%	12%	11%	11%	12%	14%	13%	11%	11%	12%
Employee cost to revenue (%)	17%	16%	18%	18%	14%	8%	8%	10%	11%	13%
Depreciation and amortisation to revenue (%)	2%	2%	2%	2%	2%	2%	2%	2%	3%	2%
Effective taxation rate (%)	14%	10%	12%	16%	12%	12%	10%	7%	4%	4%
Share statistics										
Shares in issue (net of treasury shares) (million)	1 280	1 269	1 256	1 141	1 131	1 123	942	907	829	805
Weighted average shares in issue (million)	1 276	1 281	1 188	1 133	1 128	1 067	961	865	822	785

³ Revenue ÷ (average total assets - average total liabilities)

⁴ Net interest-bearing debt ÷ closing equity

⁵ Cash generated from operations ÷ total borrowings

⁶ Operating profit before capital items ÷ net finance cost

JSE TRADING HISTORY AND EXCHANGE RATES

JSE TRADING HISTORY FOR THE YEAR ENDED 30 JUNE	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Closing price (cents)	1 340	1 592	2 421	2 135	1 540	835	660	825	650	600
Highest price (cents)	1 890	2 455	2 745	2 474	1 570	925	830	975	700	690
Lowest price (cents)	885	1 490	2 011	1 500	755	651	455	590	460	390
Number of shares traded (million)	1 450	1 342	1 168	914	800	727	402	348	192	192
Value of share traded (R million)	18 215	25 921	27 757	18 223	9 486	5 612	2 643	2 717	1 206	996
Average weighted traded price (cents)	1 256	1 931	2 377	1 994	1 186	772	657	780	648	517
Closing spot: Industrial 25 index (Indi 25)	17 230	19 127	19 521	13 644	10 383	6 544	5 205	7 178	7 240	8 087
Dividend yield (%)	4,22 ¹	3,77 ¹	2,07 ¹	1,76 ¹	1,95 ¹	2,64	2,72	1,80	1,90	1,50
Earnings yield (%)	18,88	16,55	8,88	7,92	7,53	13,05	14,99	11,03	9,85	8,67
Price earnings ratio	5,30	6,37	11,26	12,63	13,28	7,66	6,67	9,07	10,16	11,53
Market capitalisation (R million)	18 350	21 488	31 708	24 351	17 474	9 462	6 284	7 480	5 391	4 827

EXCHANGE RATES

The following table sets forth, for the periods indicated, the average and period-end exchange rates in South African rand expressed in R per €1,00, used to convert the results and balance sheets of European subsidiaries into rands.

YEAR ENDED 30 JUNE	AVERAGE ²	CLOSING ³
2000	6,3564	6,5129
2001	6,7500	6,8500
2002	9,0000	10,2500
2003	9,4150	8,6100
2004	8,2150	7,5600
2005	7,9091	8,0965
2006	7,8196	9,1600
2007	9,4103	9,5735
2008	10,7631	12,3341
2009	12,3503	10,8265

¹ Calculation includes the declared cash distribution.

² The average exchange rate was used to translate income and expenditure.

³ The closing rate was used to translate assets and liabilities.

Prior to 2002, the euro rate is based on the Deutschmark exchange rate which is DM1,95583 per €1,00.

SHARES TRADED

Number of shares traded (in millions)

