



STEINHOFF
INTERNATIONAL HOLDINGS N.V.



QUARTERLY STATEMENT

FOR THE NINE MONTHS ENDED **31 MARCH 2016**



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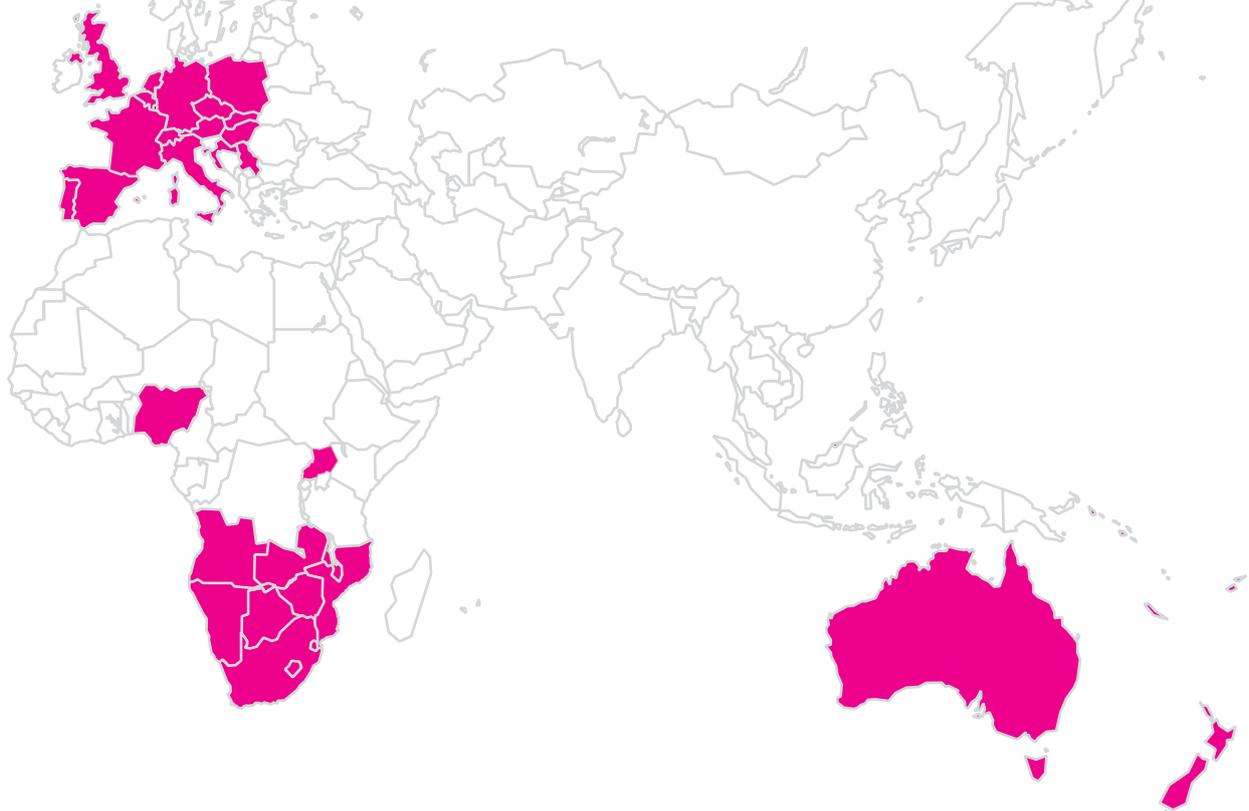
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For more information on the group, please visit:

www.steinhoffinternational.com

“Steinhoff’s positioning as an integrated value and discount retailer remains relevant in the current consumer environment, and this again underscored a solid set of results for the three months ended 31 March 2016 (Q3).”

MARKUS JOOSTE, CEO



QUARTERLY HIGHLIGHTS

Highlights: Household goods

SPAIN

2 new Conforama stores



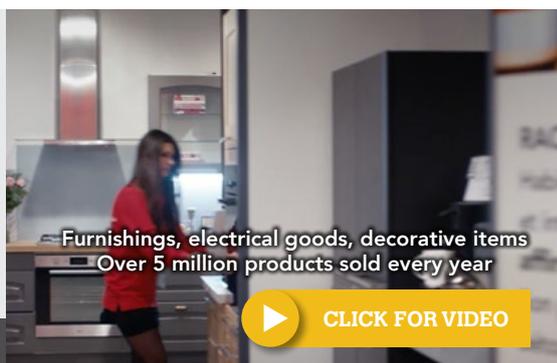
Conforama



NEW CAMPAIGN

Launched in March 2016, Conforama returned to television with a new campaign that took a resolutely off-beat tone with clichés that may still exist regarding Conforama. For the new television campaign, the brand confirmed its identity: a consumer brand close to its customers, offering modern and quality collections, season after season and always at the best prices.

“CONFORAMA, IT'S UP TO YOU TO MAKE THE MOST OF IT”.



GERMANY

2 new POCO stores



INTEGRATED SUPPLY CHAIN

Further increase in volumes: Ocean Freight tender for **92 000** TEUs submitted.

AUSTRIA, HUNGARY, CZECH REPUBLIC, ROMANIA, SLOVAKIA

kika re-positioned with a new brand campaign in eastern Europe – taking the brand from price specific to a lifestyle proposition.



kika introduced a celebrity soccer brand ambassador to gain traction with the public during the European soccer championships.



SOUTH AFRICA

SteinBuild's acquisition of Iliad became effective in January 2016.



1 kika store relocated in Szeged

Kitchen and bedding strategic product categories introduced in kika stores, and roll-out of QuattroMobili store-in-store concepts.



NEW ZEALAND



New Freedom head office in Auckland, New Zealand.



SOUTH AFRICA

JD Group furniture retail brands consolidation completed, transferring brand value into four brands.



Highlights: General merchandise



POLAND, HUNGARY, CZECH REPUBLIC, ROMANIA, SLOVAKIA

34 store openings



UNITED KINGDOM

In 2015, Pep&Co opened in Scotland, England and Wales – Britain's fastest scale-from-scratch retail launch.

Now, as part of a new ITV reality show, viewers are taken behind the scenes to look at how the retailer launched **50** stores in just over **50** days.

The show looks at what it takes to bring high quality, low price family fashion to some of the country's most loved towns. The series will feature the people, places and faces that came together to launch a brand in the highly competitive discount fashion market.



AUSTRALIA

Harris Scarfe has signed a licence agreement with Debenhams of the United Kingdom, which will see selected 'Designers by Debenhams' clothing ranges, as well as accessories and intimates, stocked in top tier Harris Scarfe stores (launching in September 2016). Under a separate franchise agreement, Harris Scarfe will open stand-alone Debenhams stores in major centres across Australia (from late 2017).



NEW ZEALAND

Postie relaunched its brand with a new price positioning



Postie+

SOUTH AFRICA AND REST OF AFRICA

36 stores opened during the quarter

UGANDA

First Pep store opened



SOUTH AFRICA

Launched Refinery brand



GROUP RESULTS

Solid third quarter performance supports FY16 outlook

STEINHOFF GROUP RESULTS FOR THE NINE MONTHS ENDED 31 MARCH 2016 from continuing operations (9MFY16)

€9.9 billion REVENUE

€1.1 billion OPERATING PROFIT¹

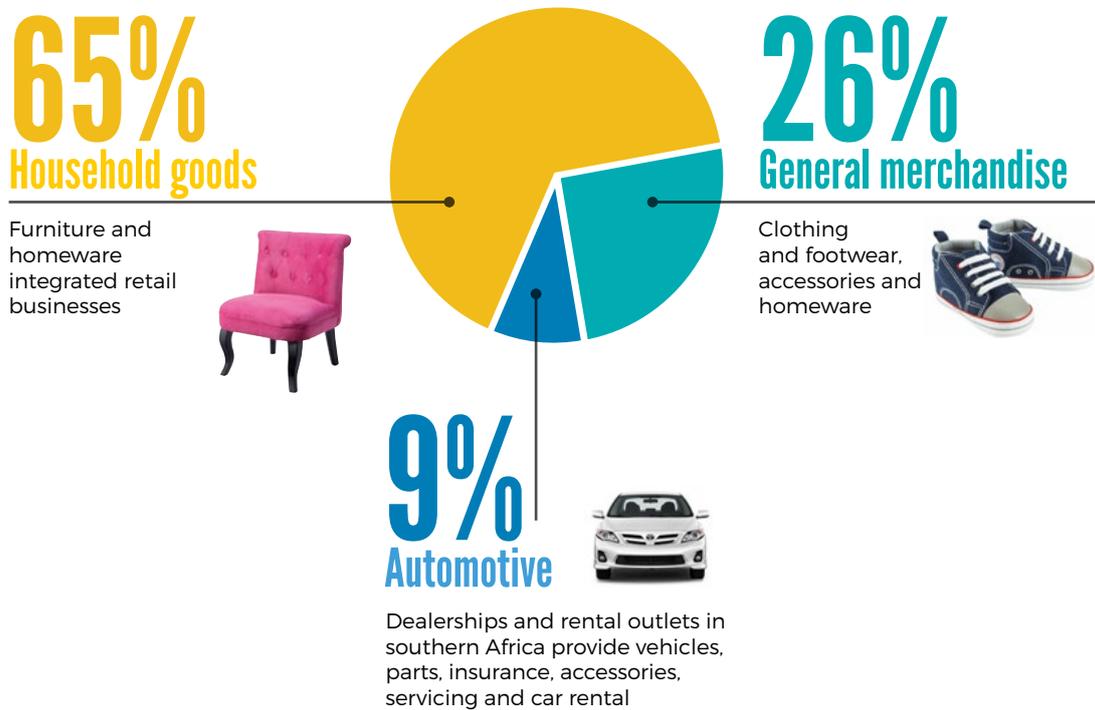
¹ Before capital items

GROUP RESULTS for the nine months ended 31 March 2016	9MFY16	9MFY15	INCREASE
			ACTUAL
Revenue (€m)	9 929	6 833	45.3%
Operating profit ¹ (€m)	1 091	748	45.9%
Operating margin ¹ (%)	11.0%	10.9%	

¹ Before capital items

SEGMENTAL REVENUE (€m) for the nine months ended 31 March 2016	9MFY16	9MFY15	INCREASE
			ACTUAL
Household goods	6 432	5 783	11.2%
General merchandise	2 567	–	n/a
Automotive	930	1 050	(11.4%)
Total revenue	9 929	6 833	45.3%

SEGMENTAL REVENUE CONTRIBUTION



Management is pleased to report that the growth trend reported in Steinhoff's interim results has continued for the quarter ended 31 March 2016, which traditionally is the slowest trading quarter for the group. For the nine months ending 31 March 2016, revenue increased by **45%** to **€9.9 billion**, while operating profit increased by **46%** to **€1.1 billion**.

Operating margin for the nine months ending 31 March 2016 improved to **11%**, notwithstanding the lower margins inherent in the general merchandise category (acquired on 31 March 2015) and kika-Leiner (acquired on 7 December 2015).

Household goods

EUROPE

European business accounts for **77%** of revenue in the Household goods integrated retail segment. This territory continued to show good market share growth supported by a resilient and growing discount market.

The European business increased revenue by **15%** compared to the same period of last year, and includes **€311 million** from the newly acquired kika-Leiner business that retails in Austria and central and eastern Europe. Excluding the kika-Leiner business (acquired in December 2015), the European retail business increased revenue by **8%** compared to the same period of last year.

Conforama continued to grow across all territories where it operates. Good growth in France and Italy were again supported by double-digit like-for-like growth in Iberia. Growth in Iberia was further supported by market share gains relating to the new store network in that territory. Switzerland performed well, with sales being marginally ahead of the comparative period, despite the adverse effect that the strong Swiss franc had on the market. The conversion of the store network in Croatia is now complete and resulted in good market share growth in that region.

ERM, comprising the group's German speaking territories (Germany, Austria and Switzerland) and including the eastern European retail businesses, continued to take market share, supported by two new large format stores opened during the quarter.

UNITED KINGDOM & AUSTRALASIA

Growth in the United Kingdom and Australasia retail businesses continued, led by a strong performance of the bedding business, in line with the momentum reported at interim. This resulted in market share gains and was further supported by real market growth in both these regions.



GEOGRAPHICAL REVENUE ANALYSIS

	9MFY16 (€m)	9MFY15 (€m)	% change
Europe	4 957	4 294	15.4%
United Kingdom & Australasia	844	740	14.1%
Africa	631	749	(15.8%)
	6 432	5 783	11.2%

AFRICA

Representing **10%** of the integrated Household goods retail business, the southern African business maintained sales levels as measured in constant currency, but reported a **16%** decline in sales, measured in euro, reflecting the weakness of the South African rand versus the euro during the period under review.

INTEGRATED SUPPLY CHAIN

The integrated supply chain, comprising internal and external manufacturing, central sourcing, logistics and warehousing operations and the group's owned property portfolio, performed well in the period under review, continuing to unlock benefits and in support of group margin.



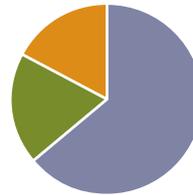
General merchandise

The General merchandise retail segment reported revenue of **€2.6 billion** for the nine-month period ended 31 March 2016. The Pepkor group was acquired on 31 March 2015 and therefore its contribution is not included in the comparative period's result. On a proforma basis, Pepkor reported **20%** increase in constant currency revenue.

The South African and African business of Pepkor continued to grow in line with the results reported at the interim stage, owing to its defensive business model and supported by an expanding footprint.

Pepco, with operations in eastern Europe and representing **15%** of the Pepkor group's revenue, continues to show excellent growth. The strong growth during the nine-month period under review is mainly supported by a rapidly growing footprint, with **34** new store openings during the third quarter, resulting in a total of **858** stores. In addition, Pepco reported double-digit like-for-like revenue growth in the eastern European region, underscoring the success of this trading model in that region.

The repositioning of the Australasian retail formats is proving successful, with that retail cluster having regained market share at improved profitability levels compared to the comparative period.



Africa **66%**

Australasia **17%**

Europe **17%**

GEOGRAPHICAL REVENUE ANALYSIS

	9MFY16 (€m)
Africa	1 686
Australasia	434
Europe	447
	2 567



Automotive

Despite market weakness in both the new and pre-owned vehicle markets in South Africa, the Automotive retail division increased its market share in constant currency terms. Reported revenue, as measured in euro, declined by **11%** due to the prevailing weakness of the South African rand during the nine months under review.



FINANCIAL POSITION

The number of shares in issue at 31 March 2016 was **3 720 million** compared to **3 713 million** at 31 December 2015. This increase is a result of seven million shares issued in terms of the convertible bonds.

The diluted weighted average number of shares in issue amounts to **4 076 million** at 31 March 2016, compared to **4 083 million** shares at 31 December 2015.

Net debt increased to **€2.9 billion** compared to **€2.2 billion** reported at 31 December 2015, reflecting the investment in the growing store network and the finalisation of the Iliad acquisition.

The net asset value amounts to **324 cents** per share at 31 March 2016, compared to **320 cents** per share at 31 December 2015.

CORPORATE ACTIVITY

In addition to the corporate actions that were detailed in Steinhoff's interim results announcement for H1FY16, Steinhoff participated in the following corporate actions subsequent to 31 December 2015:

Convertible Bonds due 2017 & 2018

Conversion notices were received in respect of:

2017 Bond: €22.4 million of the bonds were converted into **7.2 million** ordinary shares. The remaining balance of **€2.7 million** was redeemed for cash on 18 February 2016.

2018 Bond: €50 000 of the bonds representing **15 436** ordinary shares were converted. Subsequent to 31 March 2016, the remaining **€132.7 million** was converted into **40.9 million** ordinary shares.

Convertible Bond due 2023

On 21 April 2016, the group issued a seven and a half-year euro-denominated convertible bond (2023 Bond) to raise an amount of **€1.1 billion** before expenses. The 2023 Bond pays fixed interest at a rate of **1.25%** per annum, semi-annually in arrears and is convertible into **141.8 million** ordinary shares in Steinhoff at a conversion price of **€7.76** per share (representing an initial conversion premium of **40%** to the prevailing underlying volume-weighted average price of a Steinhoff share from launch to pricing). The 2023 Bond is listed on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange. This issuance allows the group to effectively extend its debt repayment profile and further decrease its average borrowing cost.

Home Retail Group and Darty

Steinhoff was involved in two corporate acquisition transactions, neither of which were concluded. Following a thorough due diligence process, the Home Retail Group transaction was found not to be an appropriate investment for the group. The Darty transaction was not pursued as a result of a competitive bidding process which eroded the potential value this transaction would have delivered to Steinhoff.

OUTLOOK

Management remains confident that the momentum in the business will continue and that the group will perform in line with expectations as highlighted in the outlook section reported at the interim stage.

ADMINISTRATION

Analyst call

Steinhoff International Holdings N.V. will host a conference call for analysts and investors on 31 May 2016 at 14:00 pm CEST to discuss its quarterly statement.

Markus Jooste, Group Chief Executive Officer, will highlight the most important developments during the period under review.

Dial-in details have been provided to analysts and investors directly. Analysts and investors who have not received this invitation may contact investors@steinhoffinternational.com for further information.

Forward-looking statements

This report contains management's view on future developments based on information currently available and is subject to risks and uncertainties, as described in the section "Risk Factors – Risks relating to the Group's Business" on pages 47 to 57 of the Frankfurt Stock Exchange prospectus, which can be accessed on the group's website at www.steinhoffinternational.com. These risks are outside the control of management, and in the event that underlying assumptions turn out to be inaccurate or risks contained in the prospectus materialise, actual results may differ materially from those included in these statements.

Management and the group do not assume any obligation to update any forward-looking statements made beyond statutory disclosure obligations.



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