STEINHOFF
INTERNATIONAL HOLDINGS N.V.

HALF-YEAR REPORT

UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2019 (H1FY19)

Steinhoff today ...

... adds value to its customers' lifestyles by providing everyday products at affordable prices and serving customers at their convenience in more than 12 000# stores with 40+ brands in 30+ countries.

 # Including discontinued operations

UNITED STATES OF AMERICA

50%* ownership (31 March 2019)	Change in control operations
MATTRESS FIRM	

** Subject to future dilution by the new management incentive plan*

AFRICA

71% ownership (31 March 2019)	**Pepkor** Sample of Pepkor brands (separately listed on the JSE)	**100%** ownership (31 March 2019)	**Automotive**
PEP		UNITRANS	Discontinued operations
ACKERMANS			
Russells			
BUCO			

The group's full brand complement includes: ABRA, Ackermans, Bensons for Beds, Best&Less, Bradlows, BUCO, Conforama, Dealz, Dunns, Emmezeta, Fantastic, FLASH, Floors Direct, Freedom, Harris Scarfe, Harveys, HiFi Corp, Incredible Connection, John Craig, Lipo, Mattress Firm, OMF, PEP, PEP Cell, PEP Home, PEPCO, PEP&CO, Plush, Postie, Poundland, Powersales, Refinery, Rochester, Russells, Shoe City, Sleepmasters, Snooze, Tekkie Town, Tiletoria, Timbercity, Unitrans, and other South African building material brands.

EUROPE AND UNITED KINGDOM

100%* ownership (31 March 2019)	Pepkor Europe	**100%**** ownership (31 March 2019)	Conforama	**100%** ownership (31 March 2019)	UK household goods

Pepkor Europe: PEPCO, Poundland, Dealz, PEP&CO

Conforama: Conforama

UK household goods: bensons for beds, Harveys

AUSTRALIA AND NEW ZEALAND

100% ownership (31 March 2019)	Sample of brands in Australasia

Fantastic Furniture, Snooze, freedom, Best&Less, harris scarfe

* 100% reflects accounting ownership, although legal ownership amounts to 99% as at 31 March 2019 (31 March 2018: 98%)
** Warrant issuance of 49.9% of the issued share capital of Conforama Holding SA on 29 May 2019.

STEINHOFF
INTERNATIONAL HOLDINGS N.V.

UNAUDITED HALF-YEAR RESULTS
FOR THE SIX MONTHS ENDED 31 MARCH 2019 (H1FY19)

MESSAGE FROM THE MANAGEMENT BOARD

Dear Stakeholders,

We remain on a journey to address past deficiencies, to restore trust in the Group and to build a recovery in value for our stakeholders.

While our work is far from finished, and tough tasks still lie ahead, we can be clear that progress was made in the first half of the financial year. We continued our essential effort to stabilise the Group, progressing the complex and technical work necessary to complete our financial restructuring, while also helping to enhance the long-term stability and growth prospects of our operating companies.

Inevitably, the costs of this process, both in terms of financial resource and management time, continue to be substantial, and they have had a significant impact on our reported results for the period. Advisory fees for the Reporting Period amounted to €82 million. This total included €11 million relating to the forensic investigation and technical accounting support, and €30 million relating to creditor adviser fees. While every effort is made to limit costs, we expect this to remain our reality for some time.

We are also clear that, at the operating company level, the Group retains significant strengths as a well-diversified global retail business with a number of strong local brands and leading positions in attractive growth markets. Some of our individual businesses, such as Pepkor Africa and Pepkor Europe continue to perform robustly, while others remain in turnaround but are reporting more encouraging recent trade, such as Mattress Firm. There is value within the Group and, during the first half, we took the first steps on the long journey to restoring it.

Financial performance

Despite the many challenges we faced in the six months ended 31 March 2019, the Group's consolidated net sales from continuing operations increased by 3% to €6 862 million (2018: €6 666 million), with strong contributions from Pepkor Europe (+13%) and Pepkor Africa (+2%). Segmental EBITDA, from continuing operations, increased by 71% to €393 million (2018: €230 million). Further information on the performance of the Group's individual operating businesses is contained within the accompanying Operational Review.

Achievements in the period

Against a very challenging backdrop, the Group was successful in achieving a number of important milestones in the Reporting Period.

- The demanding and complex task of finalising and publishing the 2017 and 2018 Annual Reports was successfully achieved. The publication today of this report for the first half of the 2019 financial year addresses the Company's disclosure backlog and brings its financial reporting back up to date. In the circumstances in which we found ourselves after the disclosures of December 2017, this was a highly complex process requiring a sustained effort from multiple teams both from within, and outside of, the business. Finalisation of the accounts is a major achievement that will allow us to begin to normalise communications with the financial markets after a prolonged period of disruption.
- In parallel, another critical milestone was achieved in March 2019 when PwC completed its forensic investigation and delivered its report to Werksmans, the Group's lawyers. The PwC report's findings

are the product of a wide-ranging investigation, in South Africa and other relevant jurisdictions, over a 14-month period. While the content of the PwC Report is confidential, and subject to legal privilege and other restrictions, the findings have contributed significantly to the financial restatements and the completion of the 2017 and 2018 Consolidated Financial Statements. It is also being used to assist decision making on areas for further investigation and remedial work. The Company provided the market with an overview of this report on 15 March 2019.

- We recognised that, to move forward, the Group had to address its past governance failings and new, stronger structures for oversight and control needed to be put in place. The reconstituted Management and Supervisory Boards acted quickly to stabilise the Group and ensure its survival, and to investigate the accounting and governance issues. They continue to work well together.
- Danie van der Merwe stepped down as Acting CEO and from the Management Board at the end of December 2018, Alexandre Nodale resigned as Deputy CEO and member of the Management Board on 11 April 2019 and Philip Dieperink will step down from both his membership of the Management Board of Steinhoff and as CFO after the 2019 AGM.
- Theodore de Klerk has been designated as the Group CFO with effect from 1 September 2019.
- Our loyal and hard-working management teams within the operating businesses remained stable and focused on their operations throughout the period. Their dedication has been exemplary and they deserve our sincere gratitude.
- Our efforts to address the Group's liquidity issues through a financial restructuring made steady progress through the period. In November 2018, SEAG and SFHG, the two subsidiaries where most of the Group's financial creditors are concentrated, launched a debt restructuring through an English Company Voluntary Arrangement ("CVA") process. The SEAG and SFHG CVAs are nearing the point at which they can be implemented, which will secure a period of financial stability for the Group until 31 December 2021, allowing us to focus fully on our operational performance. While the broad scope of this task and necessary legal steps have made this a complex and time-consuming process, the date for implementation of the restructuring is now in sight.
- Our work in prior periods to secure additional operational funding, agree the Lock-up Agreement with our lenders, complete restructurings of our Hemisphere property business and of other businesses, and generate additional liquidity from a sale of certain assets, laid the foundation for further activity in the period.
- In November 2018, Mattress Firm emerged from Chapter 11 proceedings, having successfully exited approximately 640 underperforming stores, and with a recovery plan in place that is already beginning to deliver significantly improved performance.
- Subsequent to the period end, Conforama reached agreement with its creditors to raise the new funds necessary to restructure its operations and improve its financial performance. Further, on 2 July 2019 Conforama announced a restructuring project aimed at restoring sustainable competitiveness.
- On 10 June 2019, Pepkor Europe received approval from the SEAG and SFHG creditors to refinance its existing credit facilities.

Remediation Plan

We are seeking to build on the progress made to date to strengthen our recovery, with the clear objective of stabilising the Group in a way that ensures the long-term security and growth of its underlying operations, maximises stakeholder returns and protect value. This will enable the Group to establish a new foundation for increasing free cash generation, to reduce the level of debt and, over time, to create value for stakeholders.

To ensure that this is done against the appropriate backdrop, the Group has developed a Remediation Plan that is aimed at addressing previously identified weaknesses and substantially enhancing standards of corporate governance and control. The plan is fundamental to strengthening the governance structure of the business and is being rolled-out with determination.

In the meantime, fundamental changes are already being made across the organisation, with a renewed focus on the customer, tighter control of capital, accelerated efforts to reduce our cost base, and initiatives aimed at maintaining local market leadership.

Litigation

The Group has received many shareholder and vendor claims and notices of regulatory investigation, and litigation remains a significant outstanding challenge. The Management Board, assisted by a litigation committee, and the Group's attorneys, continue to work towards a resolution of outstanding claims against the Group. In parallel, we are also evaluating potential claims we may have against third parties, and recoveries against implicated entities and individuals are being initiated where appropriate. Recently issued proceedings against members of the former management team are such steps in this process.

Outlook

As we look back on the progress made in the first half, we are both realistic and encouraged in our outlook. Realistic because we know that uncertainties persist and we still face many tough challenges on the road to rehabilitation but encouraged that progress has been made and the next phase of our recovery is beginning to come into focus.

The hard work on the financial restructuring in the first half and prior periods will, in all likelihood, shortly come to fruition, bringing with it the stability that will allow us to turn the page and concentrate fully on maximising value from our operating companies.

While trading conditions in the period ahead will reflect a tougher global economy, at operating level Steinhoff remains a geographically well-diversified, global retail group providing everyday products at affordable prices, through a stable of strong local brands. Businesses such as Pepkor Africa and Pepkor Europe continue to grow strongly while others such as Mattress Firm and Conforama remain in turnaround but retain strong market positions and significant recovery potential.

Our strategic direction is clear: we will focus on our operations, realise value where appropriate and plan to reduce our debt levels.

There is much to do but we have a plan and a belief in the ability of this business and its people to deliver it.

Appreciation

We are grateful for the continuing support of our financial creditors, shareholders, staff, management, and Supervisory Board. We thank them all.

MANAGEMENT BOARD RESPONSIBILITY STATEMENT

Introduction

The Management Board comments on the 2019 Half-year Results of Steinhoff International Holdings N.V. ("**Steinhoff**" and/or the "**Group**"), a public limited liability company incorporated under Dutch Law with its registered address at Building B2, Vineyard Office Park, Cnr Adam Tas and Devon Valley Road, Stellenbosch, South Africa. Steinhoff has a primary listing on the FSE with a secondary listing on the JSE.

The 2019 Half-year Report for the six months ended 31 March 2019 consists of the Responsibility Statement, the Financial and Business Review, the Operations Review and the unaudited 2019 Condensed Financial Statements.

Management Board Statement

The Management Board draws specific attention to the going concern statement included in both the Financial and Business Review as well as the Basis of Preparation section of this the 2019 Half-year Report in which a number of assumptions and uncertainties have been detailed, namely:

- Going concern,
- Litigation,
- Tax,
- CVA process, and
- CVA and Hemisphere Arrangements.

Based on these assumptions and uncertainties, the financial reporting is prepared on a going concern basis. The Management Board has discussed the above opinion and conclusions with the Audit and Risk Committee and the Supervisory Board.

Responsibility Statement

As required pursuant to section 5:25c paragraph 2(c) of the Dutch Financial Supervision Act, each of the Managing Directors hereby confirms that, subject to the items mentioned above and the assumption that the Group will implement the SEAG and SFHG CVAs enabling the Group to continue as a going concern for the foreseeable future, as far as each of them is aware:

(i) subject to the judgements and estimates set out in the Financial and Business Review of the 2019 Condensed Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the enterprises jointly included in the consolidation; and

(ii) the 2019 Half-year Report gives a true and fair overview of the information required pursuant to section 5:25d, paragraphs 8 and 9 of the Dutch Financial Supervision Act regarding the Company and the enterprises jointly included in the consolidation.

Steinhoff International Holdings N.V.

The Management Board
12 July 2019

L.J. (Louis) du Preez	**T.L. (Theodore) de Klerk**	**P.J. (Philip) Dieperink**
Chief executive officer	*Operational director*	*Chief financial officer*

FINANCIAL AND BUSINESS REVIEW

Introduction

Steinhoff N.V. is a company registered with the Trade Register in Amsterdam, the Netherlands, under number 63570173, with tax residency in South Africa. The Company has a primary listing on the Frankfurt Stock Exchange ("FSE") with a secondary listing on the Johannesburg Stock Exchange ("JSE"). The Group is primarily involved in the retailing of general merchandise and household goods. The Group operates in Africa, Australasia, Europe, the United Kingdom and the United States of America.

This Financial and Business Review covers the six-month period ending 31 March 2019 (the "Reporting Period") and addresses the material events subsequent to the Reporting Date up to the date of publication of this Half-year Report. This Half-year Report has not been audited or reviewed by the Company's auditors.

Overview

The Group continues to be engaged in a complex restructuring that has encompassed all aspects of its business and which has had a significant impact on its reported results for the period. During the first half, the Management Board's priorities remained re-establishing stability within the Group's operations; negotiating, agreeing and implementing the restructuring plan with the Group's financial creditors; improving governance at all levels; and finalising the audited financial results for 2017 and 2018. Substantial progress has been made in each of these areas and further details are provided in the accompanying message from the Management Board.

Current trading performance

The accompanying Operational Review deals with the performance of the trading divisions of the Group in the Reporting Period.

Change in reportable segment information

As noted in the 2018 Annual Report, the Management Board has changed the Group's presentation of its segmental reporting. Four segments were discontinued as detailed in the 2018 Consolidated Financial Statements. Due to the number of discontinued operations, and in compliance with IFRS, the Group now uses seven continuing segments. This presentation is aligned with how the Management Board views the business and with historical operational reports.

Presentation of discontinued operations

Intercompany transactions and balances between continuing and discontinued operations are eliminated within both continuing and discontinued operations. The intercompany eliminations are added back as reconciling items for segmental and operational reporting as this more closely reflects the trading conditions within each segment.

Prior period restatements due to accounting irregularities

The previously reported, 2018 Half-year Results took into account a significant number of the required adjustments arising from the accounting irregularities. These results, however, were prepared prior to the finalisation of the restatements and, consequently, several of the 2018 half-year numbers have been restated to align them with the final conclusions set out in the 2018 Consolidated Financial Statements. Please refer to note 1 of the 2019 Condensed Financial Statements for further details.

Critical Accounting estimates and judgements

The preparation of consolidated financial statements requires management to make judgements and estimates that affect the application of accounting policies and the reported values of assets, liabilities, income and expenses. The actual results may differ from these estimates. Judgements have been made after taking into account all currently available information, but which could change if additional relevant information comes to light. Critical accounting estimates are those that involve complex or subjective judgements or assessments. The details of such judgements and estimates are included as part of the "Basis of Preparation" of the 2018 Consolidated Financial Statements, and readers should take note of the following judgement and estimates.

Judgements

1. Going concern assumptions
2. Consolidation decisions
3. Classification and completeness of related parties and affiliated parties
4. Recoverability of financial and other assets
5. Linkage and economic substance of transactions
6. Treatment of transactions involving Steinhoff shares funded by the Group
7. Presentation of liabilities
8. Recognition and measurement of provisions
9. Correct classification and completeness of contingent liabilities
10. Correct classification and completeness of liabilities and events occurring after the Reporting Period
11. Recognition of investments as equity accounted companies

Estimates

1. Estimation of uncertain tax positions
2. Estimation of future taxable profits in support of recognition of deferred tax assets
3. Estimates of inputs into discounted cash flow models relating to the impairment of goodwill
4. Estimates of inputs into discounted cash flow models relating to the impairment of intangible assets
5. Estimation of the useful life of intangible assets
6. Estimation of the recoverable amount and fair value of properties
7. Estimation of the useful life and residual values of buildings
8. Estimation of the fair value of identifiable assets and liabilities impacting the measurement of goodwill in a business combination
9. Estimation of vesting conditions relating to share-based payments

Classification of debt as current liabilities

In terms of the presentation requirements of IFRS, a liability should be classified as current if the reporting entity does not have an unconditional right to defer settlement of the liability for at least 12 months after the Reporting Date. As the Group is in technical breach of a number of its covenants, which relate to loans that are payable in future years, until a restructuring plan is fully implemented, the financial creditors are not obligated to sanction covenant breaches. The liabilities are therefore required to be presented as current liabilities in the 2018 and 2019 Condensed Financial Statements. Where Group subsidiaries entered into new debt facilities with lenders, and these new facilities are not repayable within 12 months of the Reporting Date, these new facilities have been classified as non-current liabilities. Management considered the terms of the Lock-Up Agreements entered into with SEAG and SFHG lenders, but do not consider these terms to be substantial enough for derecognition of the existing current liabilities and recognition of the new non-current liabilities. Management anticipates that at implementation of the SEAG and SFHG CVAs, these liabilities will be reclassified to non-current liabilities. As part of entering into the Lock-Up Agreement, lenders are entitled to fees, including consent fees, early-bird fees, lock-up fees, maturity fees and roll-over fees. These fees were expensed during the second half of the 2018 financial year and in the 2019 Half-year Results, and have been added to the carrying value of the liabilities. Refer to note 14 to the 2019 Condensed Financial Statements.

Net debt and cash flow

The debt of the Group remains high, with net debt of €9.1 billion at the Reporting Date. The net debt balance remained flat over the Reporting Period. The net debt increased mostly from interest and fee accruals and the assumption by the Group of the €178 million Mattress Firm debt that was disclosed as held-for-sale in the 2018 Consolidated Financial Statements and transferred to SEAG during the Reporting Period following the successful restructure of Mattress Firm. This increase was offset by the receipt of proceeds from the kika-Leiner disposal, the disposal of the Group's stake in POCO, and the disposal of the remaining KAP shares held by the Group.

Geographic context and impact of foreign currencies

The Group earned circa 69% of its revenue from continuing operations, outside the eurozone. The Group's assets are spread around the globe and the non-European assets are subject to various currency fluctuations including changes in the value of the South African rand, the Australian dollar, the US dollar, the UK pound sterling, the Swiss franc and the Polish zloty.

One-off advisory fees (not included in segmental results)

As a result of the December 2017 events, it has been necessary for Steinhoff to engage a wide range of professional advisers to assist it with its investigative, legal, financial and regulatory requirements as it seeks to stabilise and restructure the Group. In addition, the Group is required to pay the adviser costs of each of the respective creditor groupings. The scale and complexity of this task has meant that the aggregate adviser costs for the Reporting Period have been substantial. The principal adviser relationships included:

- legal advisers in various jurisdictions with United Kingdom, Austria, Germany and South Africa being the most material;
- financial restructuring and corporate advisory functions that support the Group on discussions and engagements with its creditors;
- advisers on liquidity management and operational measures;
- forensic investigators; and
- regulatory and taxation advisers.

Advisory fees for the Reporting Period amounted to €82 million, as disclosed in note 4.1.8 of the 2019 Condensed Financial Statements. These fees included €11 million relating to the forensic investigation and technical accounting support, and €30 million relating to creditor adviser fees.

The professional fees are expected to remain substantial until the restructuring plan has been finalised and implemented.

Finance costs

The finance costs for the half-year increased significantly to €483 million (2018: €245 million). This increase is mainly as a result of increased interest on borrowings following the financial restructure, as well as transaction costs in relation to the Lock-up Agreement. The increased interest rates apply from 14 December 2018. Refer to notes 5 and 14 of the 2019 Condensed Financial Statements for more information.

Related party transactions

During the Reporting Period, related party relationships existed between certain shareholders, subsidiaries, joint-venture companies and associate companies within the Group and its company directors and Group key management personnel. All known material intergroup transactions are eliminated on consolidation.

Governance and leadership

On 19 November 2018, Louis du Preez was designated Chief Executive Officer, effective from 1 January 2019, following Danie van der Merwe's decision to step down, having met the objectives set when he took on the acting CEO role. Louis has a wealth of commercial and corporate experience and is well-placed to lead the Group through the restructuring and into the next phase of its recovery.

On 11 April 2019, the Company announced that Alexandre Nodale had stepped down as deputy CEO and as a member of the Management Board.

On 8 July 2019 we announced that Philip Dieperink will step down from both his membership of the Management Board of Steinhoff and as CFO after the 2019 AGM, having accomplished the key objectives set at the time of his appointment. Philip will be succeeded as CFO by Theodore de Klerk, currently Operations Director and member of the Management Board.

In accordance with the Lock-Up Agreement, the Nomination Committee has consulted with the creditors' governance working group in relation to the search process and the identification of candidates to be nominated to the Supervisory Board. Following that consultation and search process, the Supervisory Board nominated Paul Copley and David Pauker for appointment to the Supervisory Board.

Corporate activity during the 2018 Half-year Reporting Period

A significant amount of corporate activity has taken place since 5 December 2017, including asset disposals and debt restructuring as disclosed in the 2017 and 2018 Annual Reports. The following transactions (which are detailed in both the 2017 and 2018 Annual Reports, and the 2018 Half-year Report) took place in the 2018 Half-year Reporting Period and impacted the statement of profit or loss in the 2018 Half-year Report:

- The acquisition of Building Supplies Group
- The Call option with Shoprite
- Acquisition of Lazarus Ford and Action Ford groups
- The sale of the 17% stake in Showroomprivé
- The sale of the Mariahilfer Strasse property
- The sale of 50% of Habufa
- The sale of ordinary shares in Atterbury Europe
- The sale of the 50% interest in Extreme Digital
- The sale of PSG shares
- The reduction in the KAP holding from c 43% to c 26%

Corporate activity during the Reporting Period

POCO

Steinhoff entered into a sale agreement on 4 September 2018 in relation to its remaining interest in POCO, based on an agreed equity valuation of €533 million for 100% of the equity in POCO. In addition, the POCO business retained debt of approximately €140 million, with no recourse to the Group. The total consideration was €271 million. The sale was subject to competition and merger control approvals which were obtained during December 2018. Closing the POCO sale brought the German litigation proceedings with the entities owned by Seifert to an end.

Management assessed the interest in POCO to be classified as an asset held-for-sale from April 2018 and also classified POCO as a discontinued operation in the 2018 Half-year Reporting Period. The Pohlmann family declared a dispute regarding the 2015 sale of their interest in POCO and a settlement was reached during the 2019 Reporting Period in this regard.

Mattress Firm

On 5 October 2018, the Company announced that its Mattress Firm subsidiaries filed voluntary Chapter 11 cases in the United States Bankruptcy Court for the District of Delaware. The filing implemented a prepackaged Chapter 11 plan of reorganisation that, inter alia, provided Mattress Firm with access to new financing to support its business and established an efficient and orderly process for closing certain underperforming store locations in the United States. Mattress Firm emerged from Chapter 11 on 21 November 2018, having successfully exited approximately 640 underperforming stores. In anticipation of the Mattress Firm filing, Mattress Firm had access to approximately USD250 million in debtor-in-possession financing to support its ongoing operations during the Chapter 11 cases. On emergence from Chapter 11, Mattress Firm drew down on a four-year exit facility term loan in the original principal amount of USD400 million, a portion of which was used to repay the debtor-in-possession facilities, and had access to an undrawn exit asset backed lending facility in the amount of USD125 million. In accordance with the terms of the exit facilities, the exit facility lenders received their pro rata share of 49.9% of the equity in SUSHI, the owner of Mattress Firm.
The Group retained a 50.1% equity interest in SUSHI. Both the lenders' and the Group's shareholding are subject to a total dilution up to 10% by a management incentive plan.
On 5 October 2018, as part of the reorganisation, SUSHI shares were contributed to SEAG from the Company.
The Mattress Firm sub-group was moved within the Group structure from directly below the Company to become a subsidiary of SEAG. This move facilitated the restructuring of certain material intercompany loans owed by SUSHI and the Mattress Firm Group.

In relation to their equity stake, the exit facility lenders and the Group executed a stockholders' agreement that governs, among other things, shareholder rights in relation to the governance of SUSHI and sales of their respective equity interests. The exit facility lenders also received a USD150 million payment-in-kind facility that has a five-year maturity. As this facility was unfunded, it was recognised as a cost of finance for the discontinued operations. The Management Board has considered the shareholding and governance structures of SUSHI and determined that the Group lost control of SUSHI on 21 November 2018. Mattress Firm was included as a discontinued operation until 21 November 2018, and thereafter as an equity accounted investment in the Group's 2019 Half-year Results.

Shortly after the Mattress Firm filing, but as part of that restructuring plan, SUSHI launched an English law scheme of arrangement. The SUSHI Scheme was sanctioned on 12 November 2018 and, following completion of certain other steps, became effective on 16 November 2018.

Pepkor Holdings

On 23 November 2018, Pepkor announced that it had agreed to terminate its existing commercial relationship with CenCap, in a phased approach. Under the previous commercial agreements, CenCap, a subsidiary of Wands, was responsible for the funding of credit books that provide credit to customers of JD consumer credit and unsecured personal loans, under the Capfin brand, through the PEP and Ackermans retail footprint. Wands carried the credit risk related to these financial services. Pepkor, through its internal financial administration service operations, provided CenCap with administration and collection services in respect of these credit agreements in return for a fee. Pepkor considered its options and decided not to pursue the acquisition of the credit books owned by CenCap but will instead build its own credit books. With regard to the existing credit books, commercial agreements were renegotiated, granting Pepkor the right to continue the collection of the CenCap owned loan books for the run-down period of the books, up to a maximum period of three years and rendering the outsourced services at a market-related fee. Pepkor further agreed to purchase 100% of the issued shares in FGI from Wands for a purchase price of approximately ZAR150 million (€9 million). FGI provides insurance products to Pepkor customers under the Abacus brand and contains highly regulated liquid assets. The acquisition of FGI from Wands was approved by the Competition Commission and remains subject to conditions precedent, including Prudential Authority approval and a due diligence investigation.

Steinpol

On 11 January 2019, the sale of Steinpol, a non-core manufacturer of upholstered furniture, operating eight factories in Poland and one in Hungary, was agreed. Steinpol was classified as held-for-sale at 30 September 2018 and a discontinued operation in all periods presented. There was no material impact to profit or loss in the 2019 Half-year Results.

Campion

In January 2019 the Group concluded various agreements with the Campion Group, the main terms of which included the settlement of a number of outstanding loans owing to the Group in exchange for the receipt by the Group of a number of investments, including:

- Approximately 25.5 million Brait shares,
- Approximately 30 million Steinhoff shares (held by SSUK and Town Investments),
- Legal ownership of Town Investments,
- Legal ownership of 55% of GT Branding.

At 31 March 2019 the Brait shares had a carrying value of €40 million after recognising a fair value loss of €9 million. Subsequent to the Reporting Date, SFHG sold the listed Brait securities for €37 million, resulting in a further fair value loss of €3 million.

KAP

In March 2019, the Management Board approved an accelerated bookbuild for the sale of the Group's remaining 694 million ordinary shares in KAP. The shares were successfully placed at a price of ZAR6.85 per share on 26 March 2019, raising total gross proceeds of ZAR4.8 billion (€294 million).

Unitrans

The Group announced, on 28 March 2019, that it had reached an in-principle agreement to dispose of 74.9% of Steinhoff Africa's shares in Unitrans Motor Holdings Proprietary Limited ("Unitrans") (and its subsidiaries), and 100% of the loan claims against Unitrans held by Steinhoff Africa, to CFAO Holdings South Africa Proprietary Limited. Under the terms of the potential transaction the parties will endeavour to dispose of the Group's remaining 25.1% interest in Unitrans at a later date, as part of a Broad-Based Black Economic Empowerment transaction. The Board commenced the disposal process during the second half of the 2018 financial year, and management determined that the criteria to classify Unitrans as a discontinued operation were met. The Unitrans assets were revalued to their fair value less expected cost of disposal at 30 September 2018. Unitrans was assessed as held-for-sale at the 30 September 2018 and 31 March 2019 reporting dates.

Corporate activity after the Reporting Date

Conforama

The French Commercial Court of Meaux, on 11 April 2019, approved an amicable restructuring agreement entered into between Conforama and its creditors, as part of a French law "conciliation" process which provided the framework for the refinancing negotiations. This ruling allowed Conforama to implement its financial restructuring. The key terms of the financial restructuring included a total nominal value of €316 million new money financing (including undrawn and conditional commitments) and warrants (to be issued) in favour of the new money funders over 49.9% of the shares in Conforama. The first tranche of the funds, amounting to €205 million, was made available on 15 April 2019. The Management Board has considered the shareholding and governance structures of Conforama and determined that the Group has retained control of Conforama. Management has similarly determined that Conforama had not met the requirements to be classified as held-for-sale at the Reporting Date or as a discontinued operation.

On 2 July 2019 Conforama announced a project to restructure and transform its French operations over the next 18 to 24 months. This project includes the closure of specific unprofitable stores that have no prospect of recovery: 32 Conforama stores and 10 Maison Depot stores. The plan also aims to restructure the central functions to align them better with the activities. Furthermore, this project intends to enable the stores to be more client oriented and efficient. In total, the project could result in up to 1 900 job-cuts. This project arises from the need for Conforama to reduce its losses and to return to profitability.

Pepkor Europe

Pepkor Europe is well advanced in negotiations to refinance its existing term loan facility, which matures in January 2020, with a successful conclusion anticipated in the second half of the financial year.

Group debt restructure

The Group has been engaged in substantial and complex debt restructuring since December 2017 as described in the 2017 and 2018 Annual Reports.

Company Voluntary Arrangements (CVAs)

In terms of the proposed European restructuring detailed in the Lock-Up Agreement, on 30 November 2018, the SEAG CVA and the SFHG CVA were filed with the English court. The SEAG CVA and the SFHG CVA seek to implement the restructuring plan outlined in the Lock-Up Agreement. The CVA proposals, together with certain supporting documentation, can be downloaded from www.steinhoffinternational.com.

The principal amount of external European debt instruments under both the CVAs is approximately €7.9 billion, being approximately €5.2 billion of external SEAG debt and approximately €2.7 billion of external SFHG debt.

The meetings of the financial creditors and members of SEAG and SFHG to vote on the SEAG CVA and SFHG CVA, as applicable, were held on 14 December 2018. The SEAG CVA and the SFHG CVA were each approved by the requisite majorities of their respective creditors and by their members.

One challenge was submitted, and subsequently withdrawn, to the SEAG CVA. As no challenges remained to the SEAG CVA or the SFHG CVA within the challenge period, no further challenges are permitted. Certain relevant terms of the SEAG CVA and the SFHG CVA, including the interim moratoria, continue to apply and the Group continues to work towards the implementation of the financial restructuring.

On 2 July 2019, the Company announced that the requisite majority of creditors of SEAG and SFHG had provided their consent to amend the definition of the CVA Long-Stop Date to 9 August 2019. This approval consequently extended the longstop date as defined in and as applicable to the Lock-Up Agreement to be the same as the extended CVA long-stop date.

Outstanding steps

The various extensions requested reflect the complexity of the restructuring. The Group is continuing to work hard to implement the restructuring. Completion of the CVAs require a series of steps to be undertaken.

The next step is the issuance of the Implementation Conditions Notice. This will prompt a period for the calculation of creditor entitlements under the new debt instruments. The remainder of the implementation timetable is as detailed in the SEAG CVA and the SFHG CVA documentation.

The final step is the issuance of the Implementation Commencement Date notice which will prompt a period of business transfers and execution of the necessary documents immediately prior to the final steps and closing. Provided all remaining conditions to implementation are satisfied, implementation of the restructuring will then commence, and it remains the objective of the Group to complete the restructuring as soon as possible.

Remediation Plan

PwC delivered its forensic report to the Group's lawyers, Werksmans, in mid-March 2019. The Company thereafter provided the market with an overview of this report. After reviewing the findings of both the PwC report and its own internal investigation, the Management Board has developed and begun to implement a Remediation Plan designed to address the causes of the various governance failures and their consequential impacts on the Group. The Remediation Plan addresses all the potential areas of weakness that have been identified to date, together with their regulatory consequences. It also identifies outstanding tasks, those responsible for their execution and the timeline for delivery.

To ensure that the Remediation Plan achieves its objectives, the Company appointed Louis Strydom as Chief Compliance and Risk Officer (CCRO) with effect from 1 July 2019. Mr Strydom has significant prior experience of the issues facing the Group as he was previously head of the PwC forensic team responsible for the Steinhoff investigation. He reports directly to the CEO, with reporting responsibility to the Audit and Risk Committee.

The Remediation Plan is a live document which will be expanded as and when new issues arise. It has been endorsed by the Supervisory Board, which will ultimately oversee its implementation. The Company is also considering findings from its own investigation, and the contents of the PwC report, in order to pursue, where appropriate, the recovery of losses incurred, and damages suffered.

Going concern

In determining the appropriate basis of preparation of the 2019 Condensed Financial Statements, the Management Board is required to consider whether the Group can continue in operational existence for the foreseeable future. The Group and the Company's cash flow forecasts indicate that the Group and the Company can, based on certain critical assumptions, continue in operational existence for the foreseeable future, namely for 12 months after the date of authorisation. The Management Board draw attention to the following critical assumptions that are key in arriving at the forecast cash flows, namely:

Litigation

The Group and Company have received several shareholder and vendor claims and notices of regulatory investigation. A key assumption in both the Group and Company cash flow forecast is that no material claims or fines are awarded against the Group or Company that will become payable during the next 12 months. The Supervisory Board and the Management Board, assisted by a litigation committee, and in consultation with the Group's attorneys, continue to assess the merits of, and responses to, these claims, and provide feedback to the regulatory bodies. Several initial defences have already been filed by Steinhoff in these legal proceedings. However, there remains a material uncertainty as to the ultimate impact of litigation on the liquidity of the Group. The majority of the claims do not have an impact on the 2019 Condensed Financial Statements. These claims are contingent liabilities and have been disclosed in note 22.3 to the 2018 Consolidated Financial Statements and in note 17 to the 2019 Condensed Financial Statements.

On 21 June 2019, the Company received a writ of summons from Barents & Krans on behalf of Hamilton B.V. ("Hamilton"). This writ of summons initiates legal proceedings against the Company and others for declaratory relief relating to currently unquantified damages arising from alleged wrongful acts. The Company and Hamilton have agreed that no procedural act would be due from the Company until later in the year. This writ is also considered to be a contingent claim at the date the 2019 Condensed Financial Statements are published – refer note 19 to the 2019 Condensed Financial Statements

No additional claims relating to the litigation were provided for during the Reporting Period.

At the same time, the Group is also evaluating its position on potential claims it may have against third parties and recoveries against implicated entities and individuals are being initiated where appropriate. Certain individuals have been joined as parties to proceedings on the basis that if claims against Steinhoff are successful, Steinhoff will be entitled to an indemnity in respect of, or a contribution towards, those parties' claims. The Group also intends to recover amounts paid to certain former members of, inter alia, the Management Board of Steinhoff. On 19 June 2019 the Company launched proceedings against former CEO Markus Jooste and former CFO Ben la Grange in the Cape Town High Court, South Africa to recover certain salary and bonus payments paid to the former CEO and CFO.

Tax

Tax remains a material uncertainty, as the tax impact of the accounting irregularities identified, and the consequential effects thereof, remain uncertain. This situation is exacerbated by the fact that these irregularities impact multiple jurisdictions and the finalisation of their treatment will require substantial analysis and negotiation with multiple tax authorities across these jurisdictions. A key assumption is therefore that the tax assumptions built into the current cash forecast, for both the Group and Company, continue to apply and that no unexpected material assessments are received. The steps to complete the CVAs are complex and multi-jurisdictional, giving rise to an element of risk regarding the tax consequences thereof. The Group has engaged with professional tax advisers in numerous jurisdictions to determine the ultimate tax consequences, with a view to ensuring that the associated element of risk arising from the restructuring is mitigated.

CVA process

The restructuring of the Group's existing financial indebtedness continues. The full implementation of the CVA is critical to the liquidity of the Group. A further long delay will increase adviser costs which will negatively impact the Group's cashflow. Should the CVA fail for any reason, this would have a materially negative impact on the liquidity of the Group and the Company.

CVA and Hemisphere Arrangements

It is important that there is no event of default in the future, once the implementation of the CVA has been fully implemented, or under the existing agreement with the Hemisphere lenders, that threatens the current standstill agreements.

Conclusion

The Management Board draw attention to the following facts:

(i) the Group's current liabilities exceed current assets; and
(ii) that these material uncertainties extend beyond the foreseeable future.

These facts therefore cast significant doubt upon the Company and Group's ability to continue as a going concern beyond the foreseeable future. If the Group and Company are to continue as a going concern, the Management Board and operational management require sufficient time to stabilise the Group and re-establish value at operational level. This will enable the Group and Company to realise assets in a non-distressed fashion and thus maximise value to repay or reduce debt to manageable levels. This will also maximise the return to all stakeholders. At the same time a solution for the potential litigation against the Group will need to be sought and implemented.

The Company's dividends on Ordinary Shares

Given the Group's ongoing liquidity constraints, the Management Board, with the approval of the Supervisory Board, has resolved not to propose dividends on Ordinary Shares until further notice. On the Reporting Date and at the date of publication of this report, the Ordinary Shares remain listed and traded on the FSE and the JSE.

Preference Shares and dividends

Suspension of the Steinhoff Investment Holdings Limited preference shares on the JSE

SINVH is a wholly owned Subsidiary of the Company and is the issuer of variable rate, cumulative, non-redeemable, non-participating preference shares with a capital value of ZAR1.5 billion. The preference shares are listed on the JSE. Following the events of December 2017, SINVH was unable to publish its Consolidated Financial Statements for the year ended 30 September 2017 by the requisite date, namely 28 February 2018. The listing of the preference shares was suspended by the JSE effective 1 March 2018. SINVH estimates that it will published its 2017 and 2018 audited Consolidated Financial Statements before the end of September 2019. These preference shares are included as Non-controlling interest: Preference share capital.

Preference share dividends – SINVH

On 27 February 2019, the board of SINVH declared a gross dividend of 418.09418 South African cents per SINVH preference share, payable on Monday 29 April 2019. The SINVH preference shares dividends were paid in the currency of South Africa and were subject to local dividend tax of 20%.

Risk management

The Management Board is ultimately accountable for the risk management process and system of internal control. Steinhoff has adopted a risk management framework based on the principles of ISO 31000 and the Dutch Corporate Governance Code. The ongoing evolution of the risk management and internal control systems remains a priority.

The Company is a Holding Company and as such the risk management process takes cognisance of the risks within the Company as well as the risks inherent to its operating subsidiaries. The material risks faced by the Company are presented in the table below:

Material Risks (Company)

Material Uncertainty	Risk Classification
Financial Stability	Internal: Financial Risk
Litigation	External: Legal and Compliance Risk
Regulatory and Tax Compliance Management	External: Legal and Compliance Risk
Talent Management and Retention	Internal: Operational Risk
Commercial Sustainability of Operating Subsidiaries	Internal: Strategic Risk
Fraud and Ethics	Internal: Legal and Compliance Risk
Reputation and Brand	External: Strategic Risk

Risk Summary

The management of both solvency and liquidity risk remains a primary concern and focus area for the Company to ensure the ongoing financial stability of the Group. The implementation of both CVAs will significantly reduce this risk for the foreseeable future.

The uncertainty relating to legal actions against the Company and Group is high, with potential liabilities resulting in material exposure. The fact that multiple actions, including class actions, have been filed by, and on behalf of, individual and institutional investors in various countries adds additional complexity to this risk. The outcome of litigation against current and past directors of Group entities is uncertain.

The risk of failure to comply with laws or regulations extends across multiple jurisdictions, is significant and could result in liability, including, but not limited to, criminal prosecutions, financial penalties, and injunctive action.

As a result of the accounting irregularities the Company is exposed to a number of different taxation risks. These include, but are not limited to, differing interpretations of tax laws and tax reviews by the authorities in various jurisdictions. Tax reviews by authorities in these jurisdictions may result in additional taxes and could have a significant adverse effect on equity.

The ability to retain talent and/or attract experienced senior staff is constrained. The effectiveness of Group Services will depend on its ability to manage, attract and retain skilled and qualified human capital. The risk of losing organisational knowledge is high and this places stress on an already limited group resource. The reliance on external consultants for day-to-day operational requirements is costly and not sustainable.

The Company's future operating results and value will depend upon the ability of each operating division to preserve and increase their value through, in the main, organic growth and improved productivity.

Management believe that the risk of material fraud and unethical behaviour is lower as a consequence of improved controls and remedial actions implemented to date.

The Company has experienced significant reputational damage which continues to impact negatively on investor confidence. The recent efforts by the Management Board in terms of debt restructuring should contribute positively towards rebuilding investor confidence.

Material Risks (Operating Entities)

Operational management is responsible for managing risk and ensuring an effective control environment. Each operating company is in the process of reviewing its governance, risk and compliance framework. Operational matters relating to governance, risk and compliance are identified and reported to operational management and to local audit and risk governance structures. The operational management structure is responsible for reviewing assurance of controls, addressing identified discrepancies, and reporting material breaches to the Management Board and to Steinhoff's Audit and Risk Committee.

The material risks identified at operational level include the following:

- Economic Slowdown;
- Supply Chain;
- Competition;
- Talent Management and Retention;
- Failure to meet customer needs;
- Cyber Security.

Events after the Reporting Date

As described above, certain corporate activity took place after the Reporting Date. In addition, the debt restructure, as set out above, has continued after the Reporting Date.

Appreciation

While much more remains to be done, the Group made significant progress during the period. In particular, the finalisation and publication of the 2017 and 2018 Annual Reports was a substantial achievement that required a tremendous effort by all involved. The release today of the 2019 Half-year Results brings the external reporting of the Company up to date.

We would like to take this opportunity to thank the senior management and employees of the underlying businesses for their leadership and loyalty in keeping the businesses going and retaining value for the Group under extremely challenging circumstances.

We would also like to thank all members of the Supervisory Board, who have provided guidance and support.

Finally, to all employees at the various central offices of the Group, our most sincere thanks for your relentless hard work and determination to help us overcome the many challenges we faced during the period.

OPERATIONAL REVIEW

This report covers the period 1 October 2018 to 31 March 2019 (Reporting Period). This report has not been audited by the company's auditors.

Introduction

The Group reported revenue growth from continuing operations of 3% to €6 862 million for the period under review (H1FY18: €6 666 million).

From a profitability perspective, the Group's reported segmental EBITDA, from continuing operations, increased by 71% to €393 million in the period (H1FY18: €230 million) and operating profit before capital items from continuing operations more than doubled to €259 million (H1FY18: €101 million).

The Group's operational profitability from continuing operations, (excluding the impact of corporate and treasury services) was at similar levels to the prior period. Although corporate and treasury services costs were much reduced, the operational results for the period continued to reflect the knock-on impact of the announcement of accounting irregularities in December 2017. Management at Group and operational level continued to spend a significant amount of time and effort engaging with funders, suppliers and other business partners to ensure their continued support. Encouragingly, customer confidence in our offering has stabilised.

The general merchandise businesses in Europe and Africa are expanding at a rapid pace. In the household goods businesses, new store openings continue to be considered but only on a highly selective basis and many capex projects remain on hold.

REVENUE FROM CONTINUING OPERATIONS (€M)	H1FY19	H1FY18	Change %
EUROPE AND UNITED KINGDOM			
Total Europe and United Kingdom	4 021	3 870	4
Pepkor Europe	1 726	1 523	13
Conforama	1 797	1 831	(2)
Other*	492	511	(4)
Properties	6	5	20
AFRICA			
Total Africa	2 196	2 151	2
Pepkor (separately listed)	2 192	2 147	2
Other (Properties Africa)*	4	4	–
AUSTRALASIA			
Greenlit Brands	644	644	–
CORPORATE AND TREASURY SERVICES			
Corporate and treasury services	1	1	–
Total Group revenue from continuing operations	**6 862**	**6 666**	**3**

Part of "All other" segment in the 2019 Condensed Financial Statements

REVENUE FROM DISCONTINUED OPERATIONS (€M)	H1FY19	H1FY18	Change %
UNITED STATES OF AMERICA – CHANGE IN CONTROL OPERATIONS*			
Mattress Firm			
Revenue for the six-month period	1 243	1 231	1
Revenue for the four-month period 21/11/2018 – 31/03/2019 (equity accounted)*	(859)		
Revenue for the two-month period 01/10/2018 – 21/11/2018 included in segmental results	384	1 231**	(69)
AFRICA AND EUROPE – DISPOSALS			
Automotive	750	766	(2)
Other	66	681	(90)
Properties	–	1	(100)
Total revenue from discontinued operations	**1 200**	**2 679**	**(55)**

**Following the completion of the Chapter 11 restructuring, the Group's stake in Mattress Firm decreased from 100% to 50% on 21 November 2018. As a result, for accounting purposes, the Group is deemed to have lost control of Mattress Firm and the remaining 50% stake has been equity accounted with effect from 21 November 2018. In accordance with accounting standards, as a result of the change in control, 100% of Mattress Firm's results are deemed to be discontinued operations up to and until 21 November 2018, although the Group retains a 50% shareholding in Mattress Firm. For more detail please refer to the Mattress Firm section of the Financial and Business Review and note 1 of the 2018 Consolidated Financial Statements.*

*** Represents revenue for the six-month period H1FY18.*

EBITDA FROM CONTINUING OPERATIONS (€M)	H1FY19	H1FY18	Change %
EUROPE AND UNITED KINGDOM			
Total Europe and United Kingdom	161	150	7
Pepkor Europe	151	117	29
Conforama	19	35	(46)
Other*	(9)	(5)	(80)
Properties	–	3	(100)
AFRICA			
Total Africa	256	251	2
Pepkor (separately listed)	248	243	2
Other (Properties Africa)*	8	8	–
AUSTRALASIA			
Greenlit Brands	14	33	(58)
CORPORATE AND TREASURY SERVICES			
Corporate and treasury services	(38)	(204)	81
Total segmental EBITDA from continuing operations	**393**	**230**	**71**

*Part of "All other" segment in the 2019 Condensed Financial Statements

EBITDA FROM DISCONTINUED OPERATIONS (€M)	H1FY19	H1FY18	Change %
UNITED STATES OF AMERICA – CHANGE IN CONTROL OPERATIONS*			
Mattress Firm			
EBITDA for the six-month period	(39)	(98)	60
EBITDA for the four-month period 21/11/2018 – 31/03/2019 (equity accounted)*	13		
EBITDA for the two-month period 01/10/2018 – 21/11/2018 included in segmental results	(26)	(98)**	73
AFRICA AND EUROPE – DISPOSALS			
Automotive	32	28	14
Other	1	(17)	>100
Properties	–	41	(100)
Total segmental EBITDA from discontinued operations	**7**	**(46)**	**>100**

*Following the completion of the Chapter 11 restructuring, the Group's stake in Mattress Firm decreased from 100% to 50% on 21 November 2018. As a result, for accounting purposes, the Group is deemed to have lost control of Mattress Firm and the remaining 50% stake has been equity accounted with effect from 21 November 2018. In accordance with accounting standards, as a result of the change in control, 100% of Mattress Firm's results are deemed to be discontinued operations up to and until 21 November 2018, although the Group retains a 50% shareholding in Mattress Firm. For more detail please refer to the Mattress Firm section of the Financial and Business Review and note 1 of the 2018 Consolidated Financial Statements.

** Represents EBITDA for the six-month period H1FY18.

OPERATING PROFIT ADJUSTED FOR ONE-OFF OR EXCEPTIONAL ITEMS ("EBIT") FROM CONTINUING OPERATIONS (€M)	H1FY19	H1FY18	Change %
EUROPE AND UNITED KINGDOM			
Total Europe and United Kingdom	81	71	14
Pepkor Europe	117	88	33
Conforama	(9)	7	(>100)
Other*	(23)	(21)	(10)
Properties	(4)	(3)	(33)
AFRICA			
Total Africa	218	215	1
Pepkor (separately listed)	210	207	1
Other (Properties Africa)*	8	8	–
AUSTRALASIA			
Greenlit Brands	1	19	(95)
CORPORATE AND TREASURY SERVICES			
Corporate and treasury services	(41)	(204)	80
Total EBIT per segmental reporting from continuing operations	**259**	**101**	**>100**

Part of "All other" segment in the 2019 Condensed Financial Statements

OPERATING PROFIT/(LOSS) ADJUSTED FOR ONE-OFF OR EXCEPTIONAL ITEMS ("EBIT") FROM DISCONTINUED OPERATIONS (€M)	H1FY19	H1FY18	Change %
UNITED STATES OF AMERICA – CHANGE IN CONTROL OPERATIONS*			
MATTRESS FIRM			
Operating loss for the six-month period	(39)	(136)	71
Operating loss for the four-month period 21/11/2018 – 31/03/2019 (equity accounted)*	13		
Operating loss for the two-month period 01/10/2018 – 21/11/2018 included in segmental results	(26)	(136)**	81
AFRICA AND EUROPE – DISPOSALS			
Automotive	32	21	52
Other	1	(30)	>100
Properties	–	26	(100)
Total EBIT per segmental reporting from discontinued operations	**7**	**(119)**	**>100**

**Following the completion of the Chapter 11 restructuring, the Group's stake in Mattress Firm decreased from 100% to 50% on 21 November 2018. As a result, for accounting purposes, the Group is deemed to have lost control of Mattress Firm and the remaining 50% stake has been equity accounted with effect from 21 November 2018. In accordance with accounting standards, as a result of the change in control, 100% of Mattress Firm's results are deemed to be discontinued operations up to and until 21 November 2018, although the Group retains a 50% shareholding in Mattress Firm. For more detail please refer to the Mattress Firm section of the Financial and Business Review and note 1 of the 2018 Consolidated Financial Statements.*

*** Represents operating loss before capital items for the six-month period H1FY18.*

Europe and United Kingdom

Pepkor Europe

REVENUE (€M)	H1FY19	H1FY18	Change %
Total revenue	1 726	1 523	13
PEPCO (central and eastern Europe)	805	623	29
Poundland (including Dealz)	921	900	2
EBITDA (€M)			
Pepkor Europe	151	117	29
OPERATING PROFIT (€M)			
Pepkor Europe	117	88	33

Pepkor Europe continued to report strong results for the period under review. Revenue increased by 13% to €1 726 million, driven primarily by continued expansion of the PEPCO format in central Europe. Taking the later Easter (a key trading period) in 2019 into account, the momentum established in the first quarter was broadly maintained across the period, with total revenue growth of 13% in the second quarter.

At a profit level, Pepkor Europe increased EBITDA by 29% to €151 million during the period under review. Operating profit increased by 33% to €117 million, with this increase reflecting the combined benefit of continued scale efficiencies in PEPCO and initial traction within Poundland to reduce store rents in line with prevailing market conditions and to reduce product shrinkage levels.

PEPCO's growth reflects continued expansion of its store estate and investment in the customer offer, both through improved product ranges and the refurbishment of 34 existing stores during the period under review. The strong sales growth has been achieved despite the disruption caused by the extension of Polish Sunday trading restrictions and any impact from the growth in the brand's store footprint. Poundland continued to outperform the wider UK high street, with its competitive differentiation being driven by the introduction of clothing 'shop-in-shops', now present in approximately 300 stores, and measured product range extension to support a broader range of price points.

Pepkor Europe traded from 2 473 stores in the period, an increase of 12% in both the half-year and second quarter, as it continued with its disciplined roll-out plan. PEPCO expanded its store portfolio by 19% year-on-year, opening net 99 new stores in the period under review, including its first two stores in Bulgaria's second city, Plovdiv. Bulgaria represents PEPCO's eleventh country market and the business remains on track to open 10 stores there by the end of the financial year.

Poundland continues to rationalise its store portfolio, balancing the exit from stores in weaker catchments with carefully selected new store opportunities in stronger locations. During the period under review, benefitting from locations released by the failure of a competitor, Poundland opened 20 new stores in the UK and relocated a further five to larger sites. These stores continue to deliver strong returns on invested capital. On a net basis, Poundland increased its store portfolio by six stores during the period under review to 846 stores as at 31 March 2019.

The Dealz business in mainland Europe continues to trade well and is making good progress towards its target of trading from around 60 stores by the end of the financial year, representing a trebling of its store estate in the 12-month period. The proposition continues to strengthen in both markets, with a full apparel offer successfully added to seven stores in Spain and a three-category offer (FMCG, general merchandise and apparel) now the preferred model for this territory. The Polish offer has benefitted from the introduction of key local brands that can now be accessed because of the business' growing scale.

As planned, Pepkor Europe completed the closure of its legacy French operation during the second quarter, allowing the Group to focus resources on the exciting growth opportunity in Spain and Poland.

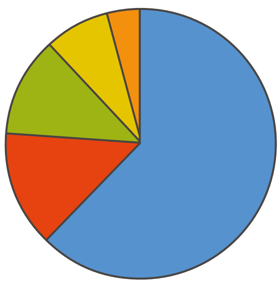
The development of the infrastructure to support the Group's future growth ambition continued with construction of a new distribution centre in Hungary to support PEPCO's continued store expansion commencing in the period.

Conforama

(€M)	H1FY19	H1FY18	Change %
Total revenue	1 797	1 831	(2)
Total EBITDA	19	35	(46)
Total operating (loss)/profit	(9)	7	(>100)

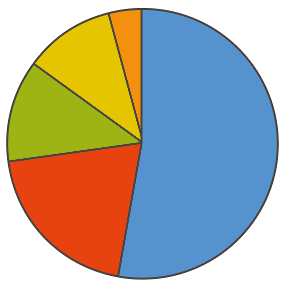
HALF-YEAR 2019 REPORTING PERIOD

REVENUE BY REGION



France	62%
Iberia	14%
Switzerland	12%
Italy	8%
Balkans	4%

REVENUE BY PRODUCT



Furniture	53%
White goods	20%
Brown and grey goods	12%
Household goods	11%
Other	4%

For the period under review, the Conforama Group reported a 2% decline in revenue, with like-for-like revenue decreasing by 5%.

Solid revenue growth delivered by the Conforama international operations (comprising all Conforama territories outside of France) was offset by weaker performance in France (H1FY19: -6%). Sales in France were negatively impacted by the 'Gilets Jaunes' ('yellow vest') protests in the first quarter and, to a lesser extent, by constrained supply of products in some home electronic categories, especially white goods (large appliances). While the performance in France showed a substantial improvement in the second quarter, revenue growth was still negative (Q2FY19: -3%).

Reported revenue growth for the Conforama international operations was positive in all territories, supported by a strong performance from new stores opened in FY18, which included six in Iberia, two in Italy, two in the Balkans, and one in Switzerland. Like-for-like sales growth for the international operations was marginally negative for the period under review.

Revenue in the furniture product category grew by 1%, while home accessories decreased by 5%. In the lower-margin electronics product category revenue decreased by 5%, reflecting a decrease in sales in the brown and grey goods categories (TVs, mobile phones, computers, etc.).

EBITDA for the period under review was negatively impacted by reduced sales in France. As stated above, the performance in France improved during the second quarter on the back of an increased margin and strict cost control, although the business remains loss-making. The international operations reported a strong 9% growth in EBITDA for the period under review.

Subsequent events

Conforama announced a financial restructuring in April 2019 to raise the necessary funds to restructure its operations and improve its financial performance. As part of this plan, Conforama raised new funding of €316 million and issued warrants over the equivalent of 49.9% of its issued share capital to the providers of this new capital on 29 May 2019 (please refer to the accompanying Financial and Business Review for more details on the financial restructuring). Subsequently, in July 2019, the Group announced a restructuring plan in France, which included store closures and a reduction in headcount, as explained further in the Financial and Business Review.

All other*

Excludes South African properties, which are disclosed in the properties section of the Operational review.

REVENUE (€M)	H1FY19	H1FY18	Change %	Constant currency change %
CONTINUING OPERATIONS	492	511	(4)	
UK household goods	314	339	(7)	(8)
Lipo	88	86	2	–
ABRA	27	29	(7)	(5)
Sherwood	48	24	100	
Sourcing and logistics	15	33	(55)	
DISCONTINUED OPERATIONS	66	681	(90)	
ERM: kika-Leiner	–	470	(100)	
ERM: Extreme Digital	–	43	(100)	
Manufacturing, sourcing and logistics	66	168	(61)	
EBITDA (€M)				
CONTINUING OPERATIONS	(9)	(5)	(80)	
UK household goods	(13)	(15)	13	14
Lipo	2	2	–	(3)
ABRA	(1)	–		
Sherwood	4	4	–	
Sourcing and logistics	(1)	4	(>100)	
DISCONTINUED OPERATIONS	1	(17)	>100	
ERM: kika-Leiner	–	(26)	100	
ERM: Extreme Digital	–	1	(100)	
Manufacturing, sourcing and logistics	1	8	(88)	
OPERATING PROFIT/(LOSS) (€M)				
CONTINUING OPERATIONS	(23)	(21)	(10)	
UK household goods	(24)	(27)	11	12
Lipo	1	–		
ABRA	(2)	–		
Sherwood	3	3	–	
Sourcing and logistics	(1)	3	(>100)	
DISCONTINUED OPERATIONS	1	(30)	>100	
ERM: kika-Leiner	–	(37)	100	
ERM: Extreme Digital	–	1	(100)	
Manufacturing, sourcing and logistics	1	6	(83)	

**All operations are based in Europe and the United Kingdom, except for Sherwood, which is based in the United States of America.*

UK

In a challenging UK furniture retail market that was also impacted by a later Easter in 2019, euro-reported revenue in the UK household goods division decreased by 7% for the period under review to €314 million (H1FY18: €339 million). Constant currency revenue decreased by 8%, while like-for-like revenue declined by 5%.

Bensons' revenue was flat, and the business continues to be profitable. However, the Harvey's furniture business reported an 8% decline in customer orders and remains in a loss-making position.

The loss of two key suppliers (following an inability to agree acceptable commercial terms with one supplier and the second supplier entering administration) negatively impacted sales of Harveys and Bensons during the period under review. Furthermore, teething problems with the migration to a new front office system resulted in issues with open orders and increased customer cancellations. These issues have now largely been resolved.

Management has identified a number of areas of cost reduction and vertical integration that are a key area of focus as they continue the restructuring of this division.

Lipo

During the Reporting Period, Lipo reported revenue growth of 2% to €88 million (H1FY18: €86 million). When measured in constant currency against the Swiss franc, Lipo's total revenue remained unchanged and like-for-like revenue increased by 1%, while profitability was maintained.

ABRA

In a competitive Polish furniture market, ABRA's revenue declined by 7% to €27 million (in constant currency revenue decreased by 5%), with like-for-like revenue declining by 8%. Operating profit is marginally negative.

Sherwood

The majority of Sherwood's revenue is generated from Mattress Firm. In line with consolidation principles, sales received from Mattress Firm are eliminated up to 21 November 2018 (when the Group is deemed to have lost control of Mattress Firm) in arriving at reported external revenue.

Sherwood's revenue increased as H1FY19 Mattress Firm revenue was eliminated for two months while the prior period was eliminated for six months. With regard to external revenue to other third-party customers, revenue reduced as a result of a loss of a few customers.

Discontinued operations

kika-Leiner

Effective 14 August 2018, the Group sold the kika-Leiner operating and property companies. This transaction is explained in more detail under the 'kika-Leiner disposal' paragraphs in the Financial Review of the 2018 Annual Report and note 1 of the 2018 Consolidated Financial Statements.

Extreme Digital

The Group disposed of Extreme Digital in January 2018. Please refer to the 'Extreme Digital' paragraph in the Financial Review of the 2018 Annual Report and note 1 of the 2018 Consolidated Financial Statements for more detail.

Manufacturing, sourcing and logistics

Given the limited intra-group sales between other members of the Group and the manufacturing operations of Puris, Impuls and Steinpol, these manufacturing businesses were designated non-core and sale transactions were concluded in September 2018 (Puris and Impuls) and March 2019 (Steinpol). Please refer to the 'Manufacturing and other' paragraph in the Financial Review of the 2018 Annual Report and note 1 of the 2018 Consolidated Financial Statements for more detail.

As a result, all of the manufacturing operations have been classified as discontinued operations. The remaining balance consists of a small number of selected sourcing and logistics businesses that are not material to the Group.

Properties

The property division consists of the Group's land and buildings held in the European (Hemisphere) Property Group and South African property companies. These properties comprise a footprint of retail, warehouse and manufacturing properties.

REVENUE (€M)	H1FY19	H1FY18	Change %	Constant currency change %
CONTINUING OPERATIONS				
Revenue external	10	9	11	
Europe	6	5	20	
Africa	4	4	–	5
DISCONTINUED OPERATIONS				
kika-Leiner properties	–	1	(100)	
EBITDA (€M)				
CONTINUING OPERATIONS				
Internal and external	8	11	(27)	
Europe	–	3	(100)	
Africa	8	8	–	5
DISCONTINUED OPERATIONS				
kika-Leiner properties	–	41	(100)	
OPERATING PROFIT/(LOSS) (€M)				
CONTINUING OPERATIONS				
Internal and external	4	5	(20)	
Europe	(4)	(3)	(33)	
Africa	8	8	–	5
DISCONTINUED OPERATIONS				
kika-Leiner properties	–	26	(100)	

ASSETS (€M)	H1FY19	H1FY18	Change %
CONTINUING OPERATIONS	484	678	(29)
Europe	260	362	(28)
Africa	224	316	(29)

The Conforama property portfolio does not form part of the property division and is included in the assets of the Conforama division.

With effect from 14 August 2018, the group sold the kika-Leiner operating and property companies, as explained in more detail in the 'kika-Leiner disposal' paragraphs in the Financial Review of the 2018 Annual Report and note 1 of the 2018 Consolidated Financial Statements.

In line with consolidation principles, rental received from subsidiaries (the majority of the property division's earnings) is reversed in arriving at reported external revenue. During the period under review, the European property division reported one-off consultancy fees of €8 million relating to the restructuring of Hemisphere, which is included in the results reported above.

An independent valuation process, commissioned during the 2018 Half-year Reporting Period, resulted in restatements and impairments of the European property portfolio, most of which was recognised in the 2017 financial year. Full details regarding the impairments are disclosed in note 1.2.1 and note 9 of the 2017 Consolidated Financial Statements.

Africa

Pepkor Holdings

REVENUE (€M)	H1FY19	H1FY18	Change %	Constant currency change %
Total revenue				
Pepkor Holdings	2 192	2 147	2	7
EBITDA (€M)				
Total EBITDA	248	243	2	8
Pepkor Holdings	248	212	17	22
Steinhoff N.V. BVI reversal	–	29		
Steinhoff N.V. share-based payment reversal	–	2		
OPERATING PROFIT (€M)				
Total operating profit	210	207	1	8
Pepkor Holdings	210	176	19	25
Steinhoff N.V. BVI reversal	–	29		
Steinhoff N.V. share-based payment reversal	–	2		

The Pepkor Group reported satisfactory results during the period ended 31 March 2019, notwithstanding a challenging retail market backdrop.

Consumer spending remains under pressure in southern Africa, reflecting increased living costs and high levels of unemployment. Uncertainty prior to the 2019 South African elections, the implementation of phased interruptions to electricity supply, and the later timing of Easter in 2019 all contributed to a very challenging retail environment. Respectable earnings growth on a comparable basis was achieved, notwithstanding lower than expected sales growth.

As explained in note 1.2.3 of the 2017 Consolidated Financial Statements, Steinhoff management considered the date from which the BVI structure should be consolidated by the Steinhoff Group and concluded that this was during March 2015, when it acquired the Pepkor Group. Therefore Steinhoff N.V. already recognises the full external debt of BVI. As a consequence, although the one-off ZAR440 million (€29 million) financial guarantee costs are shown as an expense in the Pepkor Africa segment in H1FY18, these are reversed at the Steinhoff group level as part of the consolidation process and do not have an impact on the Steinhoff Group's consolidated results.

Pepkor's defensive market positioning of offering value to customers by providing everyday products at affordable prices and at customers' convenience underpins its resilience and enabled the business to increase its market share in the period*.

The group's retail store footprint expanded to 5 332 stores, including 164 new store openings, during the six-month period.

The return of selling price inflation supported healthy sales growth within the core Clothing, Footwear and Home (CFH) product departments.

PEP and Ackermans

In aggregate, PEP and Ackermans reported merchandise sales growth of 5.4% and like-for-like growth of 1.6%, underscoring the challenging consumer environment. Within CFH, selling price inflation of 2.5% was recorded, along with volume growth of 3.5%. Selling price inflation is expected to continue during the remainder of FY19.

* *Source: Retail Liaison Committee (RLC))*

PEP

PEP maintained market share and its position as price leader despite the particularly challenging trading conditions within the discount market sector. Performance was supported by good growth in the Babies and Home departments, with strong growth achieved in Fast Moving Consumer Goods (FMCG) and Financial Services. A total of 5.3 million cellular handsets were sold during the period, which was below expectations following selling price increases in handsets. Corrective action in the form of a selling price reduction supported a recovery towards the end of the reporting period. Financial Services reported exceptional growth in profitability as PEP's strategy to expand its value-added services offering continues to resonate with customers.

PEP's retail store footprint expanded to 2 265 stores, including 47 new stores opened during the period across its traditional PEP, PEP Home and PEP Cell retail formats, equating to retail space growth of 3.8% year-on-year.

The PAXI parcel delivery service, which successfully leverages and monetises the PEP retail footprint, celebrated its first full year of operation. Good growth momentum continues, with 45 000 parcels currently being sent on a monthly basis.

The new Dealz discount variety retail concept rolled out four additional stores and continues to perform well with strong like-for-like and basket size growth. Plans are in place to open a further six stores during the remainder of FY19.

Ackermans

Ackermans' strong customer proposition of providing value to 'women with kids in their lives' continued to drive growth and the business outperformed the market once again. A total of 31 new stores were opened during the period, expanding the store base to 759 stores and increasing retail space by 6.3% year-on-year.

The credit sales mix, facilitated by Pepkor's Tenacity Financial Services business, was maintained at 17%, with lay-bys contributing a stable 18% to total sales. Challenges in the new Hammarsdale distribution centre, commissioned towards the end of 2018, negatively affected product availability in-store for a few months.

Growth in CFH was supported by double-digit growth in the Essentials, Babies and Women's Wear product categories. The Ackermans Woman retail format continues to perform well, and an additional three stores were opened during the period, bringing the total store base to six.

PEP Africa

PEP Africa contributed 3.4% to group revenue during the period and reported like-for-like sales growth of 10.8% in constant currency terms. The devaluation of the Angolan and Zambian currencies resulted in a sales decline of 3.4% in reporting currency. The business continues to focus on enhancing processes, systems and efficiencies as it consolidates its base. Operations in Nigeria performed very well as the business benefitted from an improved understanding of the dynamics of the local market. Zimbabwe remains a concern and growth plans were slowed intentionally while the viability of the business is assessed and risk is managed.

Speciality

The Speciality division reported strong results with exceptional performances by some of its retail brands. Sales grew by 9.4% and like-for-like sales increased by 4.1%. The total store footprint across five retail brands was expanded to 939 stores, with 47 store openings.

For more detail on the Pepkor performance please refer to its results announcement for the Reporting Period on the website www.pepkor.co.za.

Automotive – discontinued operations

(€M)	H1FY19	H1FY18	Change %	Constant currency change %
Total revenue	750	766	(2)	3
Total EBITDA	32	28	14	20
Total operating profit	32	21	52	60

On 28 March 2019, the Group announced that it had reached in-principle agreement to dispose of the Automotive Operations as explained in more detail in the 'Unitrans' section in the Financial and Business Review and note 1 of the 2018 Consolidated Financial Statements.

As can be seen in the results recorded above, EBITDA is the same as the segmental EBIT in H1FY19. For accounting purposes, in terms of IFRS 5, depreciation recorded for held-for-sale assets needs to be reversed from the date of such classification. This increased segmental EBIT resulted in an increased NAV position for the held-for-sale business, and in return this increased NAV position is considered for impairment in accordance with IFRS 5. In this case the net accounting impact on operating profit is nil, however, as impairments are disclosed as capital items, segmental EBIT is increased by the quantum of the depreciation.

United States of America

Mattress Firm

Following the completion of the Chapter 11 restructuring, the Group's stake in Mattress Firm decreased from 100% to 50% on 21 November 2018. As a result, for accounting purposes, the Group is deemed to have lost control of Mattress Firm and the remaining 50% stake has been equity accounted with effect from 21 November 2018. In accordance with accounting standards, as a result of the change in control, 100% of Mattress Firm's results are deemed to be discontinued operations up to and until 21 November 2018, although the Group retains a 50% shareholding in Mattress Firm. For more detail please refer to the Mattress Firm section of the Financial and Business Review and note 1 of the 2018 Consolidated Financial Statements

REVENUE (€M)	H1FY19	H1FY18	Change %
Revenue for the half-year period 01/10/2018 – 31/03/19	1 243	1 231	1
Revenue for the period 21/11/2018 – 31/03/2019 (equity accounted)	(859)		
Revenue for the period 01/10/2018 – 21/11/2018 included in segmental results	384	1 231*	(69)
EBITDA (€M)			
Operational EBITDA	36		
One-off Chapter 11 restructuring costs	(75)		
EBITDA for the six-month period	(39)	(98)	60
EBITDA for the four-month period 21/11/2018 – 31/03/2019 (equity accounted)	13		
EBITDA for the two-month period 01/10/2018 – 21/11/2018 included in segmental results	(26)	(98)*	73
OPERATING LOSS (€M)			
Operating loss for the six-month period	(39)	(136)	71
Operating loss for the four-month period 21/11/2018 – 31/03/2019 (equity accounted)	13		
Operating loss for the two-month period 01/10/2018 – 21/11/2018 included in segmental results	(26)	(136)*	81

**Represents revenue, EBITDA and operating loss for the six-month period H1FY18.*

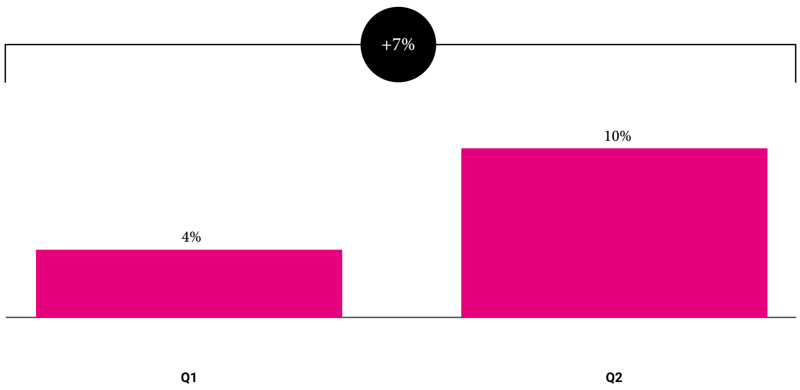
Mattress Firm reported a disappointing performance during the 2017 and 2018 reporting periods, as explained in more detail in the 2017 and 2018 Annual Reports. Following the successful Chapter 11 restructuring in November 2018, the performance trends in the business are now far more encouraging.

In October 2018 Mattress Firm entered into a voluntary Chapter 11 restructuring process, which was successfully completed in November 2018, 48 days after the initial Chapter 11 filing (please refer to the 'Mattress Firm' section in the Financial and Business Review and note 1 of the 2018 Consolidated Financial Statements for more details). The Chapter 11 process was a key step in the restructuring plan as it enabled Mattress Firm to restructure its balance sheet, secure additional new funding and optimise its retail store portfolio by exiting 640 economically inefficient retail store locations. In addition, approximately 66 stores were closed during the period under review through natural lease expirations.

Despite a 23% reduction in the store base year on year, USD revenue decreased by only 4% for the period under review. Encouragingly, like-for-like sales increased by 7% for the period under review, representing the fourth consecutive quarter of positive like-for-like sales growth. As shown in the figure below, although the first quarter performance reflects disruption to trade arising from the Chapter 11 proceedings, Mattress Firm still managed to achieve solid like-for-like sales growth. Following the successful completion of the Chapter 11 process, double-digit growth in like-for-like sales was achieved in the second quarter.

Sales per store during the period under review increased by 21% as the business benefitted from reduced cannibalisation and better than expected transfer of sales from closed stores to nearby locations. In addition, store productivity and product margins also improved.

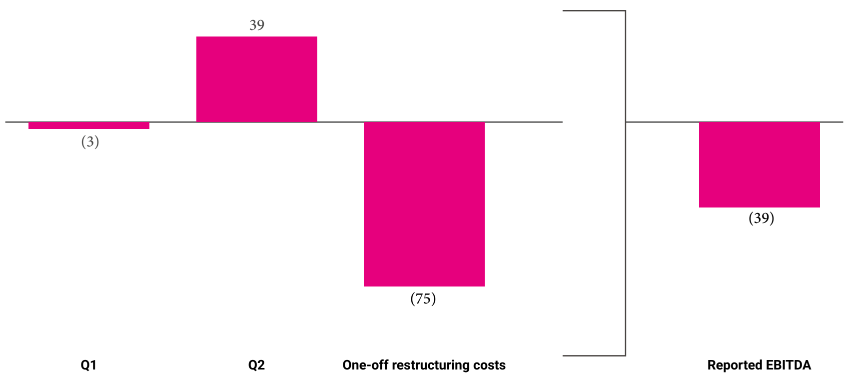
Like-for-like revenue growth H1FY19



The profit margin, while still at low levels and impacted by non-recurring restructuring costs of €75 million, represented a significant improvement compared to the prior period and continues to trade ahead of budget.

The profit margin improved sequentially during the period under review, with the second quarter (Q2) representing approximately 6% EBITDA margin.

EBITDA (€m) H1FY19



As can be seen in the results presented above, EBITDA is the same as the segmental EBIT in H1FY19. For accounting purposes, in terms of IFRS 5, depreciation recorded for held-for-sale assets needs to be reversed from the date of such classification.

As at the date of this report, Mattress Firm remains the largest speciality mattress retailer in the US with over 2 500 company-operated store locations.

Australasia

Greenlit Brands

REVENUE (€M)	H1FY19	H1FY18	Change %	Constant currency change %
Total revenue	644	644	–	3
Household goods	333	318	5	8
General merchandise	311	326	(5)	(2)
EBITDA (€M)				
Total EBITDA	14	33	(58)	(56)
Household goods	10	24	(58)	(57)
General merchandise	4	9	(56)	(54)
OPERATING PROFIT (€M)				
Total operating profit	1	19	(95)	(95)
Household goods	3	17	(82)	(82)
General merchandise	(2)	2	(>100)	(>100)

Economic conditions in Australia weakened during the Reporting Period and the middle market household goods brands experienced challenging trading conditions. The Reserve Bank of Australia reported in June 2019 that the retail sector in Australia had suffered the worst business conditions of any industry in the country over recent years.

The household goods divisional performance was moderated by the performance of Fantastic Furniture, which experienced strong like-for-like sales growth across the Reporting Period, illustrating the resilience of the value price segment where Fantastic is positioned. Overall, the household goods division reported revenue growth of 5% (8% in constant currency) with a small reduction in like-for-like sales.

The general merchandise division was also impacted by the tight retail conditions and reported a 5% decline in revenue (-2% in constant currency), while like-for-like revenue decreased by 3%.

The continued weakening of the Australian dollar during the half-year has resulted in a decrease in product margins when measured against the comparative period in a market where most sales are imported product.

Please refer to the 'Australasian refinancing' section in the Business Review of the 2018 Annual Report and note 16 of the 2018 Consolidated Financial Statements for more details regarding Greenlit Brands refinancing.

Steinhoff corporate and treasury services

Segmental information for corporate and treasury services excludes certain one-off or exceptional items (largely consisting of one-off advisory fees and impairments) that are described in note 4.1 of the 2019 Condensed Financial Statements.

CORPORATE AND TREASURY SERVICES (€M)	H1FY19	H1FY18	Change %
	(41)	(204)	80
Head office costs	(20)	(75)	73
Audit fees	(11)	(4)	(>100)
Forex losses	(10)	(125)	92

Head office costs
Operating costs consist of head office costs such as salaries, rent, travel and consultancy fees.

Audit fees
For well-documented reasons, the scope of external audit services increased significantly. In terms of accounting principles, these expenses can only be recognised once incurred. As the 2017 and 2018 Annual Reports were only finalised in May and June 2019 respectively, certain audit fees relating to these Annual Reports were included within the H1FY19 period. Audit fees for the Reporting Period incurred at a group level amounted to €11 million (H1FY18: €4 million).

STEINHOFF
INTERNATIONAL HOLDINGS N.V.

UNAUDITED HALF-YEAR RESULTS

FOR THE SIX MONTHS ENDED 31 MARCH 2019 (H1FY19)

Condensed Consolidated Statement of Profit or Loss

FOR THE PERIOD ENDED 31 MARCH 2019

	Notes	Six months ended 31 March 2019 Unaudited €m	Restated[1] Six months ended 31 March 2018 Unaudited €m
Continuing operations			
Revenue	3	**6 862**	6 666
Cost of sales		**(4 136)**	(4 145)
Gross profit		**2 726**	2 521
Other income		**70**	107
Distribution expenses		**(364)**	(316)
Administration expenses		**(2 177)**	(2 215)
Other expenses	4.1	**(43)**	(175)
Operating profit/(loss)		**212**	(78)
Finance costs	5	**(483)**	(245)
Income from investments		**39**	35
Share of (loss)/profit of equity accounted companies		**(10)**	39
Impairment of equity accounted companies		**–**	(8)
Loss before taxation		**(242)**	(257)
Taxation	6	**(114)**	(135)
Loss for the period from continuing operations		**(356)**	(392)
Discontinued operations			
Loss from discontinued operations	2.1	**(215)**	(217)
Loss for the period		**(571)**	(609)
(Loss)/profit attributable to:			
Owners of Steinhoff N.V.		**(617)**	(638)
Non-controlling interests		**46**	29
Loss for the period		**(571)**	(609)
Basic and diluted loss per share (cents)			
From continuing operations	7	**(9.7)**	(10.1)
From discontinued operations	7	**(5.2)**	(5.2)
		(14.9)	(15.3)

[1] *The unaudited comparative numbers have been restated following the completion of the investigation into accounting irregularities and as a result of classifying certain segments as discontinued operations. Refer to note 1.*

The accompanying notes are an integral part of the 2019 Condensed Financial Statements.

Condensed Consolidated Statement of Comprehensive Income

FOR THE PERIOD ENDED 31 MARCH 2019

	Six months ended 31 March 2019 Unaudited €m	Restated[1] Six months ended 31 March 2018 Unaudited €m
Loss for the period	**(571)**	(609)
Other comprehensive income/(loss)		
Items that may be reclassified subsequently to profit or loss:		
Exchange gains on translation of foreign operations	**34**	549
Cumulative foreign currency translation reserve reclassified to profit or loss on disposal and derecognition of investments	**81**	99
Net fair value profit/(loss) on cash flow hedges and other assets and liabilities measured at fair value through other comprehensive income	**5**	(37)
Other comprehensive income/(loss) of equity accounted companies, net of deferred tax	**1**	(2)
Total other comprehensive income for the period	**121**	609
Total comprehensive loss for the period	**(450)**	–
Total comprehensive (loss)/income attributable to:		
Owners of Steinhoff N.V.	**(505)**	(107)
Non-controlling interests	**55**	107
Total comprehensive loss for the period	**(450)**	–

[1]The unaudited comparative numbers have been restated following the completion of the investigation into accounting irregularities and as a result of classifying certain segments as discontinued operations. Refer to note 1.

The accompanying notes are an integral part of the 2019 Condensed Financial Statements.

Condensed Consolidated Statement of Changes in Equity

FOR THE PERIOD ENDED 31 MARCH 2019

	Notes	Ordinary share capital & Treasury share capital €m	Share premium & Treasury share premium €m
Balance at 30 September 2018 – Audited		**2 070**	**8 364**
Loss for the period		–	–
Other comprehensive income for the period		–	–
Total comprehensive (loss)/income for the period		–	–
Transactions with the owners in their capacity as owners:			
Effect of adopting IFRS 9: Financial instruments		–	–
Net treasury shares purchased and attributed	11	**3**	**33**
Preference shares redeemed (Mattress Firm restructure)		–	–
Ordinary dividends		–	–
Attributable share of other reserves relating to equity accounting		–	–
Share-based payments		–	–
Transfers to/(from) other reserves upon disposal of subsidiaries and equity accounted investments		–	–
Transfers to reserves relating to assets held-for-sale and disposal groups		–	–
Balance at 31 March 2019 – Unaudited		**2 073**	**8 397**
Balance at 30 September 2017 – Audited		2 107	8 594
Loss for the period		–	–
Other comprehensive income/(loss) for the period		–	–
Total comprehensive (loss)/income for the period		–	–
Transactions with the owners in their capacity as owners:			
Net treasury shares purchased and attributed	11	(37)	(230)
Ordinary dividends		–	–
Derecognition of subsidiaries with non-controlling interests		–	–
Transactions with non-controlling interests without change in control		–	–
Attributable share of other reserves relating to equity accounting		–	–
Share-based payments		–	–
Transfers to/(from) other reserves upon disposal of subsidiaries and equity accounted investments		–	–
Restated balance at 31 March 2018[1] – Unaudited		2 070	8 364

[1] *The unaudited comparative numbers have been restated following the completion of the investigation into accounting irregularities. Refer to note 1.*

The accompanying notes are an integral part of the 2019 Condensed Financial Statements.

Accumulated losses €m	Foreign currency translation reserve €m	Reserves relating to assets held-for- sale and disposal groups €m	Sundry reserves €m	Total ordinary equity attributable to owners of Steinhoff N.V. €m	Non-controlling interests €m	Total €m
(9 778)	**(1 000)**	**(148)**	**(29)**	**(521)**	**1 162**	**641**
(617)	**–**	**–**	**–**	**(617)**	**46**	**(571)**
–	**4**	**102**	**6**	**112**	**9**	**121**
(617)	**4**	**102**	**6**	**(505)**	**55**	**(450)**
(4)	**–**	**–**	**–**	**(4)**	**–**	**(4)**
(36)	**–**	**–**	**–**	**–**	**–**	**–**
33	**–**	**–**	**–**	**33**	**(33)**	**–**
–	**–**	**–**	**–**	**–**	**(18)**	**(18)**
–	**–**	**–**	**2**	**2**	**–**	**2**
12	**–**	**–**	**(11)**	**1**	**–**	**1**
8	**–**	**–**	**(8)**	**–**	**–**	**–**
–	**(12)**	**12**	**–**	**–**	**–**	**–**
(10 382)	**(1 008)**	**(34)**	**(40)**	**(994)**	**1 166**	**172**
(8 540)	(1 154)	–	(83)	924	1 166	2 090
(638)	–	–	–	(638)	29	(609)
–	570	–	(39)	531	78	609
(638)	570	–	(39)	(107)	107	–
–	–	–	–	(267)	–	(267)
–	–	–	–	–	(5)	(5)
–	–	–	–	–	(20)	(20)
–	–	–	(3)	(3)	(1)	(4)
–	–	–	1	1	–	1
–	–	–	2	2	–	2
21	–	–	(21)	–	–	–
(9 157)	(584)	–	(143)	550	1 247	1 797

Condensed Consolidated Statement of Financial Position

AS AT 31 MARCH 2019

	Notes	31 March 2019 Unaudited €m	Restated[1] 31 March 2018 Unaudited €m	30 September 2018 Audited €m
ASSETS				
Non-current assets				
Goodwill	8	**4 534**	4 866	4 485
Intangible assets	8	**1 841**	2 714	1 826
Property, plant and equipment		**2 107**	3 293	2 146
Investment property		**133**	136	134
Investments in equity accounted companies	9	**234**	768	430
Other financial assets	10	**327**	696	311
Deferred tax assets		**188**	198	201
Trade and other receivables		**4**	2	3
		9 368	12 673	9 536
Current assets				
Inventories		**2 245**	2 652	2 155
Trade and other receivables		**937**	1 143	1 216
Other financial assets	10	**246**	172	261
Cash and cash equivalents		**1 733**	1 233	1 275
		5 161	5 200	4 907
Assets classified as held-for-sale	15	**564**	–	1 927
Total current assets		**5 725**	5 200	6 834
Total assets		**15 093**	17 873	16 370
EQUITY AND LIABILITIES				
Capital and reserves				
Ordinary share capital (net of treasury shares)	11	**2 073**	2 070	2 070
Share premium (net of treasury shares)		**8 397**	8 364	8 364
Sundry reserves		**(1 048)**	(727)	(1 029)
Accumulated losses		**(10 382)**	(9 157)	(9 778)
Reserves relating to assets classified as held-for-sale and disposal groups		**(34)**	–	(148)
Total equity attributable to owners of Steinhoff N.V.		**(994)**	550	(521)
Non-controlling interests		**1 166**	1 247	1 162
Total equity		**172**	1 797	641
Non-current liabilities				
Borrowings	14	**1 992**	703	2 027
Employee benefits		**132**	175	115
Deferred tax liabilities		**554**	787	556
Provisions		**170**	314	182
Trade and other payables		**76**	120	69
		2 924	2 099	2 949
Current liabilities				
Trade and other payables		**2 636**	3 411	2 809
Employee benefits		**100**	173	147
Provisions		**177**	304	175
Borrowings	14	**8 801**	10 089	8 363
		11 714	13 977	11 494
Liabilities directly associated with assets classified as held-for-sale	15	**283**	–	1 286
		11 997	13 977	12 780
Total equity and liabilities		**15 093**	17 873	16 370

[1] *The unaudited comparative numbers have been restated following the completion of the investigation into accounting irregularities. Refer to note 1.*

The accompanying notes are an integral part of the 2019 Condensed Financial Statements.

Condensed Consolidated Statement of Cash Flows

FOR THE PERIOD ENDED 31 MARCH 2019

	Notes	Six months ended 31 March 2019 Unaudited €m	Restated[1] Six months ended 31 March 2018 Unaudited €m
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash utilised in operations	16	**(156)**	(371)
Dividends received		**–**	5
Ordinary and preference dividends paid		**(18)**	(5)
Interest received		**23**	26
Interest paid		**(88)**	(221)
Taxation paid		**(88)**	(129)
Net cash outflow from operating activities		**(327)**	(695)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment and investment property		**(109)**	(300)
Additions to intangible assets	8	**(14)**	(19)
Proceeds on disposal of property, plant and equipment and intangible assets		**67**	78
Proceeds on disposal of subsidiaries[2]		**397**	(30)
Acquisition of subsidiaries and businesses, net of cash on hand at acquisition		**–**	8
Decrease in net assets classified as held-for-sale and disposal groups[3]		**413**	–
Loans to affiliated parties		**–**	(585)
Repayments of loans by affiliated parties		**–**	94
Payments for other financial assets		**(2)**	(3)
Proceeds from sale or maturity of other investments or repayments of other loans		**–**	25
Net proceeds from the disposal of investments in equity accounted companies		**294**	1 134
Net cash inflow from investing activities		**1 046**	402
CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase in treasury shares, net of transaction costs		**–**	(267)
Shares bought from non-controlling interests		**(3)**	(3)
Net (decrease)/increase in total borrowings	14	**(266)**	1 057
Net cash (outflow)/inflow from financing activities		**(269)**	787
NET INCREASE IN CASH AND CASH EQUIVALENTS		**450**	494
Effects of exchange rate translations on cash and cash equivalents		**8**	16
Cash and cash equivalents at beginning of the period		**1 275**	723
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**1 733**	1 233

[1] *The unaudited comparative numbers have been restated following the completion of the investigation into accounting irregularities. Refer to note 1.*

[2] *Includes net proceeds received from the kika-Leiner sale in the 2019 Reporting Period.*

[3] *Net decrease in the net assets classified as held-for-sale related to €271 million cash inflow from the disposal of POCO as well as the derecognition of Mattress Firm relating to the restructure.*

The accompanying notes are an integral part of the 2019 Condensed Financial Statements.

Basis of preparation

FOR THE PERIOD ENDED 31 MARCH 2019

Reporting entity

Steinhoff International Holdings N.V. is a company registered with the Trade Register in Amsterdam, the Netherlands under number 63570173, with tax residency in South Africa. The unaudited Condensed Consolidated Half-year Financial Statements ("2019 Condensed Financial Statements") of Steinhoff International Holdings N.V. for the period ended 31 March 2019 comprise the Group and the Group's interest in equity accounted companies. The Group is primarily involved in the retailing of general merchandise and household goods. It also operates a number of motor dealerships. The Group operates in Africa, Australasia, Europe, United Kingdom and in the United States of America.

Basis of preparation

Statement of compliance

The 2019 Condensed Financial Statements have been prepared in accordance with IFRS as endorsed by the European Union ("EU"). All standards and interpretations issued by the IASB and the IFRIC, effective for periods starting on 1 October 2018, have been endorsed by the EU. Where necessary, adjustments have been made to the financial results of all Group entities to ensure compliance with Group accounting policies.

The accounting policies applied for these 2019 Condensed Financial Statements are unchanged, except for the adoption of new IFRS standards as discussed below, from those used for the 2018 Consolidated Financial Statements and are included in the 2018 Annual Report on the Group's website www.steinhoffinternational.com. The Group adopted all the IFRS and interpretations that were effective for financial periods beginning on or after 1 January 2018. There were no material impacts to the Group in respect of changes to IFRS or interpretations that are effective for the current Reporting Period. Refer to note 20.

Presentation and functional currency and historical cost convention

The 2019 Condensed Financial Statements have been presented in millions of euros (€m) and are prepared on the historical-cost basis, except for certain assets and liabilities carried at amortised cost, certain financial instruments and defined benefit pension plans which are carried at fair value, assets held-for-sale which are carried at the lower of carrying amount and fair value less cost of disposal and accounting for Angolan operations for which hyper-inflationary accounting is applied.

Going concern

In determining the appropriate basis of preparation of the 2019 Condensed Financial Statements, the Management Board is required to consider whether the Group and Company can continue in operational existence for the foreseeable future.

The Group's going concern assessment is similar to the going concern assessment included in the 2018 Consolidated Financial Statements.

The Group and Company's cash flow forecast indicate that both the Group and the Company can, based on certain critical assumptions, continue in operational existence for the foreseeable future, namely for twelve months after the date of authorisation.

The Management Board draws attention to the following critical assumptions that are key in arriving at the cash flows, namely:

Litigation

The Group and Company has received several shareholder and vendor claims and notices of regulatory investigation. A key assumption in both the Group and Company cash flows is that no material claims or fines are awarded against the Group or Company and will become payable during the next twelve months. These legal proceedings and regulatory investigations have been initiated against the Group and Company during the past nineteen months. The Supervisory Board and the Management Board, assisted by a newly constituted litigation committee, and in consultation with the Group's attorneys, continue to assess the merits of, and responses to, these claims, and provide feedback to the regulatory bodies. Several initial defences have already been filed by Steinhoff in these legal proceedings. However, litigation remains a material uncertainty as to its ultimate impact on the liquidity of the Group.

Tax

Tax remains a material uncertainty as the tax impact of the accounting irregularities identified and the consequential effects thereof remains uncertain. This is exacerbated by the fact that these irregularities impact multiple jurisdictions, the finalisation of which will require substantial analysis and negotiation with various Tax Authorities in the respective jurisdictions. A key assumption is therefore that the tax assumptions built into the current cash forecast, for both the Group and Company, continue to apply and that no unexpected material assessments are received.

The steps to complete the CVAs are complex and multi-jurisdictional giving rise to an element of risk regarding the tax consequences thereof. The Group has engaged with professional tax advisors in numerous jurisdictions to determine the tax consequences with a view to ensuring that the associated element of risk arising from the restructuring is mitigated.

CVA process

The restructuring of the Group's existing financial indebtedness continues. The full implementation of the CVAs is critical to the liquidity of the Group. A long delay will increase advisor costs which will negatively impact the Group's cashflow. Should the implementation of the CVAs fail for any reason, this would have a materially negative impact on the liquidity of the Group and the Company.

CVA and Hemisphere Arrangements

Once the CVAs has been fully implemented or under the existing agreement with the Hemisphere lenders, any default event will threaten the current standstill agreements and give rise to liquidity risks.

Conclusion

The Management Board draws attention to the following facts:

- that in the Group's financial statements current liabilities exceed current assets, and
- that these material uncertainties extend beyond the foreseeable future.

These facts therefore cast significant doubt upon the Company and Group's ability to continue as a going concern beyond the foreseeable future. If the Group and Company is to continue as a going concern, the Management Board and operational management require sufficient time to stabilise the Group and re-establish value at operational level. This will enable the Group and Company to realise assets in a non-distressed fashion and thus maximise value to repay or reduce debt to manageable levels. This will also maximise the return to all stakeholders. At the same time a solution for the potential litigation will need to be sought and implemented.

Critical accounting estimates and judgements

The preparation of 2019 Condensed Financial Statements requires management to make judgements and estimates that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses.

Actual results may differ from estimates, and judgements have been made after taking into account all currently available information, but could change if additional relevant information comes to light.

Critical accounting estimates are those which involve complex or subjective judgements or assessments.

Refer to the Financial and Business review section of this report for a list of critical accounting estimates and judgements applicable to the 2019 Condensed Financial Statements.

The results of operations for the six months ended 31 March 2019 are not necessarily indicative of the results to be expected for the entire financial period.

Notes to the Condensed Consolidated Half-year Financial Statements
FOR THE PERIOD ENDED 31 MARCH 2019

1. RESTATEMENTS

Management's investigation into accounting irregularities was completed during the Reporting Period. All prior period errors were corrected in the opening balances of the 2016 and 2017 financial periods and were included in the Group's published 2017 Consolidated Financial Statements.

The Group had published its 31 March 2018 Half-year Results on 29 June 2018 prior to the completion of this investigation. As a result, additional prior period errors relating mainly to the opening balances of the Group's previously published 2018 Half-year Results were identified by management, the correction of which must be applied retrospectively in terms of IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8").

The retrospective restatement and their line by line impact on the statement of financial position and the statement of comprehensive income previously reported for the period ended 31 March 2018 is disclosed below. The material restatements are discussed in the notes below.

For a full understanding of the restatements, users are referred to the Group's 2017 and 2018 Consolidated Financial Statements as published on the Company's website.

1.1 Goodwill and brand impairments

a) Mattress Firm

The goodwill of Mattress Firm was fully impaired in the 2017 reporting period. The goodwill previously allocated to Mattress Firm as at 31 March 2018 was €1 billion. This has been reduced to nil in the restated figures below.

The brands relating to Mattress Firm were impaired in the 2017 reporting period. The previously published Mattress Firm brands as at 31 March 2018 had to be restated by €471 million.

The earlier impairments to the goodwill and brands of Mattress Firm resulted in a decrease in total equity at 1 October 2017 of €1.5 billion. Profit or loss was not impacted by these adjustments during the Reporting Period.

b) Poundland

The goodwill attributable to Poundland was impaired by €119 million in the 2017 reporting period. During the Reporting Period this impairment is presented as a restatement to the goodwill balance of 31 March 2018 and decreased the opening equity by €119 million as at 1 October 2017.

c) Greenlit Brands

The goodwill relating to the Australian Household Goods business was impaired in the opening balances of the 2016 financial period in the 2017 Consolidated Financial Statements. This reduced the goodwill at 31 March 2018 by €215 million.

Other adjustments to goodwill and brands include the correction of the translation of Pepkor Holdings and Europe's goodwill to the functional currencies of the underlying cash-generating units; an increase of €47 million in the Conforama brand and a decrease of €52 million in Greenlit Brand's brands.

1.2 Property, plant and equipment

a) Impairment of European property portfolio

The independent third party property valuations (refer note 1.2.1 of the 2017 Consolidated Financial Statements) of the European property portfolio and the revised depreciation models were finalised after publication of the Group's 2018 Half-year Results. Additional property impairments were recorded in the 2017 reporting period, impacting the opening balances of total equity and property, plant and equipment at 1 October 2017. During the Reporting Period this reduced the opening balances of property, plant and equipment at 31 March 2018 by €113 million. There were no material impacts to profit or loss during the period.

Properties in Europe with a carrying value of €49 million were reclassified from property, plant and equipment to investment properties. This had no impact on net assets or profit or loss during the Reporting Period.

b) Vehicle rental fleet reclassification

Vehicle rental fleet of €73 million was reclassified to property, plant and equipment from inventories.

1. RESTATEMENTS (continued)

1.3 Impairments of equity accounted investments

The equity accounted investments in POCO (both real estate and retail) and Cofel SAS were impaired in the 2017 reporting period. During the Reporting Period the opening total equity at 1 October 2017 was reduced by €66 million and the investments in equity accounted companies was reduced by the same amount. There were no material impacts to profit or loss during the period.

1.4 Other financial assets (previously investments and loans)

The loan to Plum Tree was fully impaired in the previous opening balances of the 2018 Half-year Results. The measurement of this loan was reconsidered during the finalisation of the 2017 Consolidated Financial Statements and it was determined the recovery of this loan was linked to the value of the Brait shares held by Plum Tree and the loan was impaired to the value of the Brait shares at 30 September 2017. During the 2018 Half-year Reporting Period the carrying amount of the loan granted has been re-instated to the value of the Brait shares at 31 March 2018.

This restatement resulted in an increase in other financial assets of €71 million at 31 March 2018 and an impairment loss of €19 million was recognised during the 2018 Half-year Reporting Period.

1.5 Consolidation and accounting for Group entities

a) BVI

Previously, the investment in and the loan granted to BVI was fully impaired during the 2018 Half-year Reporting Period, resulting in a reduction to profit or loss of €43 million. Pepkor, a subsidiary of the Group and guarantor of BVI's external debt had raised, through profit or loss, the fair value of a guarantee amounting to €29 million. In the 2017 Consolidated Financial Statements BVI was consolidated as part of the Group's restatements of the 2016 opening balances. During the Reporting Period this has resulted in the reversal of both the impairment losses of €43 million and the guarantee of €29 million previously recognised in profit or loss. Treasury shares have also been recognised at their historical value.

b) Conforama

As disclosed in note 1.2.3c) of the 2017 Consolidated Financial Statements, the participation rights of Seifert in Conforama are part of ongoing lawsuits and are still subject to uncertainty. The previously calculated amount due, disclosed in trade and other payables was reduced by €138 million and resulted in an increase in the opening balance of total equity of 1 October 2017. There was no impact to profit or loss during the 2018 Half-year Reporting Period.

c) GT Branding

For the previously reported 31 March 2018 results, the Group's interest in GT Branding was recognised as an investment in equity accounted companies, reflecting the legal 45% ownership interest. On completion of the investigation, the Group determined it was more appropriate to consolidate GT Branding. This resulted in additional eliminations of previously disclosed trade payable and trade receivable balances which were deemed as intergroup upon consolidation of GT Branding.

1.6 Reclassification of items within equity

At 31 March 2018, the Group had previously recognised a reverse acquisition reserve resulting from the scheme of arrangement entered into on 7 December 2015. In the 2017 Consolidated Financial Statements an amount of €10.3 billion was reclassified within equity, to share premium, as the restatement related to the consolidation of Genesis Investment Holding GmbH and kika-Leiner and resulted in no change to the underlying assets of the Group. During the Reporting Period the opening balances have been restated and there has been a reclassification of €10.3 billion between reserves and share premium.

The group reassessed loans provided to affiliated parties to purchase Steinhoff ordinary shares. This resulted in an increase to treasury share capital and premium of €153 million at 31 March 2018, thereby reducing total equity by the same amount.

Equity balances were further impacted by movements in the foreign currency translation reserve, and changes in the excess of consideration paid to / received from non-controlling interests, brought about by the change in consolidation decisions or timing of such decisions on the Group's results.

1. RESTATEMENTS (continued)

1.7 Classification and measurement of Preference shares issued by the Group

In the 2017 Consolidated Financial Statements the Group reclassified certain preference shares to current liabilities. The impact of reclassifying certain preference shares of the Group, previously classified as equity to current liabilities, resulted in a reduction in non-controlling interests of €146 million.

Dividends relating to preference shares classified as equity have been accrued and resulted in an increase to non-controlling interests in both the opening balance and during the 2018 Half-year Reporting Period.

Consistent with the 2017 Consolidated Financial Statements, the valuation of the Mattress Firm preference shares was increased by €20 million.

1.8 Deferred Tax

The Mattress Firm brand impairments discussed in note 1.1a) resulted in reductions to deferred tax liabilities recognised on these brands in the 1 October 2017 opening balances. During the 2018 Half-year Reporting Period, the US Federal tax rate changed from 35% to 21%. The previously reported 31 March 2018 results therefore included a €72 million higher impact in profit or loss from the change in tax rate. An additional €44 million of deferred tax balances relating to tax losses was released to profit or loss during the 2018 Half-year Reporting Period.

1.9 Classification of debt between non-current and current

At 31 March 2018, management made the decision to disclose all borrowings, other than the Lancaster 102 preference shares, as current due to a technical breach of covenants. On a detailed review of each facility, balances relating to Pepkor Europe of €275 million, Conforama of €125 million and Mattress Firm of €25 million were reclassified to non-current, as these facilities were renegotiated during December 2017 and January 2018 with maturity dates extending beyond 31 March 2019 (twelve months).

The group also decided to combine its ‘Bank overdrafts and short-term facilities’ with its current ‘Borrowings’.

The remainder of the restatements relate to final adjustments to the 2016 and 2017 financial periods following the finalisation of the 2017 re-audit of the Group's subsidiaries together with the final outcome of the investigation. These amounts were not individually material.

1. RESTATEMENTS (continued)

Impact of the restatements on the Condensed Consolidated Statement of Financial Position as at 31 March 2018	Notes	Previously reported 31 March 2018 Unaudited €m	Restatements 31 March 2018 Unaudited €m	Restated 31 March 2018 Unaudited €m
ASSETS				
Non-current assets				
Goodwill	1.1	6 149	(1 283)	4 866
Intangible assets	1.1	3 210	(496)	2 714
Property, plant and equipment	1.2	3 384	(91)	3 293
Investment property	1.2a)	87	49	136
Investments in equity accounted companies	1.3	834	(66)	768
Other financial assets		701	(5)	696
Deferred tax assets	1.8	214	(16)	198
Trade and other receivables		3	(1)	2
		14 582	(1 909)	12 673
Current assets				
Inventories	1.2b)	2 725	(73)	2 652
Trade and other receivables	1.5c)	1 198	(55)	1 143
Other financial assets	1.4	101	71	172
Cash and cash equivalents		1 232	1	1 233
		5 256	(56)	5 200
Total assets		19 838	(1 965)	17 873
EQUITY AND LIABILITIES				
Capital and reserves				
Ordinary share capital (net of treasury shares)	1.5a) and 1.6	2 135	(65)	2 070
Share premium (net of treasury shares)	1.6	18 854	(10 490)	8 364
Sundry reserves	1.6	(11 273)	10 546	(727)
Accumulated losses		(7 275)	(1 882)	(9 157)
Total equity attributable to owners of Steinhoff N.V.		2 441	(1 891)	550
Non-controlling interests	1.7	1 352	(105)	1 247
Total equity		3 793	(1 996)	1 797
Non-current liabilities				
Borrowings	1.9	274	429	703
Employee benefits		176	(1)	175
Deferred tax liabilities	1.8	639	148	787
Provisions		278	36	314
Trade and other payables		120	–	120
		1 487	612	2 099
Current liabilities				
Trade and other payables	1.5b) and 1.5c)	3 806	(395)	3 411
Employee benefits		146	27	173
Provisions		288	16	304
Borrowings	1.7 and 1.9	9 133	956	10 089
Bank overdrafts and short-term facilities	1.9	1 185	(1 185)	–
		14 558	(581)	13 977
Total equity and liabilities		19 838	(1 965)	17 873

1. RESTATEMENTS (continued)

Impact of the restatements on the Condensed Consolidated Statement of Profit or Loss for the period ended 31 March 2018	Notes
Revenue	
Cost of sales	
Gross profit	
Other income	
Distribution expenses	
Administration expenses	1.5a)
Other expenses	
Operating loss	
Finance costs	
Income from investments	
Share of profit of equity accounted companies	
Impairment of equity accounted companies	
Loss before taxation	
Taxation	1.8
Loss for the period	
(Loss)/profit attributable to:	
Owners of Steinhoff N.V.	
Non-controlling interests	
Loss for the period	
Loss per share (cents)	
Number of shares in issue (million)	
Weighted average number of shares in issue (million)	

Previously reported Six months ended 31 March 2018 Unaudited €m	Restatements Six months ended 31 March 2018 Unaudited €m	Restated Six months ended 31 March 2018 Unaudited €m	Adjustment for discontinued operations 31 March 2018 (Note 2) Unaudited €m	Restated Six months ended 31 March 2018 Unaudited €m
9 345	–	9 345	(2 679)	6 666
(5 699)	–	(5 699)	1 554	(4 145)
3 646	–	3 646	(1 125)	2 521
160	(23)	137	(30)	107
(470)	–	(470)	154	(316)
(3 488)	157	(3 331)	1 116	(2 215)
(229)	(18)	(247)	72	(175)
(381)	116	(265)	187	(78)
(255)	(2)	(257)	12	(245)
31	6	37	(2)	35
47	1	48	(9)	39
–	(8)	(8)	–	(8)
(558)	113	(445)	188	(257)
(41)	(123)	(164)	29	(135)
(599)	(10)	(609)	217	(392)
(621)	(17)	(638)	217	(421)
22	7	29	–	29
(599)	(10)	(609)	217	(392)
(15.0)	(0.3)	(15.3)		
4 219	(80)	4 139		
4 230	(81)	4 149		

1. RESTATEMENTS (continued)

Impact of the restatements on the Condensed Consolidated Statement of Other Comprehensive Income for the period ended 31 March 2018	Previously reported Six months ended 31 March 2018 Unaudited €m	Restatements Six months ended 31 March 2018 Unaudited €m	Restated Six months ended 31 March 2018 Unaudited €m
Loss for the period	(599)	(10)	(609)
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss:			
Exchange gains on translation of foreign operations	537	12	549
Cumulative foreign currency translation reserve reclassified to profit or loss on disposal and derecognition of investments	99	–	99
Net fair value loss on cash flow hedges and other assets and liabilities measured at fair value through other comprehensive income	(38)	1	(37)
Other comprehensive loss of equity accounted companies, net of deferred taxation	(2)	–	(2)
Total other comprehensive income for the period	596	13	609
Total comprehensive loss for the period	(3)	3	–
Total comprehensive income attributable to:			
Owners of Steinhoff N.V.	(103)	(4)	(107)
Non-controlling interests	100	7	107
Total comprehensive loss for the period	(3)	3	–

2. DISCONTINUED OPERATIONS

Following the events of December 2017, in order to fund operations, repay debt and support the Group's short-term liquidity, management decided to dispose of certain non-core assets or assets requiring significant cash commitments.

The majority of the businesses included in the following former reportable segments were disposed of or classified as held-for-sale after 1 April 2018. Refer to note 1 of the 2018 Consolidated Financial Statements. These business have been disclosed as discontinued operations:

- European Retail Management ("ERM")
- European Manufacturing, Sourcing and Logistics
- Mattress Firm
- Automotive

These disposals have also necessitated a restatement of segmental reporting (refer note 3).

European Retail Management ("ERM")
kika-Leiner operating companies
On 22 June 2018, the Group announced that transaction documents for the sale of the kika-Leiner Sale Assets to SIGNA Holding GmbH had been concluded. The loss-making operating companies were sold for a nominal consideration, whilst the consideration for the property holding companies was based on an enterprise value of approximately €490 million (subject to certain adjustments). The decision to sell was motivated by the withdrawal of kika-Leiner's credit insurance cover which created significant liquidity constraints, and would have placed significant further cash demands on the Group, given that the kika-Leiner businesses were both loss making and required significant future investment to implement a turnaround plan. The disposal of the property holding companies was effective during August 2018. kika-Leiner was classified as held-for-sale since June 2018.

POCO
POCO formed part of the ERM segment up until 31 March 2017. Thereafter the investment in POCO was accounted for as an equity-accounted investment. An assessment was performed by management concluding that, based on settlement negotiations relating to previous ownership lawsuits, the investment in POCO was classified as held-for-sale on 25 April 2018.

On 4 September 2018, the Group's subsidiary, LiVest, entered into an agreement to sell its shares in the POCO furniture group, including its property portfolio, for a total consideration of approximately €271 million. In terms of this agreement POCO retained debt of approximately €140 million, without recourse to the Group.

The disposal of POCO was finalised on 6 December 2018.

Extreme Digital
The Group disposed of its 50.48% interest in Extreme Digital, an online retailer in Hungary, on 30 January 2018.

The above-mentioned businesses made up the majority of the ERM segment as reported in the 2017 Consolidated Financial Statements and since the majority of this segment has either been disposed of or is classified as held-for-sale, it meets the criteria to be classified as a discontinued operation in terms of IFRS 5. The ABRA retail chain in Poland continued to operate and was moved to the "All other" segment in continuing operations.

European Manufacturing, Sourcing and Logistics
Impuls and Puris
The Group disposed of its 94% share in Impuls, a non-core German manufacturer of assembled kitchens, and its 86.48% share in Puris, a non-core German manufacturer of assembled bathroom furniture.

The effective date of sale was 31 August 2018. From 30 June 2018 the investment in Impuls and Puris was classified as held-for-sale.

2. DISCONTINUED OPERATIONS (continued)

Steinpol

Following the December 2017 events, Steinpol, an upholstery manufacturer in Poland, came under increasing pressure from both suppliers and credit insurers, creating a negative effect on working capital. It also experienced a sales slowdown due to customers losing confidence in Steinpol due to its relationship with Steinhoff. Steinpol is a non-core manufacturing business and management decided to dispose of the business to reduce the Group's exposure to its funding requirements.

The transaction closed on 11 March 2019. Management concluded that the Steinpol business met the criteria to be classified as held-for-sale on 30 September 2018.

E-llis

E-llis International BVBA, a wholly owned subsidiary of the Group, providing logistics services, was disposed of on 30 June 2018.

The above businesses made up the majority of the European manufacturing, sourcing and logistics segment as reported in the 2017 Consolidated Financial Statements. As the majority of this segment has either been disposed of or is classified as held-for-sale, it meets the criteria to be classified as a discontinued operation in terms of IFRS 5. Smaller remaining businesses were moved to the "All other" segment in continuing operations.

Mattress Firm

Mattress Firm filed voluntary pre-packaged Chapter 11 cases in the United States Bankruptcy Court on 5 October 2018. This process allowed Mattress Firm to implement a financial restructuring through a court supervised process while continuing to trade. Mattress Firm successfully completed its restructuring on 21 November 2018, 48 days after the Chapter 11 filing. In consideration for providing the financing required by Mattress Firm to emerge from Chapter 11, certain of the Group's lenders that provided the exit financing received 49.9% of the shares in Stripes US Holding, Inc. ("SUSHI"), the indirect owner of Mattress Firm. While the Group continues to own the remaining 50.1% of the shares in SUSHI, the Group no longer has majority representation on the board of directors. As a result, management assessed that, from 21 November 2018, the Group no longer controls Mattress Firm and the remaining investment is accounted for as an equity-accounted investment.

Although the Group only lost control of Mattress Firm on 21 November 2018, management concluded that, based on the facts and circumstances that existed as at 30 September 2018, the Mattress Firm business should be classified as held-for-sale from that date despite the Group retaining a stake in this business.

Since Mattress Firm represented the majority of a separate reportable segment in the 2017 Consolidated Financial Statements it has also been classified as a discontinued operation. The Sherwood manufacturing operation that formed part of this segment in 2017 was moved to the "All other" segment in continuing operations.

Automotive

On 28 March 2019 the Company announced that it has reached in-principle agreement to dispose of 74.9% of Steinhoff Africa's shares in Unitrans Motor Holdings Proprietary Limited ("Unitrans") (and its subsidiaries), and 100% of the loan claims against Unitrans held by Steinhoff Africa, to CFAO Holdings South Africa Proprietary Limited. Negotiations regarding the possible disposal have been ongoing since May 2018. At 30 September 2018 and 31 March 2019 the Automotive business met the criteria to be classified as held-for-sale.

The Automotive business was a separate reportable segment and has therefore been disclosed as a discontinued operation.

2. DISCONTINUED OPERATIONS (continued)

Other

kika-Leiner properties

kika-Leiner properties held the Austrian and Central Eastern European properties of the European Properties segments. Although the kika-Leiner portfolio did not make up the majority of the European Properties segment, it represents separate geographical areas and therefore meets the criteria to be classified as a discontinued operation. The disposal of the property holding companies was effective during August 2018 and was completed on 15 October 2018.

Further details on the disposal was provided under the kika-Leiner operating companies heading in this note.

The businesses discussed above are presented as discontinued operations in the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows for the periods ended 31 March 2018, 31 March 2019 and 30 September 2018, as required by IFRS. Comparative information has been restated accordingly.

The detail of assets classified as held-for-sale is presented in note 15.

Accounting policy

Inter-company transactions between continuing and discontinued operations
Inter-company transactions and balances between continuing and discontinued operations are eliminated within both continuing and discontinued operations. The inter-company eliminations are added back as reconciling items for segmental reporting to present the reportable segments prior to the inter-company eliminations as this more closely reflects the trading conditions within each reportable segment.

The Group has elected to disclose the financial results and cash flows of discontinued operations in a separate note as opposed to on the face of the statement of profit or loss and statement of cash flows.

2.1 STATEMENT OF PROFIT OR LOSS FROM DISCONTINUED OPERATIONS

Six months ended 31 March 2018	Notes	Six months ended 31 March 2019 Unaudited €m	Six months ended 31 March 2018 Unaudited €m
Revenue		1 200	2 679
Cost of sales		(837)	(1 554)
Gross profit		363	1 125
Other income		20	30
Distribution expenses		(40)	(154)
Administration expenses		(332)	(1 116)
Other expenses		(118)	(72)
Impairments	7.3	(26)	–
Net loss on disposal of property, plant and equipment	7.3	(2)	(70)
Foreign currency translation reserve reclassified to profit or loss	7.3	(88)	–
Other		(2)	(2)
Operating loss		(107)	(187)
Finance costs*		(146)	(12)
Income from investments		3	2
Share of profit of equity accounted companies		–	9
Profit on disposal of discontinued operations/disposal groups	7.3	36	–
Loss before taxation		(214)	(188)
Taxation		(1)	(29)
Loss for the period		(215)	(217)
Loss attributable to:			
Owners of Steinhoff N.V.		(215)	(217)
Loss for the period		(215)	(217)

* *Included in finance costs is USD150 million (€132 million) relating to the recognition of the unfunded payment-in-kind facility provided to exit facility lenders of Mattress Firm.*

2. DISCONTINUED OPERATIONS (continued)

2.2 PRESENTATION OF DISCONTINUED OPERATIONS IN THE STATEMENT OF CASH FLOWS

	Six months ended 31 March 2019 Unaudited €m	Six months ended 31 March 2018 Unaudited €m
Cash flows from discontinued operations		
Net cash outflow from operating activities	(98)	(374)
Net cash inflow from investing activities[1]	647	14
Net cash inflow from financing activities	202	416
Net cash inflow	751	56

[1] *Investing activities include the cash proceeds from the disposal of POCO, kika-Leiner and Steinpol.*

2. DISCONTINUED OPERATIONS (continued)

2.3 SEGMENTAL INFORMATION RELATING TO DISCONTINUED OPERATIONS

	Six months ended 31 March 2019 Unaudited €m	Six months ended 31 March 2018 Unaudited €m
Segmental revenue from discontinued operations		
European Retail Management	–	513
European Manufacturing, Sourcing and Logistics	66	168
European Properties	–	1
Mattress Firm	384	1 231
Automotive	750	766
Net external revenue from discontinued operations*	1 200	2 679

**Revenue between discontinued operations have been eliminated*

Operating profit/(loss) before depreciation and amortisation adjusted for one-off or exceptional items ("EBITDA")	Six months ended 31 March 2019 Unaudited €m	Six months ended 31 March 2018 Unaudited €m
EBITDA reconciles to the operating loss per statement of profit or loss from discontinued operations as follows:		
Operating loss from discontinued operations	(107)	(187)
Depreciation and amortisation	–	73
Other expenses considered one-off or exceptional	118	72
Intercompany elimination with continuing operations	(4)	(4)
EBITDA per segment reporting from discontinued operations	7	(46)
European Retail Management	–	(25)
European Manufacturing, Sourcing and Logistics	1	8
European Properties	–	41
Mattress Firm	(26)	(98)
Automotive	32	28
EBITDA from discontinued operations	7	(46)
Operating profit/(loss) adjusted for one-off or exceptional items ("EBIT")		
EBIT reconciles to the operating loss per statement of profit or loss from discontinued operations as follows:		
Operating loss from discontinued operations	(107)	(187)
Other expenses considered one-off or exceptional	118	72
Intercompany eliminations with continuing operations	(4)	(4)
EBIT per segment reporting from discontinued operations	7	(119)
European Retail Management	–	(36)
European Manufacturing, Sourcing and Logistics	1	6
European Properties	–	26
Mattress Firm	(26)	(136)
Automotive	32	21
EBIT from discontinued operations	7	(119)

3. SEGMENT INFORMATION

The Group determined the Management Board to be the CODM for all periods under review.

As a result of the disposal of non-core assets and businesses requiring significant cash commitments, the Group has had to reconsider the presentation of its segments as at 31 March 2019 since significant portions of the reportable segments, in the prior period, are deemed to be discontinued operations as a result of it either being disposed of or classified as held-for-sale. Refer to Note 2 for detail on the discontinued operations.

Where the majority of a former reportable segment is discontinued, and the remaining businesses no longer meet the criteria to be disclosed as a separate reportable segment, the remaining businesses have been included in the 'All other' segment.

The Group has disclosed the following reportable segments in respect of the 2019 Condensed Financial Statements.

The CODM examines the Group's performance both from a product and geographical perspective and has identified the following seven reportable segments of its business based on how information is accumulated and reported to the CODM:

- **Conforama**
  Conforama operates furniture retail stores across Europe with majority of its stores in France, Switzerland, Italy and Iberia. This segment includes the Conforama property portfolio. The CODM monitors the performance of Conforama on a consolidated basis.
- **European Properties (Hemisphere)**
  The European property portfolio comprises office, retail and warehouse space. The majority of the properties are occupied by Group companies. This segment excludes the Conforama property portfolio.
- **Pepkor Europe**
  This segment comprises the general merchandise retail business of PEPCO (operating in Poland and central and eastern Europe) and Poundland (operating mostly in the United Kingdom and Republic of Ireland). These businesses performance are reviewed together as Pepkor Europe by the CODM.
- **Australasia (Greenlit Brands)**
  The Australia segment comprises the household goods and general merchandise retailers based in Australasia (majority of the retail stores are in Australia). Major brands include Fantastic, Freedom and Best&Less. The CODM monitors the performance of Greenlit Brands on a consolidated basis.
- **Pepkor Holdings**
  The Pepkor group successfully listed on the JSE on 20 September 2017. Revenue in Pepkor is derived from a portfolio of retail chains focused on selling predominantly clothing, footwear, textiles, cell phones, airtime and fast moving consumer goods ("FMCG"). Pepkor also operates in the Building Supplies and Furniture divisions where revenue is derived from sales of DIY ("do-it-yourself") building supplies and materials and furniture and appliances, respectively. The Pepkor group operates within Africa and the majority of its revenue is derived from South Africa. The CODM monitors the performance of this listed group on a consolidated basis.
- **Corporate and treasury services**
  Steinhoff N.V.'s various global corporate offices provide strategic direction and services to the decentralised operations globally. Activities include management of regulator and stakeholder engagement processes, negotiating funding and identifying and implementing disposals, mergers and acquisitions.
- **All other**
  Included in 'all other' are operating segments that did not meet the requirements of a reportable segment per IFRS 8. These segments are neither material in size or unique in their geography to warrant separate disclosure. Included in this category are the businesses of Lipo (operating from Switzerland), Africa Properties, the UK retail and manufacturing businesses as well as ABRA (operating from Poland), Sherwood (operating in the United States of America) and the remaining European Logistics and Sourcing businesses.

3. SEGMENT INFORMATION (continued)

Measures reported to the CODM

Revenue

Segment revenue excludes Value Added Tax. Intersegment revenue is eliminated in the segment from which it was sold. Sales between segments are made on an arm's length basis.

Refer to note 2 for the accounting policy on the elimination of intercompany transactions between continuing and discontinued operations.

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

	Six months ended 31 March 2019 Unaudited			Restated[1] Six months ended 31 March 2018 Unaudited		
	Total segment revenue €m	Inter-segment revenue €m	Revenue from external customers €m	Total segment revenue €m	Inter-segment revenue €m	Revenue from external customers €m
Segment revenue from continuing operations						
Conforama	1 797	–	1 797	1 831	–	1 831
European Properties (Hemisphere)	17	11	6	18	13	5
Pepkor Europe	1 729	3	1 726	1 523	–	1 523
Australasia (Greenlit Brands)	649	5	644	650	6	644
Pepkor Holdings	2 192	–	2 192	2 147	–	2 147
Corporate and treasury services	4	3	1	6	5	1
All other	537	41	496	597	82	515
	6 925	63	6 862	6 772	106	6 666
Intercompany revenue from discontinued operations *	(14)	(14)	–	(48)	(48)	–
	6 911	49	6 862	6 724	58	6 666

**The intercompany revenue from discontinued operations has already been eliminated from 'Revenue from external customers'.*

	Six months ended 31 March 2019 Unaudited €m	Restated[1] Six months ended 31 March 2018 Unaudited €m
Revenues from external customers – by geography from continuing operations		
The Company is domiciled in the Netherlands. Negligible revenues are generated by the Group's Netherlands operations and therefore none are disclosed. The Group is a global retailer and operates within many geographies. The amount of its revenue from external customers is presented below based on the geographies that contribute materially to the Group's revenue.		
Australasia	646	644
France	1 113	1 187
Poland	432	382
Rest of Africa	75	80
Rest of Europe	997	842
South Africa	2 121	2 069
Switzerland	308	300
United Kingdom	1 122	1 138
United States of America	48	24
	6 862	6 666

[1] Refer to note 2 for details regarding the restatement of comparative numbers as a result of classifying certain segments as discontinued operations.

3. SEGMENT INFORMATION (continued)

Operating performance measures - from continuing operations

The Group's share of equity accounted earnings, finance costs, investment income and income tax expenses are not monitored on a segmental level by the CODM and are therefore not allocated to the segments.

Operating profit or loss before depreciation and amortisation adjusted for one-off or exceptional items ("EBITDA")

Segment performance is measured on continuing operation's EBITDA and exceptional items and represents segment revenue less segment expenses, excluding depreciation, amortisation and other expenses considered one-off or exceptional as included in note 4.1.

Segment expenses include distribution expenses and administration expenses.

Refer to note 2 for the accounting policy on the elimination of intercompany transactions between continuing and discontinued operations.

	Note	Six months ended 31 March 2019 Unaudited €m	Restated[1] Six months ended 31 March 2018 Unaudited €m
EBITDA reconciles to the operating profit/(loss) per statement of profit or loss as follows:			
Operating profit/(loss) per statement of profit or loss		212	(78)
Depreciation and amortisation		134	129
Other expenses considered one-off or exceptional	4.1	43	175
Intercompany eliminations (discontinued operations)		4	4
EBITDA per segment reporting		393	230
EBITDA per segment:			
Conforama		19	35
European Properties (Hemisphere)		–	3
Pepkor Europe		151	117
Australasia (Greenlit Brands)		14	33
Pepkor Holdings		248	243
Corporate and treasury services		(38)	(204)
All other		(1)	3
		393	230

[1] The unaudited comparative numbers have been restated following the completion of the investigation into accounting irregularities and as a result of classifying certain segments as discontinued operations. Refer to note 1.

3. SEGMENT INFORMATION (continued)

Operating profit or loss adjusted for one-off or exceptional items ("EBIT")

Segment performance is measured on continuing operation's EBIT and represents segment revenue less segment expenses and one-off and exceptional items included in note 4.1.

Depreciation and amortisation have been allocated to the segments to which they relate.

Refer to note 2 for the accounting policy on the elimination of intercompany transactions between continuing and discontinued operations.

	Note	**Six months ended 31 March 2019 Unaudited €m**	Restated[1] Six months ended 31 March 2018 Unaudited €m
EBIT reconciles to the operating profit/(loss) per statement of profit or loss as follows:			
Operating profit/(loss) per statement of profit or loss		**212**	(78)
Other expenses considered one-off or exceptional	4.1	**43**	175
Intercompany eliminations (discontinued operations)		**4**	4
EBIT per segment reporting		**259**	101
EBIT per segment:			
Conforama		**(9)**	7
European Properties (Hemisphere)		**(4)**	(3)
Pepkor Europe		**117**	88
Australasia		**1**	19
Pepkor Holdings		**210**	207
Corporate and treasury services		**(41)**	(204)
All other		**(15)**	(13)
		259	101

[1] *The unaudited comparative numbers have been restated following the completion of the investigation into accounting irregularities and as a result of classifying certain segments as discontinued operations. Refer to note 1.*

3. SEGMENT INFORMATION (continued)

Segmental assets

Segment assets are measured in the same way as in the 2018 Consolidated Financial Statements. Assets that are not considered to be segment assets such as cash and cash equivalents, investments in equity accounted companies, current and non-current other financial assets are excluded from the allocation of assets to segments.

Debt is primarily raised through certain Group companies that function as treasury companies for the group. The purpose of the debt or the company in which the debt is raised determines the debt cluster to which the debt, cash and cash equivalents and related finance costs and investment income is allocated. These debt clusters are then reviewed by the CODM. Debt clusters are not consistent with reportable segments.

Investment in equity accounted companies and short and long term investments (financial assets) are monitored by the CODM on a Group level as these assets are not related to the underlying operations or impact their performance. These assets are not allocated to segments.

The segmental assets below are presented on a consolidated basis and all intercompany balances and investments in subsidiary companies have been disregarded for purposes of presenting segmental assets.

	31 March 2019 Unaudited €m	31 March 2018 Unaudited €m	30 September 2018 Audited €m
Reconciliation between total assets per statement of financial position and segmental assets			
Total assets per statement of financial position	**15 093**	17 873	16 370
Less: Cash and cash equivalents	**(1 733)**	(1 233)	(1 275)
Less: Investments in equity accounted companies	**(234)**	(768)	(430)
Less: Non-current other financial assets	**(327)**	(696)	(311)
Less: Current other financial assets	**(246)**	(172)	(261)
Less: Assets classified as held-for-sale	**(564)**	–	(1 927)
Segmental assets	**11 989**	15 004	12 166
Segmental assets:			
Conforama	**1 997**	2 026	1 979
European Properties (Hemisphere)	**260**	362	645
Pepkor Europe	**2 824**	2 633	2 787
Australasia (Greenlit Brands)	**772**	747	800
Pepkor Holdings	**5 441**	5 767	5 284
Corporate and treasury services	**97**	200	87
All other*	**598**	652	584
	11 989	12 387	12 166
The prior period carrying amount per segments of disposal groups or assets held-for-sale is presented below:			
European Retail Management	**–**	282	–
European Manufacturing, Sourcing and Logistics	**–**	131	–
European Properties (kika-Leiner Properties)	**–**	536	–
Mattress Firm	**–**	1 262	–
Automotive	**–**	406	–
	11 989	15 004	12 166

**Dealerships included in Africa Properties (disclosed as "all other" segment) at 31 March 2018 were sold to the Automotive group during June 2018 and form part of the assets classified as held-for-sale at 31 March 2019 and 30 September 2018.*

3. SEGMENT INFORMATION (continued)

Segmental non-current assets

The Group operates in a number of countries and the total non-current assets are presented on a geographical aggregation basis as such an aggregation is more representative of the various factors taken into consideration when allocating resources as well as factors impacting impairment testing such as Weighted Average Cost of Capital ("WACC"), peer groups and operating environments.

The total of non-current assets other than other financial assets and deferred tax assets is presented based on the geographies that materially contribute to the Group's non-current assets.

	31 March 2019 Unaudited €m	31 March 2018 Unaudited €m	30 September 2018 Audited €m
Reconciliation between non-current assets per statement of financial position and segmental assets			
Total non-current assets per statement of financial position	**9 368**	12 673	9 536
Less: Deferred tax assets	**(188)**	(198)	(201)
Less: Non-current other financial assets	**(327)**	(696)	(311)
Segmental non-current assets	**8 853**	11 779	9 024
Segmental non-current assets:			
Africa	**4 500**	5 489	4 676
Europe (including the United Kingdom)	**3 869**	4 919	3 867
Australasia	**421**	440	419
United States of America	**63**	931	62
	8 853	11 779	9 024

4. MATERIAL ITEMS INCLUDED IN PROFIT OR LOSS

4.1 OTHER EXPENSES

		Six months ended 31 March 2019 Unaudited €m	Restated[1] Six months ended 31 March 2018 Unaudited €m
	The Group has identified a number of one-off or exceptional items which are material due to the significance of their nature and/or amount. These are listed separately here to provide a better understanding of the financial performance of the Group.		
4.1.1	**(Reversal of impairment)/impairment**	**(7)**	5
	Property, plant and equipment		
4.1.2	**Impairment of financial assets**	**36**	30
	During the current period receivables relating to the businesses disposed were impaired by €28 million.		
	Prior to the settlement of the Plum Tree loan, a further impairment of €8 million was recognised during the Reporting Period. Refer to note 4.1.6 and note 10.		
	Included in the prior period amount is an impairment of €19 million relating to the Plum Tree receivable. Refer to note 1.4.		
4.1.3	**Foreign currency translation reserve reclassified to profit or loss on disposal or derecognition of investment**	**(7)**	99
	The reclassification of the foreign currency translation reserve relates to the disposal of the investments in equity accounted companies.		
4.1.4	**(Profit)/loss on disposal of property, plant and equipment and intangible assets**	**(17)**	2
4.1.5	**(Profit)/loss on sale and partial sale of investments**		
	Material equity accounted investments		
	Profit on the disposal of PSG	**–**	(24)
	Profit on the disposals of KAP	**(55)**	(83)
	Loss on disposal of Atterbury Europe	**–**	131
	Other	**1**	(1)
		(54)	23
4.1.6	**Fair value losses/(gains) on financial assets at fair value through profit or loss**	**9**	(13)
	A fair value loss has been recognised on the Brait shares received as proceeds for the settlement of the Plum Tree loan. Refer to note 4.1.2 and note 10.		
	A PSG derivative was settled by the company by delivering PSG shares (as opposed to cash), the €13 million liability on the 2017 statement of financial position was reversed in the 2018 Half-year Reporting Period, resulting in a one-off €13 million profit.		
4.1.7	**Share-based payments – equity settled relating to loans granted and settled**	**1**	1
4.1.8	**Fees relating to forensic investigation, advisory and restructure of the businesses**	**82**	28
	TOTAL ONE-OFF OR EXCEPTIONAL ITEMS	**43**	175

[1] *The unaudited comparative numbers have been restated following the completion of the investigation into accounting irregularities and as a result of classifying certain segments as discontinued operations. Refer to note 1.*

5. FINANCE COSTS

	Six months ended 31 March 2019 Unaudited €m	Restated[1] Six months ended 31 March 2018 Unaudited €m
Bank overdrafts	**12**	76
Convertible bonds	**104**	38
Instalment sale agreements	**13**	13
Other borrowings	**282**	89
Transaction costs accrued and amortised (note 5.1)	**62**	–
Other	**10**	29
	483	245

5.1 Transaction costs accrued and amortised

The Group entered into Lock-Up Agreements with lenders of SEAG and SFHG during the 2018 reporting period.

SEAG and SFHG Lock-Up Agreement fees accrued consisted of:		
Consent fees	**21**	–
Early bird and lock-up fees	**16**	–
Roll-over fees	**10**	–
Transaction costs amortised	**15**	–
	62	–

[1] *The unaudited comparative numbers have been restated following the completion of the investigation into accounting irregularities and as a result of classifying certain segments as discontinued operations. Refer to note 1.*

These Lock-Up Agreements will result in the terms of the debt changing substantially. In terms of IFRS 9: Financial Instruments, when the terms of debt change substantially, the existing debt is derecognised and new debt is recognised. All related fees incurred to raise the new debt are expensed and cannot be capitalised. These fees were not paid in cash before the Reporting Date, as such the fees were included in the borrowings presented in note 14.

6. TAXATION

Steinhoff N.V. is a South African tax resident.

For the six months ended 31 March 2019 and 31 March 2018 the corporate taxation rate in South Africa is 28%. Capital gains is taxed at 22.4%.

Uncertain tax positions
Uncertainty exists regarding the tax impact of certain transactions. The comprehensive tax review of the consequences of these items and the investigation by tax authorities could result in a restatement of unrecognised tax losses.

Management has estimated the tax consequences associated with the accounting irregularities and where specific items that could result in an increase in taxable profit have been identified, these have been recognised. Where specific items that could result in a reduction of taxable profit have been identified, these have been ignored where it is uncertain whether they will be allowed by the relevant tax authorities. The tax position of the single entities impacted by the restatement is still uncertain in multiple jurisdictions. Due to the uncertainty associated with such tax items, there is a possibility that the final outcome may differ significantly from the current estimate. The Group operates in numerous jurisdictions, resulting in transfer pricing being an important consideration, both at a Group and entity level. The Group is currently in the process of performing a transfer pricing review.

The Group is currently subject to ongoing general transfer pricing investigations by tax authorities in various jurisdictions. If a tax authority in any jurisdiction in which the Group operates, reviews any of the Group's practices and determines that the transfer prices and terms that the Group has applied are inappropriate or that income of a division of the Group should be taxed in that jurisdiction, the Group may incur increased tax liability, including accrual of interest and penalties which can cause the Group's tax expense to increase.

Due to the number of jurisdictions in which the Group operates, there may be uncertainty in respect of the place of effective management of certain individual Group entities. Although the level of risk is difficult to assess this may result in a potential future outflow of resources.

The steps required to complete the CVAs are complex and multi-jurisdictional giving rise to an element of risk regarding the tax consequences thereof. The Group has engaged with professional tax advisors to determine the tax consequences with a view to ensuring the associated element of risk from the restructuring is mitigated.

The Group is currently being investigated by Austrian and German tax authorities.

The Group is currently addressing these risks in consultation with its advisors. These risks may result in a potential outflow of resources.

Recoverability of deferred tax assets
Deferred tax assets have been recognised for the carry forward amount of unused tax losses relating to the Group’s operations where there is compelling evidence that it is probable that sufficient taxable profits will be available in the future to utilise the tax losses carried forward, either by the specific company to which it relates or the wider Group. Management has carefully assessed the entities' ability to generate future taxable profits against which the recognised tax losses can be utilised. Such assessments are based on the approved budgets and the forecasts of the entities including their ability to raise funding to maintain and support their operations.

7. EARNINGS PER SHARE

	Six months ended 31 March 2019 Unaudited Cents	Restated[1] Six months ended 31 March 2018 Unaudited Cents
The calculation of per share numbers uses the exact unrounded numbers. This may result in differences when compared to calculating the numbers using the rounded number of shares and loss as disclosed below.		
Basic and diluted loss per share		
From continuing operations	**(9.7)**	(10.1)
From discontinued operations	**(5.2)**	(5.2)
Basic and diluted loss per share	**(14.9)**	(15.3)
Headline and diluted headline loss per share		
Headline loss is an additional loss number that is permitted by IAS 33: Earnings per Share ("**IAS 33**"). The starting point is loss 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 loss. This number is required to be reported by the JSE, where the Group has a secondary listing, and is defined by Circular 4/2018 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 2019 Condensed Financial Statements. No adjustments would be permitted on the basis of voluntary disclosure of gains or losses (or components of these).		
From continuing operations	**(11.3)**	(6.0)
From discontinued operations	**(3.4)**	(3.5)
Headline and diluted headline loss per share	**(14.7)**	(9.5)

[1] *The unaudited comparative numbers have been restated following the completion of the investigation in accounting irregularities and as a result of classifying certain segments as discontinued operations. Refer to note 1 and note 2..*

7. EARNINGS PER SHARE (continued)

Reconciliations of denominator and numerator

		Six months ended 31 March 2019 Unaudited Million	Restated[1] Six months ended 31 March 2018 Unaudited Million
7.1	**Weighted average number of ordinary shares**		
	Issued ordinary shares at beginning of the period	**4 310**	4 310
	Effect of treasury shares held	**(167)**	(161)
	Weighted average number of ordinary shares at end of the period for the purpose of basic and diluted loss per share and headline and diluted headline loss per share	**4 143**	4 149

		Notes	Continuing operations Unaudited €m	Discontinued operations Unaudited €m	Total Unaudited €m
7.2	**Basic loss and headline loss attributable to owners of Steinhoff N.V.**				
	Six months ended 31 March 2019				
	Basic loss for the period attributable to owners of Steinhoff N.V.		**(402)**	**(215)**	**(617)**
	Adjusted for remeasurement items	7.3	**(66)**	**74**	**8**
	Headline loss attributable to owners of Steinhoff N.V.		**(468)**	**(141)**	**(609)**
	Six months ended 31 March 2018 – Restated[1]				
	Basic loss for the period attributable to owners of Steinhoff N.V.		(421)	(217)	(638)
	Adjusted for remeasurement items	7.3	171	70	241
	Headline loss attributable to owners of Steinhoff N.V.		(250)	(147)	(397)

[1] *The unaudited comparative numbers have been restated following the completion of the investigation in accounting irregularities and as a result of classifying certain segments as discontinued operations. Refer to note 1 and note 2..*

7. EARNINGS PER SHARE (continued)

Reconciliations of denominator and numerator (continued)

		Notes	Six months ended 31 March 2019 Unaudited Gross of taxation and non-controlling interests €m	Six months ended 31 March 2019 Unaudited Net of taxation and non-controlling interests €m	Six months ended 31 March 2018 Unaudited Gross of taxation and non-controlling interests €m	Six months ended 31 March 2018 Unaudited Net of taxation and non-controlling interests €m
7.3	**Remeasurement items as defined by the JSE**					
	Remeasurement 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.					
	Continuing operations					
	(Reversal of impairment)/impairment					
	Property, plant and equipment	4.1.1	**(7)**	**(7)**	5	5
	Investments in equity accounted companies		**–**	**–**	8	8
	Foreign currency translation reserve reclassified to profit or loss on disposal of investment	4.1.3	**(7)**	**(7)**	99	99
	(Profit)/loss on disposal of property, plant and equipment and intangible assets	4.1.4	**(17)**	**(13)**	2	2
	(Profit)/loss on sale and partial sale of investments	4.1.5	**(54)**	**(39)**	23	57
			(85)	**(66)**	137	171
	Discontinued operations	2.1				
	Impairment					
	Assets classified as held-for-sale (Automotive)		**26**	**20**	–	–
	Foreign currency translation reserve reclassified to profit or loss on disposal of investment		**88**	**88**	–	–
	Net loss on disposal of property, plant and equipment		**2**	**2**	70	70
	Profit on disposal of discontinued operations/disposal groups		**(36)**	**(36)**	–	–
			80	**74**	70	70

8. INTANGIBLE ASSETS

	31 March 2019 Unaudited €m	Restated[1] 31 March 2018 Unaudited €m	30 September 2018 Audited €m
Reconciliation of closing balance			
Goodwill			
Carrying amount at beginning of the period	**4 485**	4 593	4 593
Disposals	**–**	–	(18)
Acquired on acquisition of businesses	**–**	16	14
Impairment from continuing and discontinued operations	**–**	–	(26)
Transferred to discontinued operations and assets classified as held-for-sale	**–**	–	(2)
Exchange differences on translation of foreign operations	**49**	257	(76)
Carrying amount at end of the period	**4 534**	4 866	4 485
Intangible assets (excluding goodwill)			
Carrying amount at beginning of the period	**1 826**	2 657	2 657
Additions	**14**	19	45
Amortisation from continuing and discontinued operations	**(14)**	(24)	(52)
Disposals	**(12)**	(28)	(72)
Acquired on acquisition of businesses	**–**	1	7
Impairment from continuing and discontinued operations	**–**	–	(128)
Transferred to discontinued operations and assets classified as held-for-sale	**–**	–	(608)
Exchange differences on translation of foreign operations	**27**	89	(23)
Carrying amount at end of the period	**1 841**	2 714	1 826
Intangible assets comprise the Group's trade and brand names, software and ERP systems as well as dealership agreements.			
Carrying amount per category of intangible assets:			
Goodwill	**4 534**	4 866	4 485
Trade and brand names	**1 732**	2 440	1 713
Software and ERP systems	**106**	143	109
Dealership agreements	**–**	105	–
Other intangibles assets	**3**	26	4
	6 375	7 580	6 311

[1] *The unaudited comparative numbers have been restated following the completion of the investigation into accounting irregularities. Refer to note 1.*

8. INTANGIBLE ASSETS (continued)

Management has identified the following CGUs to which goodwill and trade and brand names have been allocated. These CGUs do not represent a level higher than the operating segments identified in note 3.

Goodwill and trade and brand names are considered a significant class of intangible assets to the Group. The carrying amount per segment is presented below:

	Goodwill			Trade and brand names		
	31 March 2019 Unaudited €m	Restated[1] 31 March 2018 Unaudited €m	30 September 2018 Audited €m	**31 March 2019 Unaudited €m**	Restated[1] 31 March 2018 Unaudited €m	30 September 2018 Audited €m
Conforama	**–**	–	–	**200**	200	200
Australasia (Greenlit Brands)	**174**	160	172	**102**	98	102
Pepkor Europe	**1 666**	1 674	1 645	**276**	278	273
Pepkor Holdings	**2 616**	2 917	2 590	**1 118**	1 240	1 107
All other	**78**	93	78	**36**	38	31
	4 534	4 844	4 485	**1 732**	1 854	1 713
The prior period carrying amount per segments of disposal groups or assets classified as held-for-sale is presented below:						
European Retail Management	**–**	–	–	**–**	29	–
Mattress Firm	**–**	–	–	**–**	557	–
Automotive	**–**	22	–	**–**	–	–
Total carrying amount of disposal groups	**–**	22	–	**–**	586	–
Total carrying amount for all segments	**4 534**	4 866	4 485	**1 732**	2 440	1 713

[1] *The unaudited comparative numbers have been restated following the completion of the investigation into accounting irregularities. Refer to note 1.*

Refer to the 2018 Consolidated Financial Statements for significant accounting estimates and judgements. There were no further indicators of impairments on 31 March 2019 and therefore no impairment assessments were performed.

9. INVESTMENTS IN EQUITY ACCOUNTED COMPANIES

Listed	Nature of business
KAP[1]	Diverse industrial and logistics business
Unlisted	
Cofel SAS	Manufacturing
Bud Group Proprietary Limited	Investment company
Mattress Firm[2]	Mattress retailer
POCO[3]	Household good retailer and properties
Various other equity accounted companies	Property, insurance, manufacturing, retail, logistics and financial services

[1] The Group disposed of its remaining interest in KAP in March 2019 through an accelerated bookbuild for €294 million proceeds.

[2] Mattress Firm became an associate investment on 21 November 2018. The fair value at date of recognition was €44 million.

[3] The sale of the equity accounted investment in POCO at its carrying value was finalised on 6 December 2018. POCO was classified as held-for-sale at 30 September 2018.

The carrying amount of equity-accounted investments has changed as follows in the six months to 31 March 2019:

	Six months ended 31 March 2019 Unaudited €m
Beginning of the period	**430**
Recognition of Mattress Firm as an equity accounted investment	44
Loss for the period	(10)
Disposals	(240)
Share of other comprehensive income	1
Share of other reserves	2
Exchange differences on translation of equity accounted investments	7
End of the period	**234**

31 March 2019 Carrying value Unaudited €m	31 March 2019 Unaudited % holding	Restated 31 March 2018 Carrying value Unaudited €m	Restated 31 March 2018 Unaudited % holding	30 September 2018 Carrying value Audited €m	30 September 2018 Audited % holding
–	–	248	25.9	231	25.9
6	50.0	6	50.0	6	50.0
200	25.4	182	25.4	173	25.4
21	50.1	–	–	–	–
–	–	295	50.0	N/A	50.0
7	24.5 – 50.0	37	24.5 – 50.0	20	24.5 – 50.0
234		768		430	

10. OTHER FINANCIAL ASSETS

		31 March 2019 Unaudited €m	Restated[1] 31 March 2018 Unaudited €m	30 September 2018 Audited €m
Non-current other financial assets				
At fair value through profit or loss	10.1	–	7	–
At amortised cost	10.2	327	689	311
		327	696	311
Current other financial assets				
At fair value through profit or loss	10.1	40	–	–
At amortised cost	10.2	206	172	261
		246	172	261
Total other financial assets		573	868	572

10.1 At fair value through profit or loss

Classification of financial assets at fair value through profit or loss

The Group classifies the following financial assets at FVPL:

- debt investments that do not qualify for measurement at either amortised cost or FVOCI
- equity investments that are held for trading, and
- equity investments for which the entity has not elected to recognise fair value gains and losses through other comprehensive income.

Financial assets mandatorily measured at FVPL include the following:

	31 March 2019 Unaudited €m	Restated[1] 31 March 2018 Unaudited €m	30 September 2018 Audited €m
Non-current assets			
Other	–	7	–
Current assets			
Listed equity securities – Brait	40	–	–
	40	7	–

[1] *The unaudited comparative numbers have been restated following the completion of the investigation into accounting irregularities. Refer to note 1.*

As part of the Campion Group Settlement, the Group received approximately 25.5 million Brait shares. These shares were disposed of after period-end. Refer to note 19.

10. OTHER FINANCIAL ASSETS (continued)

		31 March 2019 Unaudited €m	Restated[1] 31 March 2018 Unaudited €m	30 September 2018 Audited €m
10.2 At amortised cost				
Classification of financial assets at amortised cost				
The Group classifies its financial assets as at amortised cost only if both of the following criteria are met: • the asset is held within a business model whose objective is to collect the contractual cash flows, and • the contractual terms give rise to cash flows that are solely payments of principal and interest.				
The financial assets are presented as non-current assets unless they mature, or management intends to dispose of them within 12 months of the end of the Reporting Period.				
Financial assets at amortised cost including the following debt instruments:				
Unlisted preference shares – Lancaster 102	a	**276**	284	262
Unlisted preference shares – Atterbury Europe	b	**–**	224	–
Interest-bearing loans	c	**224**	334	280
Non-interest bearing loans		**33**	19	30
		533	861	572

[1] *The unaudited comparative numbers have been restated following the completion of the investigation into accounting irregularities. Refer to note 1.*

a) Unlisted preference shares – Lancaster 102

The unlisted preference shares is an investment in preference shares issued by Lancaster 102. The Group started negotiations in the September 2017 reporting period regarding the planned Shoprite Transaction (refer to note 29 of the 2018 Consolidated Financial Statements). Prior to the transaction being cancelled, Steinhoff Africa subscribed for 1 000 preference shares to the value of ZAR4 billion in Lancaster 102. The preference shares accrue dividends at 80% of the SA prime lending rate as quoted by Standard Bank Group Limited or its successor in title in South Africa. As part of the transaction, Steinhoff Africa also issued 1 000 preference shares to the value of ZAR4 billion to Lancaster 102 with the same dividend terms, however the repayment dates are different. (Refer to note 27.2 of the 2018 Consolidated Financial Statements.)

b) Unlisted preference shares – Atterbury Europe

Subsequent to the disposal of the Atterbury Europe ordinary shares in December 2017, the remaining preference share investment of €224 million was reclassified from equity accounted investments to investments and loans. This preference share investment was disposed of during June 2018.

c) Interest bearing loans

Loan to Titan

Included in the balance of interest-bearing loans is a loan receivable from Titan of €206.3 million as at 31 March 2019. The loan originated when prepayments of €125 million and €200 million were made by the Group in October and November 2017 to entities related to Christo Wiese (a Steinhoff Supervisory Board member at the time) as part of the planned Shoprite transaction. Agreements have been entered into during February 2018 in terms of which €125 million has been settled. The balance of the €200 million loan plus interest (1.5% per annum until 1 September 2018, 3% thereafter) is expected to be repaid on agreed terms. Titan is awaiting regulatory approvals to be able to perform under the terms of the agreement.

10. OTHER FINANCIAL ASSETS (continued)

10.2 At amortised cost (continued)

c) Interest bearing loans (continued)

Loan to Plum Tree

Included in the balance of interest-bearing loans is a loan receivable from Plum Tree of €57 million as at 30 September 2018 (31 March 2018: €70 million). An impairment of €8 million (31 March 2018: €19 million; 30 September 2018: €32 million) was recognised in profit or loss during the Reporting Period relating to this loan. The loan to Plum Tree did not have repayment terms, but was settled as part of the Campion Group Settlement by the delivery of 25.5 million shares in Brait. Subsequent to receiving the Brait shares, a further fair value decrease of €9 million was recorded for the Reporting Period. Refer to notes 4.1.2 and 4.1.6.

11. ORDINARY SHARE CAPITAL

	31 March 2019 Unaudited Million	Restated[1] 31 March 2018 Unaudited Million	30 September 2018 Audited Million
The authorised share capital comprises 17 500 000 000 ordinary shares with a par value of 50 euro cents.			
Number of ordinary shares in issue	**4 310**	4 310	4 310
Number of treasury shares	**(163)**	(171)	(171)
	4 147	4 139	4 139

[1] *The unaudited comparative numbers have been restated following the completion of the investigation into accounting irregularities. Refer to note 1.*

As disclosed in note 1.2.5 of the 2017 Consolidated Financial Statements, a number of loans were provided to affiliated parties during earlier years, with the result that treasury shares were recognised for the shares underlying the loans. The Campion Group Settlement Agreement (refer note 18) had the result that 8 million Steinhoff shares are recognised as being issued externally. A share-based payment expense was recognised for these 8 million shares (refer note 4.1.7). The entire share-based payment reserve relating to the share-based loans provided to the Campion Group was transferred to accumulated losses at the termination of this relationship.

12. ACQUISITION OF SUBSIDIARIES AND BUSINESSES

Effective 1 October 2017, 100% of BSG was acquired by a subsidiary of the Pepkor Group, for an equity purchase price of €19 million (ZAR297 million), settled in cash. During November 2017 and January 2018, the Automotive Group acquired additional motor dealerships for €8 million. Both acquisitions are within the Africa geographical segment.

In January 2019, the Group obtained legal ownership of Town Investments and the remaining 55% of GT Branding as part of the Campion Group Settlement. GT Branding was already fully consolidated by the Group (refer note 1.2.2 of the 2017 Consolidated Financial Statements) and the Steinhoff ordinary shares held by Town Investments were already treated as treasury shares by the Group (refer note 30 of the 2017 Consolidated Financial Statements). These legal acquisitions therefore had immaterial impacts on the Group's results.

13. FINANCIAL INSTRUMENTS

		Notes	At fair value through profit or loss €m	At amortised cost €m	Total carrying values €m
13.1	**Total financial instruments**				
	31 March 2019 – Unaudited				
	Other financial assets	10	**–**	**327**	**327**
	Non-current financial assets		**–**	**327**	**327**
	Trade and other receivables		**37**	**634**	**671**
	Other financial assets	10	**40**	**206**	**246**
	Cash and cash equivalents		**–**	**1 733**	**1 733**
	Current financial assets		**77**	**2573**	**2 650**
	Borrowings		**–**	**(1 992)**	**(1 992)**
	Non-current financial liabilities		**–**	**(1 992)**	**(1 992)**
	Borrowings		**–**	**(8 801)**	**(8 801)**
	Trade and other payables		**(4)**	**(1 922)**	**(1 926)**
	Current financial liabilities		**(4)**	**(10 723)**	**(10 727)**
			73	**(9 815)**	**(9 742)**
	Restated[1] 31 March 2018 – Unaudited				
	Other financial assets	10	7	689	696
	Non-current financial assets		7	689	696
	Trade and other receivables		3	751	754
	Other financial assets	10	–	172	172
	Cash and cash equivalents		–	1 233	1 233
	Current financial assets		3	2 156	2 159
	Borrowings		–	(703)	(703)
	Non-current financial liabilities		–	(703)	(703)
	Borrowings		–	(10 089)	(10 089)
	Trade and other payables		(67)	(2 589)	(2 656)
	Current financial liabilities		(67)	(12 678)	(12 745)
			(57)	(10 536)	(10 593)
	30 September 2018 – Audited				
	Other financial assets	10	–	311	311
	Non-current financial assets		–	311	311
	Trade and other receivables		32	936	968
	Other financial assets	10	–	261	261
	Cash and cash equivalents		–	1 275	1 275
	Current financial assets		32	2 472	2 504
	Borrowings		–	(2 027)	(2 027)
	Non-current financial liabilities		–	(2 027)	(2 027)
	Borrowings		–	(8 363)	(8 363)
	Trade and other payables		(9)	(2 151)	(2 160)
	Current financial liabilities		(9)	(10 514)	(10 523)
			23	(9 758)	(9 735)

[1] *The unaudited comparative numbers have been restated following the completion of the investigation into accounting irregularities. Refer to note 1.*

The trade and other receivables and trade and other payable balances presented in this note exclude items that are not classified as financial instruments.

13. FINANCIAL INSTRUMENTS (continued)

	Fair value hierarchy	31 March 2019 Unaudited €m	Restated[1] 31 March 2018 Unaudited €m	30 September 2018 Audited €m
13.2 Fair value hierarchy				
Financial assets				
Other financial assets				
Brait shares	Level 1	**40**	–	–
Other	Level 1	**–**	7	–
Trade and other receivables				
Derivative – foreign currency forward contracts	Level 2	**37**	3	32
		77	10	32
Financial liabilities				
Trade and other payables				
Derivative – foreign currency forward contracts	Level 2	**(4)**	(67)	(9)

[1] *The unaudited comparative numbers have been restated following the completion of the investigation into accounting irregularities. Refer to note 1.*

Level 1

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the Reporting Period. The quoted market price used for financial assets held by the Group is a 30-day volume weighted average price. These instruments are included in level 1.

Level 2

The fair value of financial instruments that are not traded on an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There were no level 3 financial assets or financial liabilities at 31 March 2019, 31 March 2018 and 30 September 2018. There were no transfers during the period.

14. BORROWINGS

	Notes	SEAG €m	SFHG €m	Hemisphere €m	Other €m	Total €m
Opening balance – 30 September 2018 – Audited		5 169	2 639	724	1 858	10 390
Repayable within one year		5 169	2 639	433	122	8 363
Repayable after one year		–	–	291	1 736	2 027
Repayment of debt		–	–	(381)	(33)	(414)
Repayment of interest		–	–	(19)	(69)	(88)
Additional financing	a) and b)	178	–	–	148	326
Interest accrued	5	188	104	19	110	421
Transaction costs accrued and amortised	5.1	32	15	15	–	62
Foreign exchange losses		61	–	–	23	84
Reclassification of interest accrual from trade and other payables		–	12	–	–	12
Closing balance – 31 March 2019 – Unaudited		5 628	2 770	358	2 037	10 793
Repayable within one year		5 628	2 770	35	368	8 801
Repayable after one year		–	–	323	1 669	1 992

Notes:

a) The increase in additional financing of SEAG relates to Mattress Firm facilities assumed as part of the Mattress Firm restructure. The facility was previously included in the liabilities of Mattress Firm and disclosed as part of the liabilities directly associated with assets classified as held-for-sale at 30 September 2018.

b) Pepkor Holdings secured additional bridging finance during the Reporting Period to fund the growth in their new credit books. €148 million was drawn on this facility by the Reporting Date. Opportunities to diversify funding sources are being explored.

Repayment profile

The Group's debt profile will change substantially after 31 March 2019 on the implementation of the CVAs, and disclosure of details around the debt existing at Reporting Date, is not considered relevant.

The following tables details the Group's remaining contractual maturity for its financial liabilities and includes interest and principal cash flows.

		31 March 2019 Unaudited €m
14.1	**Expected cash flows of debt after restructuring included under SEAG and SFHG Lock-Up Agreement (ignoring possible early repayments)**	
	Next year	–
	Year 2	–
	Years 3 to 5	11 004
	After 5 years	–
	Interest and fees included in cash flows	(2 606)
		8 398
14.2	**Expected cash flows of debt renegotiated by subsidiaries before period-end, excluding disposal groups and liabilities classified as held-for-sale (ignoring possible early repayments)**	
	Next year	514
	Year 2	870
	Years 3 to 5	1 480
	After 5 years	–
	Interest and fees included in cash flows	(469)
		2 395
	Total debt	10 793

15. ASSETS AND LIABILITIES CLASSIFIED AS HELD-FOR-SALE

	Assets €m	Liabilities €m	Net assets €m
Classified as held-for-sale on 30 September 2018 – Audited	1 927	(1 286)	641
Automotive	590	(302)	288
Mattress Firm	1 003	(908)	95
Steinpol	54	(76)	(22)
POCO	271	–	271
Other	9	–	9
Change in carrying values	**109**	**(129)**	**(20)**
Automotive	**(26)**	**19**	**(7)**
Mattress Firm	**133**	**(192)**	**(59)**
Steinpol	**2**	**44**	**46**
Derecognition	**(1 472)**	**1 132**	**(340)**
Mattress Firm (derecognition: 21 November 2018)	**(1 136)**	**1 100**	**(36)**
Steinpol (disposal: 11 March 2019)	**(56)**	**32**	**(24)**
POCO (disposal: 6 December 2018)	**(271)**	**–**	**(271)**
Other	**(9)**	**–**	**(9)**
Classified as held-for-sale on 31 March 2019 – Unaudited			
Automotive	**564**	**(283)**	**281**

Mattress Firm

On 5 October 2018, the Group announced that Mattress Firm had filed voluntary Chapter 11 cases in the United States Bankruptcy Court. This process allowed Mattress Firm to implement a financial restructuring through a court-supervised process while continuing to trade as normal. The Chapter 11 process was conducted for two primary reasons, to allow Mattress Firm to secure additional funding and restructure its balance sheet, and to enable it to rightsize its retail store portfolio.

On 16 November 2018, the Chapter 11 Plan was approved by the United States Bankruptcy Court and, following satisfaction of certain conditions, the Mattress Firm entities emerged from Chapter 11 having successfully completed a reorganisation. In accordance with the Chapter 11 plan, Mattress Firm emerged with access to USD525 million in exit financing and successfully exited approximately 640 underperforming stores.

On 21 November 2018, in consideration for providing the financing required by the Mattress Firm entities in order to exit Chapter 11, the lenders providing the exit financing, received 49.9% of the shares in SUSHI. The Group retained the remaining 50.1% of the shares in SUSHI. Both the lenders' and the Group's shareholding are subject to a total dilution up to 10% by a management incentive plan. It was determined that for accounting purposes the Group lost control of Mattress Firm on this date.

On 10 October 2018, shortly after the Mattress Firm entities filed for relief under Chapter 11, SUSHI launched an English scheme of arrangement in respect of its USD200 million revolving credit facility. The SUSHI Scheme became effective on 16 November 2018. Under the SUSHI Scheme, the lenders under the existing SUSHI revolving credit facility exchanged their rights under that facility for substantially similar rights under a new revolving credit facility between, among others, SEAG (as borrower) and the Company (as guarantor).

On 5 October 2018, as part of the reorganisation, SUSHI shares were contributed to SEAG from the Company. The Mattress Firm sub-group was moved within the Group structure from directly below the Company to become a subsidiary of SEAG. This move facilitated the restructuring of certain material intercompany loans owed by SUSHI and the Mattress Firm Group.

16. CASH FLOW INFORMATION

	Notes	Six months ended 31 March 2019 Unaudited €m	Restated Six months ended 31 March 2018 Unaudited €m
Cash utilised in operations			
Operating profit/(loss) from:			
Continuing operations		**212**	(78)
Discontinued operations		**(107)**	(187)
Adjusted for non-cash adjustments included in continuing and discontinued operations:			
Profit or loss movement in provision for doubtful debt		**6**	(5)
Depreciation and amortisation		**134**	202
Net impairment of loans receivable and other related provisions	4.1.2	**36**	30
Fair value loss/(gains) on financial instruments	4.1.6	**9**	(13)
Unrealised foreign exchange losses		**26**	143
(Reversal of impairments)/impairments			
Property, plant and equipment	4.1.1	**(7)**	5
Assets held-for-sale	2.1	**26**	–
Inventories written down to net realisable value and movement in provision for inventories		**33**	21
Net (profit)/loss on disposal and scrapping of property, plant and equipment, vehicle rental fleet and intangible assets	2.1 and 4.1.4	**(15)**	72
(Profit)/loss on disposal and part disposal of investments	4.1.5	**(54)**	23
Cumulative other comprehensive income reclassified to profit or loss on disposal or derecognition of investment	2.1 and 4.1.3	**81**	99
Other non-cash adjustments		**24**	37
Cash generated before working capital changes		**404**	349
Working capital changes			
(Increase)/decrease in inventories		**(104)**	13
Increase in trade and other receivables		**(149)**	(61)
Movement in net derivative financial liabilities/assets		**(5)**	6
Decrease in trade and other payables		**(302)**	(678)
Net changes in working capital		**(560)**	(720)
Cash utilised in operations		**(156)**	(371)

17. CONTINGENT LIABILITIES

17.1 Contingent liabilities and other litigation

Taxation

There is uncertainty regarding future taxes as a result of the impact of the accounting irregularities as well as a number of ongoing tax audits and investigations. Details are provided in note 6 of the 2018 Consolidated Financial Statements.

Disposal Guarantees

A number of disposal agreements entered into contain warranties or indemnities that are customary for transactions of this nature. The Group is not currently expecting material outflows as a result of these warranties or indemnities.

Legal claims

The legal claims as set out in the 2018 Consolidated Financial Statements in note 22 together with those detailed below were received by the relevant parties up to and after the Reporting Period. They are all being defended. As these claims are based on the claimants' view that the financial reports provided to them were misleading, it is deemed that the claims received after the Reporting Period are, in terms of IAS 10, adjusting events.

No provisions have been made for these claims as it is not yet possible to determine the timing and outflow, relating to these claims.

Refer to the 2018 Consolidated Financial Statements for a detailed description of all of the legal claims up to 18 June 2019.

The following legal claims were initiated against the Group in the Reporting Period.

- Peregrine and Allan Gray initiated legal proceedings against various Group entities on behalf of preference shareholders in SINVH. During November 2018 the matter was settled. In terms of the settlement it was agreed that the restructuring documents would not contain any restrictions on SINVH making dividend payments to its preference shareholders or amend the terms of the preference shares.
- On 1 February 2019, Dutch law firm bureau Brandeis filed a request for inquiry proceedings with the Enterprise Chamber at the Amsterdam Court of Appeal on behalf of Public Investment Corporation SOC Ltd ("PIC") and ten other foreign Steinhoff N.V. investors ("PIC et al."). PIC et al. requested the following relief:
  i. to appoint investigators to investigate the policy and the course of events at Steinhoff N.V., its affiliated enterprise and entities closely connected to it, starting from the date of its incorporation until the date of the decision of the Enterprise Chamber. PIC et al. want the subject of the investigation to cover the facts and circumstances that could give an insight in the situation that Steinhoff N.V. is in, even if these facts and circumstances pre-date the establishment of Steinhoff N.V., such as, but not limited to, the 2015 prospectus, the Scheme of Arrangement, the acquisition of kika-Leiner, its relation with Campion, GT Branding, Genesis GmbH, the amendments by Steinhoff N.V. of the 2014 up to and including 2018 annual accounts and the functioning of (members of) the bodies and appointed committees regarding those facts and circumstances, as well as the questions posed in the request and those that were asked during the AGM in April 2018, and
  ii. (by way of immediate relief) to appoint an independent Supervisory Board member, whose duties will encompass supervision of the proper disclosure of information to shareholders in line with the applicable rules and regulations, supervision of the proper cooperation of and information disclosure by (members of) the bodies and employees of Steinhoff N.V. and its affiliated enterprise for the purpose of the investigation to be ordered by the Enterprise Chamber, and to determine that this temporary Supervisory Board member will have the casting vote on these subjects.

A hearing in this regard was scheduled to take place on 23 May 2019. Steinhoff N.V. and the group of shareholders have mutually agreed to postpone the date of this hearing to a date later in the calendar year. At the date of this report the hearing date has not been determined.

18. RELATED- AND AFFILIATED-PARTY TRANSACTIONS

- Campion Group settlement agreement:
  In January 2019 the Group concluded various agreements with the Campion Group, the main terms of which included the settlement of a number of outstanding loans owing to the Group in exchange for the receipt by the Group of a number of investments including:
  – Approximately 25.5 million Brait shares (note 10),
  – Approximately 30 million Steinhoff shares held by SSUK and Town Investments (note 11, treated as treasury shares for all periods),
  – Legal ownership of Town Investments
  – Legal ownership of remaining 55% of GT Branding
- At 31 March 2019 these Brait shares were carried at €40 million after recognising a fair value loss of €9 million (Refer to note 4.1.6). Subsequent to the Reporting Date, SFHG instructed the sale of listed Brait securities it acquired through the Campion settlement for €37 million, resulting in a further fair value loss of €3 million.
- For an appreciation of the related- and affiliated-party transactions during the 2018 reporting period, refer to the 2018 Consolidated Financial Statements.

19. EVENTS OCCURRING AFTER THE REPORTING PERIOD

The material events that occurred after the end of the Reporting Period are listed below. Other than these events, 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 2019 Condensed Financial Statements. Refer to the Financial and Business Review for additional information pertaining to these transactions.

Refer to the 2018 Consolidated Financial Statements for all events that occurred after 31 March 2019 and up to publication date, 18 June 2019. The following events occurred since the publication of the 2018 Consolidated Financial Statements up to the date of publication of the 2019 Condensed Financial Statements.

Disposals of non-core assets

- During April and May 2019 25.5 million Brait shares were sold in the open market raising total proceeds of ZAR589 million (€37 million).
- The disposal of properties in the Hemisphere portfolio is ongoing.

Debt paid and restructured

- On 11 April 2019, the French Commercial Court of Meaux approved a conciliation agreement entered into between Conforama and its creditors, as part of a French law conciliation process that provided the framework for the refinancing negotiations. This ruling allowed Conforama to proceed to implement its financial restructuring.

  The key terms of the financial restructuring included a total nominal value of €316 million new money financing (including undrawn and conditional commitments) and a warrant in favour of the funders over 49.9% of the shares in Conforama. Management performed a control assessment of Conforama, and determined that the Group has not lost control of Conforama by the date of this report.

  The new funds were available from 15 April 2019.
- On 10 June 2019 Pepkor Europe received approval from the SEAG and SFHG creditors to refinance its existing facilities, the refinance is well progressed.
- On 2 July 2019, the Company announced that the requisite majority of creditors of SEAG and SFHG had provided their consent to amend the definition of CVA Long-Stop Date to 9 August 2019.

Corporate activity after the reporting date

- The following preference dividends were declared and paid by SINVH after the Reporting Period to shareholders of the 15 000 000 cumulative, non-redeemable, non-participating, variable rate preference shares issued by SINVH.

		Gross dividend per share	
Period applicable	Date paid	ZAR cents	EUR cents
1 July 2018 to 31 December 2018	Monday, 29 April 2019	418.09	25.96

- The Group received a special dividend of ZAR603 million (€38 million) from its associate, Bud Group Proprietary Limited in May 2019.
- On 1 July 2019 Conforama announced a project, to restructure its French businesses, to be implemented over the next 18 months, in terms of which a number of stores will be closed and the total headcount reduced in order to regain sustainable competitiveness.

Litigation

- On 21 June 2019, the Company received a writ of summons from Barents & Krans on behalf of Hamilton B.V. ("Hamilton"). This writ of summons initiates legal proceedings against the Company and others for declaratory relief relating to currently unquantified damages arising from alleged wrongful acts. The Company and Hamilton have agreed that no procedural act would be due from the Company until later in the year.

Changes in directorate

On 5 July 2019 the Group announced that Philip Dieperink will step down as CFO of the Group on 31 August 2019. Theodore de Klerk, the Group's current Operations Director will be succeeding Philip as the Group CFO.

20. CHANGES IN ACCOUNTING POLICIES

This note explains the impact of the adoption of IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers* on the Group's financial statements and also discloses the new accounting policies that have been applied from 1 October 2018, where they are different to those applied in prior periods.

IFRS 9: Financial Instruments

IFRS 9 Financial Instruments (replacing IAS 39 Financial Instruments: Recognition and Measurement) addresses the classification, measurement and derecognition of financial assets and liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The key impact of IFRS 9 for the Group is due to the new impairment model for financial assets as set out below.

Impairment of financial assets under the new impairment model

The new impairment model applies to financial assets classified at amortised cost, debt instruments measured at fair value through other comprehensive income (FVOCI), contract assets under IFRS 15: Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts. At initial recognition, an impairment allowance (or provision in the case of commitments and guarantees) is required for expected credit losses (ECL) resulting from default events that are possible within the next 12 months (12-month ECL). In the event of a significant increase in credit risk, an allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument (lifetime ECL). Financial assets where 12-month ECL is recognised are considered to be 'stage 1'; financial assets that are considered to have experienced a significant increase in credit risk are in 'stage 2'; and financial assets for which there is objective evidence of impairment are considered to be in default or otherwise credit impaired are in 'stage 3'. The assessment of credit risk and the estimation of ECL is unbiased and probability-weighted, and incorporates all available information that is relevant to the assessment, including information about past events, current conditions and reasonable and supportable forecasts of economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money. As a result, the recognition and measurement of impairment is intended to be more forward-looking than under IAS 39 and the resulting impairment charge will tend to be more volatile. It will also tend to result in an increase in the total level of impairment allowances, since all financial assets will be assessed for at least 12-month ECL and the population of financial assets to which lifetime ECL applies is likely to be larger than the population for which there is objective evidence of impairment in accordance with IAS 39.

For financial assets where objective evidence of impairment exists (stage 3), the standard requires interest income to be calculated on the carrying value of the debtors, after allowance for expected credit losses based on the original effective interest rate.

For trade and other receivables without a significant financing component, the Group has adopted the simplified approach that recognises lifetime ECL regardless of the stage classification. The Group applied a provision matrix based on historical credit loss experience, which was adjusted for forward-looking factors applicable to the trade and other receivables balances and economic factors.

The Group has elected to apply the impact of IFRS 9 retrospectively with an adjustment to opening retained earnings on 1 October 2018, therefore comparative information for the prior periods has not been restated.

The implementation of these standards are not complete due to time constraints. However, the Group do not expect significant further impacts on the completion of these projects.

STEINHOFF
INTERNATIONAL HOLDINGS N.V.

ANNEXURES

STORE NETWORK

CONTINUING OPERATIONS		Sept 2018	STORE Openings	STORE Closings	March 2019	Retail m² ('000)
PEPKOR EUROPE		2 360	**132**	(19)	**2 473**	1 175
Pepco	Poland, Romania, Czech Republic, Hungary, Slovakia, Croatia, Slovenia, Lithuania, Latvia, Estonia, Bulgaria	1 499	**100**	(1)	**1 598**	692
Poundland, Dealz*, PEP&CO stand-alone stores	United Kingdom, Republic of Ireland, Spain, Poland	861	**32**	(18)	**875**	483
PEPKOR (AFRICA)		5 236	**164**	(68)	**5 332**	2 409
PEP#	Southern Africa	2 231	**51**	(9)	**2 273**	815
Ackermans	Southern Africa	731	**31**	(3)	**759**	455
PEP Africa	Rest of Africa	347	**7**	(15)	**339**	132
Speciality (Tekkie Town, Dunns, John Craig, Shoe City, Refinery)	Southern Africa	911	**47**	(19)	**939**	241
Furniture and appliances (Russells, Bradlows, Rochester)	Southern Africa	582	**14**	(13)	**583**	317
Bedding specialist (Sleepmasters)	Southern Africa	178	**5**	(4)	**179**	28
Appliances and electronics (Incredible Connection, HiFi Corp)	Southern Africa	132	**8**	(2)	**138**	90
Building materials	Southern Africa	124	**1**	(3)	**122**	331
CONFORAMA		327	**10**	(1)	**336**	1 291
	France**	229	**6**	–	**235**	766
	Iberia	47	**1**	(1)	**47**	196
	Switzerland	20	**2**	–	**22**	94
	Italy	18	**1**	–	**19**	143
	Croatia	10	**–**	–	**10**	75
	Serbia	3	**–**	–	**3**	17
OTHER		536	**–**	(15)	**521**	439
ABRA	Poland	117	**–**	(9)	**108**	77
Bensons for Beds	UK	252	**–**	–	**252**	157
Harveys	UK	145	**–**	(5)	**140**	130
Lipo	Switzerland	22	**–**	(1)	**21**	75

** Dealz stores in Spain (10) and Poland (19)*

*** Includes Mon Lit Et Moi stores (7), Mon Lit Et Moi franchisees (14), Maison Dépôt stores (10), Conforama franchisees (9) and one store in Luxembourg.*

 # Includes Dealz stores.

		STORE				
		Sept 2018	Openings	Closings	March 2019	Retail m² ('000)
GREENLIT BRANDS		635	**16**	(5)	**646**	736
Fantastic^	Australia	155	**13**	(1)	**167**	178
Snooze	Australia	91	–	–	**91**	79
Freedom	Australia and New Zealand	65	**1**	(1)	**65**	124
Best&Less, Harris Scarfe, Postie	Australia and New Zealand	324	**2**	(3)	**323**	355
CHANGE IN CONTROL OPERATIONS						
Mattress Firm	United States of America	3 241	**19**	(706)	**2 554**	1 227
DISCONTINUED OPERATIONS						
Automotive		162	–	(2)	**160**	389
Unitrans	Southern Africa	109	–	(2)	**107**	364
Hertz	Southern Africa	53	–	–	**53**	25
TOTAL		12 497	**341**	(816)	**12 022**	7 666

^ *Fantastic includes Fantastic Furniture, Plush and OMF stores.*

EXCHANGE RATES

	AVERAGE TRANSLATION RATE			CLOSING TRANSLATION RATE		
	H1FY19	H1FY18	% change	31-Mar-19	31-Mar-18	% change
EUR:ZAR	16.1091	15.3753	5	16.2642	14.5990	11
EUR:PLN	4.3004	4.2057	2	4.3006	4.2106	2
EUR:GBP	0.8796	0.8853	(1)	0.8583	0.8749	(2)
EUR:AUD	1.5923	1.5476	3	1.5821	1.6036	(1)
EUR:USD	1.1386	1.2033	(5)	1.1235	1.2321	(9)
EUR:CHF	1.1345	1.1637	(3)	1.1181	1.1779	(5)

SHARE INFORMATION

Stock exchange	FSE	JSE
Stock symbol	SNH Xetra	SNH SJ
Listing type	Primary	Secondary
ISIN	NL0011375019	NL0011375019
Initial listing	December 2015	September 1998
Opening share price	€0.14	R2.30
Closing share price	€0.12	R1.88
Highest share price during period	€0.14	R2.48
Lowest share price during period	€0.09	R1.49
Volume traded during period (million)	3 167	788
Value traded during period (million)	€375	R1 488
Market capitalisation (million)[1]	€502	R7 923
Number of shares in issue (million)[1]	4 215	4 215

[1] *As at 31 March 2019, net of treasury shares.*

FINANCIAL CALENDAR

Investor presentation	**Tuesday, 13 August 2019**
Annual general meeting	**Friday, 30 August 2019**
Quarter three – Trading update	**August 2019**

CORPORATE AND CONTACT INFORMATION

Registration number

63570173

Registered office

Building B2
Vineyard Office Park
Cnr Adam Tas & Devon Valley Road
Stellenbosch 7600
South Africa

Website

www.steinhoffinternational.com

Company secretary

Ewoud van Gellicum

South African sponsor

PSG Capital Proprietary Limited
(Registration number 2006/015817/07)
1st Floor
Ou Kollege Building
35 Kerk Street
Stellenbosch
7600
(PO Box 7403, Stellenbosch 7599)

South African transfer secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers, 15 Biermann Avenue
Rosebank 2196
(PO Box 61051, Marshalltown 2107)

Commercial banks

Standard Corporate and Merchant Bank
(A division of The Standard Bank of South Africa Limited)
(Registration number 1962/000738/06)
Ground Floor, 3 Simmonds Street
Johannesburg 2001
PO Box 61150, Marshalltown 2107

In addition, the group has commercial facilities with various other banking and financial institutions worldwide.

CAUTIONARY NOTICE

This Half-Year Report contains forward-looking statements, which do not refer to historical facts but refer to expectations based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those included in such statements.

Many of these risks and uncertainties relate to factors that are beyond Steinhoff's ability to control or estimate precisely, including but not limited to, Steinhoff's ability to successfully implement and complete its plans and strategies and to meet its targets, the benefits from Steinhoff's plans and strategies being less than anticipated, the effect of general economic or political conditions, Steinhoff's ability to retain and attract employees who are integral to the success of the business, business and IT continuity, collective bargaining, distinctiveness, competitive advantage and economic conditions, information security, legislative and regulatory environment and litigation risks, product safety, pension plan funding, strategic initiatives, responsible retailing, insurance, other financial risks, unforeseen tax liabilities and other factors discussed in this Half-Year Report, in particular the paragraphs on how we manage risk and in Steinhoff's other public filings and disclosures.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Half-Year Report. Steinhoff does not assume any obligation to update any public information or forward-looking statement in this Half-Year Report to reflect events or circumstances after the date of this Half-Year Report, except as may be required by applicable law.

GLOSSARY

Glossary of Terms applied to the 2019 Condensed Financial Statements

2017 Annual Report	Management Report (bestuursverslag) for the year ended 30 September 2017, including the audited Consolidated Financial Statements, as referred to in article 2:391 BW of the Dutch Civil Code
2017 Consolidated Financial Statements	Consolidated Financial Statements for the Steinhoff Group for the period ended 30 September 2017
2018 Annual Report	Management Report (bestuursverslag) for the year ended 30 September 2018, including the audited Consolidated Financial Statements, as referred to in article 2:391 BW of the Dutch Civil Code
2018 Condensed Financial Statements	The unaudited condensed Consolidated Half-year Financial Statements for the six months ended 31 March 2018
2018 Consolidated Financial Statements	Consolidated Financial Statements for the Steinhoff Group for the period ended 30 September 2018
2018 Half-year Report	Management Report (halfjaarliks bestuursverslag) for the six months ended 31 March 2018, including the unaudited condensed Consolidated Half-year Financial Statements, as referred to in article 2:391 BW of the Dutch Civil Code
2018 Half-year Results	The results for the Steinhoff Group for the six months ended 31 March 2018 including the unaudited condensed Consolidated Half-year Financial Statements
2018 Half-year Reporting Period	Period starting 1 October 2017 up to and including 31 March 2018
2019 Condensed Financial Statements	The unaudited condensed Consolidated Half-year Financial Statements for the six months ended 31 March 2019
2019 Half-year Report	Management Report (halfjaarliks bestuursverslag) for the six months ended 31 March 2019, including the unaudited condensed Consolidated Half-year Financial Statements, as referred to in article 2:391 BW of the Dutch Civil Code
2019 Half-year Results	The results for the Steinhoff Group for the six months ended 31 March 2019 including the unaudited condensed Consolidated Half-year Financial Statements
Brait	Brait S.E., a company incorporated under the laws of Malta, registered under number SE1 and whose shares are listed, inter alia, on the JSE Limited
Campion Capital	Campion Capital S.A., a company incorporated under the laws of Switzerland and registered under number CH-621.3.008.743-1
Campion Group	Campion Capital together with its subsidiaries, amongst others, the Fulcrum UK Group, the Fulcrum SA Group, Sunnyside, Sutherland UK and Town Investments
CenCap	Century Capital Proprietary Limited, a subsidiary of Wands. A company, incorporated under the laws of the Republic of South Africa and registered under number 1999/020292/07

CODM	Chief operating decision-maker
Company	Steinhoff International Holdings N.V.
CVA	Company Voluntary Arrangements, in respect of SEAG CVA and/or the SFHG CVA (as applicable)
FGI	FGI Holdings Proprietary Limited, a subsidiary of Wands. A company incorporated under the laws of the Republic of South Africa and registered under number 2008/004217/07
FVOCI	Fair Value through Other Comprehensive Income as defined in IFRS 9
FVPL	Fair value through profit and loss as defined in IFRS 9
GT Branding	GT Branding Holding SA, a company incorporated under the laws of Switzerland and registered under number CHE-250.489.667. The company that owns a significant number of intellectual property rights and payments for royalties
KAP	KAP Industrial Holdings Limited, a public company incorporated under the laws of the Republic of South Africa and registered under number 1978/000181/06
Lancaster 101	Lancaster 101 (RF) Proprietary Limited
Lancaster 102	Lancaster 102 Proprietary Limited
Mattress Firm	Mattress Firm Holding Corp, a company incorporated under the laws of the United States of America and registered under number EIN – 20-8185960, together with its subsidiaries, Mattress Firm Inc.
Pepkor or Pepkor Group or Pepkor Holdings	Pepkor Holdings Limited, a public company incorporated under the laws of the Republic of South Africa and registered under number 2017/221869/06. An indirect subsidiary of Steinhoff N.V.
Plum Tree	Plum Tree Consultants Limited, a company incorporated under the laws of Mauritius and registered under number 126319C2/GBL
POCO	A German furniture retailer consisting of POCO Einrichtungsmärkte GmbH and POCO-Domäne Immobilien Holding GmbH, which is owned by Seifert and LiVest GmbH
PSG	PSG Group Limited, a public company incorporated under the laws of the Republic of South Africa and registered under number 1970/008484/06
Reporting Date	31 March 2019
Reporting Period	Period starting 1 October 2018 up to and including 31 March 2019
SEAG	Steinhoff Europe AG, a company incorporated under the laws of Austria and registered under number FN 38031d. A wholly owned subsidiary of Steinhoff N.V.
Seifert	Dr. Andreas Seifert and entities affiliated to Seifert

SEAG CVA	English law company voluntary arrangement proposed by SEAG dated 28 November 2018
SFHG	Steinhoff Finance Holdings GmbH, a company incorporated under the laws of Austria, registered under number FN345159m
SFHG CVA	English law company voluntary arrangement proposed by SFHG dated 28 November 2018
SINVH	Steinhoff Investment Holdings Limited, a company incorporated under the laws of the Republic of South Africa, registered under number 1954/001893/06
Steinhoff N.V.	Steinhoff International Holdings N.V., a company incorporated under the laws of the Netherlands and registered under number 63570173
Steinhoff Africa	Steinhoff Africa Holdings Proprietary Limited, a company incorporated under the laws of the Republic of South Africa, registered under number 1969/015042/07
SUSHI	Stripes US Holding Inc. a company incorporated under the laws of the United States of America, registered under number EIN-38-4012800. The holding company of Mattress Firm
Titan	Titan Premier Investments Proprietary Limited, a company incorporated under the laws of the Republic of South Africa, registration number 1979/000776/07
Town Investments	Town Investments Proprietary Limited, a company incorporated under the laws of South Africa and registered under number 2016/159084/07. The company served as a special purpose vehicle during the acquisition of Tekkie Town Proprietary Limited
Wands	Wands Investments Proprietary Limited, a private company incorporated under the laws of South Africa and registered under number 1955/000339/07

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