

Steinhoff International Holdings N.V.

(Incorporated in the Netherlands)

(Registration number: 63570173)

Share Code: SNH

ISIN: NL0011375019

Steinhoff Investment Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number: 1954/001893/06)

JSE Code: SHFF

ISIN: ZAE000068367

FSCA fines Steinhoff for contravention of the Financial Markets Act

Steinhoff International Holdings N.V. ("**Steinhoff**" or the "**Company**" and with its subsidiaries, the "**Group**")

The Financial Sector Conduct Authority ("FSCA") has today released a press release informing the market as follows:

"The Financial Sector Conduct Authority (FSCA) has concluded its investigation into alleged contraventions of the Financial Markets Act No 19 of 2012 (FMA 2012) by the Steinhoff Group in the period prior to the discovery of significant accounting irregularities at the Company in December 2017.

The requirement for Steinhoff to make multiple, significant restatements of its accounts subsequent to December 2017 supports the conclusion that Steinhoff failed to meet its obligations under the FMA 2012. The FSCA has therefore found that the Steinhoff Group made false, misleading or deceptive statements, promises or forecasts in its public statements to the markets in the prior period.

The FSCA has applied section 109 of the FMA 2012 to determine the level of administrative penalty to be paid by Steinhoff and, having considered representations from the Company, has also taken into account a number of mitigating factors.

The FSCA has imposed an administrative penalty of R1.5 billion on Steinhoff under Section 81 of the FMA 2012. Noting Steinhoff's current financial position; to avoid penalising innocent Steinhoff shareholders further; in recognition of the fraud perpetrated on the Steinhoff Group by former employees and officers of the Company; and in acknowledgement of the co-operation of management to date and Steinhoff's commitment to continue co-operating fully with the FSCA in all future actions taken against any persons allegedly responsible for the wrongdoing, the FSCA has resolved, under Section 173 of the Financial Regulation Act No. 9 of 2017, to remit a portion of the administrative penalty resulting in Steinhoff paying a penalty of R53 million.

The FSCA states that events subsequent to December 2017 have highlighted the gap that existed between the Steinhoff Group's prior public statements and the financial reality. The size of the headline penalty reflects the scale and severity of the regulatory breach. While, in light of Steinhoff's current financial position, we have made the decision to remit a substantial proportion of the penalty, even after this reduction it remains the largest single fine ever imposed by the FSCA. We would like to thank the current Steinhoff management team for their co-operation and constructive engagement through this difficult and complex process."

Louis du Preez, Group CEO of Steinhoff said:

"This regulatory action relates to the activities of the Steinhoff Group in respect of the period prior to the discovery of the accounting irregularities in December 2017. We are pleased that the matter has now been brought to a conclusion and that the FSCA has recognised our full co-operation with the investigation. There are no further enforcement FSCA actions outstanding against the Steinhoff Group. We would like to thank the FSCA for its professionalism throughout our engagement."

JSE Sponsor: PSG Capital

Stellenbosch, 12 September 2019