



KEY INFORMATION

Company

STEINHOFF INTERNATIONAL HOLDINGS N.V.

Ticker Bloomberg

SNH:GR (primary listing ordinary shares)
SNH:SJ (secondary listing ordinary shares)
SNHFF: PFD (preferred shares)

Ticker Reuters

SNHG.DE (primary listing ordinary shares)
SNHj.J (secondary listing ordinary shares)
SHFFp.J (preferred shares)

ISIN

Ordinary shares: NL0011375019
Preferred shares: ZAE000068367

Exchange

Frankfurt Stock Exchange
Johannesburg Stock Exchange

Relevant period

No period has been determined yet. It will be announced in due course.

Action taken by European Investors

Formal letter according to art. 3:305a(2) of the Dutch Civil Code sent to invite Steinhoff to negotiate a settlement to compensate losses incurred by shareholders. In this letter European Investors puts Steinhoff and its (previous) Management Board and Supervisory Board members on notice that it holds them liable for all losses incurred by Steinhoff shareholders. Steinhoff replied on 22 December 2017, confining itself to a mere request for an extension of the deadline to mid-January 2018. This in order for them to await developments from the PwC investigation. European Investors is currently exploring all (legal) options.

SUMMARY

On 13 December 2017 Steinhoff International Holdings N.V. ('Steinhoff') announced 'that issues concerning the validity and recoverability of certain Steinhoff Europe balance sheet assets under scrutiny in the 2017 audit work, are also relevant to the 2016 consolidated financial statements'. Therefore, 'the 2016 consolidated financial statements will need to be restated and can no longer be relied upon'. The statutory auditor Deloitte Accountants B.V. ('Deloitte') directly afterwards withdrew its 'consent to use the auditor's report issued on the financial statements for the 15 months period ending 30 September 2016 of Steinhoff dated December 6, 2016 [...]'.
Subsequently, on 2 and 4 January 2018 Steinhoff notified the market that the internal investigation into the accounting irregularities continues and that more time shall be needed for completion. Meanwhile, the group continues to work with Deloitte to finalise the examination of the consolidated financial statements for 2017. Moreover, it appears the company continues to consider whether any other annual accounts of other pre-existing financial years should be revised.

Steinhoff continues to struggle with its liquidity and is working on its debt restructuring. At the bankers meeting on 19 December 2017 Steinhoff mentioned that credit facilities were increasingly being suspended or withdrawn by lenders and that cash pools have been cancelled. Another board change was announced with Philip Dieperink replacing Ben la Grange as CFO. This should enable La Grange to focus on retaining and acquiring liquidity for the group in addition to the completion of the audited consolidated financial statement over 2017.

European Investors explores all (legal) options and aims for compensation of losses incurred by Steinhoff shareholders. Participation in any legal action by European Investors will be possible against a success fee of 9% with no upfront costs. For further information please contact Armand Kersten or Niels Lemmers at info@europeaninvestors.eu or call +32 (0)24 46 00 46.

INFORMATION ON CLAIM EUROPEAN INVESTORS AGAINST STEINHOFF

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A. Steinhoff

Steinhoff is a retailer with business offices in South Africa with more than 12,000 retail stores and 40 local retail brands in over 30 countries. There are approximately 130,000 employees worldwide. The property portfolio covers 4 million square meter. Its business offices are located in South Africa and the top holding company (Steinhoff International Holdings N.V.) is governed by Dutch law with statutory seat in Amsterdam. Steinhoff has its primary listing on the stock exchange of Frankfurt, Germany.

B. Developments

The publicly disclosed developments at Steinhoff started with an article by German periodical *manager magazin* on 25 August 2017. The article mentioned that German prosecutors were investigating several Steinhoff employees concerning suspected accounting fraud. Steinhoff retorted that information contained in the article was 'wrong or misleading'.

The Steinhoff press releases of 5 and 6 December 2017 contained multiple messages pointing towards accounting irregularities instead. The steep decline of the share price and the highest trading volume are proof of the total surprise in the financial market. In the graph below, the sequence of the announcements is linked to the trading volume and share price of Steinhoff. Since the beginning of December 2017, the share price has dropped significantly (by 90%). On aggregate, damages for shareholders exceed EUR 11 billion since 6 December 2017 (source: Bloomberg).



C. European Investors - course of action

European Investors, together with the Dutch Investors' Association VEB, formally invited Steinhoff, its Management Board and Supervisory Board to start a dialogue with the aim of reaching a settlement to compensate losses incurred by shareholders. The formal letter also notifies the Management Board and Supervisory Board of Steinhoff that European Investors holds them liable for any damages caused by the alleged fraud and misleading statements. [\[LINK TO THE LETTER\]](#).

This Factsheet is intended strictly to inform on possible claims for investment damages to be undertaken by European Investors' Association i.v.z.w. ('European Investors'). It is not to be construed as legal advice. Information contained in this Factsheet is based on information in the public domain only. Opinions, advice and recommendations constitute European Investors' own judgment as at the date of release and they are subject to change without notice. Due care is taken in compiling the data and in forming opinions, advice and recommendations. This notwithstanding, European Investors neither expressly or impliedly warrants their correctness, nor does it assume any liability as regards the consequences of their use. Particularly, the research and analyses provided do not constitute an offer, solicitation or advice to purchase or sell securities.

Under Dutch class action law, potential claimants, such as European Investors and VEB, have to make adequate attempts to reach a settlement over their claim through consultation with the defendant company. Steinhoff replied on 22 December 2017, confining itself to a mere request for an extension of the deadline to mid-January 2018. This in order for them to await developments from the PwC forensic investigation.

The announcements of Steinhoff regarding the restatement of several consolidated financial statements leads to the following analysis. Under Dutch law, where a company either:

- releases false or misleading information about the company impacting its share price; and/or
- publishes annual accounts failing to provide such insight enabling an informed assessment of the company's assets and liabilities and its results; and/or
- fails to inform the public as soon as possible of inside information directly concerning the company (as an issuer of shares),

it is liable for committing an unlawful act for the damages sustained by investors. False or misleading information in a prospectus or similar investment document causes a reversal of the burden of proof regarding the false or misleading nature of this information and the attributability to the company.

Consequently, European Investors and VEB base their class action lawsuit on Dutch tort law, alleging that the combined circumstances forcing Steinhoff to inform the public that it must restate its 2016 consolidated financial statements which may no longer be relied upon, as well as to inform the public that the 2016 and 2015 financial statements of the former listed holding company of the group Steinhoff International Holdings Proprietary Limited can no longer be relied upon, clearly make Steinhoff having acted unlawfully.

European Investors and VEB are considering further steps, likely consisting of summoning Steinhoff International Holdings N.V. under an action law suit on short notice. Meanwhile, European Investors and VEB continue to explore our options to take up action against Deloitte, Steinhoff's statutory auditors.

D. Information European Investors' Association i.v.z.w (EU Transparency Register: 207975318825-41)

European Investors is an independent, not-for-profit organisation that aims to strengthen the position of investors through:

1. Engaging with listed companies during AGMs and in one-on-ones as a representative of long-term investors, based on our inhouse analyses which include qualitative criteria;
2. Initiating legal proceedings to obtain compensation for investors that have incurred losses on their investments due to fraud, deceit or mismanagement on part of companies listed in Europe, banks, accountants and (former) directors;
3. Representing investors in legislative and regulatory discussions within Europe.

European Investors and VEB have a solid track record litigating for many years, in many class actions and for thousands of investors. Next to litigating for principle, most cases have resulted in high compensation for investors.

The following table lists some recent settlements, as well as pending cases:

Compensation				Pending	Legal action participation
Fortis	€1.3B	Ahold	\$1.1B	Imtech	Participation in any legal action by European Investors will be possible against a success fee of 9% with no upfront costs. Please contact Armand Kersten or Niels Lemmers of European Investors at info@europeaninvestors.eu and/or call +32 (0)24 46 00 46.
Converium	\$59M	World Online	€105M	Volkswagen	
Numico/Danone	€17M	Shell	\$395M	BP	
Dexia	€1.0B	KPNQwest	€19M	SNS REAAL	
Unilever	\$325M			Ahold-Deloitte	