RESULTS PRESENTATION

For the 12 months ended
31 March 2009

Lewis Group Ltd

2009

AGENDA

1. The Year in Review
2. Debtor Analysis
3. Summary Financial Results
4. Outlook
5. Questions

1. THE YEAR IN REVIEW

Revenue	Operating Margin	Cash Flow from Operations	Headline Earnings per Share	Dividend per Share
R3807m	22.1%	R670m	637.1c	323c
+ 5.9%	22.1%	+ 20.4%	- 7.6%	Maintained

The Year In Review (Cont'd)

- Extremely challenging year for credit retail.
- Improving turnover levels in 2nd half of the year.
- Merchandise innovation.
- Introduction of furniture range to Best Home & Electric.
- New format Lewis store.
- Average price inflation – 5%.
- Stock turn improved from 5.5 to 5.8 this year.

The Year In Review (Cont'd)

- Debtor costs – a reflection of consumer stress.

Bad debts written off	+ 17%
Total doubtful provision	+ 35%

- The rate of growth in the doubtful debt provision improved in 2nd half of the year (H1 R92; H2 R45).

- Unemployment – although not yet a factor – remains a risk.

2. DEBTOR ANALYSIS

Debtor Analysis

	FY09 Rm	FY08 Rm	
Net debtors	3 388	2 939	
Bad debts written off	202	172	17.3%
Doubtful debts provision – Balance Sheet	533	396	34.6%
Doubtful debt provision as a % of net Debtors	15.7%	13.5%	
Bad debts as a % of net Debtors	6.0%	5.9%	
Debtor costs as a % of net Debtors	10.0%	6.5%	
Credit application decline rate	25.4%	22.5%	

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Debtor Payment Analysis

Debtor's Payment Analysis			NUMBER OF CUSTOMERS 2009	2008	DOUBTFUL DEBT PROVISION % 2009	2008
Satisfactory paid	Customers fully up to date including those who have paid 70% or more of amounts due over the contract period	**No.**	497,296	534,286		
		%	72.0%	75.1%	0%	0%
Slow payers	Customers who have paid between 70% and 65% of amounts due over the contract period	**No.**	57,042	51,759		
		%	8.2%	7.3%	20%	17%
Non performing customers	Customers who have paid between 65% and 55% of amounts due over the contract period	**No.**	50,300	47,130		
		%	7.3%	6.6%	42%	42%
Non performing customers	Customers who have paid 55% or less of amounts due over the contract period	**No.**	86,448	78,413		
		%	12.5%	11.0%	88%	86%
			691,086	**711,588**	**15.7%**	**13.5%**

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Analysis of NCA Business

			NUMBER OF CUSTOMERS	
			NCA 24 Months	NCA Over 24 Months
Satisfactory paid	Customers fully up to date including those who have paid 70% or more of amounts due over the contract period	**No.** **%**	269,491 81.5%	175,940 83.7%
Slow payers	Customers who have paid between 70% and 65% of amounts due over the contract period	**No.** **%**	20,732 6.3%	10,895 5.2%
Non performing customers	Customers who have paid between 65% and 55% of amounts due over the contract period	**No.** **%**	15,998 4.8%	9,496 4.5%
Non performing customers	Customers who have paid 55% or less of amounts due over the contract period	**No.** **%**	24,462 7.4%	13,883 6.6%
			330,683	**210,214**

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3. SUMMARY FINANCIAL RESULTS

Income Statement

	FY09	FY08	%
	Rm	Rm	
Revenue	3 807	3 596	5.9%
Merchandise sales	1 920	1 890	1.6%
Gross profit %	31.3%	32.7%	
Operating profit	840	930	(9.7%)
Operating margin %	22.1%	25.9%	
Attributable earnings	567	642	(11.7%)
EPS (cents)	643	717	(10.3%)
Headline EPS (cents)	637	690	(7.6%)

Trading Performance

	Group	Lewis	Best Electric	Lifestyle Living
▪ Revenue growth	5.9%	5.7%	9.1%	(0.5%)
▪ Merchandise sales % contribution	100%	81.7%	11.8%	6.5%
▪ Merchandise sales growth	1.6%	1.7%	3.6%	(2.8%)
▪ No. of stores – total	535	427	88	20

Segmental Analysis

	Retail	Risk Services	Financial Services	Total
	Rm	Rm	Rm	Rm
2009				
Revenue	2 214	581	1 012	3 807
Operating profit	286	183	371	840
Operating margin	12.9%	31.4%	36.7%	22.1%
2008				
Revenue	2 141	564	891	3 596
Operating profit	307	175	448	930
Operating margin	14.4%	31.1%	50.2%	25.9%

Analysis of Costs
(Excluding Debtor Costs)

	2009 Change %	2009 Like for Like Change %
Employment costs	6.8%	3.6%
Admin and IT	3.7%	0.7%
Marketing	15.9%	4.9%
Occupancy costs	11.4%	11.4%
Transport/Travel	9.0%	9.0%
Depreciation	11.8%	7.4%
Other operating costs	14.0%	11.2%
Total	8.8%	5.4%
% of revenue	34.4%	34.6%
LY % of revenue	33.5%	34.8%

In terms of IAS18, initiation fees and directly related costs are recognised over the period of the contract on an effective yield basis.

Following the implementation of the NCA the deferral of directly related costs for the first time last year has affected the cost comparison.

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Balance Sheet Overview

	FY09 Rm	FY08 Rm
Property, plant and equipment	230	201
Investments	734	665
Tax and Deferred tax	-	30
Inventory	228	230
Net Debtors after Doubtful Debts	2 944	2 615
Cash	54	67
Total Assets	4 190	3 808
Shareholders' equity and reserves	2 940	2 730
Retirement benefits	54	58
Tax and Deferred Tax	55	14
Creditors	404	303
Interest-bearing borrowings	737	703
	4 190	3 808

Capital Ratios

	FY09 Rm	FY08 Rm
Gearing ratio	23.2%	23.3%
Share repurchases	51	162
Total dividend (cents)	323	323
ROE – after tax	20.0%	24.4%
ROCE – after tax	17.7%	21.4%
ROA – before tax	22.9%	27.8%

4. OUTLOOK

Outlook for 2009/10

- The proven business model will remain our competitive advance.
- Innovative merchandise offers – increased furniture sales.
- Revised price inflation expectations.
- Management of Debtor book will continue to be a top priority.
- Benefit from competitor brand reduction and store closures.

Outlook for 2009/10 (Cont'd)

- Expand selectively – 20 to 25 stores.

- Capital management:
  - No further buy back planned
  - Maintain gearing at current levels

- Continued improvement in sales post year end.

5. QUESTIONS