THORN Group Ltd.

Full-Year Results Presentation 2014

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Solid result as investment continues

Group

- Underlying NPAT up 4.5% to $28.4m
- Revenue up 16% to $235m
- ROE remains strong at 26.2%
- Operating cash flows grew to $104m
- Gearing levels remain conservative at 22%
- Fully franked final dividend increased to 6.5 cents per share

In thousands of AUD	31 March 2014	31 March 2013
Reported NPAT	28,151	28,021
Debt Sale	(810)	(1,404)
RDB Trial	239	136
CEO Change	500	-
New System Impact	358	-
Tax Effect	(86)	380
Underlying NPAT	**28,352**	**27,133**

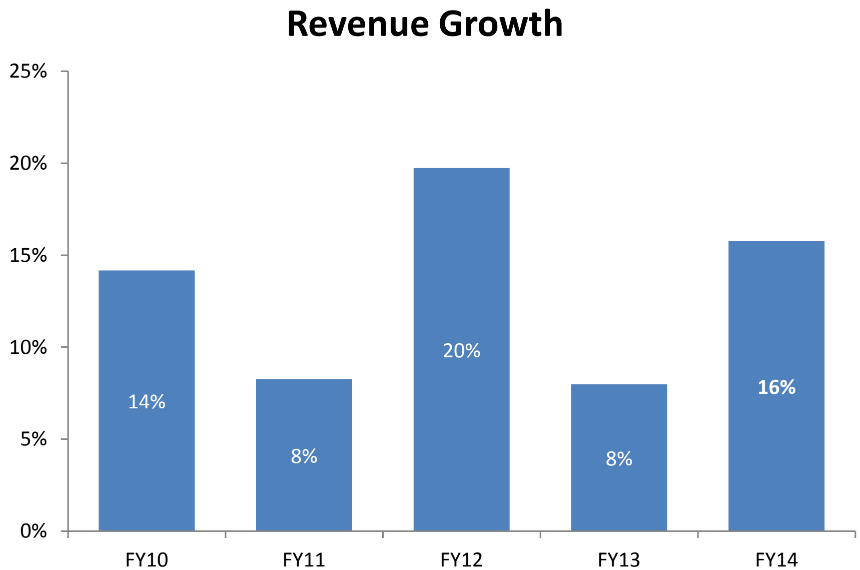
Strong platform for future growth

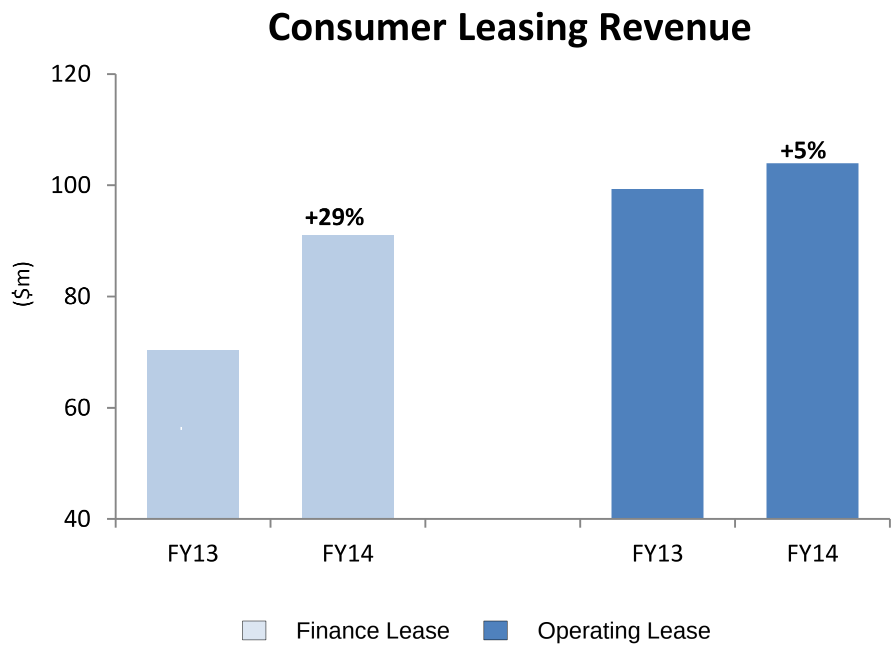
By Division

- ❑ Radio Rentals and Rentlo
  - ✓ Record installations and earnings
- ❑ NCML
  - ✓ Improved operational performance
- ❑ Thorn Financial Services
  - ✓ Additional investment to grow the portfolio
- ❑ Thorn Equipment Finance
  - ✓ Strong receivables growth
- ❑ Rent Drive Buy
  - ✓ Trial continuing

Revenue up 16%

- Revenue growth in all segments
- Consumer Leasing 'finance lease' revenue increased as a proportion of overall revenue

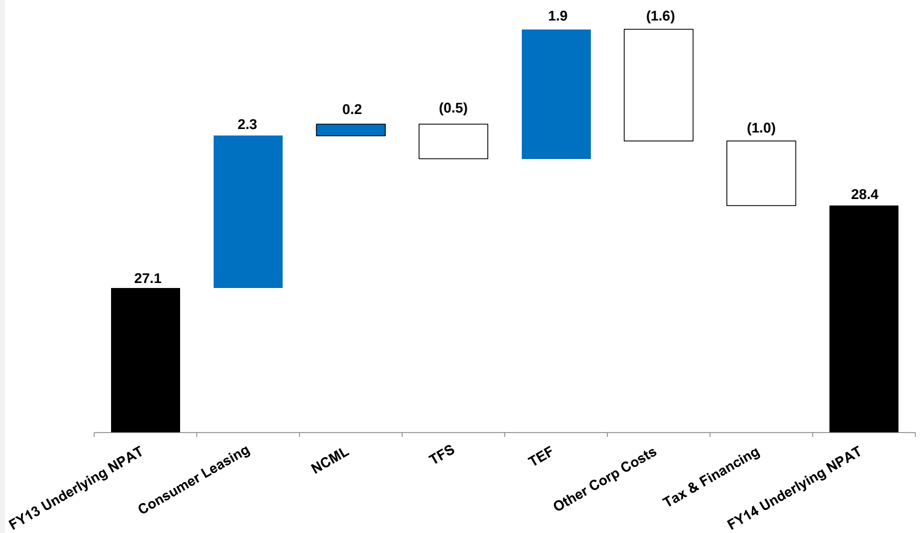




Investment continues in emerging divisions - Underlying NPAT up 4.5%

- Consumer Leasing profit driven by product mix and record installations
- NCML profit grew from improved collection performance
- TFS profit impacted by costs relating to portfolio growth
- TEF profit improved with receivables growth
- One-offs:
  - Debt sale
  - RDB trial
  - CEO change
  - New system impact

Underlying NPAT Bridge FY13 – FY14 ($m)



Continued key asset growth

	31 Mar 14	Movement	
		$m	%
Radio Rentals			
Leases*	125,356	29,643	31
Rental Assets	52,644	(285)	(1)
Thorn Equipment Finance*			
Leases	63,551	17,030	37
Thorn Financial Services			
Loan Book	28,431	6,677	31
NCML			
PDLs	8,874	578	7

** Consumer and Commercial lease book disclosed on a gross basis, inclusive of interest due*

Provisions increased as business grows

- Consumer Leasing
  - Finance lease provision increased due to smartphones and introduction of RTB 48
  - Losses and write-offs higher in a tightening market
- TFS
  - Provisioning decreased due to changing consumer profile
  - Slight increase in annualised write-off rate
- TEF
  - Decrease in provisioning due to lower annualised write-off rate

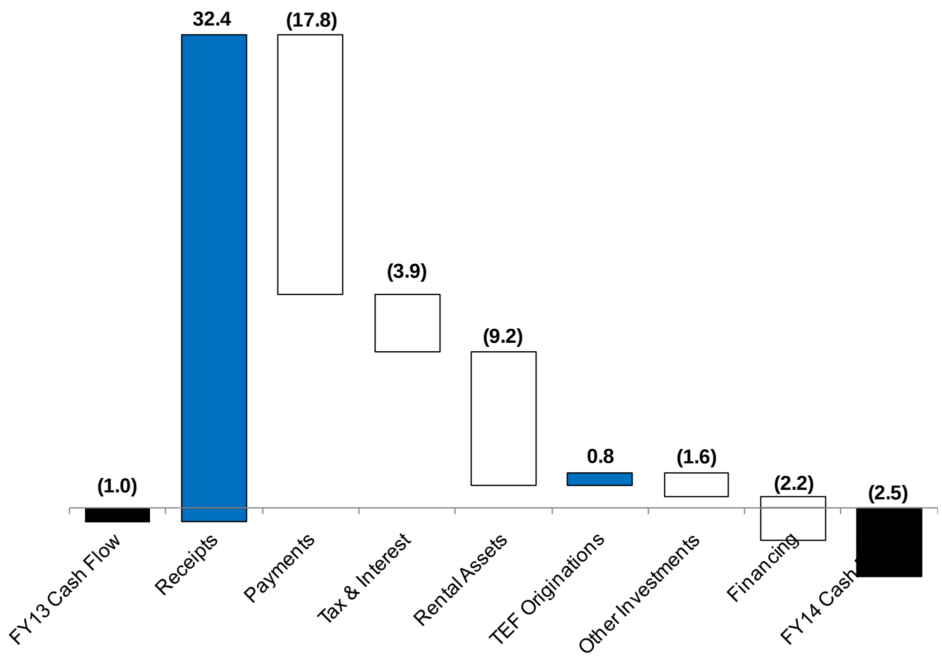
** As a percentage of Net Receivables*
*** As a percentage of Revenue*

	FY14	FY13
Consumer Leasing		
- Finance Lease Provisioning*	13.9%	11.0%
- Asset Losses**	2.1%	2.0%
- Bad Debt**	2.0%	1.5%
TFS		
- Provisioning*	11.2%	12.0%
- Net Bad Debt*	10.9%	8.9%
TEF		
- Provisioning*	3.0%	4.0%
- Net Bad Debt*	2.7%	3.4%

Cash Flows lower due to investment in assets and receivables growth

- Receipts increased 15% driven by revenue growth in all divisions
- Payments increased due to TFS settlements and PDL Purchases
- Tax aligned with earning profile and timing of payments
- Increase in Rental Asset expenditure due demand for furniture and smartphones
- Increase in financing to fund TFS and TEF settlements

Cash Flow Bridge FY13 – FY14 ($m)



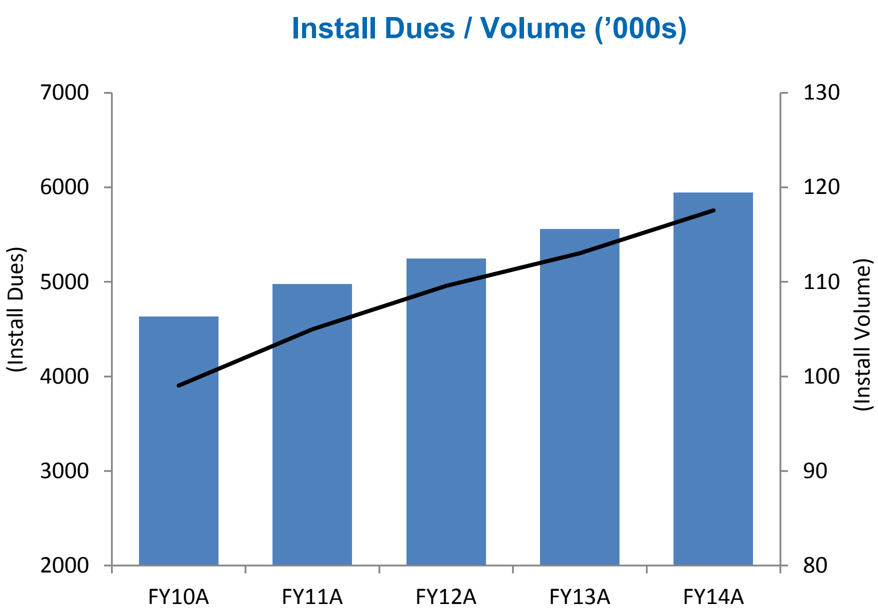
Increased loan facility to fund growth initiatives

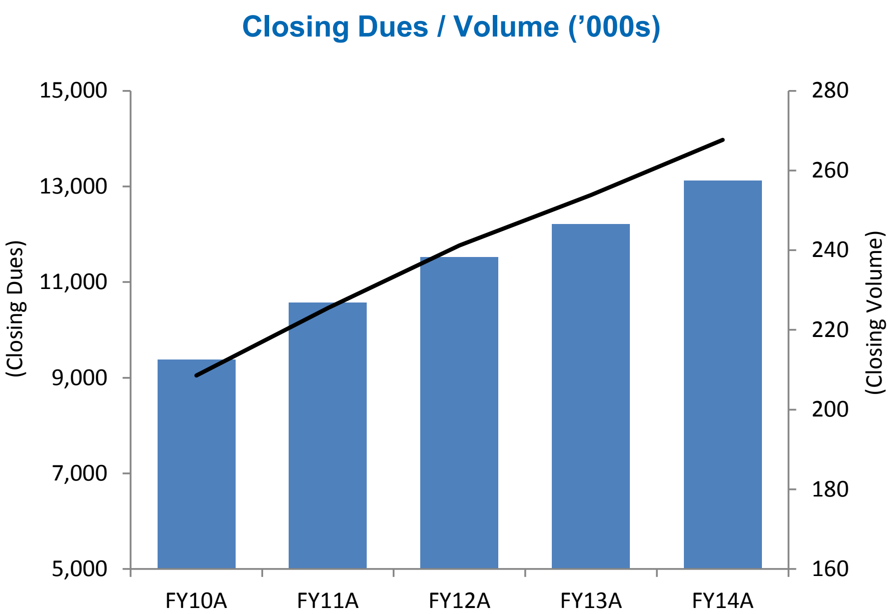
- Secured loan facility
  - Funding commenced on additional $50m facility secured by TEF lease receivables
  - $100m facility to fund TEF and TFS growth

	Available	Utilised	Not utilised
Secured loan facility	$100.0m	$40.5m	**$59.5m**

radio rentals Building momentum for FY15

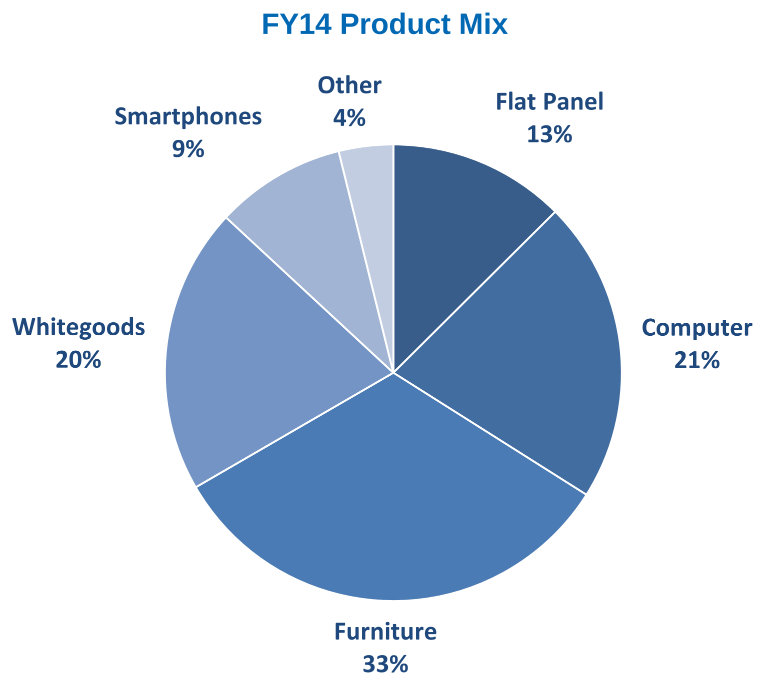
- Underlying EBITDA $50m, 6% up on prior year – Rent Drive Buy impact
- Total installation revenue grew 10%
- Customer retention steady at 48%
- Disconnection dues grew 6% in line with contract maturity profile

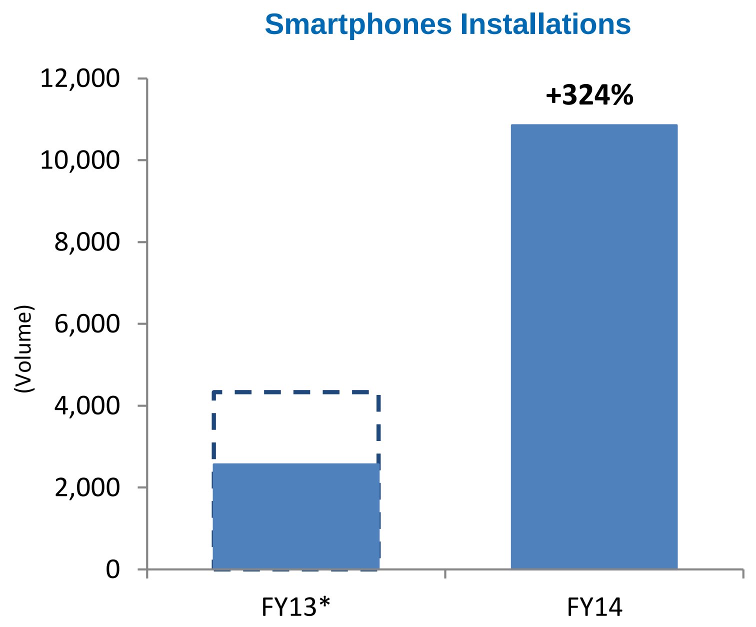




radio rentals Growth in furniture and smartphones

- Growth driven by furniture and technology products
- Smartphones up 324% on prior year - continued strong demand for Apple and Samsung products
- Continued product shift to larger whitegoods and flat panels
- Other categories steady





* FY13 Annualised Install Volume at 4,326.

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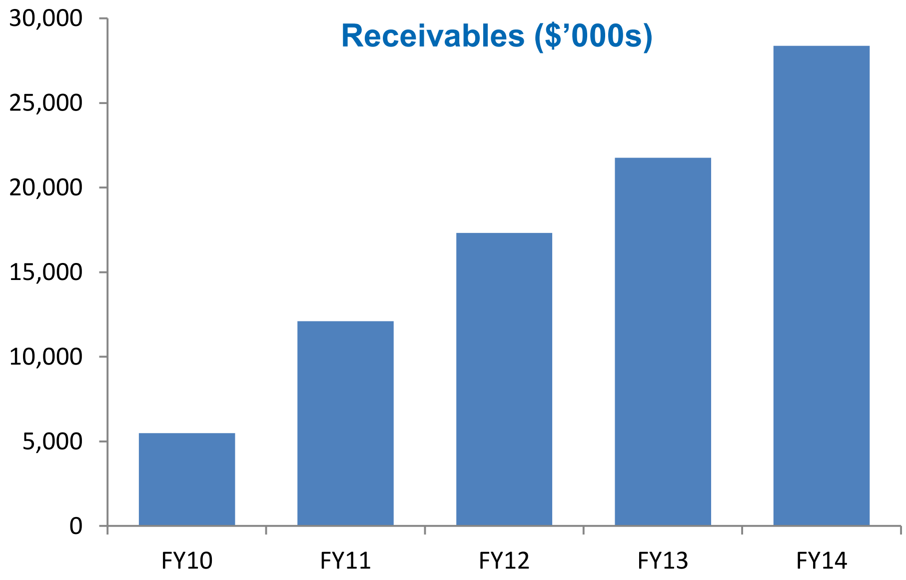
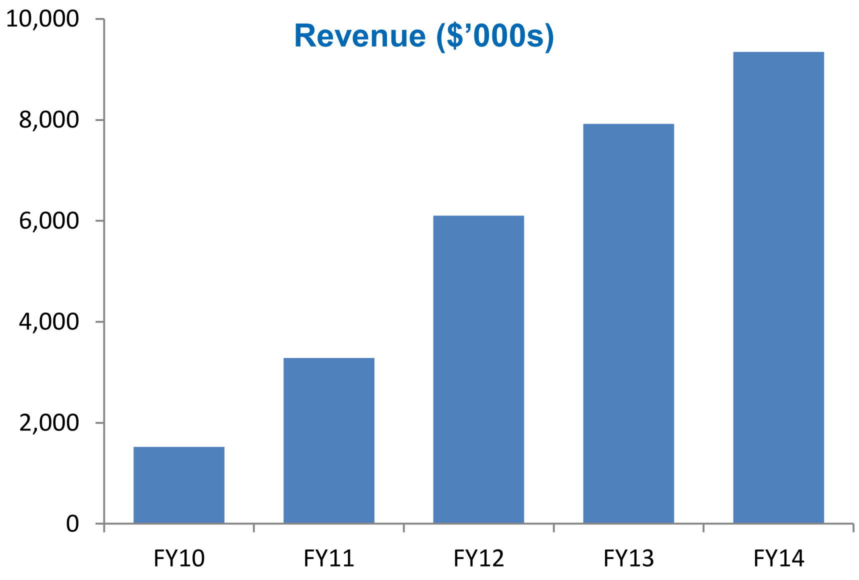
Receivables growth continuing

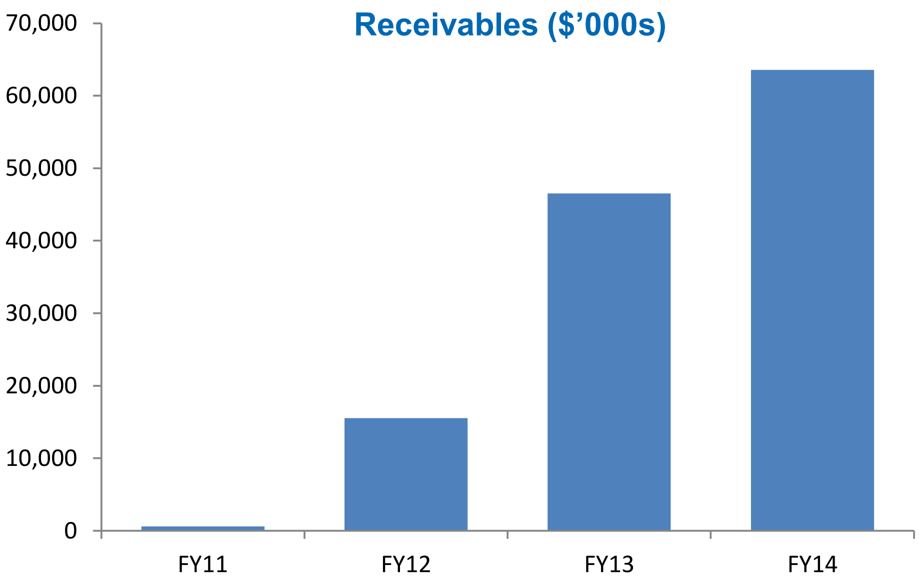
- EBITDA $1.2m – down 28% with investment in additional resources and marketing to grow the portfolio
- Originations at $11.35m - up 18%
- Average loan increased to $4,986 with introduction of Thorn Money
- Approval rates maintained at 18-20%

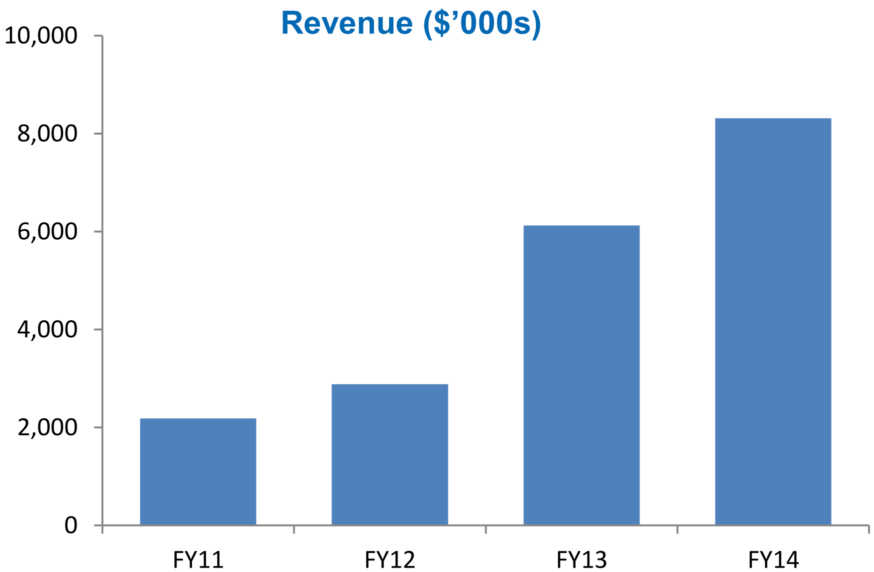




Continued book build towards $100m target

- EBITDA $2.96m – up 182%
- Originations at $32.3m – slightly lower than prior year
- Strong receivables book growth – up 37% to $63.55m
- Arrears performance improving to below 3.5%
- Average deal size increased to $27.5k

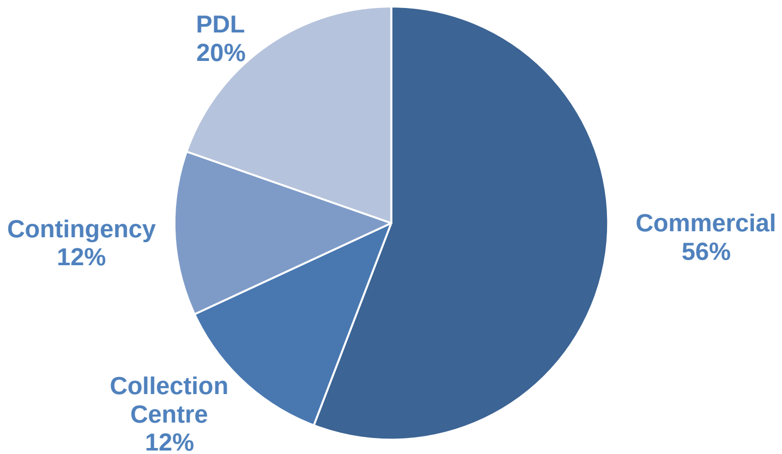




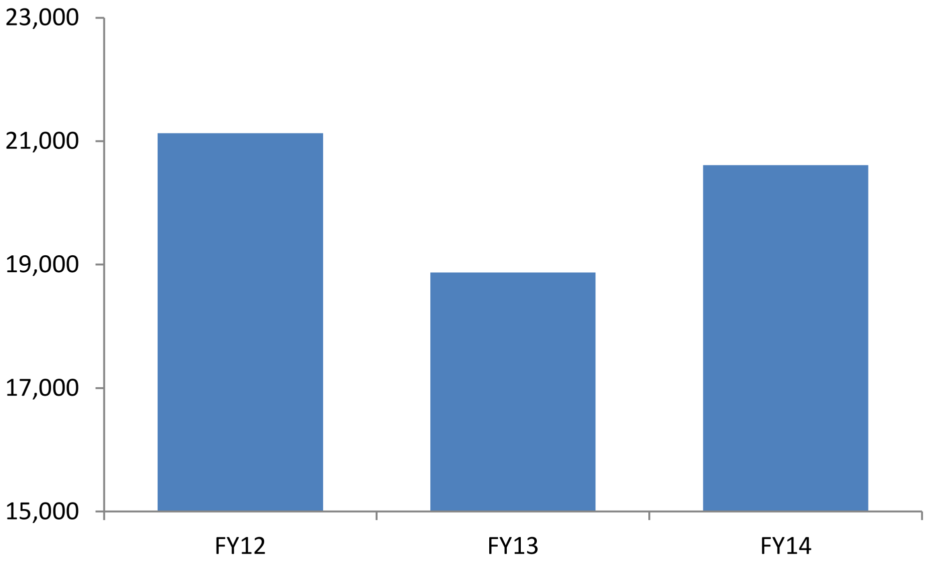
Strong base for continued growth

- Underlying EBITDA $3.24m - 4% up on prior year
- Contingency revenue improved with better collection performance
- PDL revenue up as receivable investment increased
- Consumer collections steady with offshore initiatives implemented

FY14 Revenue Split



Revenue ($'000s)



Proposed legislative changes

Closing of NCCP licensing loophole re indefinite leases

- Ongoing with treasury – a positive outcome is expected

Positive credit reporting – potential consumer benefits

- Initial take up has been slow and will take time to add value

Enhancements to NCCP – potential benefits in positioning

- A right to purchase goods under consideration
- Improved disclosure
- Limit on early termination fees proposed

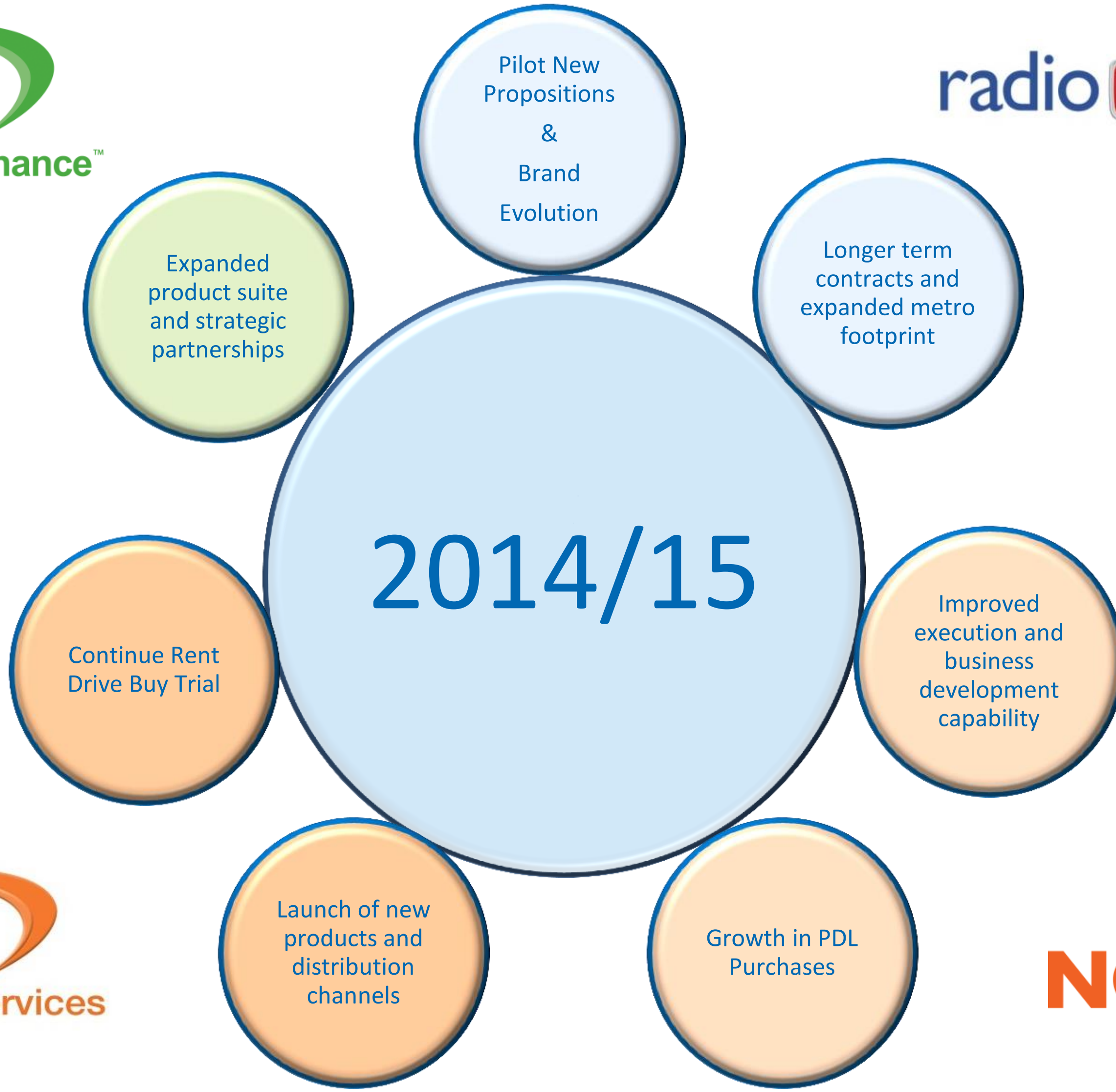
Financial Services Enquiry

- All proposed changes on hold pending broader review

The Future

Growth and Diversification

Development Areas



Key Strengths and Outlook

Group

- Strong core business continues to deliver record results
- Recurring revenue streams generating significant operating cash
- New business divisions gaining momentum and scale
- Capital base / financing to enable expansion

Outlook

- Shift in core business to longer term contracts
- New propositions to evolve and extend reach of core business
- Growth in receivables to deliver strong future revenues
- Ongoing commitment to strategy and long term shareholder value

"The continued investments in new business opportunities are expected to deliver solid NPAT growth to above $30M."