

Thorn Group Limited

ACN 072 507 147

ASX ANNOUNCEMENT

1 June 2011

THORN ANNOUNCES FULLY UNDERWRITTEN ENTITLEMENT OFFER TO RAISE A\$30 MILLION

Thorn Group Limited (ASX: TGA) (*Thorn* or the *Company*) has today launched a fully underwritten pro rata renounceable entitlement offer (*Entitlement Offer* or *Offer*) of one (1) new ordinary share (*New Shares*) for every (8) existing Thorn shares to raise approximately A\$30 million (*Entitlement*) at an issue price of A\$1.85 per share (*Issue Price*).

The Issue Price represents an 8.9% discount to the adjusted last closing price¹ of Thorn shares on 31 May 2011 (A\$2.03 per share) and an 8.0% discount to the adjusted theoretical ex-rights price (*TERP*)² (A\$2.01 per share). The Offer is fully underwritten by RBS Morgans Corporate Limited.

The proceeds of the Offer will be used to provide Thorn with the capacity to take advantage of strategic growth opportunities as they may arise by effectively returning the Company's gearing to the conservative position it held prior to the acquisition of National Credit Management Limited (*NCML*) (announced 18 March 2011).

Thorn's Managing Director, John Hughes, said that "We remain excited about our future prospects and see a range of growth opportunities available to the business. This capital raising and the resulting financial position will enable us to implement any growth initiatives we choose to undertake and provide us with the financial flexibility to pursue acquisitions or other investments as they emerge."

Entitlement Offer

All Thorn shareholders with a registered address in Australia or New Zealand at 7:00pm AEST on 9 June 2011 will be entitled to participate in the Entitlement Offer (*Eligible Shareholders*), subject to the terms and conditions set out in the Offer Booklet for the Offer.

Eligible Shareholders will be entitled to acquire one (1) New Share for every eight (8) existing Thorn shares held. Fractional entitlements to New Shares will be rounded up. The Entitlement Offer is renounceable, which means that rights may be traded on ASX or otherwise transferred if shareholders do not wish to take up some, or all, of their Entitlement.

Shareholders will also have the opportunity to apply for New Shares in addition to their Entitlements (*Additional Shares*) at the Issue Price. In the event that Eligible Shareholders do not take up their Entitlements in full, the Lead Manager and Underwriter in consultation with the

¹ The New Shares issued pursuant to the Offer are not entitled to the 4.95 cent final dividend declared on 24 May 2011 for the year ended 31 March 2011. The adjusted closing price represents the last closing price of \$2.08 less the 4.95 cent final dividend for the year ended 31 March 2011.

² The adjusted TERP represents the TERP of \$2.06 less the 4.95 cent final dividend for the year ended 31 March 2011.

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Company, subject to the terms of the underwriting agreement, reserve the right to issue New Shares at their sole and absolute discretion to subscribers for Additional Shares.

All Thorn Directors, other than Managing Director, John Hughes, intend to take up their Entitlements in full. Due to other financial commitments John Hughes is not in a position to take up his Entitlements and will seek to sell them on ASX.

New Shares issued under the Entitlement Offer will rank equally with existing ordinary shares on issue. The New Shares are expected to be allotted on 8 July 2011 which is after the record date for the final dividend on 23 June 2011. Accordingly the New Shares will not be entitled to the final dividend of 4.95 cents (for the period ended 31 March 2011).

Key Dates

Event	Date
Announcement of Offer	1 June 2011
Shares commence trading ex-Rights	3 June 2011
Rights trading commences	3 June 2011
Record Date	7:00pm AEST 9 June 2011
Offer opening date	16 June 2011
Rights trading finishes	4:00pm AEST 20 June 2011
Trading on ASX of New Shares on a deferred settlement basis	21 June 2011
Offer closing date	5:00pm AEST 30 June 2011
Despatch of holding statements	8 July 2011
Trading on ASX of New Shares on a normal settlement basis	11 July 2011

This timetable is indicative only and may be changed subject to the *Corporations Act 2001* (Cth) and the ASX Listing Rules.

Shareholders are encouraged to carefully read the Offer Booklet for further details of this opportunity. Shareholders who are in any doubt as to how they should respond should consult their stockbroker, accountant or other independent professional adviser.

For further information please contact:

John Hughes
Managing Director
Telephone: 02 9101 5044 or 0414 970 150

ABOUT THORN GROUP LIMITED (ASX: TGA, www.thorn.com.au)

Thorn Group is a retailing and financial services company and a leader in the household goods rental market. Its core business is Radio Rentals, a brand in Australia since 1937 and now with over 80 outlets nationally (Thorn trades as Radio Rentals in all states and territories except South Australia, where it trades as Rentlo). Other group businesses comprise Thorn Business Services, providing commercial finance for SMEs, Cashfirst, providing personal loans up to \$5,000, and National Credit Management Limited, a full service receivables management company.