ASX Conference Presentation

2013

John Hughes – CEO & Managing Director

Peter Eaton – CFO

Vision

To be Australia's leading provider of a broad range of financial services to niche consumer and commercial markets

A Business Evolution

THORN Group Ltd.

	Consumer	Commercial
Equipment	radio rentals, rentlo, RENTdriveBUY!	THORN Equipment Finance
Financial Services	cashfirst	NCML

radio rentals™

Positioning

- Operating for over 75 years
- Australia’s largest consumer electronics and furniture rental business
- Targets the cash/credit constrained consumer market
- Rent, Try, $1 Buy™ - market leading product
- Akin to Rent-A-Center & Aaron’s in US and Brighthouse in UK

Future Growth Drivers

- Broader range of financial products to expand customer reach
- Potential second brand

cashfirst

Positioning

- Launched 2009
- Full online services – low cost model
- Provides unsecured personal loans from $2,000 to $5,000
- Offers flexible terms and fast approvals
- $20m loan book
- Focus on sub & mid-prime markets – underserviced area following pull back by major financial institutions post GFC

Future Growth Drivers

- Increased retention via loyalty program with reduced rates
- Expanded range of products
  - $500 to $2,000 following clarity of legislation
  - $5,000+ unsecured & secured loans to mid-market underserviced by banks

Positioning

- Operating since 2011
- Specialises in equipment lease and finance solutions for businesses – particular focus on small/medium enterprises (SME) sector, and government
- $35m loan book

Future Growth Drivers

- Continuation of organic development strategies
- Considerable market demand in <$100k deal area
- Expanded product range
- Strategic alliances with vendor partners

Positioning

- A leading national provider of integrated receivables management services for over 20 years
- Acquired March 2011
- A diverse range of clients across private and public sectors

Future Growth Drivers

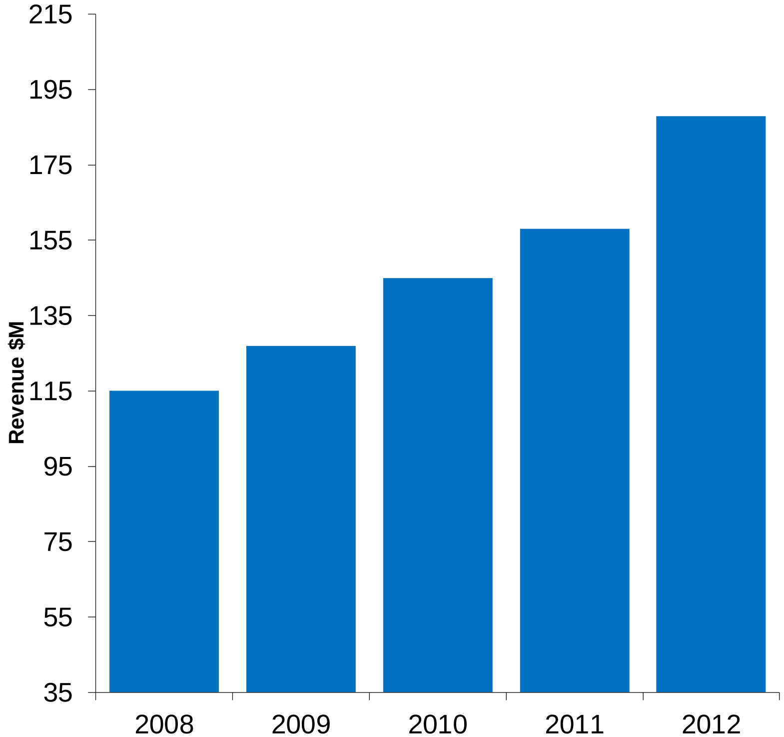
- Broader national presence
- Strategic relationships with major corporate and financial institutions
- Increased purchase of debt ledgers
- Expanded service offering – “complete credit lifecycle”

Summary – Reinvention for Future Growth

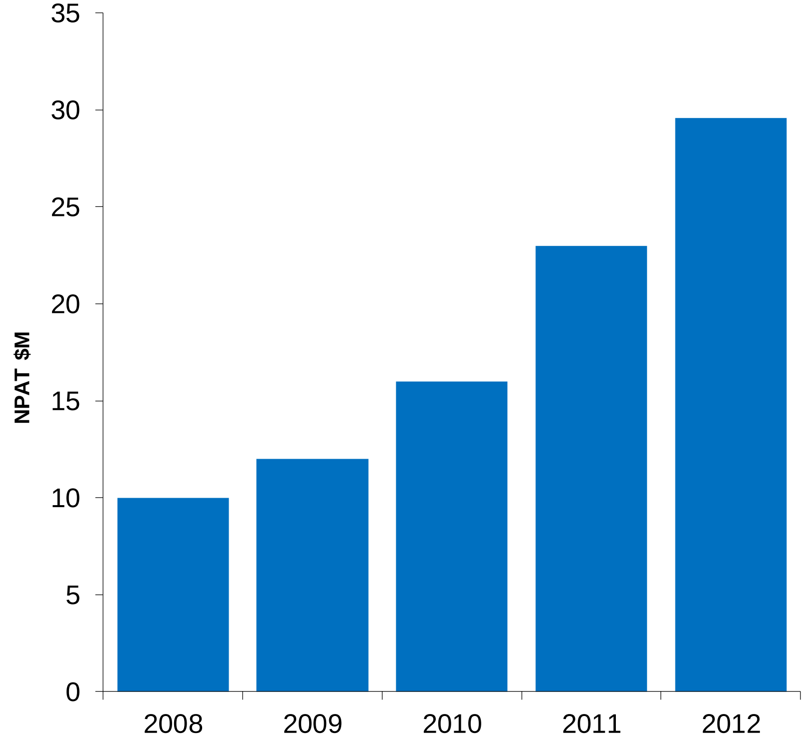
Past performance

- Strong platform of experience and expertise
- Strong cashflows
- 5 years of robust growth
- Solid consistent dividends

Revenue +19.2%



NPAT +26.4%



Summary – Reinvention for Future Growth

Future

- Leveraging strength of core Rentals business and recurring revenue streams
- Developing the business to cater for underserviced consumer and commercial markets with expanded range of financial services
- Significant investment in new systems and skills base
- Period of consolidation as initiatives develop toward critical mass

THORN Group Ltd.

Appendix

Group Performance Summary – Half Year end 30 Sept 2012

Group

- NPAT down 2% to $14m
- Cash NPAT[1] flat at $14.9m
- Revenue up 4% to $100.5m
- Basic EPS of 9.57 cents; a decrease of 5%
- Operating cash grew to $48.8m
- Gearing levels remain conservative at 14%
- Interim DPS 4.5 cents; a 13% increase

By Division

- Radio Rentals – record installations and earnings
- Cashfirst - loan book to $20m and new growth strategy being implemented
- Thorn Equipment Finance – strong book build to $28m
- NCML – earnings impacted but recovery beginning

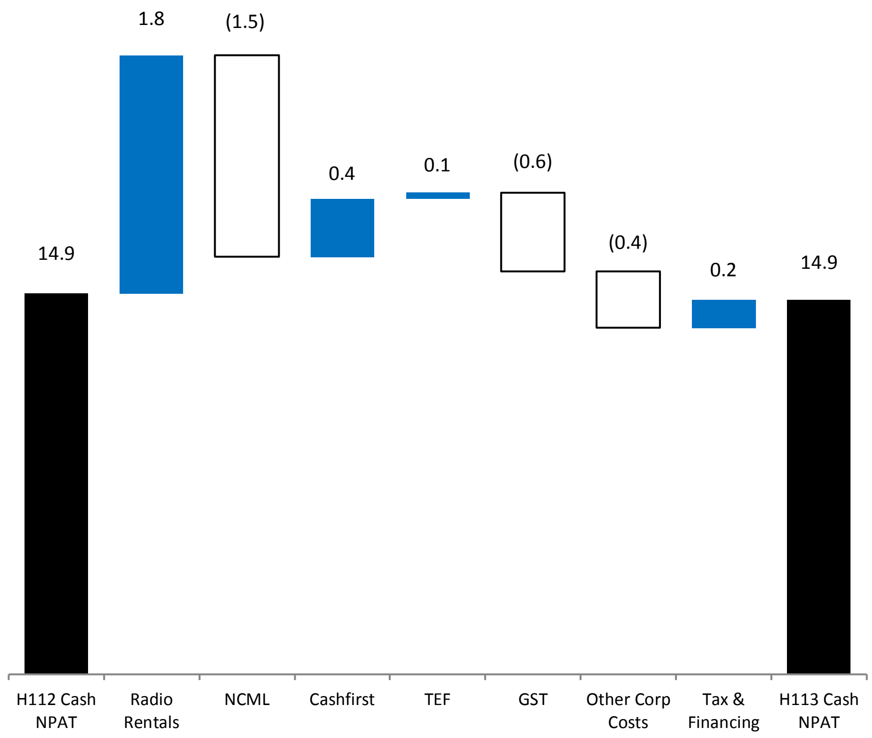
[1] *Cash NPAT is calculated as NPAT adjusted for the amortisation expense of NCML customer relationship intangible asset*

Cash NPAT[1] in-line with prior year

Impacted by one-off GST expense and NCML performance

- Radio Rentals grew earnings contribution to a new record
- NCML earnings impacted by loss of the ATO contract and lower PDL revenue
- Cashfirst performance improved in line with the loan book growth
- TEF book growth yet to convert to earnings
- GST on financial products issue expensed
- Other corporate costs increased in line with business growth
- Financing costs decreased due to lower average debt levels

Cash NPAT[1] Bridge H112 - H113 ($m)



[1] *Cash NPAT is calculated as NPAT adjusted for the amortisation expense of NCML customer relationship intangible asset*

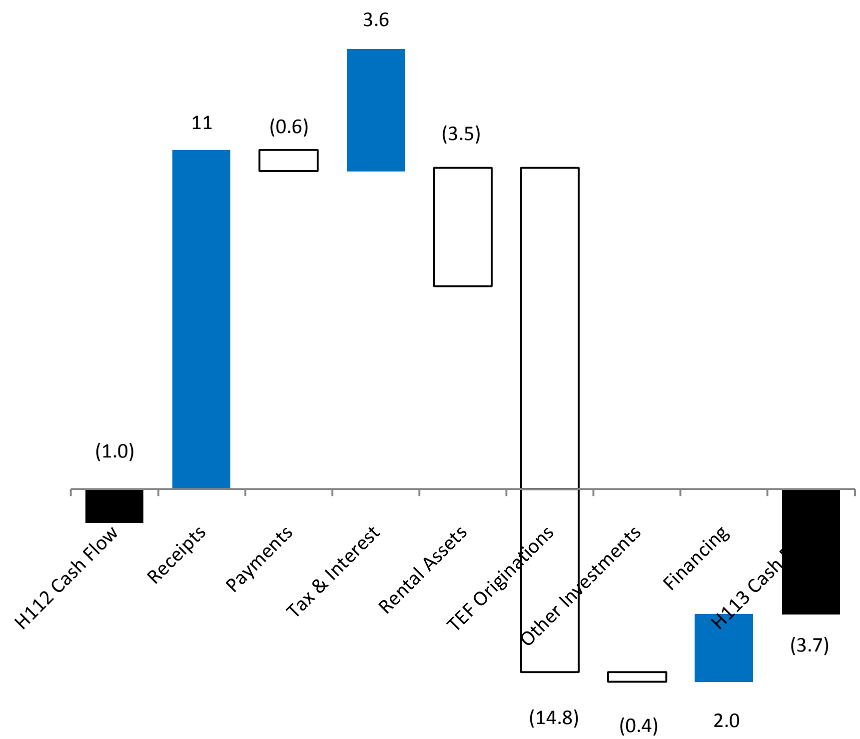
THORN Group Ltd.

Cash Flows Continued to Grow

Operating cash flows up 40% on PCP

- Receipts increased 11% driven by Radio Rentals, TEF and Cashfirst revenues
- Payments positively affected by timing differences
- Tax favourable as there was no final payment for FY12 due to the deferred tax gain arising from the NCML acquisition
- Increase in Rental Asset expenditure due to furniture demand and the introduction of Apple products
- Financing positively impacted by debt repayment in the PCP following the rights issue

Cash Flow Bridge H112 – H113 ($m)



Balance Sheet

Continued growth in key asset categories

- Consumer lease book growth generated by demand for large TVs
- Commercial lease book continued to gain momentum with the brand achieving good traction in the market
- Consumer loans continued to grow due to solid new business levels and increasing re-writes
- Rental assets driven by strong performance in furniture
- Limited PDL purchases
- Closing net debt to equity increased versus PCP – Commercial lease book growth as main factor.

	30 Sep 12	Movement	
		$m	%
Consumer Lease book*	94,637	5,305	6
Commercial Lease book*	36,203	20,660	133
Consumer Loans	20,281	2,689	15
Rental Assets	52,696	4,218	9
PDLs	5,737	594	12

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