

## APPENDIX 4E

### ANNUAL REPORT

#### THORN GROUP LIMITED ACN 072 507 147

#### YEAR ENDED 31 MARCH 2012

##### 1 Details of the reporting period and the previous corresponding period

|                             |                               |
|-----------------------------|-------------------------------|
| Current period:             | 1 April 2011 to 31 March 2012 |
| Prior corresponding period: | 1 April 2010 to 31 March 2011 |

##### 2 Results for announcement to the market

|     | Key Information   | Year Ended<br>31 March 2012<br>\$'000 | Year ended<br>31 March 2011<br>\$'000 | Change % |
|-----|---|---------------------------------------|---------------------------------------|----------|
| 2.1 | Total Revenue   | 188,351                               | 157,949                               | 19.2%    |
| 2.2 | Profit attributable to equity holders of Thorn Group Limited          | 27,849                                | 22,038                                | 26.4%    |
| 2.3 | Profit attributable to ordinary equity holders of Thorn Group Limited | 27,849                                | 22,038                                | 26.4%    |

|     | Dividends  | Amount per<br>security | Franked amount<br>per security |
|-----|--|------------------------|--------------------------------|
| 2.4 | Interim dividend (paid 20 January 2012)                      | 4.00.cents             | 100%                           |
|     | Final dividend (declared, not yet provided at 31 March 2012) | 5.50 cents             | 100%                           |

##### 2.5 Record date for determining entitlements to the dividends

Record date for the final ordinary dividend is 15 June 2012

##### 2.6 Commentary

Increases were achieved in both revenue and profit for the 2012 financial year with total revenues growing from \$157,949,000 to \$188,351,000, a 19.2% improvement.

The growth in revenue was attributable to the inclusion of credit management revenue of \$21,128,000 and operating lease revenue, which increased from \$83,098,000 to \$93,562,000 an improvement of 12.6%, as whitegoods and furniture performed strongly.

This improvement resulted in profit before income tax increasing 24.4%, from \$32,310,000 to \$40,191,000. Net profit after tax increased 26.4%, from \$22,038,000 to \$27,849,000. The 2012 result includes an amortisation expense of \$1,760,000 versus zero in the prior corresponding period. This amortisation expense relates to customer relationships recognised upon the acquisition of the credit management segment.

Net cash from operating activities of \$58,842,000 was unfavourable to last year of \$67,716,000. The result was impacted by increased income tax paid of \$7,081,000 which included the final 2011 tax payments of \$5,900,000. This was a significant uplift on the final tax payment due to the one-off temporary investment allowance in the prior corresponding period. The result was also impacted by the growth of \$13,108,000 in Thorn Equipment Finance receivables.

##### 3 Consolidated Balance Sheet

Refer to the 2012 Annual Financial Report

##### 4 Consolidated Income Statement

Refer to the 2012 Annual Financial Report

**5 Consolidated Cash Flow Statement**

Refer to the 2012 Annual Financial Report

**6 Dividend Details**

Since the end of the financial year, the Directors have recommended the payment of the 2012 final dividend of 5.50 cents per fully paid ordinary share to be 100% franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 18 July 2012 is \$8.051 million.

**7 Dividend or Distribution Reinvestment Plan Details**

Not Applicable

**8 Retained Earnings**

|  | Year Ended<br>31 March 2012<br>\$'000 | Year Ended<br>31 March 2011<br>\$'000 |
|--|---------------------------------------|---------------------------------------|
| Balance at the beginning of the financial year               | 28,179                                | 15,605                                |
| Profit attributable to equity holders of Thorn Group Limited | 27,849                                | 22,038                                |
| Dividends to Shareholders                                    | (12,272)                              | (9,464)                               |
| <b>Total Retained Earnings</b>                               | <b>43,756</b>                         | <b>28,179</b>                         |

**9 Net Tangible Assets Per Security**

|                 | Year Ended<br>31 March 2012<br>\$ | Year Ended<br>31 March 2011<br>\$ |
|-----------------|-----------------------------------|-----------------------------------|
| Ordinary shares | 0.75                              | 0.49                              |

**10 Control gained or lost over entities in the Financial Year, and those having material effect**

| Name of entities where control was gained in the financial year | Date Control Gained |
|---|---------------------|
| Not Applicable  | -                   |

|                | Date Control Lost |
|----------------|-------------------|
| Not Applicable | -                 |

The above entities did not contribute materially to the reporting entity's profit from ordinary activities during the period they were controlled.

**11 Investments in Associates and Joint Ventures**

| Name | Participating Interest (%) |
|------|----------------------------|
| Nil  |                            |

**12 Other Information**

Refer to the 2012 Annual Financial Report

**13 Foreign Entities**

Not Applicable

**14    Commentary on results for the Financial Year**

Refer to the 2012 Annual Financial Report

**15    Audited Report**

This report is based on audited accounts.

**16    Statement if Financial Report is not audited**

Not applicable

**17    Statement if Financial Report is Audited**

The financial Report has been audited and is not subject to disputes or qualifications