FY12 Results
22 May 2012

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Group Performance Summary

Group

- NPAT up 26.4% to $27.8m
- Cash NPAT[1] up 34% to $29.6m
- Revenue up 19.2% to $188m
- ROCE strengthened to 21.95%
- Basic EPS of 19.24 cents[2]; an increase of 14%
- Gearing levels remain conservative at 6%
- Final DPS 5.5 cents; an 11% increase

By Division

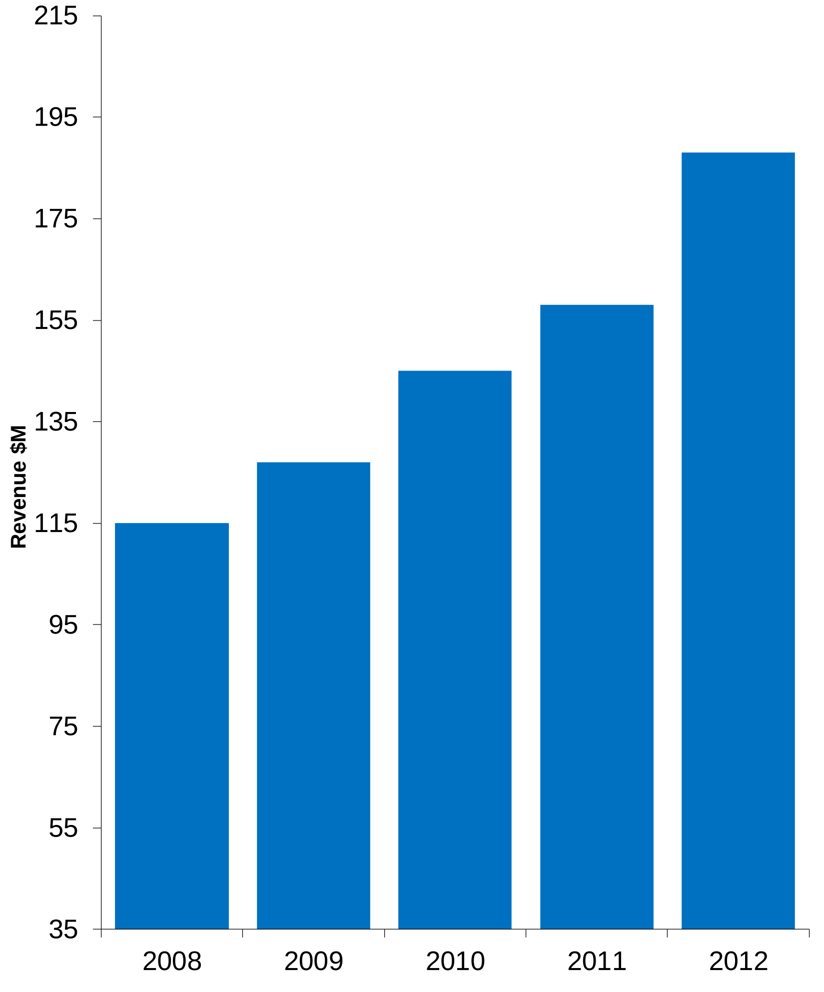
- Radio Rentals – 3.1% customer growth reinforcing outlet strategy
- Cashfirst - loan book above $17m with good quality base
- Thorn Equipment Finance – strong book growth to $12.1m
- NCML – new business and restructure project garnering solid gains

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

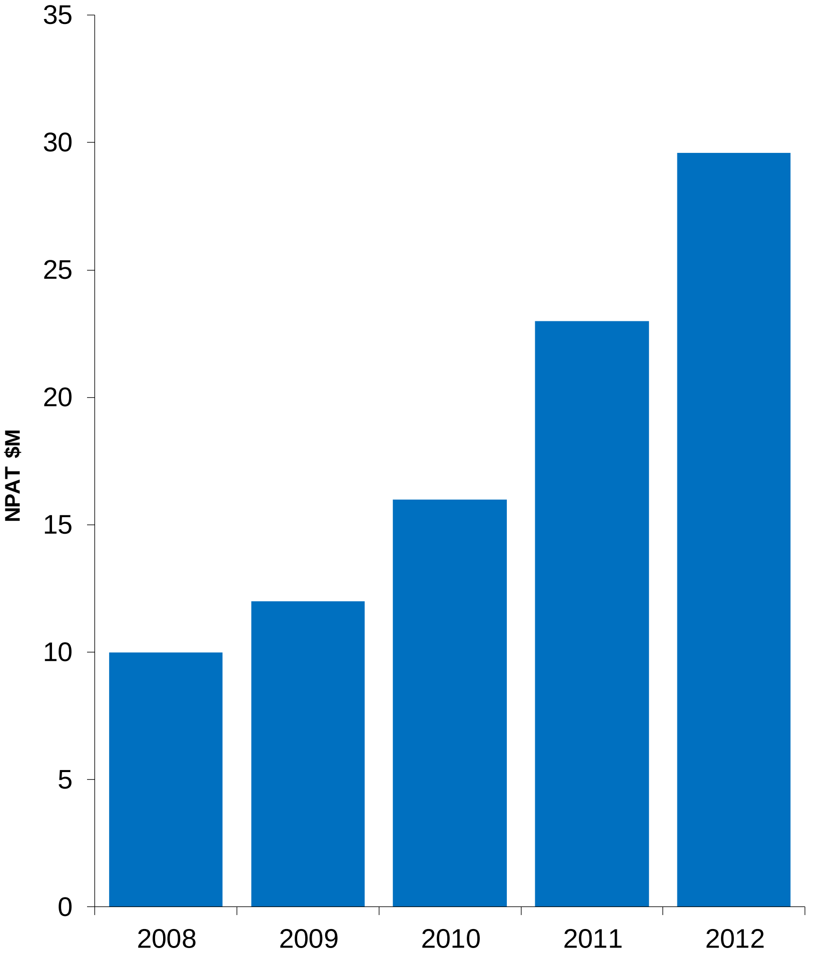
[2] Based on weighted average of 144m ordinary shares on issue and a restatement of the prior year as a result of entitlement offer made on 1 June 2011

Revenue & NPAT: Leveraging the base

Revenue +19.2%

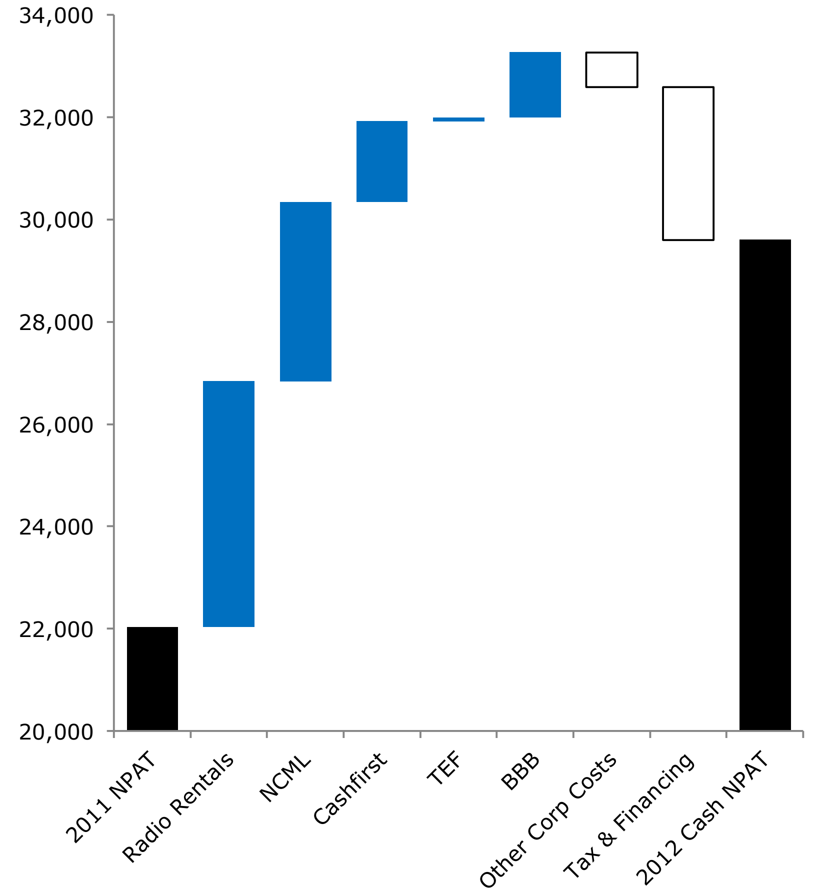


NPAT +26.4%



NPAT: Strong contributions from all divisions

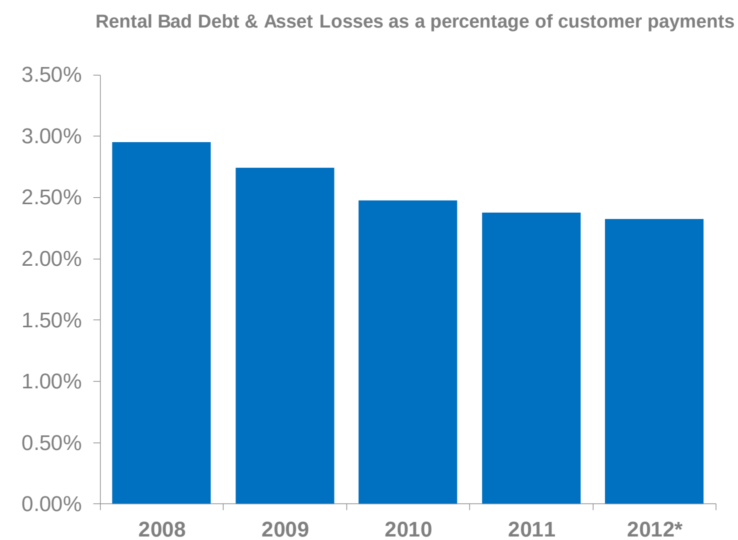
- Radio Rentals continued to grow earnings in line with increases in the base
- NCML provided its first full year earnings contribution
- Cashfirst generated its first positive contribution
- TEF in the early stages of significant growth
- BBB closed in FY11
- Other corporate costs increased in-line with business growth
- Financing costs increased as debt for first quarter was significantly higher than the prior period – NCML acquisition related



Risk: Increases in Radio Rentals, other divisions steady

- Impairment charges on the rental book increased during the period
- Rental finance lease provisioning increased on prior period due to increased repossessions and write-offs
- Cashfirst bad debt and provisioning in-line with growth in receivables at c.10%
- Conservative provisioning policy adopted for Thorn Equipment Finance at c.5%
- Pre debt sale recoveries in-line with prior year performance
- Debt sale contributed $1.1m

In thousands of AUD	FY11	FY12
Rental		
– Provisioning	4,954	6,222
– Asset losses	2,063	2,594
– Net Debt	1,214	1,490
Cashfirst		
– Provisioning	838	589
– Net Debt	829	1,293
TEF		
– Provisioning	26	568



** 2012 Net bad debt and asset losses includes the favourable impact of a one off $1.1m debt sale*

Balance Sheet: Significant underlying strength

- $30m capital raising returned net debt to equity to pre NCML acquisition levels of 6%
- Consumer finance leases lower due to Flat Panel and PC performance
- TEF finance lease book up tenfold
- Continued strong growth of the Cashfirst loan book
- Rental asset growth reflects strong operating lease performance – particularly furniture
- PDLs increased following acquisitions and fair value revaluations

In thousands of AUD	31 Mar 2012	Movement
Consumer finance leases	54,181	(2,207)
TEF finance leases	12,122	11,679
Cash loans	17,324	5,133
Rental assets	48,478	7,300
PDLs	6,703	1,382

Acquisition Accounting: Deferred tax gain

Goodwill and deferred tax

- Goodwill determined on a provisional basis as at March 2011
- Tax cost base of PDLs revised upon consolidation with Thorn tax group
- PDL tax cost base revised to greater than accounting book value giving rise to a deferred tax asset
- Deferred tax to be claimed in-line with PDL tax recognition

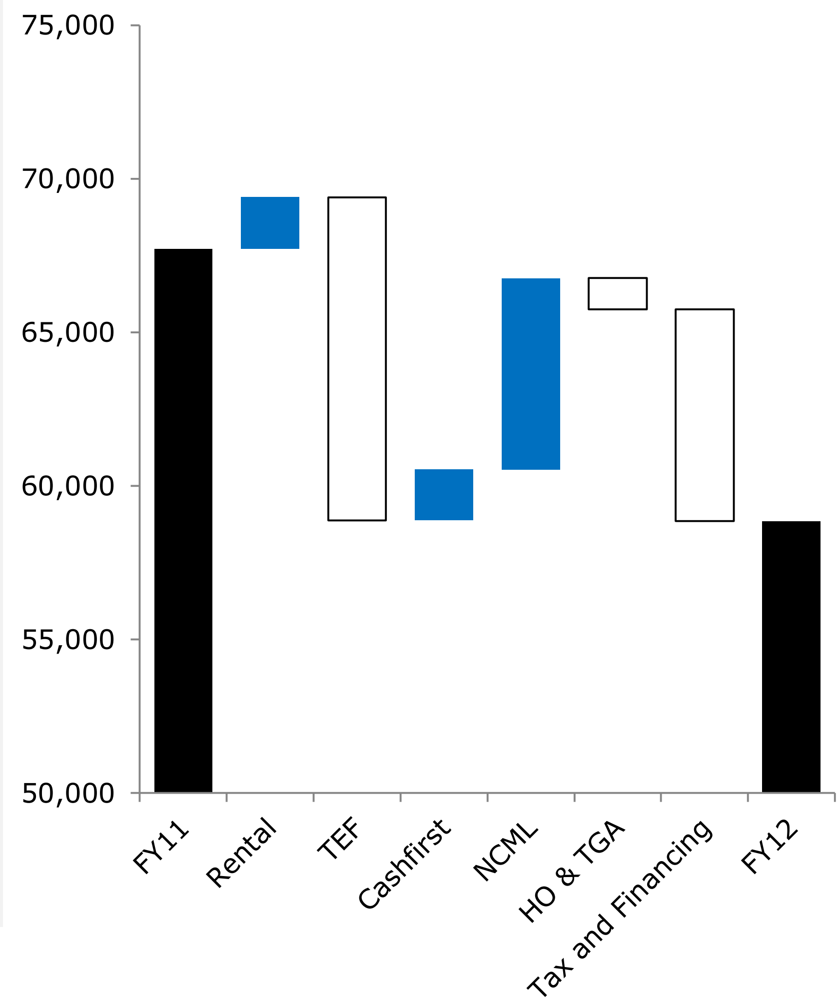
Amortisation – customer relationships

- Increased following the loss of the ATO contract
- Estimated useful life reduced to 5yrs

In thousands of AUD	**31 Mar 2012**	**Movement**
Goodwill	6,672	(7,030)
Deferred tax	7,210	7,030
Customer relationships	7,037	(1,760)

Cash Flow: Cash used in growing TEF receivables

- Radio Rentals operating cash impacted by $10m timing difference of payables
- TEF book growth impacted on operating cash
- Cashfirst continued to be a drag on operating cash, but was positive to prior year as repayments on the book increased
- NCML provided its first full year cash contribution
- Other corporate costs increased in-line with business growth
- Tax payments rose as the prior year included the benefit of the one-off investment allowance

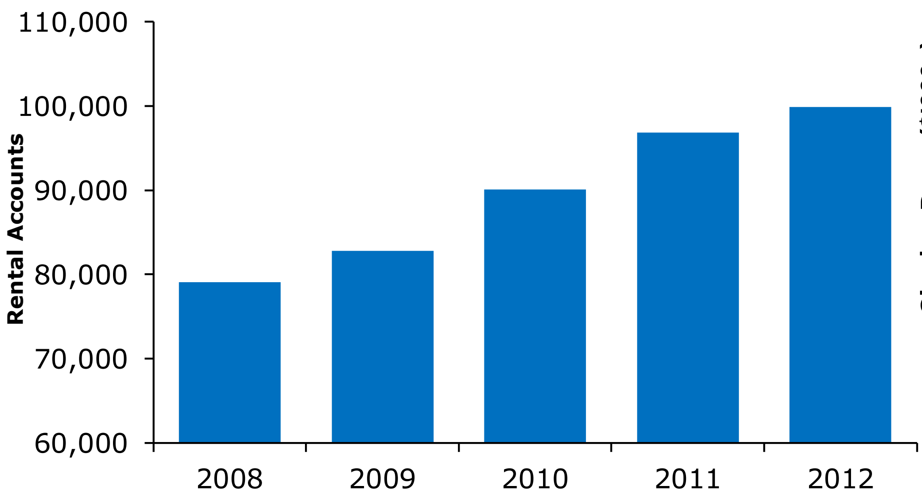


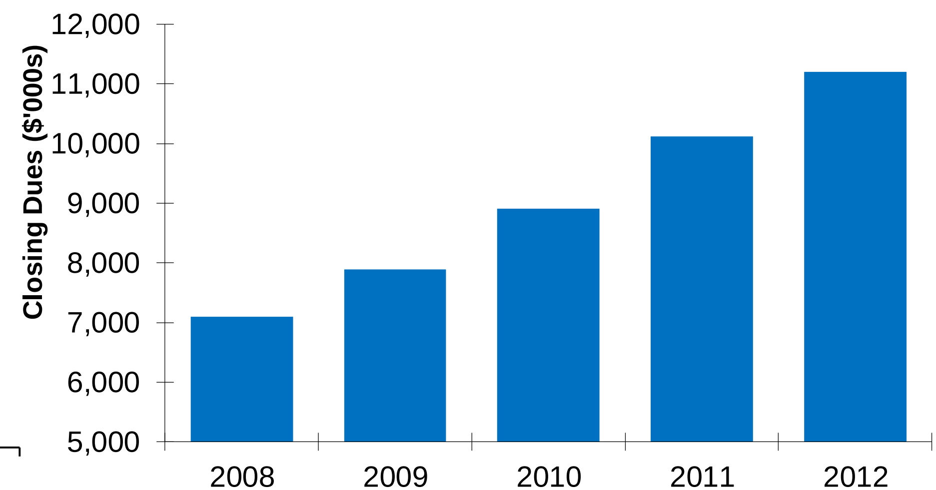
Consumer Rental

radio rentals™ rentlo™

Performance: Continues to excel in a tough market

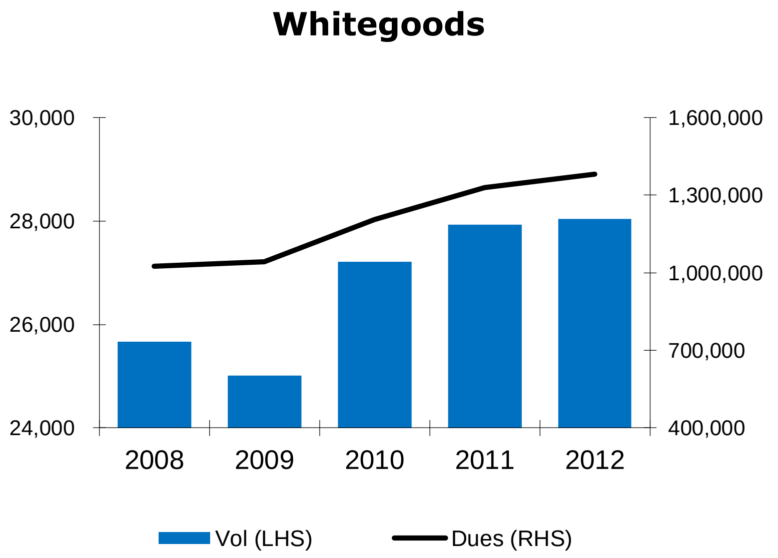
- EBITDA $46.2m, 12% up on prior year
- Total installations revenue grew 5%
- AUR (average price per unit) increased 1% to $47.85
- Customer growth of 3.1% and base now at 100,000
- Customer retention improved from 42% to 44%
- Disconnections grew 14% in-line with base growth & life curves

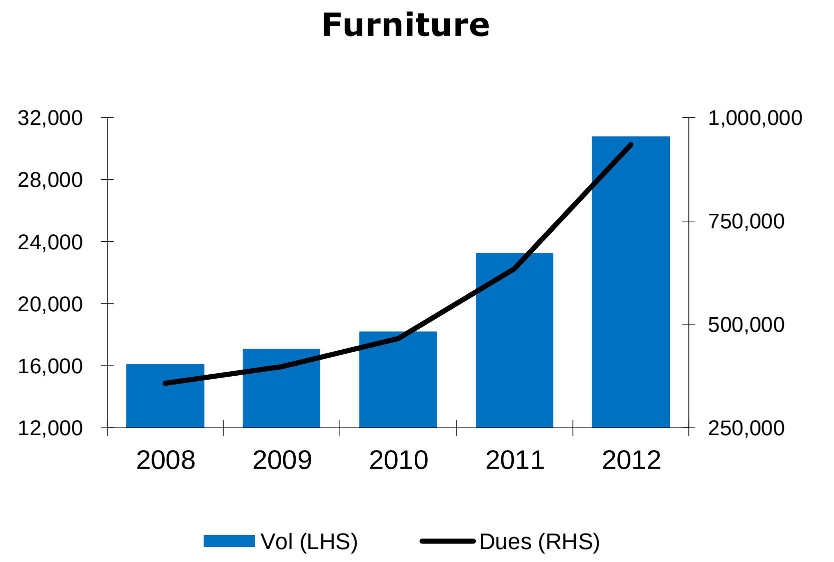




Whitegoods & Furniture perform strongly

- Strong demand for household ‘necessities’ continues
- Whitegoods up 4%* - continued demand for larger appliances
- Furniture up 47%* - increased demand for lounge and dining products
- Other categories up 17% driven by audio products introduced during the year

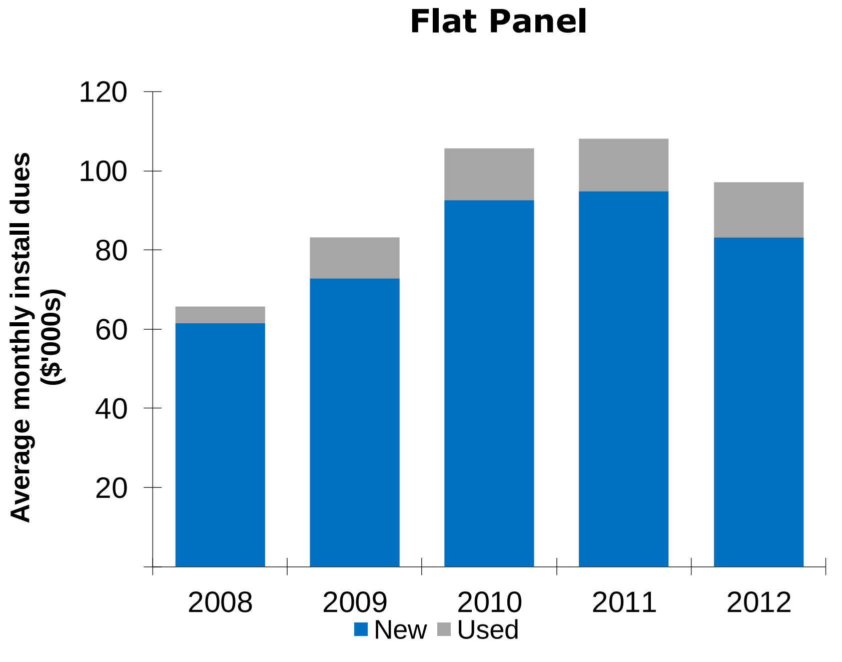


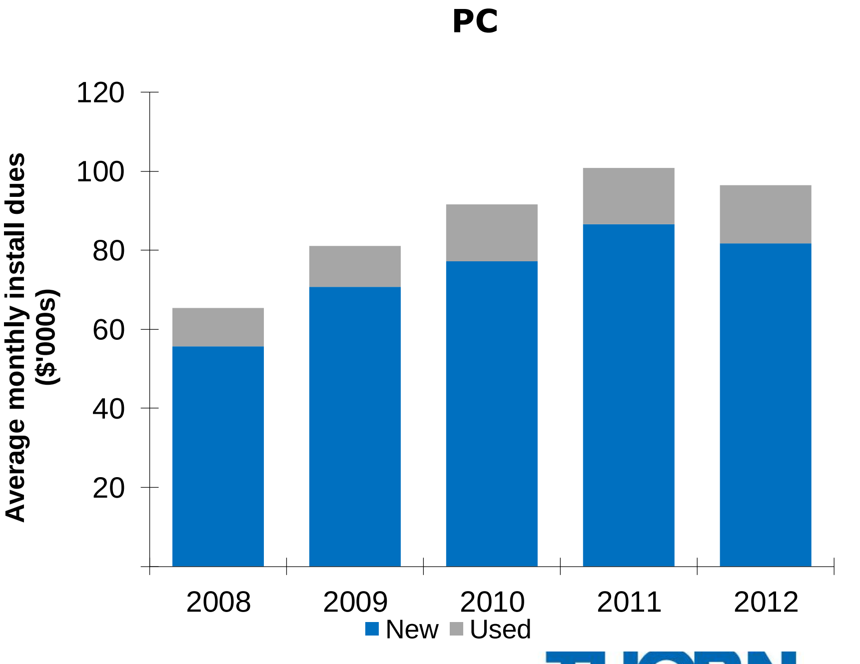


** Installation revenue movement*

Technology Products mature

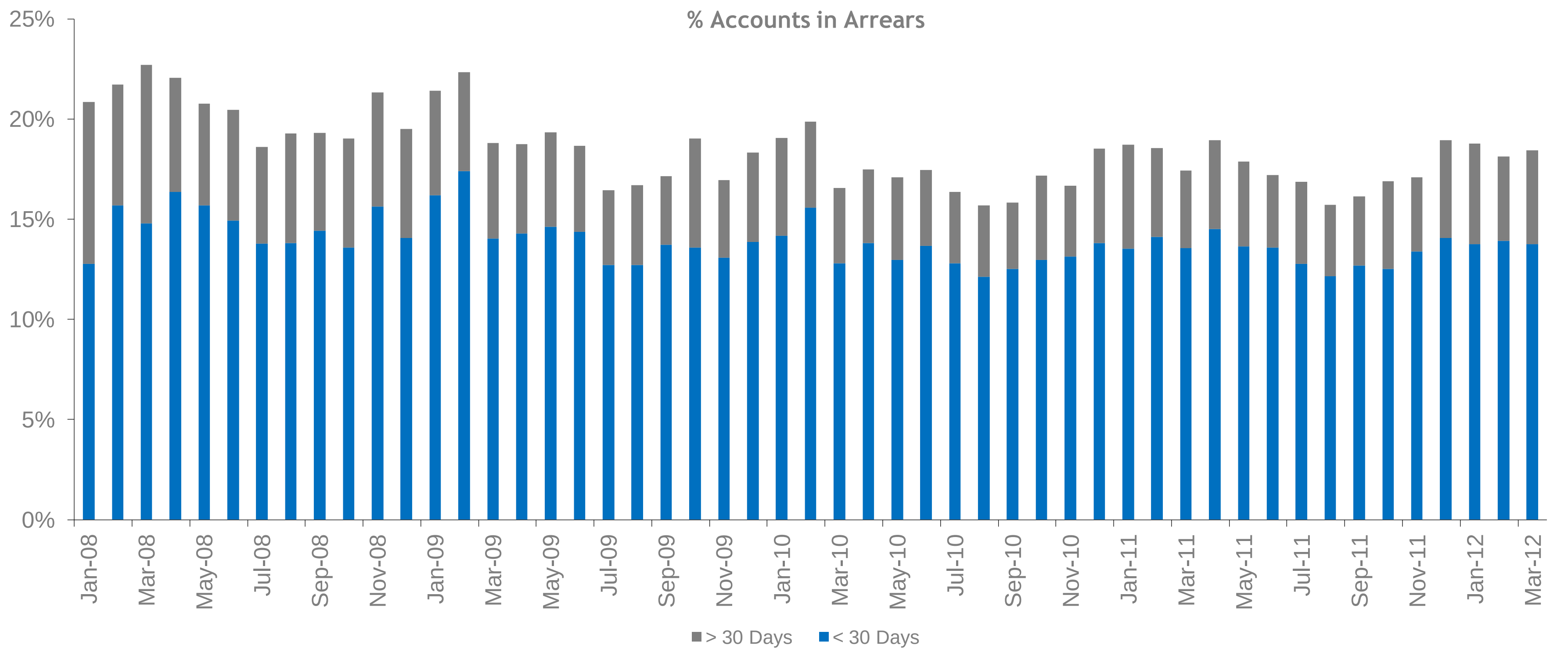
- Flat panels down 10% due to rental rate reductions (effective Jan 2011), retail price points and maturing technology
- Thorn brand now making up 42% of new flat panel installs
- PCs down 4% as retailers heavily discount products
- To offset decline, new products & brands will be introduced in the first half and Ultrabooks have been added





Account Delinquencies: Run-rate maintained

- Focus remains on providing products that suit a customer's needs and budget
- Strict guidelines for customer approvals and payment limits are audited monthly
- Introduction of hardship extension contract in April 2012 to assist customers in need



Opportunities for Growth

- ❑ Further extension of furniture ranges
- ❑ Launch of new products & brands
- ❑ Increased range of direct import Thorn product e.g. refrigerators
- ❑ Development of broader range of contracts to meet diverse customer needs
- ❑ Continued expansion and refinement of store network structure:
    - All initiatives showing strong results to-date
    - Transition from single Full Service Branch (FSB) to multi outlet footprint
    - ‘One Person Branches’ in regional areas
    - ‘Kiosks’ and ‘showrooms’ in metropolitan areas
    - Up to 5 additional outlets in FY13 dependent on quality of available locations

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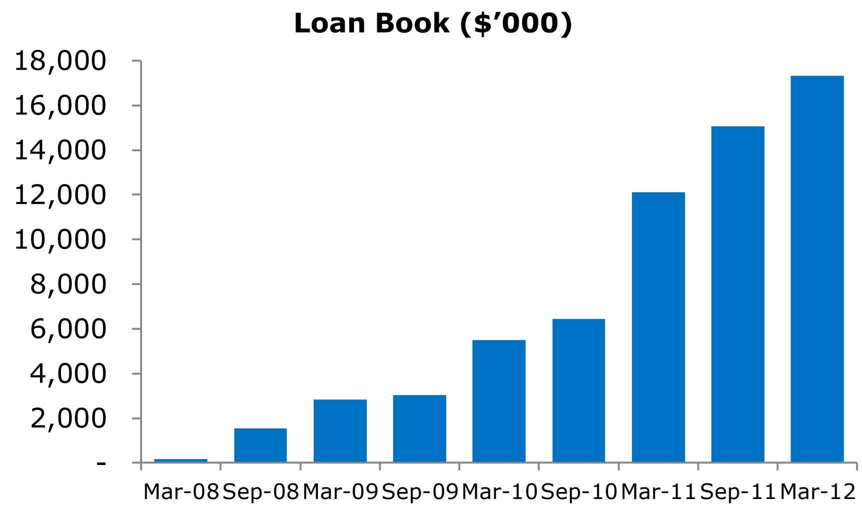
cashfirst™ : Loan book now $17.3m

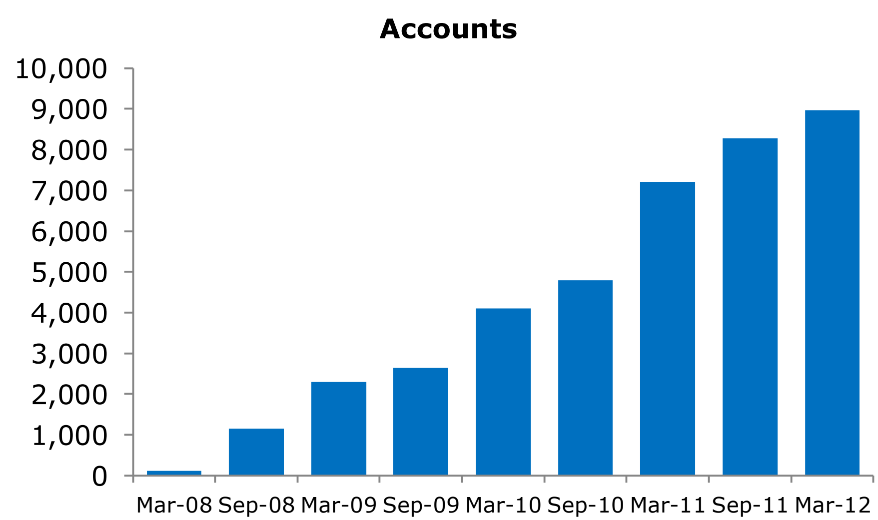
Performance

- EBITDA $1.2m versus prior year loss
- Originations $11.1m in-line with prior year
- Refinancing increased to $2.4m; up 100%
- Closing book $17.3m
- Average loan value up to $2,400
- Consistent approval rates at 15-20%
- Annualised write-off rate c.10%

Opportunities for Growth

- Specialist GM to be appointed
- Expand offerings & develop new products to appeal to a broader market





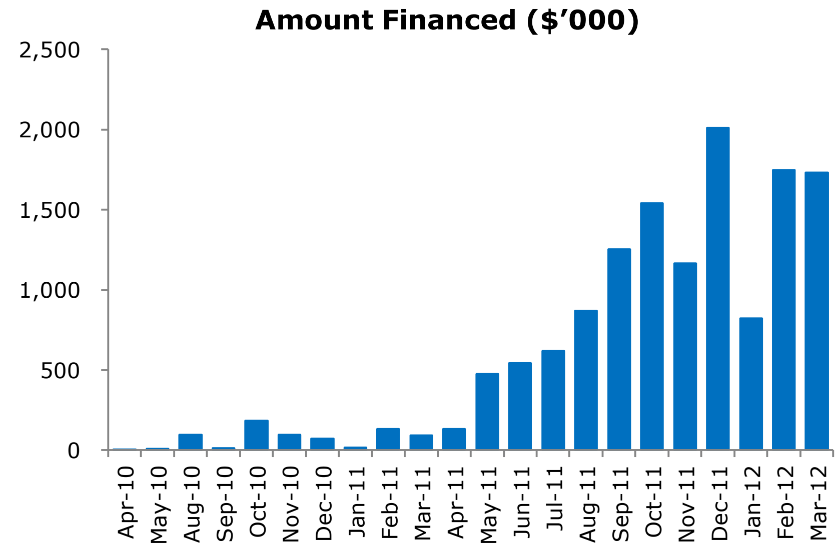
: Investment made for future returns

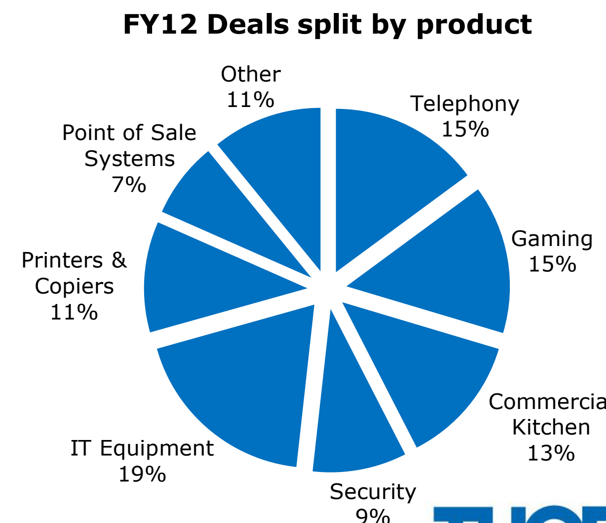
Performance

- EBITDA $500k; in-line with prior year
- Originations $13m versus $1m in prior period
- Average deal size $20k
- Diversified range of products financed
- TAB relationship enhanced via investment in dedicated resources
- Resources added to grow the book

Opportunities for Growth

- Expand geographic footprint
- Increase vendor and introducer relationships





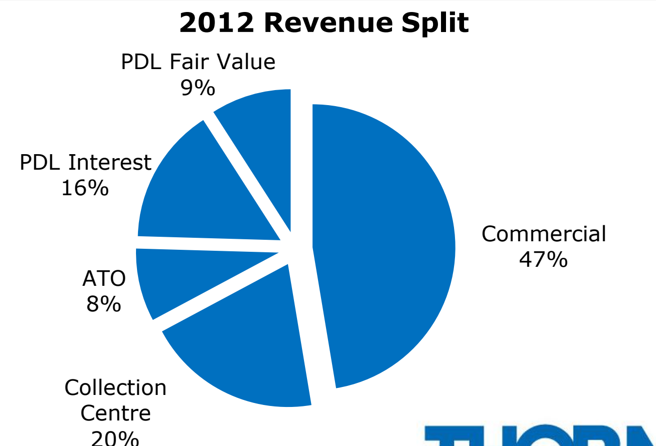
NCML: Positioning for growth

Performance

- EBITDA generated $4.5m; ex ATO $4.1m
- Revenue generated $21m; ex the ATO $19.3m
- Consumer collections were well maintained
- PDL collections outperformed initial estimates and led to revaluation gains
- Interest now charged on PDLs purchased since Sep 2011
- Commercial collections impacted by economic effects on clients with lower levels of legal claims

Opportunities for Growth

- PDL investment – targeting $8m to $10m in FY13
- Increased business development and marketing focus
- Business restructure and streamlining of operations
- Development of 'credit lifecycle' model
- Geographic expansion



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RENTdriveBUY! The new way to get into a car : New strategic opportunity

- A unique means for customers to access a quality used motor vehicle
- Rental of a fully maintained vehicle for 12 months – removes uncertainty of costs
- Potential for consumer to obtain finance to purchase a vehicle after 12 months of continuous payments – credit qualifying
- Leverages core competencies of Thorn Group
- Very positive market research response from broad range of demographics
- Significant market size and opportunity
- A major ‘need’ item for families
- Trial to commence in the second half of FY13
- Will require significant capital to grow

Proposed Legislative Changes: No issues

Small amount credit contracts

- Thorn offers unsecured personal loans between $1,000 and $5,000
- Thorn does not offer ‘payday’ loans
- Not materially impacted by proposed reforms
- Thorn supports Government action

Closing of NCCP licensing loophole – ‘indefinite length leases’

- Some rental businesses avoid regulation with rental agreements of ‘indefinite length’
- Exempts such businesses from licensing under NCCP and hence Responsible Lending requirements
- Consumer impacts
- Government acting but very slow

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Company Strengths and Outlook

Group

- Strong core business with substantial recurring revenue streams generating significant operating cash
- Solid capital base to enable expansion & healthy ROCE
- Growth initiatives gaining traction and well positioned for increased contribution

By Division

- Resilient rental business with further opportunities to grow
- Continue to evolve and expand Cashfirst offerings
- Emergence of Thorn Equipment Finance as a key segment
- Solid growth of NCML through new initiatives in business development

Outlook:

- Market factors may slow growth rate
- Continued investment in strategic initiatives will impact short term – but generate longer term rewards

Overview of Thorn Group

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