THORN Group Ltd.

Interim Results Presentation 2015

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Growth through investment

Group

- NPAT up 14% to $15.2m
- Cash NPAT up 13% $16.1m
- Revenue up 33% to $149.9m
- Receivables up 42% to $307.6m
- Fully franked interim dividend increased to 5 cents per share

In thousands of AUD	30 September 2014	30 September 2013
Reported NPAT	15,164	13,305

Strong platform for future growth

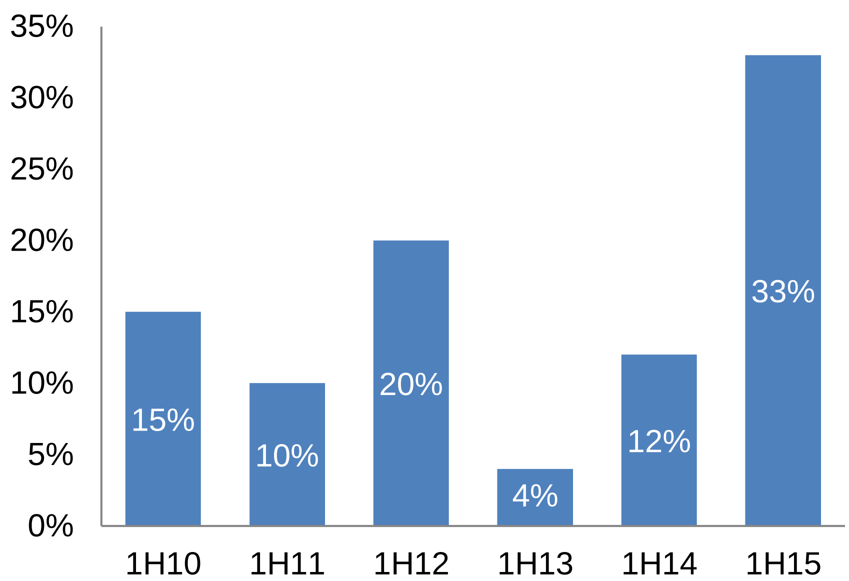
By Division

- Radio Rentals and Rentlo
  - Record installations and earnings
- Thorn Financial Services
  - Investment driven portfolio growth
- NCML
  - Improved operational performance
- Thorn Equipment Finance
  - Strong receivables growth

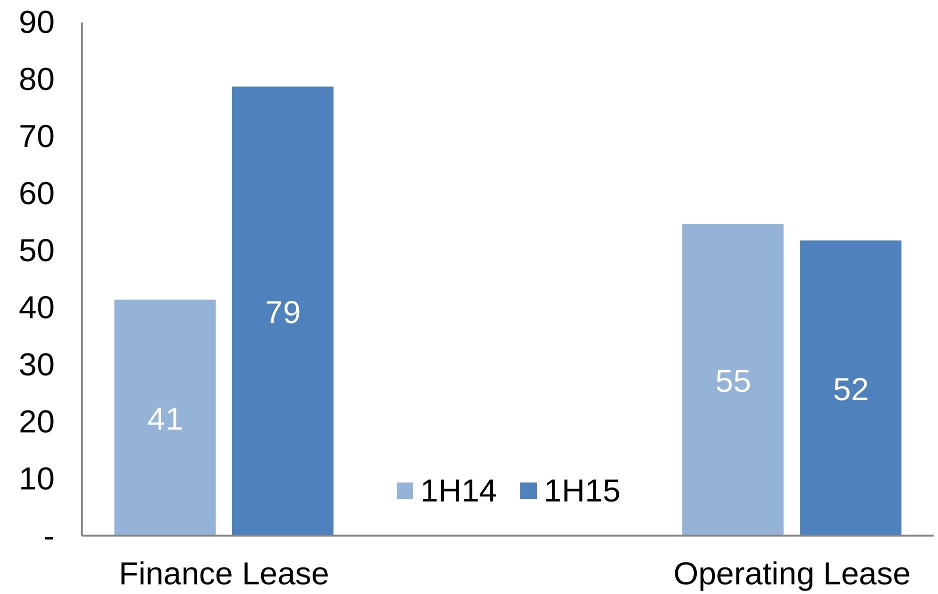
Revenue up 33% - receivables growth the key driver

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

Revenue Growth



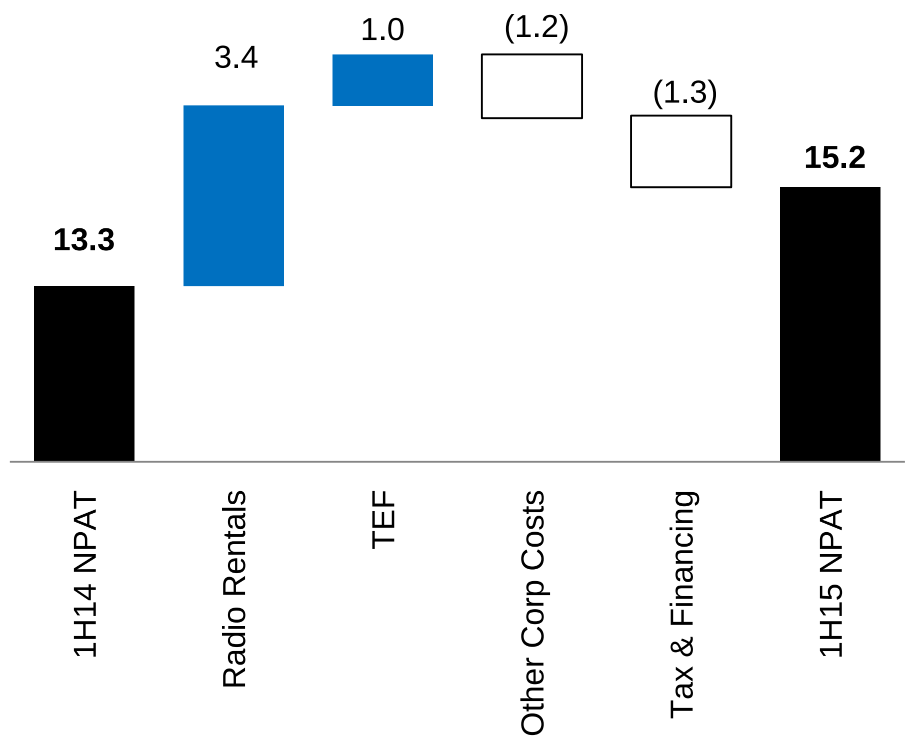
Revenue Mix ($m)



Record trading drives NPAT up 14%

- Consumer leasing driven by record breaking installations and higher finance lease mix
- NCML grew from improved collection performance and increased PDL purchases
- TFS impacted by costs relating to portfolio growth
- TEF improved with receivables growth

NPAT Bridge 1H14 – 1H15 ($m)



Impairment losses maintained reflecting strong credit quality

- Consumer Leasing
  - Finance lease provision higher due to increase in longer term finance lease installations and mix of products installed
  - Losses and write-offs steady
- TFS
  - Provisioning decreased due to changing consumer profile and product mix
- TEF
  - Decrease in provisioning in line with emerging delinquency profile

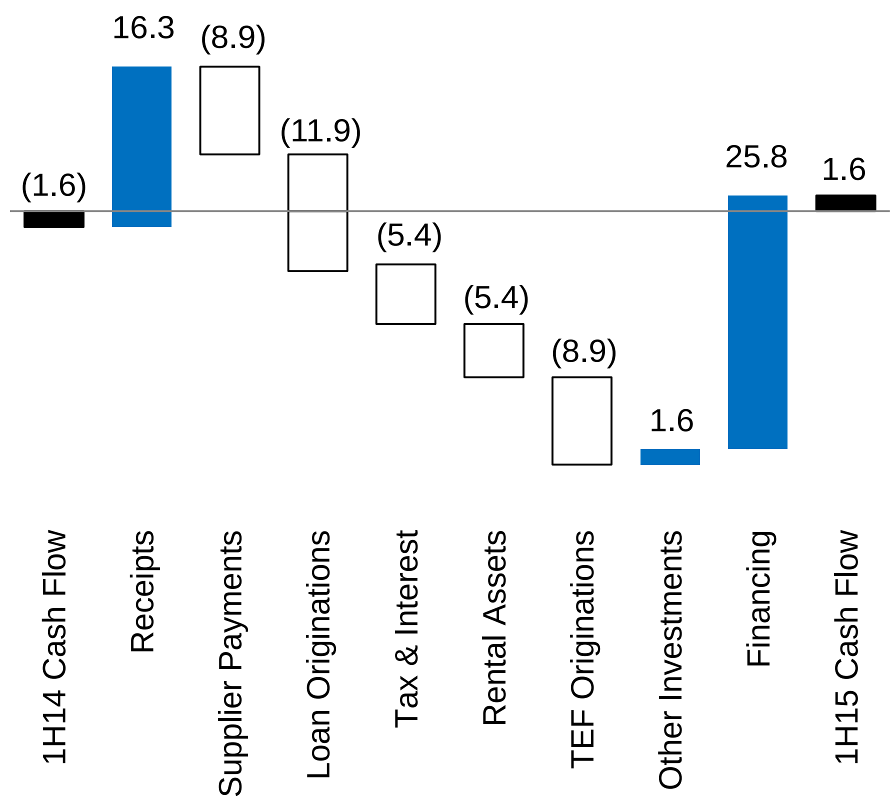
	1H15	1H14
Consumer Leasing		
Finance Lease Provisioning*	14.7%	12.1%
Asset Losses**	0.8%	1.8%
Bad Debt**	1.2%	1.2%
TFS		
Provisioning*	10.0%	11.9%
Net Bad Debt*	10.0%	10.3%
TEF		
Provisioning*	3.0%	4.0%
Net Bad Debt*	2.8%	2.9%

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

Strong cash flows support growth in loans advanced and receivables

- Receipts increased 13% driven by revenue growth in all divisions
- Payments increased due to increase in loans advanced and PDL Purchases
- Tax increased due to higher PAYG instalment rate.
- Increase in rental asset expenditure due to higher installation volume, primarily in furniture and technology products.
- Increase in TEF settlements due to growth of key strategic partner relationships

Cash Flow Bridge 1H14 – 1H15 ($m)



Receivables growth key to revenue and NPAT increases; Rental asset decline in line with mix

		30 Sep 14	Movement	
			$m	%
Radio Rentals	Leases*	189,329	63,973	51
	Rental Assets	45,709	(6,935)	(13)
Thorn Equipment Finance*	Leases	78,167	14,616	23
Thorn Financial Services	Loan Book	40,067	11,636	41
NCML	PDLs	11,258	2,384	27

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

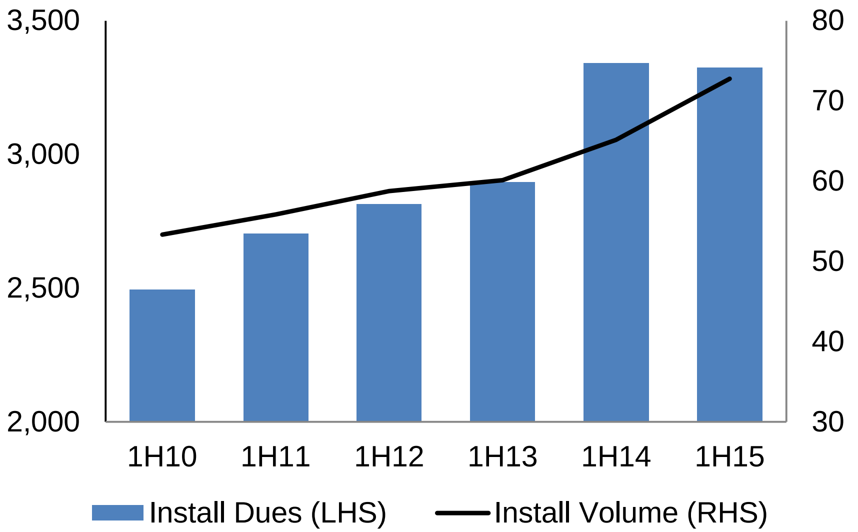
Balance sheet continues to evolve in line with diversification of group

Summarised Balance Sheet ($000)	Sep-14 excl. Trust	Sep-14 incl. Trust	Mar-14 excl. Trust	Mar-14 incl. Trust
Cash at Bank	4,028	4,028	2,393	2,393
Receivables	173,133	207,606	126,752	157,996
Investment in unrated notes	6,895	-	6,249	-
Other assets	52,785	52,785	60,327	60,327
Goodwill	30,859	30,859	31,734	31,734
Total Assets	**267,700**	**295,278**	**227,455**	**252,450**
Borrowings	43,500	71,078	15,501	40,496
Other liabilities	44,600	44,600	40,334	40,334
Total Liabilities	**88,100**	**115,678**	**55,835**	**80,830**
Total Equity	**179,600**	**179,600**	**171,620**	**171,620**
Gearing	24%	n/a	9%	n/a

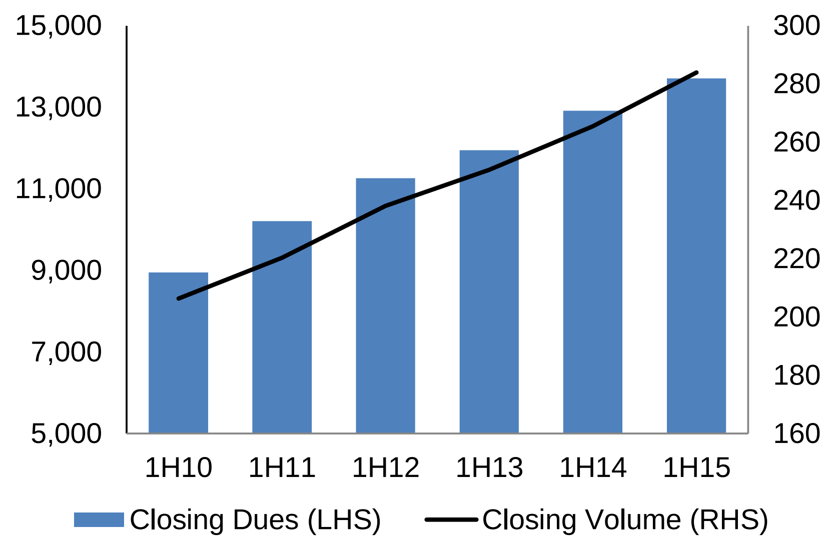
radio rentals Momentum building

- EBITDA $26.7m, 15% up on prior year
- Installation volumes grew 12%
- Customer retention strong at 47%
- Disconnection dues grew 6% in line with contract maturity profile

Install Dues / Volume ('000s)



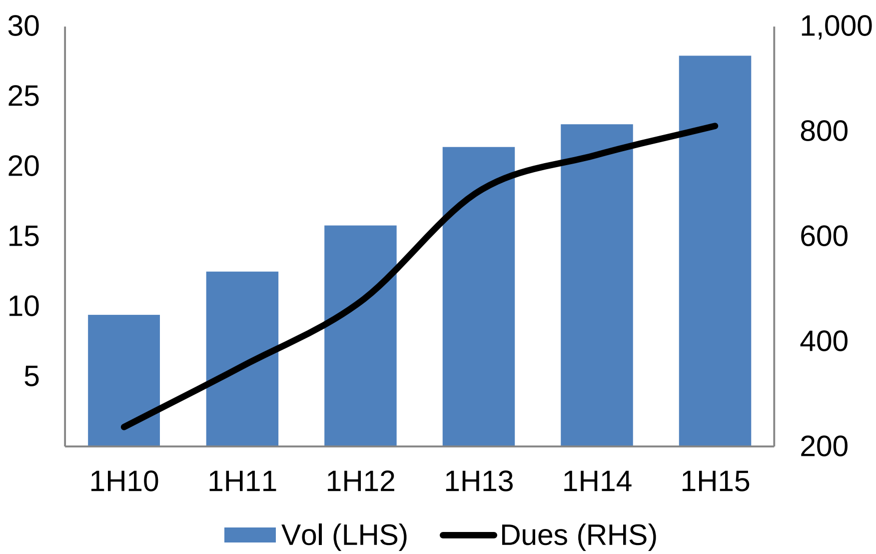
Closing Dues / Volume ('000s)



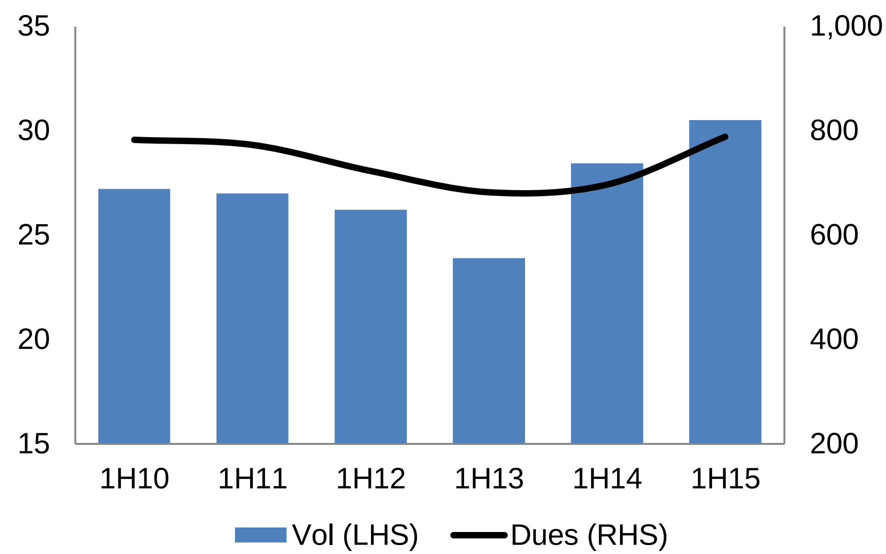
radio rentals Growth in furniture and technology

- Growth driven by furniture and technology products
- Continued product shift to larger whitegoods and flat panels
- Other categories steady

Furniture ('000s)

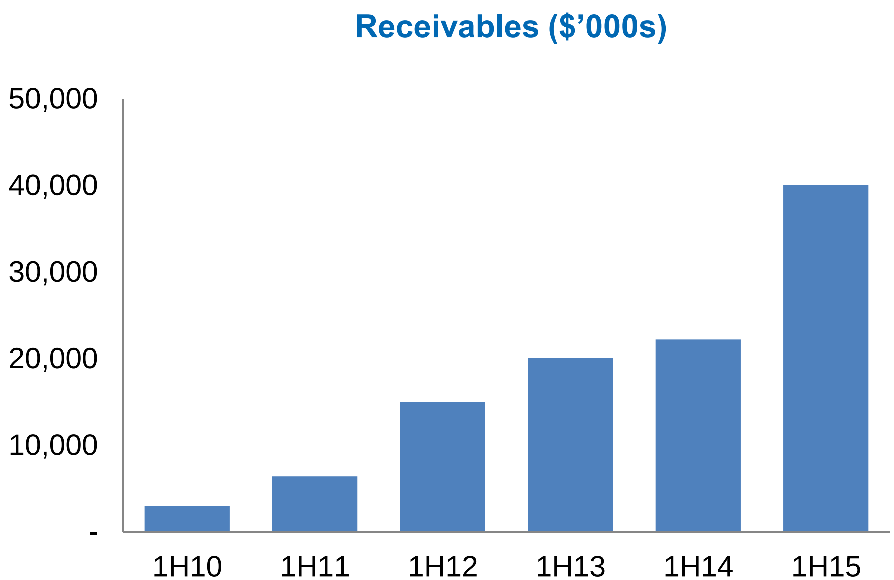


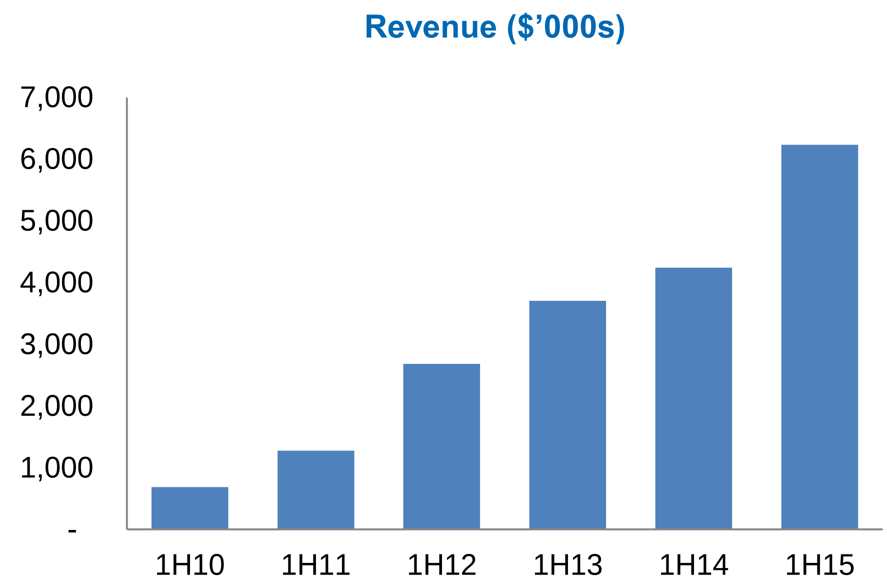
Technology ('000s)



Receivables growth continuing

- EBITDA $0.5m, 9% up on prior year
- Originations grew 179% to $18.5m
- Revenue up 47% to $6.2m
- Marketing investment impacting earnings growth
- Approval rates steady at 19%

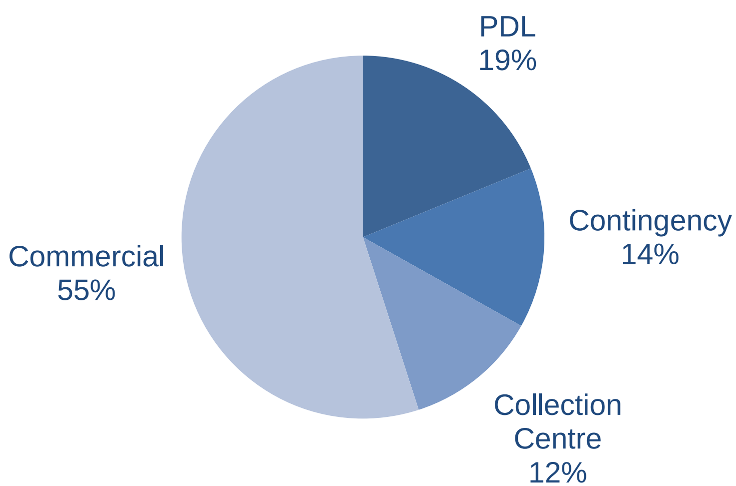




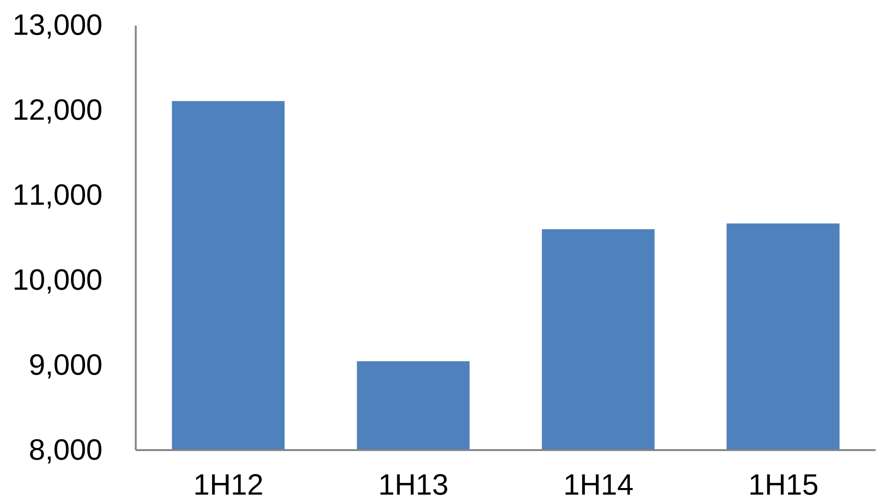
Strong base for growth

- EBITDA $1.9m
- Improved operational performance
- Business development capability enhanced
- PDL receivables grew 27%
- Offshore capability provides flexible cost effective solution

1H15 Revenue Split



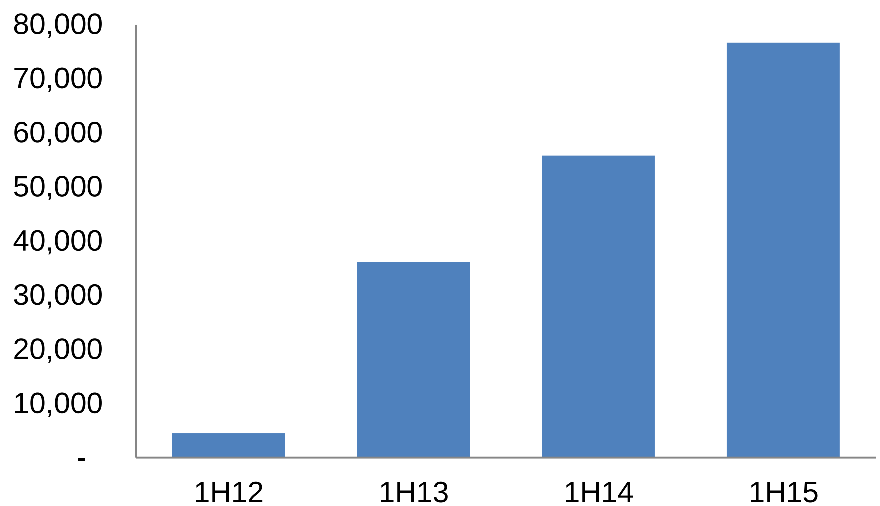
Revenue ($'000s)



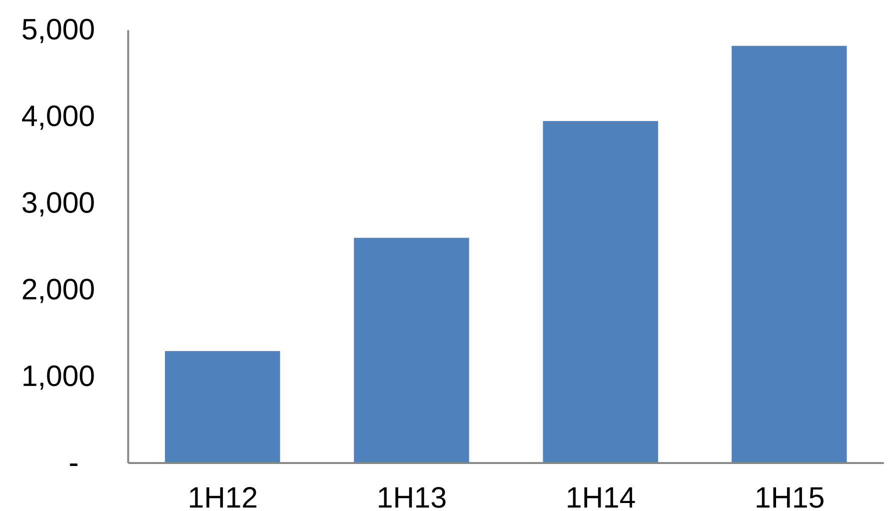
Continued book build towards $100m target

- EBITDA $2.5m, up 62% on prior year
- Revenue up 22% to $4.8m
- Originations up 59% to $24m delivering strong book growth
- Improved direct and partner business generation
- Average deal size $18.4k

Receivables ($'000s)



Revenue ($'000s)



Acquisition - Cash Resources Australia

- Thorn has signed an agreement to purchase Cash Resources Australia (CRA) on a cash and debt free basis for $42.8 million.
- Melbourne-based company that specialises in providing working and growth capital solutions to commercial clients through invoice discounting and secured lending
- CRA have c.$40 million in receivables and a client base of over 200 SMEs
- Service offering extends TEF's capability and relevance in the market
- Takes combined receivables book over strategic $100 million mark
- EPS accretive in first full year of operation
- Funded through extension of existing debt facilities
- Transaction expected to complete in December 2014

Development Areas

Segment	Action Items	Status
Consumer Rental	❑ Longer term contract to improve affordability	❑ New 48mth Rent-Try-$1Buy contract introduced
	❑ Expanded metro footprint	❑ Footprint evolving as leases expire – more showrooms in shopping centres serviced by a local DC's
	❑ Pilot new propositions and potential brand evolution	❑ Pilot stores in selected markets to commence final quarter FY15
	❑ Rent Drive Buy trial	❑ Rent Drive Buy trial ceased
Credit Management	❑ Improve execution and business development capability	❑ Operational performance improved ❑ Business development tools and resources acquired to add capability
	❑ Growth in PDL purchases	❑ PDL purchases up 94% in first half
Consumer Finance	❑ Launch of new products and distribution channels	❑ Direct and indirect channels to market now evolving
Commercial Finance	❑ Expanded product suite and strategic partnerships	❑ Key partner relationships expanded and CRA acquisition expands service offering

Key Strengths and Outlook

Group

- Strong core business continues to deliver record results
- New business divisions gaining momentum and scale
- Evolving balance sheet position

Outlook

- Shift in core business to longer term contracts
- New propositions and branding 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 underlying NPAT growth to above $30M. Reported NPAT will be impacted by transaction costs relating to the CRA acquisition"