

# Thorn Group Limited

ACN 072 507 147

## Chairman's AGM Address

25 AUGUST 2011

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Once again I am delighted to report that Thorn Group Limited has achieved outstanding results for the year ended 31 March 2011.

Thorn's core business, Radio Rentals and Rentlo in South Australia, continues to grow despite consumers caution and the slowdown of the retail sector.

At the end of May the company announced its results for the year ended 31 March 2011, and these were at the top end of the market forecast with a net profit after tax of \$22 M which included a once off expense of \$0.95M due to the acquisition of National Credit Management Limited in March 2011.

On a reported basis the company net profit after tax was 13.8% above last year profit and 40% on a normalised basis.

Managing Director John Hughes will shortly expand on the operations performance last year

On 25 May the Board declared a fully franked final dividend of 4.95 cents a share which was paid on 22 July 2011. This brings the full year dividend to 8.49 cents this year compared to 6.32 cents last year, an increase of 38%

Last year I noted that the group had a very strong balance sheet which opened various opportunities for growth. In March this year we acquired NCML, a receivables management company for a cash consideration of \$31.4M.

In June, the company successfully completed a rights issue to raise \$30M equity which has left the company with a strong balance sheet for future growth.

Your Board acknowledges that it has an important role to play in fostering and upholding high standards of Corporate Governance. Pages 2 to 5 of the financial report set out details of the company policies and practises with regards to Corporate Governance issues. In this context the Board commissioned a review of its performance and of individual directors' performance by an outside consultant. The report noted the good performance of the board and suggested a number of recommendations to improve further its effectiveness. Your Board will embrace the majority of these recommendations.

The company also sets its remuneration policy for directors and senior executives in the Remuneration Report on pages 5 to 13 of the financial report.

Despite the continuing concerns about a two speed economy, the new financial year has started well, and with the addition of NCML for a full year, the company is on track to deliver good earnings growth to its shareholders.

As this is my final AGM as Chairman, I would like to acknowledge the work done by John Hughes and his staff, over the last five years since listing on the ASX. During that time the share price has quadrupled and the company is well set for future growth.

I congratulate John for leading his team to such great results.

Mr David Carter has been nominated to take over as Chairman from 1 October. David is an experienced company director and your company will be in sound hands to drive for further success. I wish David well in his new role.

Finally I also thank shareholders for their support since listing and my fellow directors for their input and encouragement during the year.

**Bernard Carrasco**  
**Chairman of the Board**

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