



Renounceable Entitlement Offer

1 June 2011

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No action has been taken to register shares of the Company or otherwise permit a public offering of the New Shares in any jurisdiction outside of Australia and New Zealand. This presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any New Shares in the United States or to any "US person" (as defined in Regulation S under the U.S. Securities Act of 1922, as amended "the Securities Act"). Shares may not be offered or sold in the United States absent registration or an exemption from registration. The New Shares to be offered and sold in the Entitlement Offer have not been and will not be registered under the Securities Act, or under the securities laws of any state or other jurisdiction of the United States.

1. Capital Raising Overview

Overview

Structure

- 1 for 8 renounceable entitlement offer at \$1.85 per share to raise approximately \$30 million
- The offer represents:
 - 8.9% discount to the adjusted closing price¹ of \$2.03 on 31 May 2011
 - 8.0% discount to the adjusted theoretical ex-rights price² (TERP) of \$2.01 as at 31 May 2011
- Offer fully underwritten by RBS Morgans Corporate Limited

Rationale

- Provide Thorn with the flexibility to actively pursue its strategic initiatives and fund future growth opportunities
- Strengthen Thorn's balance sheet and return gearing to the conservative position it had prior to the acquisition of National Credit Management Limited (NCML)

Timetable

- Offer opens 16 June 2011
- Record date to determine Entitlement of 7:00pm AEST on 9 June 2011
- Offer closes 5:00pm AEST on 30 June 2011

1. Adjusted closing price represents closing price of \$2.08 less 4.95 cent final dividend for the year ended 31 March 2011. Adjusted closing price used as the New Shares are not entitled to the final dividend.

2. Adjusted TERP represents the TERP of \$2.06 less 4.95 cent final dividend for the year ended 31 March 2011. Adjusted TERP used as the New Shares are not entitled to the final dividend.

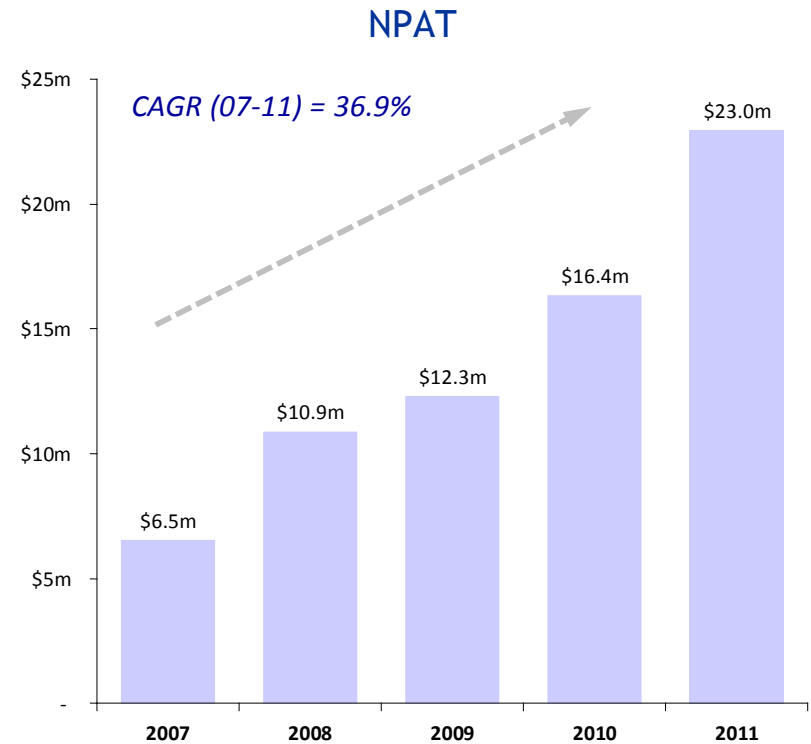
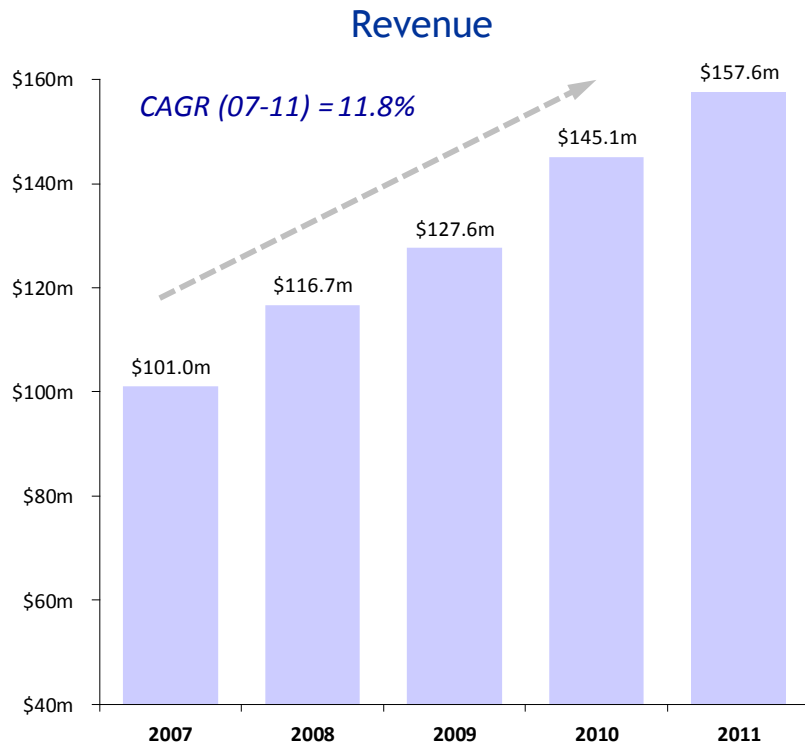
2. Thorn Investment Highlights

Company Strengths and Investment Highlights

- ✓ Outstanding earnings performance
- ✓ Superior shareholder returns
- ✓ Tight financial controls and arrears management
- ✓ Core rental operations underpin performance
- ✓ Extensive strategic opportunities providing potential for further growth and diversity

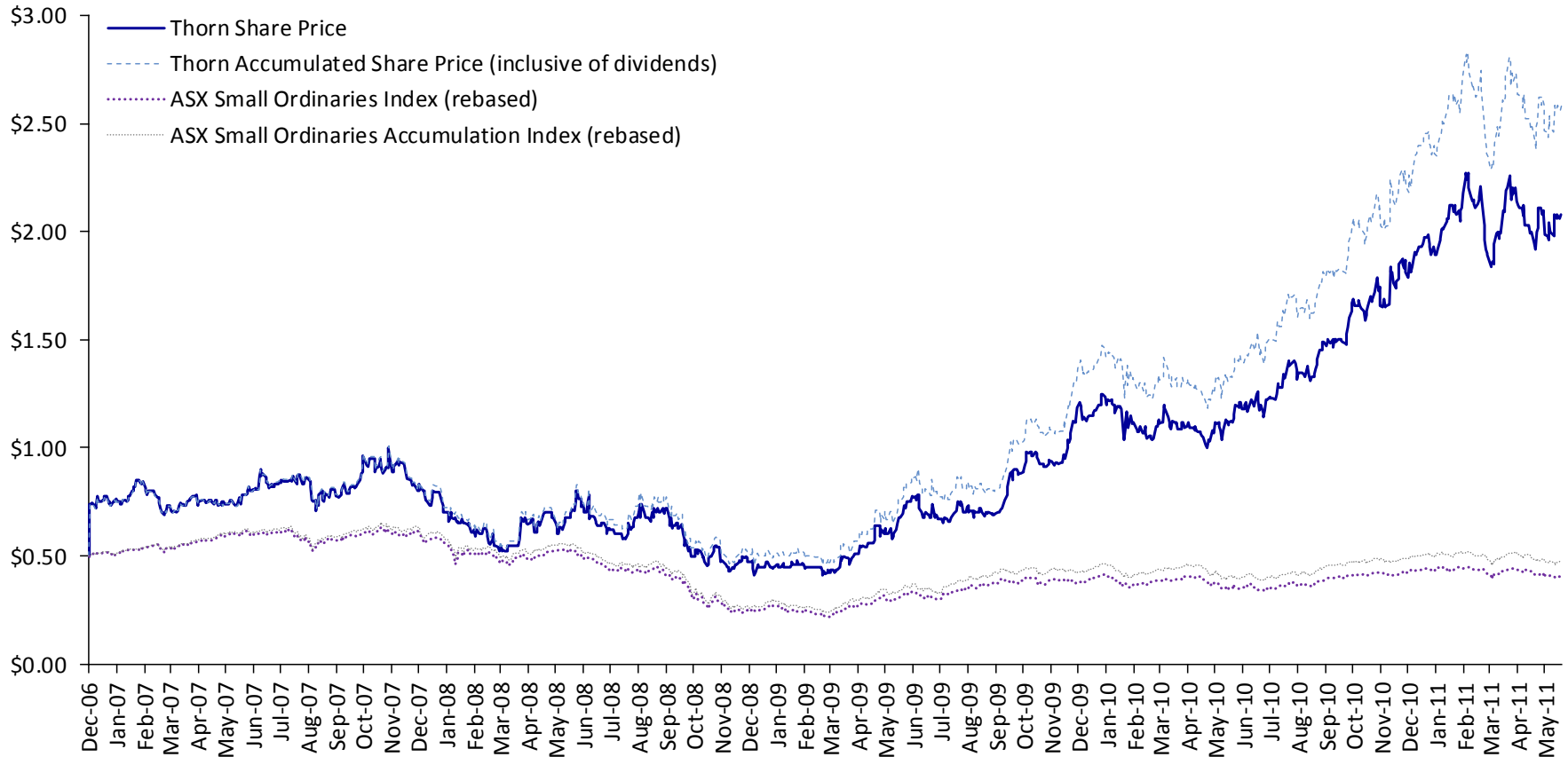
Outstanding Earnings Performance

- ❑ Solid track record
- ❑ Ability to grow in both positive and challenging economic environments
- ❑ Revenue growth of 8.6% to \$157.6 million
- ❑ Normalised NPAT growth of 40% to \$23.0 million



Superior Shareholder Returns

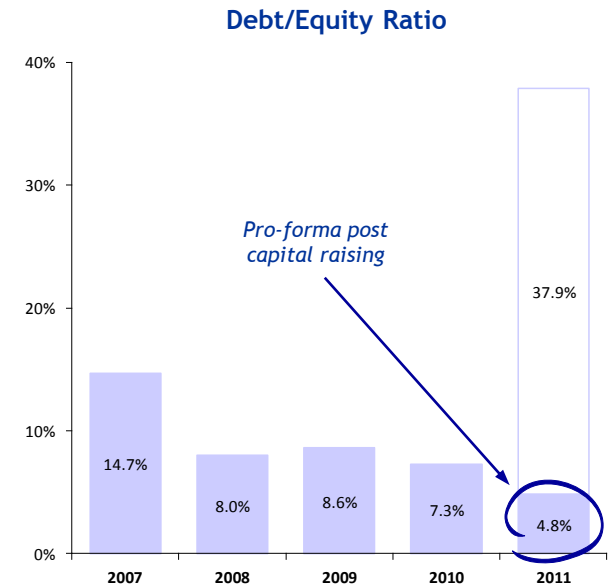
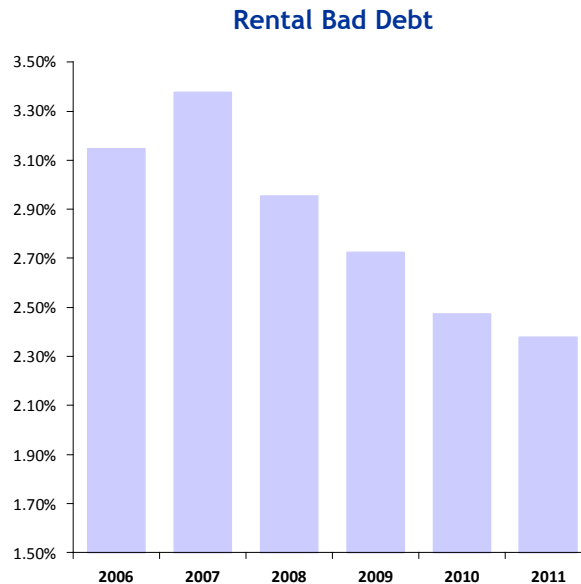
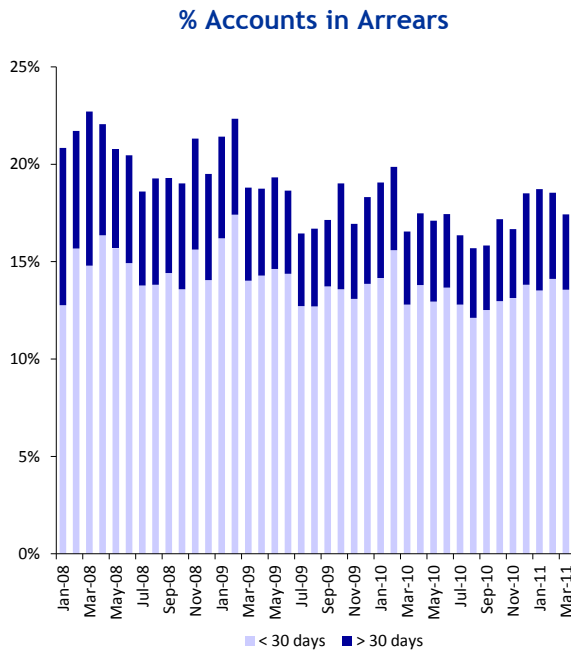
- ❑ Total shareholder return of c.417%¹ since listing
- ❑ Significant outperformance of broader market (ASX Small Ordinaries)



1. Total shareholder return calculated off IPO offer price of \$0.50
Source: IRESS.

Tight Financial Controls and Arrears Management

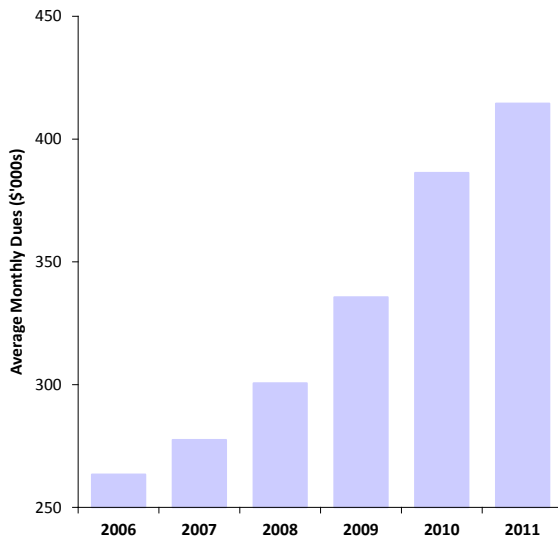
- ❑ Focus on “Responsible Rental Policy”, providing products that suit a customer’s needs and budget
- ❑ Consistent low levels of rental arrears
- ❑ Cashfirst loan book has grown substantially whilst applying a measured approach to loan approvals
- ❑ Conservative pro-forma balance sheet (zero net debt; 4.8% debt to equity ratio)



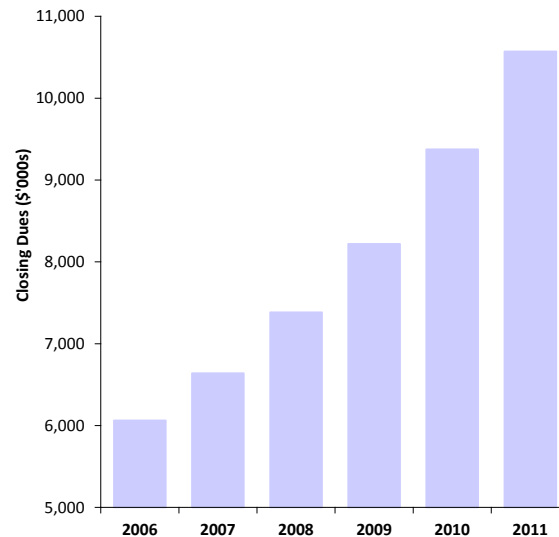
Core Rental Operations Underpin Performance

- ❑ Leading provider of 'essential' household goods to a growing cash & credit constrained market
- ❑ Nationwide store network and growing customer base (approaching 100,000)
- ❑ Rent ,Try, \$1 Buy!™ continues to increase earnings through extended contract lengths and decreasing disconnections

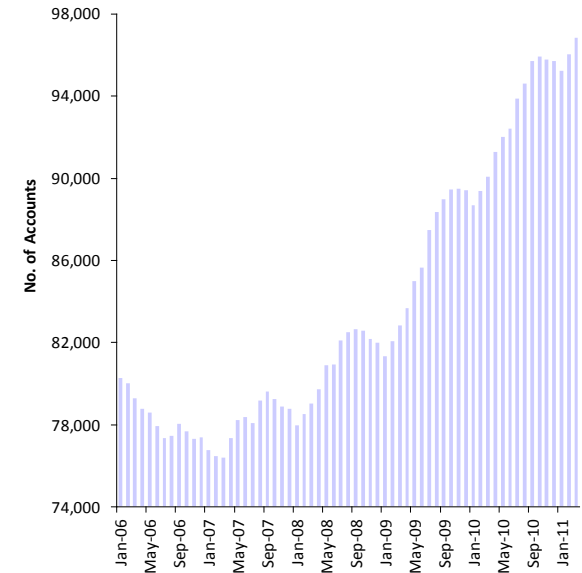
Average Monthly Dues



Closing Dues



Customer Base



Growth Opportunities

❑ Radio Rentals/Rentlo:

- Increased market presence in high potential unserved/underserved areas:
 - ‘One Person Branches’ in regional areas
 - ‘Kiosks’ in metropolitan areas
 - Store redevelopment program

❑ Cashfirst:

- Increased market penetration
- Increased retention - loyalty programs and reduced rates
- Expansion of offering

❑ Thorn Business Services:

- Continuation of organic development strategies
- Unsatisfied demand in <\$100k deal area

Growth Opportunity - NCML

- ❑ A leading national provider of integrated receivables management services
- ❑ Acquired in late March 2011 for \$31.4 million¹
- ❑ In FY2010, NCML recorded revenue of \$21.3 million and EBIT of \$6.2 million

Commercial Collection Services

- Underrepresented in NSW and Queensland - prospective clients identified
- Expansion of service offering
- Further development of Hudson Legal

Consumer Collection Services

- Increased activity with key clients through further development of strategic relationships
- Tenders for major government contracts

Purchased Debt Ledgers

- Favourable industry trends will drive growth
- 'Selective' purchases
- Potential to charge interest (standard industry practice) with IT upgrade

Potential for future acquisitions

¹. Final consideration after deducting cash that remained in the business at acquisition

3. Financial Overview

FY2011 Results

- ❑ Normalised NPAT up 40% at \$23.0 million (pre NCML acquisition costs)
- ❑ 13% increase in Net Profit After Tax to \$22.0 million
- ❑ Revenue up 8.6%
- ❑ 10.5% total customer growth
- ❑ EPS of 17.01 cents, a 32% increase
- ❑ Fully franked DPS of 8.49 cents, a 34% increase
- ❑ Consistent low levels of rental arrears
- ❑ Cashfirst loan book doubles to \$12.2 million
- ❑ Investment in Big Brown Box exited

Pro-Forma Balance Sheet

Balance Sheet (A\$000's)	31 March 2011	Capital Raising	Pro Forma
Cash	9,038	-	9,038
Trade and other receivables	75,942	-	75,942
Rental assets	41,178	-	41,178
Intangibles	38,721	-	38,721
Other	6,962	-	6,962
Total Assets	171,841	-	171,841
Trade and other payables	28,845	-	28,845
Borrowings	36,000	(30,030)	5,970
Other	11,993	-	11,993
Total Liabilities	76,838	(30,030)	46,808
Equity	95,003	30,030	125,033
Capital Structure			
<i>Net Debt/(Cash)</i>	<i>26,962</i>		<i>(3,068)</i>
<i>Shares Outstanding</i>	<i>129.9m</i>	<i>16.2m</i>	<i>146.1m</i>
Financial Ratios			
<i>Debt/Equity Ratio</i>	<i>37.9%</i>		<i>4.8%</i>
<i>Net Debt/Equity Ratio</i>	<i>28.4%</i>		<i>(2.5%)</i>

- Strengthens Thorn's balance sheet
- Net cash position
- Gearing returned to the conservative position held prior to the acquisition of NCML
- Debt to equity ratio reduced from 37.9% to 4.8%
- Provides Thorn with the financial flexibility to actively pursue strategic initiatives and fund future growth opportunities

Note: Thorn balance sheet is the audited balance sheet as at 31 March 2011. \$30m amount raised excludes costs associated with the capital raising.

Company Outlook

“The new financial year has commenced in line with expectations and subject to current economic conditions remaining stable, the Company expects a substantial increase in earnings in the financial year ending 31 March 2012 due to a full year contribution from the acquisition of NCML and solid organic earnings growth from the existing business”

4. Capital Raising Information

Overview of the Entitlement Offer

Offer Size & Structure

- \$30 million fully underwritten 1 for 8 renounceable entitlement offer
- Entitlements may be traded on ASX
- Top-up facility for eligible shareholders to apply for additional shares in excess of their entitlement (dependent on shortfall and Underwriter and Board discretion)

Issue Price

- Fixed Issue Price of \$1.85 per New Share
 - 8.9% discount to the adjusted closing price¹ of \$2.03 on 31 May 2011
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Timing

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Overview of the Entitlement Offer (continued)

Ranking & Dividend

- New Shares will be fully paid ordinary shares and will rank equally with Thorn's existing issued shares
 - New Shares will not be eligible for Thorn's final dividend of 4.95 cents declared on 24 May 2011
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Underwriter

- RBS Morgans Corporate Limited is Lead Manager and Underwriter to the Offer
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Director Support

- All Thorn Directors, other than Managing Director, John Hughes, intend to take up their full Entitlements under the Offer
 - Due to other financial commitments John Hughes is not in a position to take up his Entitlements and will seek to sell them on ASX
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Indicative Timetable

Key Events	Date
Announcement	1 June 2011
708AA cleansing notice and Appendix 3B lodged with ASX	1 June 2011
Shares commence trading ex-Rights	3 June 2011
Rights trading commences	3 June 2011
Record Date	7:00pm AEST on 9 June 2011
Offer opens	16 June 2011
Offer Booklet and acceptance forms despatched	16 June 2011
Rights trading finishes	4:00pm AEST on 20 June 2011
Deferred settlement trading	21 June 2011
Offer closes	5:00pm AEST on 30 June 2011
ASX notified of under subscription	5 July 2011
Despatch date of shareholder statements	8 July 2011
Normal trading commences	11 July 2011

Note: The above timetable is indicative only and subject to change without notice.

Ineligible Shareholders

- ❑ Ineligible Shareholders are those Shareholders with registered addresses outside of Australia or New Zealand as at the Record Date. Thorn has decided not to make an offer to these Shareholders in accordance with the Corporations Act and the ASX Listing Rules. Entitlement and Acceptance Forms are not being sent to Ineligible Shareholders
- ❑ Thorn has appointed a nominee for Ineligible Shareholders
- ❑ Thorn will issue the nominee with the Entitlements that would have been available for subscription by Ineligible Shareholders had they been eligible to participate in the Entitlement Offer
- ❑ The nominee will endeavour to sell the Entitlements of these Ineligible Shareholders to purchasers that are sophisticated investors for the purposes of s708(8) if the Corporations Act or professional investors for the purposes of s708(11) of the Corporations Act
- ❑ Thorn will remit the proceeds of any such sales (net of expenses) proportionately to Ineligible Shareholders

5. Key Risks

Key Risks

An investment in Thorn will be accompanied by various risks. Some of these risks are specific to the Company while others relate to investing in shares in general. This section describes a range of risks associated with an investment in Thorn. The risks outlined should not be considered exhaustive of the risks faced by Thorn and its investors.

If any of the following risks eventuate, either in whole or in combination, the value of your investment in Thorn may decline or be lost.

GENERAL RISKS

Share Market Risks

There are risks associated with investing in shares. On completion of the Entitlement Offer, Thorn shares may trade on the ASX at prices lower or higher than the offer price. The price at which Thorn shares trade on the ASX will be affected by the financial performance of the Company and by external factors which are out of the control of the Directors and the Company such as overall economic and market conditions and investor perspectives on the retail and financial services industries.

General Economic Conditions and Outlook

The operating and financial performance of Thorn is influenced by a number of economic and business conditions in Australia and overseas including levels of consumer spending, inflation, interest rates, access to debt and capital markets and government fiscal, monetary and regulatory policies, national or international political and economic stability. Any changes to general economic conditions can impact on Thorn's business or financial condition.

Liquidity

There is no guarantee that an active market in the Company's shares will continue, or that the price of the shares will increase. There may be relatively many or few buyers at any given time which may increase share price volatility.

Tax Risk and Other Laws

Changes to relevant taxes, laws and regulations, accounting standards or other administrative regimes within Australia and overseas may adversely affect the financial performance of Thorn.

SPECIFIC RISKS

Increase in Competition

Increased competition could result in reduced operating margins, price reductions, under-utilisation of assets and loss of market share. If this was to occur, it may have an adverse impact on the operating and financial performance and financial position of Thorn.

Operating Performance

The operating performance of Thorn is materially dependent on the Rent Try Buy Proposition and can also be affected by the success of new product lines from time to time.

Key Personnel

Loss of any key personnel could have an adverse impact on the Company's performance.

Operating Leverage

Thorn's operating model implies a relatively high fixed cost base and therefore a reduction in installments or increase in disconnections over any given period can have an adverse affect on the Company's financial performance.

Centrelink Arrangements

A portion of Thorn's business is undertaken through an arrangement with the Commonwealth Government which provides direct payment on behalf of welfare recipients receiving Centrelink benefits. Any change to this arrangement may adversely affect the Company's installation rates, collection profile and bad debts and therefore financial performance.

Key Risks

SPECIFIC RISKS (CONTINUED)

Regulation

The industry in which Thorn operates is highly regulated. One of the key regulations which impacts Thorn Group's operations is the National Credit Code. Compliance and regulatory issues can arise under such an environment which could adversely affect the Company's operations. Any changes to regulations may also impact on operations.

Future Capital Requirements

There can be no guarantee that additional capital or liquidity will not be required by Thorn in the future. Such raisings can be dilutive to shareholders.

Company Reputation and Brand Name

The success of the Company is reliant on its reputation and brand name. Any factors that diminish Thorn's reputation or brand name could impede its ability to compete successfully and may adversely affect its future business plans.

Customer Satisfaction and Loyalty

As a customer service business, Thorn is dependent on customer satisfaction and loyalty. Any decline in customer satisfaction or loyalty could adversely impact on the financial performance and/or the share price of Thorn.

Acquisition Risk

There is a risk that Thorn may discover liabilities or defects associated with its recent acquisition of National Credit Management Limited that were not identified through due diligence or for which there is no protection for Thorn under relevant warranties included in the sale agreement. Furthermore, Thorn may fail to successfully recover under warranties that were set out in the sale agreement. There is also a risk that the operational assumptions on which the acquisition was made do not materialise. This could adversely affect the financial performance or position of the Company.

Unemployment Risk

The operations, profitability and financial position of National Credit Management Limited are impacted by the general level of unemployment prevailing in the economy. To the extent that unemployment increases, this may adversely impact on the level of debtor collections undertaken by National Credit Management Limited.

Purchased Debt Ledger Risk

National Credit Management Limited is involved in the purchasing of debt ledgers. Risks involved with purchasing debt ledgers that may adversely impact the profitability and financial position of Thorn include the potential impact to earnings and asset carrying values as a result of collections taking more time to recover, or the recovered amount being less than anticipated.

Delinquency Risk

Thorn is exposed to its customers' ability and willingness to meet their payment obligations during the term of their contracts. Should the level or quantum of defaults be higher than that assumed by Thorn or experienced by Thorn historically, it could have an adverse impact on the financial performance and prospects of Thorn.

Currency Risk

Thorn is exposed to movements in currencies particularly with respect to the US Dollar. Depreciation of the Australian dollar relative to the US could increase Thorn's costs of goods sold expense and correspondingly impact earnings margins if Thorn was unable to pass on the increased costs via increased rental rates to consumers.

Underwriting

The Underwriter may terminate its obligations under the underwriting agreement on the occurrence of certain customary events. Thorn reserves the right to withdraw the Offer in its sole and absolute discretion and will consider doing so if the Underwriter terminates its obligations. If it does so, shareholders and other investors who have purchased entitlements on market will not be able to exercise their rights and the rights will cease to have value.