

ASX & MEDIA RELEASE

20th April 2016

THORN WELCOMES THE GOVERNMENT'S APPROACH TO PANEL REPORT

Financial services company, Thorn Group Limited (ASX: TGA), welcomes the release yesterday of the final report of the government appointed panel reviewing small amount credit contracts and consumer leases, especially as it moves towards certainty in providing these services.

The final report recommends, among other things, caps on consumer lease pricing which relates to Thorn subsidiary, Radio Rentals.

Thorn is currently considering the detail of the potential effect of these pricing caps on its business, although the generality of effect is that it would potentially reduce margins on a small percentage of products, but would not impact the viability of the business.

Thorn notes that Assistant Treasurer, the Hon Kelly O'Dwyer MP, in releasing the report said the Government would consult with industry and consumers before making any decisions on the recommendations.

Thorn welcomes this approach and will participate in the consultation process to seek further clarity on income threshold recommendations, which it views as unnecessarily restrictive and which may have unintended consequences for customers seeking assistance.

Thorn Managing Director, Mr James Marshall, said the industry in its engagement with the Review Panel had recommended caps be made on consumer leasing and is encouraged to see these have been considered.

Thorn's business, Radio Rentals, which has been providing consumer leasing to Australians for nearly 80 years, recently conducted research of customer attitudes through independent firm, Roy Morgan.

More than half of all respondents said that if they had not gone to Radio Rentals, they would have had to go without the goods and 70 per cent said Radio Rentals was the only way for them to access affordable everyday essential goods.

Other results were that 92 per cent considered Radio Rentals affordable, 97 per cent said Radio Rentals treated them with dignity and respect and 95 per cent said "Rent Try \$1Buy" was important to them.

Thorn considers this research substantiates community demand for consumer leasing and the way Radio Rentals operates.

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ABOUT THORN GROUP LIMITED (ASX: TGA, www.thorn.com.au)

Thorn Group is a diversified financial services company, providing financial solutions to niche consumer and commercial markets. Thorn's operating priorities are diversifying and growing as a business and meeting the needs of customers, employees and investors. Its principal operations are its foundation business, Radio Rentals (RR in South Australia), a leader in the household goods rental market since 1937 and with over 90 outlets nationally, and Thorn Business Finance, a provider of leasing and debt finance to businesses. Thorn employs in excess of 800 people, has been listed on the ASX since 2007, is licensed under the National Consumer Credit Protection Act 2009 and operates a responsible lending policy.
