

ASX & MEDIA RELEASE**1 April 2019****STRATEGIC REVIEW, PROFIT GUIDANCE, FACILITY UPDATE AND CLASS ACTION**

Thorn Group Ltd (**ASX:TGA**) (the **Company**) today advises the following matters:

Strategic Review

The Company has initiated a review of the Company's strategic options. The Board believes that it is an appropriate juncture to review the Company's businesses to protect and maximize shareholder value. The review will encompass strategic options, alternative ownership considerations, operational practices, procedures and business profitability, amongst other scenarios.

The Company will seek input from various stakeholders throughout the review process and has engaged external advisors. The length of time required for such a review is difficult to ascertain at this stage but the Company will endeavour to complete its examination and provide an update to shareholders within the next few months.

Profit Guidance

Thorn advises that there are a number of matters which will adversely affect its reported results and balance sheet for the year ended 31 March 2019 and the Company's previous profit guidance dated 31 January 2019.

The previous profit guidance for a loss in the order of \$(6m) is now revised downwards to a loss in the order of \$(8m) following increased arrears and write offs in the Company's consumer leasing business. These results will be further subject to a review of asset values for impairment. These matters are yet to be audited.

In order to retain cash for balance sheet flexibility, the Company does not expect to pay a final dividend.

Banking Facility Amendment

The Company's corporate facility limit of \$30m with a termination date of 30 November 2020 is now subject to a drawstop such that all new utilisations, other than rollover loans and those accessing the overdraft and set-off components of the facility, require prior lender approval.

Class Action update

On 5 April the Company will resist an application by the Applicant to amend its pleadings to allow for the joinder of a former director of the Company and its insurer. Currently, the hearing of the matter is scheduled for 15 October 2019.

Thorn will continue to provide further updates in respect of the strategic review, its guidance and the class action to ensure that the market is fully informed.

End of release.

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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 consumers and businesses. Thorn's consumer leasing business, Radio Rentals (RR Rentlo Reinvented in South Australia), is a leader in the household goods consumer leasing market, operating since 1937 and with 64 retail stores nationally. Thorn Business Finance is a provider of leasing and other financial services to small and medium enterprises. Thorn employs approximately 550 people, has been listed on the ASX since 2006, is licensed under the National Consumer Credit Protection Act 2009 and operates a responsible lending policy.