

ASX & MEDIA RELEASE**12 August 2019****STRATEGIC REVIEW AND CEO UPDATE**

Thorn Group Ltd (**ASX:TGA**) (the **Company**) would like to provide the following update.

STRATEGIC REVIEW

On 1 April 2019 the Company announced that it had initiated a review of its strategic options. While the Strategic Review continues to progress and nears completion, a number of areas for improvement are underway.

Radio Rentals (RR)

Demand for consumer leasing continues to shift from store origination to online. Through ongoing review of performance and productivity of the store network and Lease maturity dates, a store rationalisation process has now commenced.

3 stores have been closed in recent weeks, and a further 5 stores in total will be closed over the next 30 day period. These 8 stores currently contribute \$3.7m (4.2% total) in sales revenue for consumer leasing per annum. There will be \$1.1m of one off costs incurred in exiting these locations. The closures will reduce retail costs of doing business while retaining 61 stores nationwide plus online capability.

Customers affected by store closures will be transferred to the nearest store to ensure continuity of sales and service management.

Corporate Costs

The business continues with initiatives to reduce expenses but corporate costs continue to remain elevated due to legal costs in defending the ongoing class action and recent advisory costs associated with the Strategic Review.

CEO UPDATE

The Company's Chief Executive Officer, Tim Luce, has indicated his intention to leave the Company to pursue other interests. He remains committed to working with the Board through the Strategic Review process and recruitment of a suitable replacement before exiting.

TRADING UPDATE

The outlook continues to remain challenging with declining group revenue, fluctuating arrears and general market uncertainty in the retail sector. A further update will be provided at the Company's AGM on 30 August 2019.

END

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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 69 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.