

ASX & MEDIA RELEASE**22 March 2018****THORN GROUP LIMITED (ASX:TGA)****Thorn Group Limited: Trading Update**

Thorn Group Limited (“**Thorn**” and the “**Company**”) announces that trading conditions in its consumer leasing division have deteriorated and this will materially affect the Company’s future financial results.

In its half year report, the Company advised that Radio Rental’s installation volumes were 27% lower than the prior period and that the outlook would be subdued with full year cash profit after tax to be in the range of \$17m to \$20m. Thorn expects the cash profit after tax for the 31 March 2018 year end to be around the lower end of this guidance.

The performance of Radio Rentals continues to deteriorate and trading conditions are likely to be difficult in the medium term. The results have been further impacted by the adverse publicity from Thorn’s settlement with ASIC and the ongoing class action.

Under the leadership of the new Chief Executive Officer, Tim Luce, the Company is responding to these challenges and is developing a refreshed and extended retail offering in Radio Rentals, further promotional activities and a strategic review to improve business performance.

Thorn’s Business Finance division continues to show strong results.

On the funding side, Thorn is strengthening its balance sheet position having already reduced its corporate loan balance in line with bank requirements through the sale of business units.

The solid performance of the Company’s business finance division and the sale of profitable businesses will not offset the weak underperformance of the consumer leasing division. Accordingly, the Company’s profits next year will be significantly less than the year ending March 2018.

Thorn will provide a further update with the announcement of its end of year results in May.

End of release.

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

Thorn Group is a consumer leasing and business finance company. Thorn's foundation consumer leasing business, Radio Rentals (RR Rentlo Reinvented in South Australia), is a leader in the household goods rental market, operating since 1937 and with over 90 outlets nationally. Thorn Business Finance is a provider of leasing and debt finance to businesses. Thorn employs in excess of 800 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.