

**ASX & MEDIA RELEASE****10 August 2018****Thorn ABS Warehouse Trust**

Thorn Group Limited (**ASX:TGA**) advises that it has today introduced a mezzanine debt financier into the Thorn ABS Warehouse Trust No. 1 (**Warehouse**), which funds Thorn's Business Finance division (**Transaction**).

The mezzanine investors (**Mezzanine Investors**), have subscribed for \$68 million of subordinated notes in the Warehouse - holding the Class B, C, D and E Notes (**Mezzanine Notes**) in the Warehouse. The Mezzanine Notes are fully drawn. The Mezzanine Investors are funds controlled or managed by a large, ASX listed investment management firm. Westpac has reduced its Class A Note holding in the Warehouse by 5% from 80% to 75% and Thorn has reduced its holding from 20% to 8% and will hold Class F Notes, which are fully subordinated to Westpac's Class A Notes and the Mezzanine Notes. As part of the Transaction, Westpac has increased its funding limit in the Warehouse from \$250 million to \$300 million, taking the total facility to \$400 million.

The \$36 million released to Thorn has been used to repay part of Thorn's corporate facility after Thorn has paid fees and expenses and reserved certain cash amounts required as part of the Transaction.

The Warehouse has been rated: 75% of the notes rated AAA and held by Westpac, 17% rated from AA to BB and held by the Mezzanine Investors, with the remaining 8% held by Thorn and unrated.

The investment by the Mezzanine Investors introduces new funding partners and provides additional funding capacity to allow Thorn's Business Finance division to continue to fund its growth. It also enables Thorn to reduce its corporate facility balance to below the required progressive debt reduction.

End of release.

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**ABOUT Thorn GROUP LIMITED (ASX: TGA, [www.Thorn.com.au](http://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 600 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.