

ASX & MEDIA RELEASE**27 July 2018****THORN GROUP LIMITED (ASX:TGA)****Appendix 4C, June 2018 Quarter**

Thorn Group Limited (ASX: TGA) is pleased to release its Appendix 4C for the quarter ended June 2018 as required per listing rule 4.7B.

This cash flow report is unaudited and discloses the inflows and outflows of cash during the quarter ended 30 June 2018 and for the year to date ended 30 June 2018.

Please note:

- The cash at bank balance at 30 June 2018 was \$21 million.
- The loan facility drawn balances were \$41 million as at 30 June 2018 in Thorn's corporate facility and \$249 million in its securitised warehouse facility.
- As reported previously, the Company's lender had instituted a progressive debt repayment requirement for its corporate facility to a limit of \$50 million by 30 September 2018. This milestone was successfully achieved during the quarter ended 31 March 2018.

End of release.

For further information please contact:

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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 80 outlets nationally. Thorn Business Finance is a provider of leasing and 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.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Thorn Group Limited

ABN

54 072 507 147

Quarter ended ("current quarter")

30th June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	90,705	90,705
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(2,606)	(2,606)
(d) leased assets	(2,653)	(2,653)
(e) staff costs	(12,563)	(12,563)
(f) administration and corporate costs	(13,727)	(13,727)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(3,836)	(3,836)
1.6 Income taxes paid	(2,875)	(2,875)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material) *	(64,458)	(64,458)
1.9 Net cash from / (used in) operating activities	(12,013)	(12,013)

* Relates to rental asset and equipment finance purchases

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1,077)	(1,077)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(1,077)	(1,077)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	32,411	32,411
3.6 Repayment of borrowings	(26,452)	(26,452)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	5,959	5,959

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	28,227	28,227
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(12,013)	(12,013)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1,077)	(1,077)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	5,959	5,959

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	21,096	21,096

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	21,096	28,227
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	21,096	28,227

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

Current quarter \$A'000

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N/A

- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

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7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

Current quarter \$A'000

N/A

N/A

- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	320,000	290,267
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

The Loan Facilities above are funded by Westpac Banking Corporation and include:


1. A \$70m loan facility drawn to \$41m, secured by a fixed and floating charge over the assets of the consolidated entity.
2. A \$250m securitised warehouse loan facility drawn to \$243m, secured by rentals and payments receivable in respect of underlying equipment finance lease receivables.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	(2,635)
9.4 Leased assets	(2,629)
9.5 Staff costs	(14,483)
9.6 Administration and corporate costs	(9,724)
9.7 Other (provide details if material)	(64,050)
9.8 Total estimated cash outflows	(93,521)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	N/A	N/A
10.2 Place of incorporation or registration	N/A	N/A
10.3 Consideration for acquisition or disposal	N/A	N/A
10.4 Total net assets	N/A	N/A
10.5 Nature of business	N/A	N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  Date:

(Director/Company secretary)

Print name: Tim Luce

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.