Full-Year Results Presentation 2013

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Performance remains strong

Group

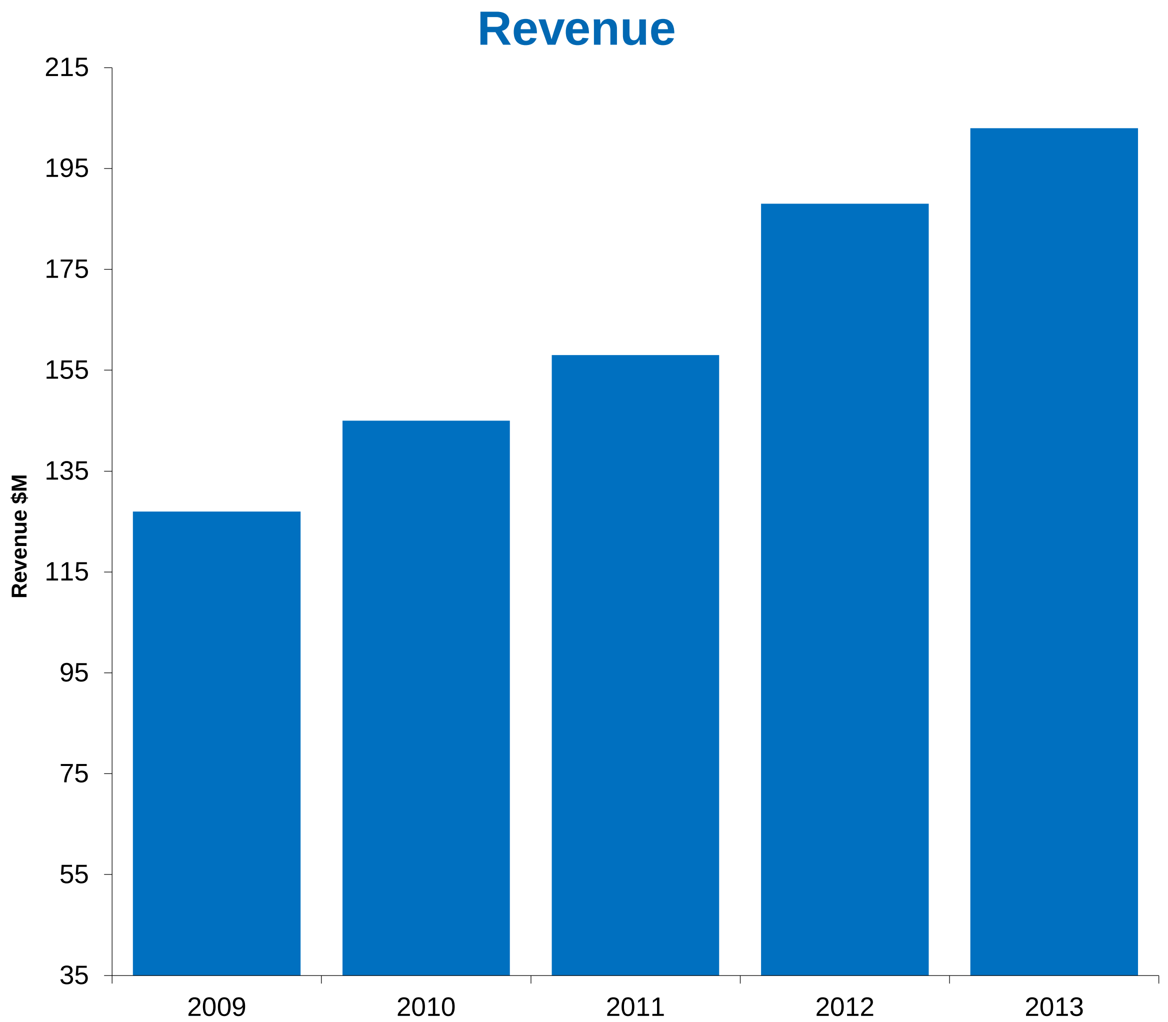
- NPAT steady at $28m
- Cash NPAT[1] consistent at $29.8m
- Revenue up 8% to $203m
- Average ROCE continues strongly at 24.8%
- Basic EPS of 19.11 cents
- Operating cash grew to $93m
- Gearing levels remain conservative at 19%
- Final dividend up 9% to 6 cents; distribution up to 55%

By Division

- Radio Rentals – record installations and earnings
- Cashfirst – loan book beyond $20m
- Thorn Equipment Finance (TEF) – strong book build to $36m
- NCML – strong second half customer generation
- Rent Drive Buy – trial commenced

[1] *Cash NPAT is calculated as NPAT adjusted for the amortisation expense of NCML customer relationship intangible asset*

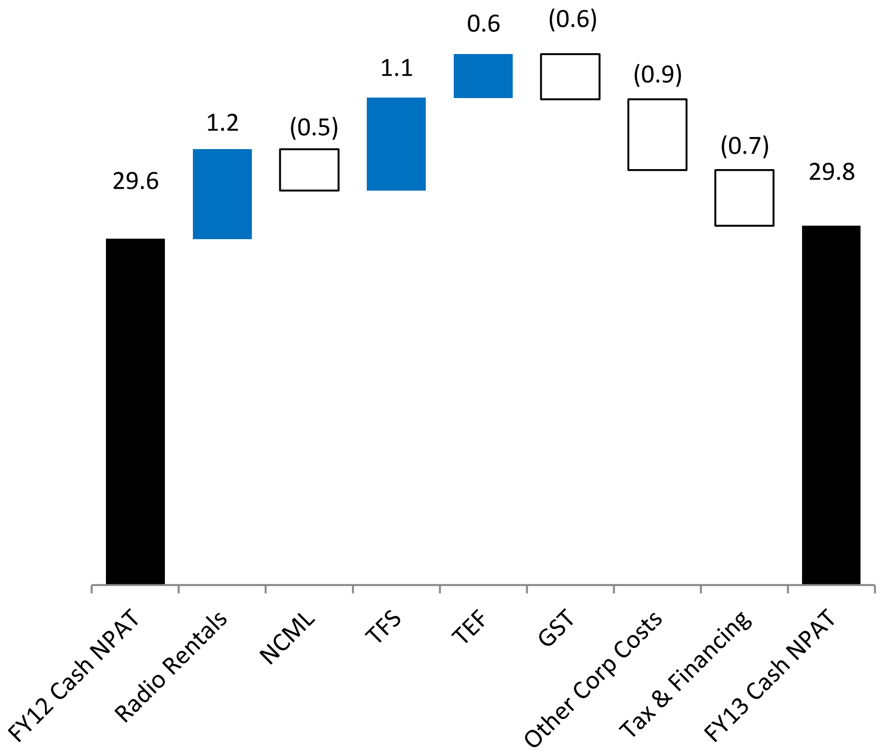
Revenue rises 8% with new business growth



Cash NPAT[1] steady as investment continues

- Radio Rentals grew earnings contribution to a new record
- NCML earnings impacted by lower PDL revenue
- Cashfirst improved with loan book growth
- TEF book growth yet to fully convert to earnings
- One-off costs:
  - GST issue expensed
  - Tax structure and consulting fees
  - New finance facilities

Cash NPAT[1] Bridge FY12 – FY13 ($m)



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Provisions increased as business builds

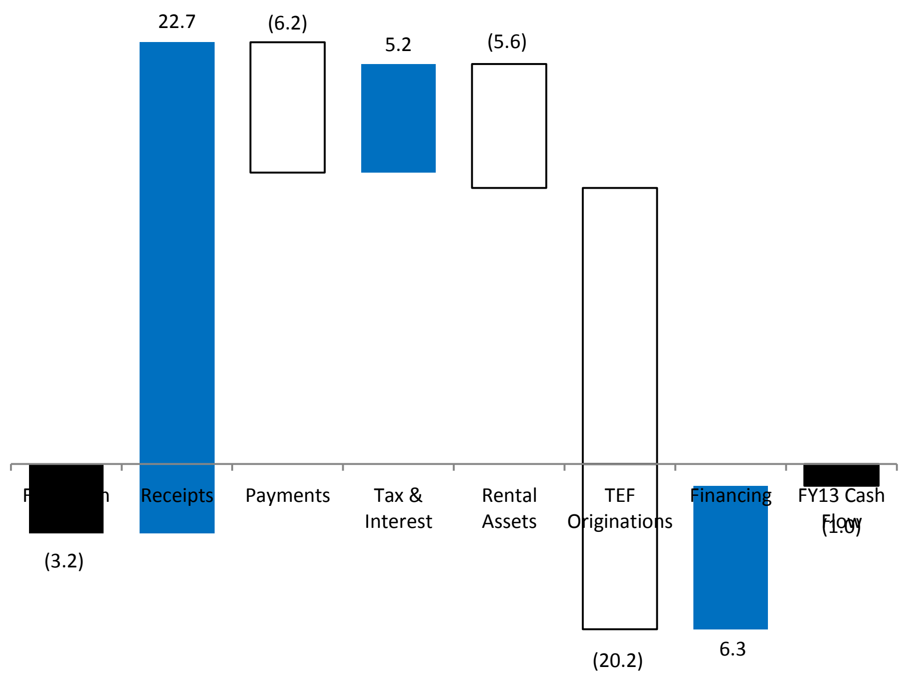
- Consumer Leasing
  - Losses well maintained in a tightening market
  - Finance lease provision impacted by the popularity of Apple products
- Cashfirst
  - Losses reduced to 8.9%
  - Provisioning revised favourably
- Regular debt sale process initiated

In thousands of AUD	FY12	FY13
Consumer Leasing		
– Provisioning	**6,272**	**7,112**
– Asset losses	**2,594**	**2,699**
– Net Debt	**1,490**	**1,784**
Cashfirst		
– Provisioning	**589**	**293**
– Net Debt	**1,293**	**1,779**
TEF		
– Net impairment losses	**568**	**1,832**

Cash Flows continue to increase

- Receipts increased 11% driven by Radio Rentals, TEF and Cashfirst
- Payments increased $6.2m, $2.1m due to Cashfirst settlements
- Tax favourable due to the deferred tax gain re NCML acquisition
- Increase in Rental Asset expenditure due to furniture demand and introduction of Apple
- TEF settlements 2.5 times prior year
- Financing favourably impacted by the introduction of the DRP
- Increased debt used to fund TEF settlements

Cash Flow Bridge FY12 – FY13 ($m)



Continued key asset growth

	31 Mar 13	Movement	
		$m	%
Radio Rentals Leases * Rental Assets	 95,707 52,929	 6,375 4,451	 7 9
Thorn Equipment Finance* Leases	46,521	30,978	99
Thorn Financial Services (Cashfirst) Loan Book	21,754	4,430	26
NCML PDLs	8,295	1,592	24

** Consumer and Commercial lease book disclosed on a gross basis, inclusive of interest due*

Additional debt facilities to fuel growth

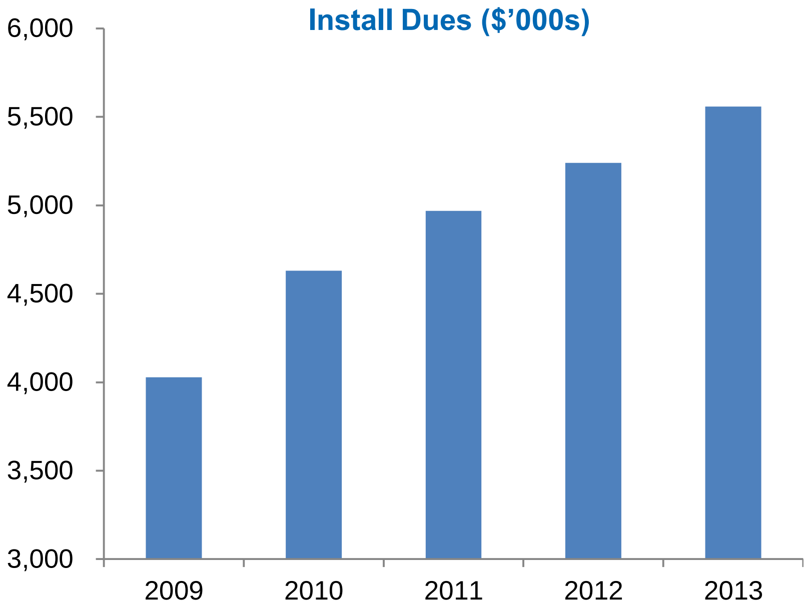
- Corporate debt facility
  - Increased by $20m to $50m
  - Extended to July 2016
- Securitisation facility
  - $50m to fund TEF growth
  - Funding to commence June 2013

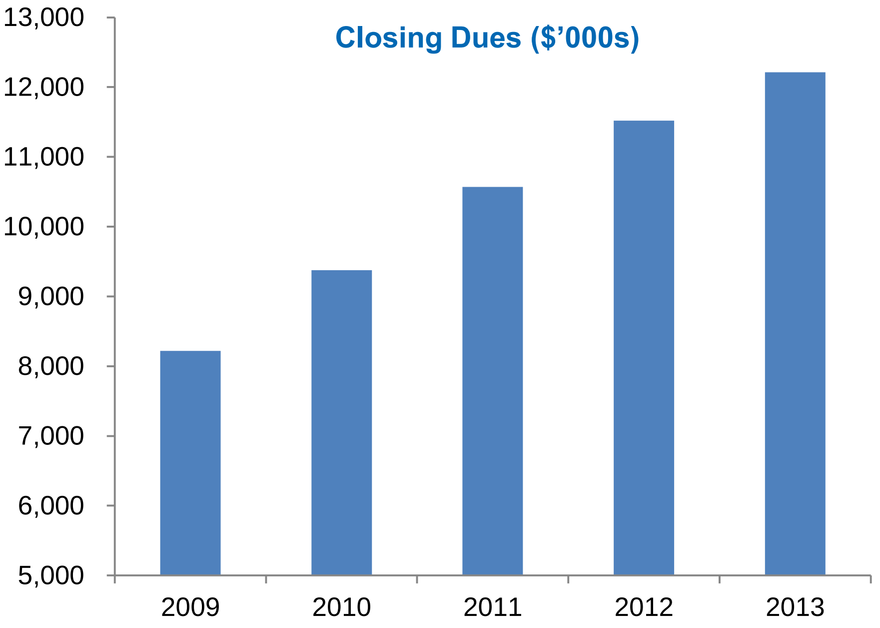
As reported Mar-13			
Facility	Limit	Drawn	**Headroom**
Corporate	$50.0m	$28.9m	**$21.1m**

Expected Jun-13			
Facility	Limit	Drawn	**Headroom**
Corporate	$50.0m	$8.9m	**$41.1m**
Securitised	$50.0m	$20.0m	**$30.0m**
Total	$100.0m	$28.9m	**$71.1m**

radio rentals Another record result

- EBITDA $48.1m, 3% up on prior year
- Total installation revenue grew 6%
- AUR (average price per unit) increased 3% to $49.18
- Customer retention improved from 44% to 48%
- Disconnections dues grew 12% in-line contract maturity profile





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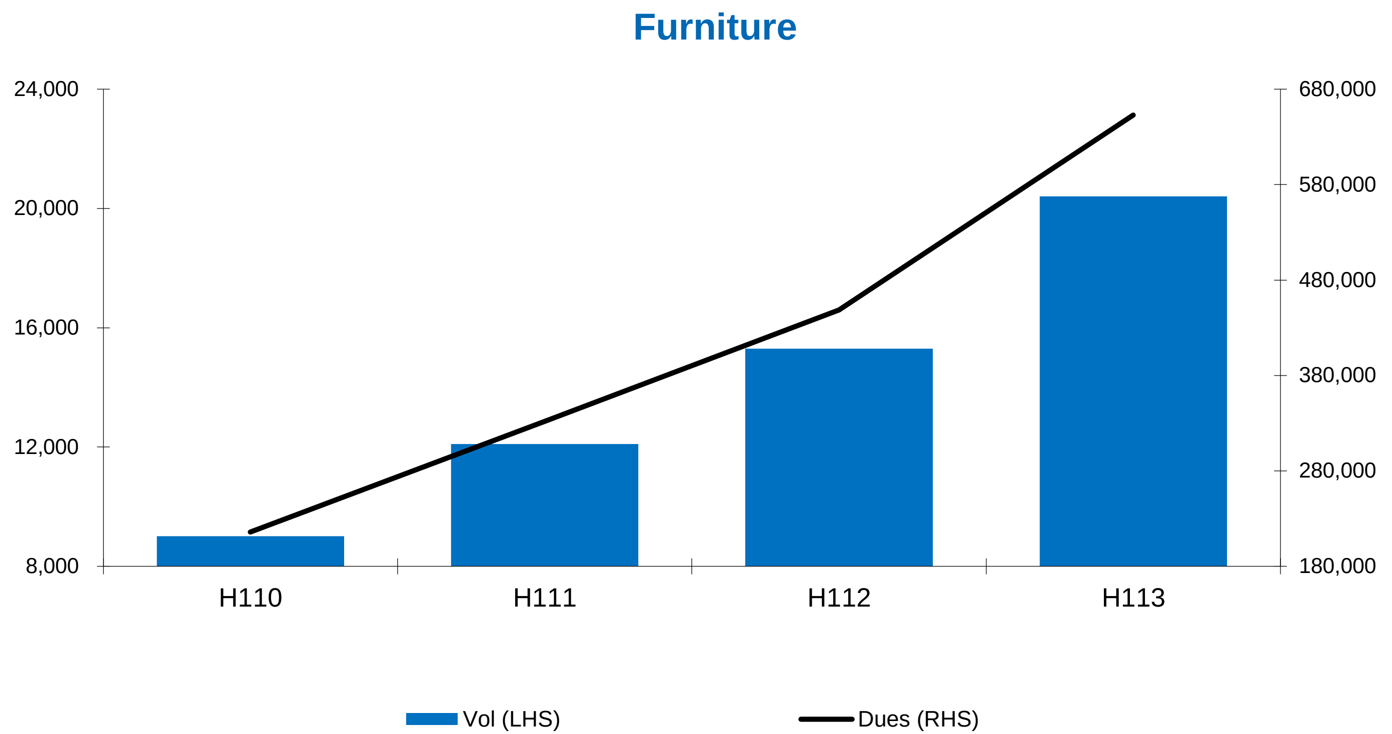
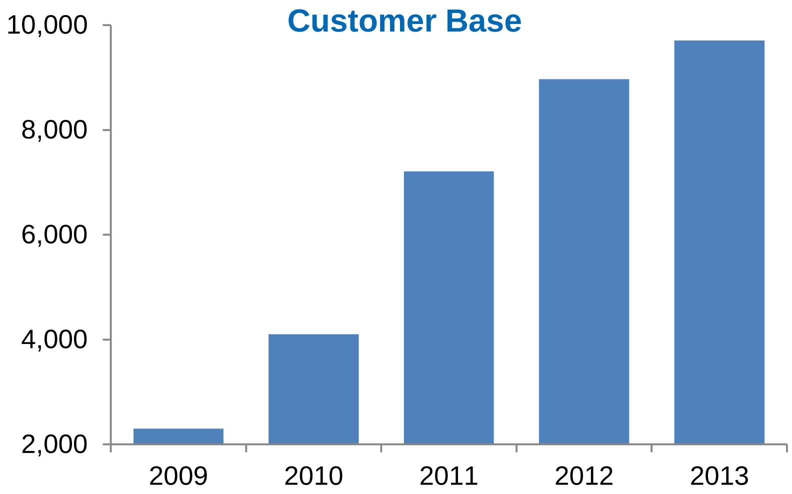
radio rentals Furniture strength continues

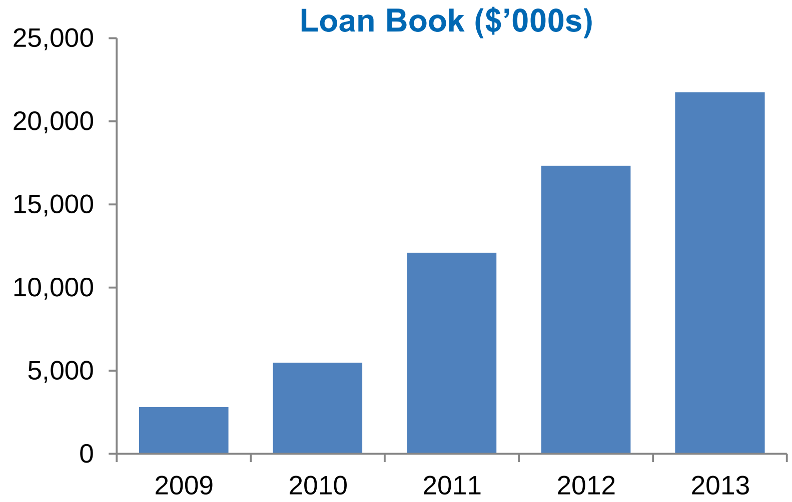
- Furniture up 46% - increased demand for lounge and dining
- Technology products up 6% with Apple introduction
- Other categories steady



Cashfirst Loan Book $20m+

- Building the loan book is key priority
- EBITDA $1.6m - up 62% and impacted by GST issue
- Normalised EBITDA $2.2m
- New Business originations solid at $9.6m & average loan $2,400
- Refinancing increased to $6.1m - up 67%
- Approval rates maintained at 15-20%
- Annualised write-off rate 8.9%

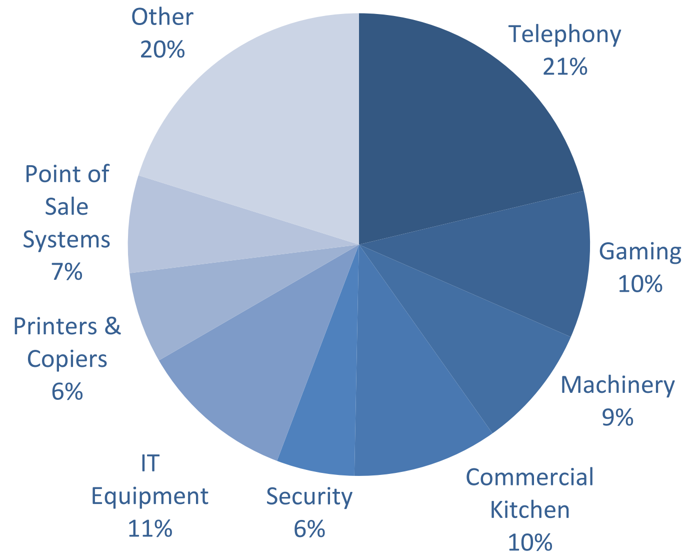




Continued book build towards $100m target

- Securitised $50M facility being finalised
- EBITDA $1,051k - up 142%
- Originations $33.2m – up 155%
- Brokers and introducers remain key originators – diversified portfolio
- Arrears steady - sub 5%
- Average deal size $22,000

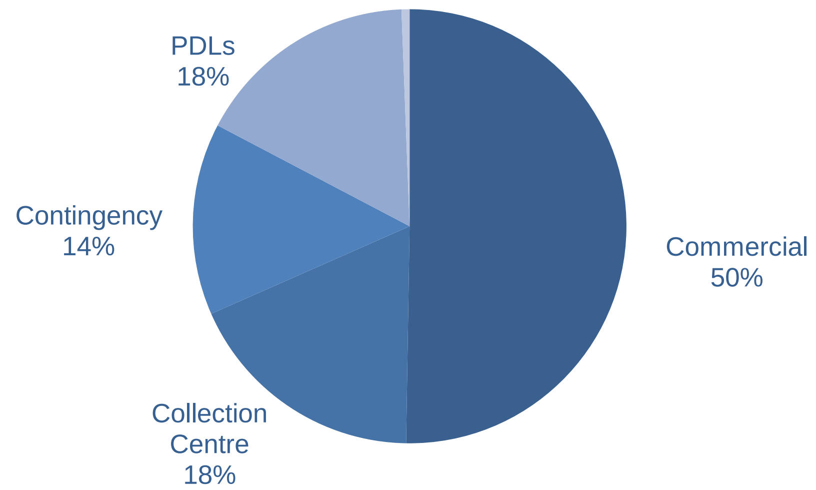
FY13 Deals split by product



Building momentum for 2014

- EBITDA generated $3.7m – down on prior year
- Revenue impacted by lower PDL revaluations - age of portfolio
- Contingent collections performance a stand out
- Consumer collections steady with off-shore trial commenced
- Commercial collections impacted by tough conditions for clients
- Key personnel recruited during second half
- Major contract wins to boost 2014 earnings

FY13 Revenue Split



Optimism for Proposed Legislative Changes

Closing of NCCP licensing loophole re indefinite leases

- Potential positive

Positive credit reporting – potential consumer benefits

- Expected to commence in calendar year 2014

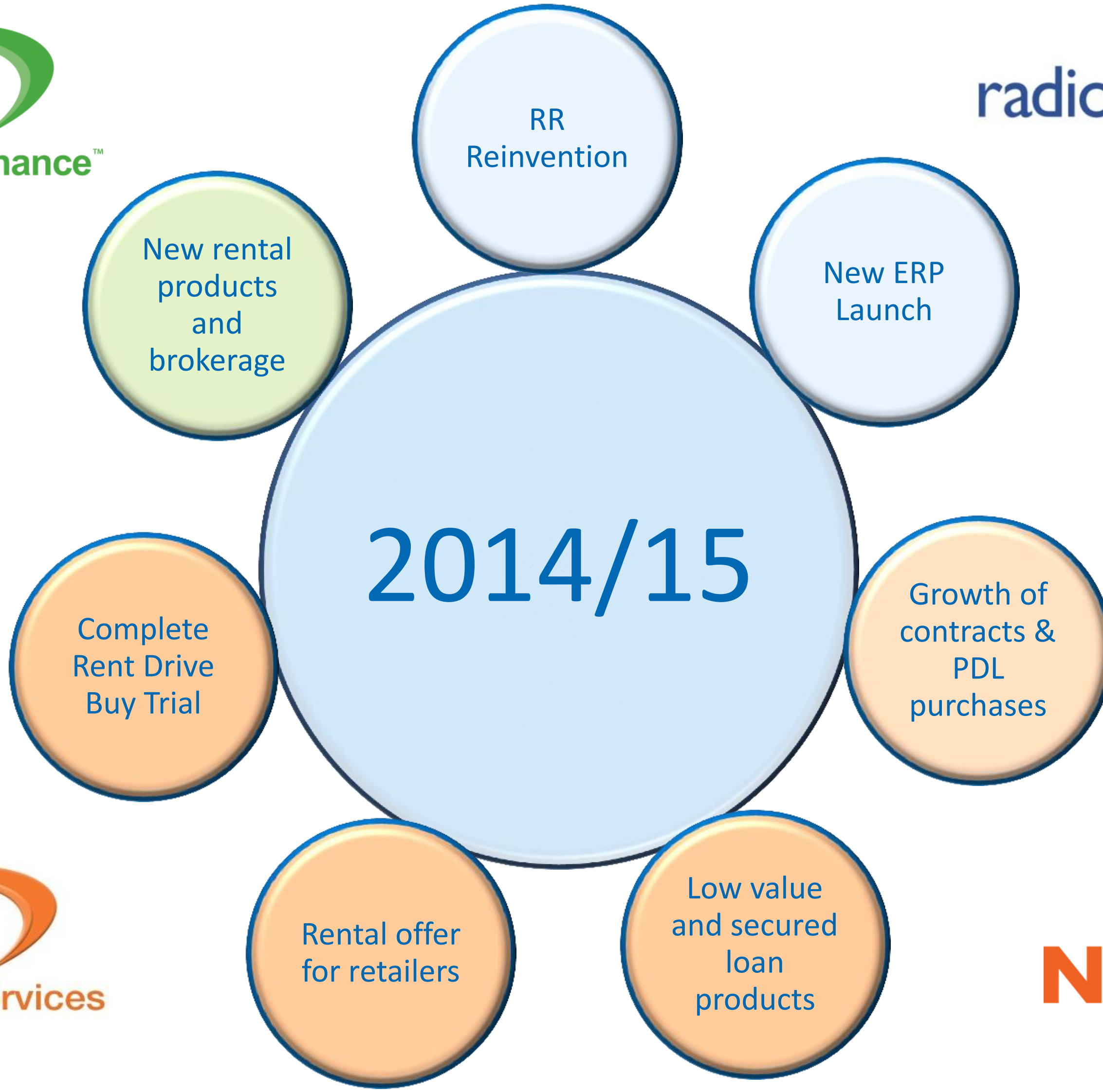
Enhancements to NCCP – potential benefits in positioning

- A right to purchase goods under consideration
- Likely increased disclosures for consumer leases
  - Cash price equivalent;
  - Costs of additional services; and
  - Interest rate
- Limit on early termination fees proposed

The Future

Strengthening and Diversifying

Development Areas



radio rentals Reinventing and Refining an Icon

Opportunity – a new invigorated look and offerings

- ❑ Focus on penetrating the ‘E’ demographic who are rental averse
- ❑ Change from *‘rental’* to *‘leasing’*
- ❑ New products
  - Take home layby
  - Interest free
  - Savings Club
  - Extended length contracts
- ❑ New store design
- ❑ Name?

Access $500m ‘E’ demographic

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Areas of Opportunity

Key elements

- Specialist funding e.g. legal disbursements

- Rent Drive Buy
  - Positive results to-date
  - Potential full launch in 2nd half
  - Qualifies customers for finance
  - Average loan of circa $12,000

- Secured lending

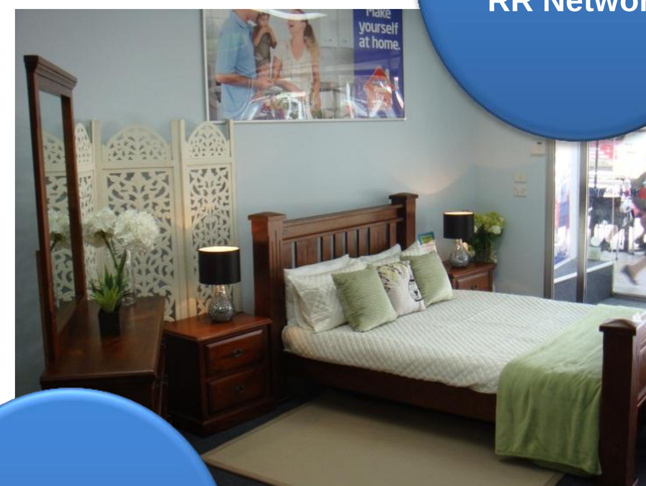
- Low value loans of $1,000 to $2,000

Areas of Opportunity

- Bricks & mortar trial
  - Store-in-store in selected RR outlets – leverage the strength
  - Stand alone locations
  - *easyfinancial* model in Canada

- Lease to own proposition in retailers
  - Aimed at rejected applicants for other finance offerings
  - RAC Acceptance and Sears models in USA – 50% success rate
  - $200m market opportunity
  - Unique ability to re-rent product through RR network
  - Retailer network is key

Store-in-Store Leverages RR Network



Lease-to-Own $200m opportunity

The Evolution Gains Pace

2013

- ✓ RTB
- ✓ Cash loans
- ✓ Commercial leasing
- ✓ Collection services

New Products

2014

- ✓ Savings club
- ✓ Take home layby
- ✓ Interest free
- ✓ Disbursement funding
- ✓ Low value loans
- ✓ Secured lending
- ✓ Brokerage
- ✓ Commercial Rental
- ✓ Rental offering for retailers
- ✓ Rent Drive Buy

2015

Diversified financial services:

- ❑ *Sub/mid prime consumers*
- ❑ *Alternate commercial markets*

Earnings payoff

Company Strengths and Outlook

Group

- Strong core business
- Substantial recurring revenue streams generating significant operating cash
- Solid capital base to enable expansion & healthy ROCE

Outlook

- Continued significant investment in strategic initiatives
- Organic development requires critical mass to be achieved
- Investment returns will be mid to long term