

Renaissance Corporation Limited
Annual General Meeting
Chairman's Address

At last year's meeting I spoke at length of the strategic decisions the Board had made over the preceding period and how we had positioned the Company for a more certain future. I am pleased to report that 2003 was a year in which we were able to concentrate on execution rather than strategy and, as a result, were able to deliver a good year for shareholders.

The achievements of the period are summarized in the Directors' Report. I will limit my comments here to just a few key points:

- Cash generation from the operations of the company has been strong and enabled the payment of a 4 cent dividend in September and a 3 cent dividend earlier this month. Notwithstanding these payments, our bank debt is at historically low levels.
- We achieved a much better balance in our profit streams in 2003. While the distribution cum brand management businesses had excellent years we made good progress in those parts of the business in which we have created our own "intellectual property". In the education market we are starting to see real benefits in presenting a combined offering of services and products from all our divisions.
- Low staff turnover and longevity in their positions led to a significant increase in operating efficiencies. The Employee Share Option Plan, which you will be asked to approve later in the meeting, recognises and reinforces this.

Managing Director, Paul Johnston: presentation of overview of current position of our businesses.

As you have seen, we consider there to be significant growth prospects in our current businesses, albeit not without some risks.

Our brand management activities will always be affected by the market strength of our vendors products, and for a variety of reasons, be it corporate takeovers or changing distribution policies by vendors, we will inevitably lose agencies. This makes it important for us to continually refresh these businesses by identifying new products and agencies.

Organic growth in our service and "own-brand" businesses is very achievable and is a Board and Management priority.

Our share price has strengthened significantly in the past 12 months, no doubt largely on the back of our returning to the payment of regular dividends. This policy will continue and, while we have reasonable tax losses, the payout will represent a high proportion of the Group's reported surplus (which includes an accounting charge for tax, but not a cash charge). Our challenge is to lift operating earnings sufficiently by the time our tax losses have been utilized so that there is no

disruption to the dividend stream available to shareholders. In this regard I should point out that the Group's imputation credits will shortly run out and further imputation will rely on the company returning to a tax-paying situation.

As previously indicated, 2004 has started well and I would expect to be reporting an improved operating position at the half year.

Richard Ebbett

30 April 2004