



Renaissance Announces First-Half Profit Up 24% in 2006

Financial Statement

The Directors of Renaissance Corporation Limited are very pleased to report an unaudited surplus before tax for the six month period to 30 June 2006 of \$3.15 million (2005: \$2.55 million), an increase of 24%. The surplus after tax and minority interest was \$2.29 million (2005: \$1.93 million), an increase of 19%. The effective tax rate for the period was 27% as a result of the company utilising carry-forward losses that had not previously been recorded as an asset.

Group revenues were \$77.3 million, an increase of 11% on the previous corresponding period.

Directors' Statement

The Apple Computer Division had a record first half and prospects for the brand remain very strong.

We indicated at the end of last year the need to continue sourcing additional products for the Brands Division. In the 6 months to date this Division has secured representation of a number of agencies, including Canon, Tandberg, Foundry and Allot.

We announced the formation of the Renaissance Education Division (RED) at the beginning of the year. This group has worked very hard in pulling together the various sales, marketing and support personnel into a well-structured team. The launch of the RED on-line store has generated a lot of interest and we are pleased with the progress this team has made to date.

Other areas of the Renaissance business, including Conduit and Insite, have experienced steady growth and we believe this trend will continue for the remainder of the year.

Market Conditions

As widely reported in the media, retail sales have been very tight during the first half of the year. However Renaissance has achieved growth with our range of computers, iPods and other peripheral devices. During this time some of the more traditional, solution-based, IT resellers have experienced good growth and this has compensated for the slowdown in retail.

Future Direction

The core strengths of Renaissance are our ability to market and manage brands, our experience in warehousing and distribution and our expertise in systems, particularly on-line transactional systems. These strengths drive every area of our business and have endured through all the changes we have seen in the IT market in New Zealand over the last 20 years. In the last 4 years we have made focussing on these core strengths our top priority and, as a result, Renaissance has seen solid and profitable growth, even as gross margins in many of our traditional areas of activity have come under pressure.

**Renaissance
Corporation
Limited**

www.renaissance.co.nz

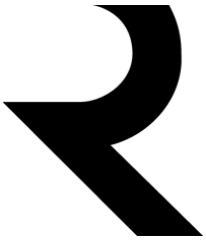
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As part of our growth strategy we will seek not only IT-based opportunities, but also the distribution of branded durable goods where we feel our core strengths can be applied. In these cases, a wide portfolio of brands including 'own-brands' would be attractive.

Outlook

At the Annual General Meeting we indicated the 2006 full year NPBT result would be approximately 20% ahead of the 2005 result. Provided market conditions remain relatively stable, we will achieve this goal.

Dividend

The Directors of Renaissance have determined to pay an interim dividend of 4.5 cents per share which will be 100% imputed. This compares with the 4.0 cents paid last year. The Company will also pay a supplementary dividend to non-resident shareholders of 0.79412 cents per share on the same date.

For further information please contact
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