



2007 ANNUAL MEETING ADDRESS

At last years Annual Meeting your directors were confident that Renaissance would report profit growth in 2006.

This was achieved. Sales grew 4.8%; profit before tax grew 20.5% and profit after tax grew nearly 23%. We also lifted dividend from 10.0 cents to 10.5 cents covered 1.5 times by 2006 profit. All in all 2006 was a very good year.

However, as has already been flagged in the Annual Report the profit result for 2007 will not be as good as 2006.

There are two main reasons for this.

In December 2006 Apple, which is our largest business partner, introduced their on-line store to New Zealand. We had been expecting this for some time as Apple has been progressively rolling the store out around the world. We had anticipated that the overall effect would be to enhance the presence of the Apple brand in New Zealand. After 6 months we believe this to be the case.

The introduction of the on-line store brought about changes in the business model and how we operate as a distributor here in New Zealand. Changes in how prices are set and the way we now handle our foreign currency transactions with Apple have resulted in the overall margin available to Renaissance being reduced quite significantly. We have restructured the business to reflect these changes while still retaining sufficient resources to enable further growth. The net effect of all this is a reduction in the profit contribution from the brand. We believe this to be more of a one-step change.

Despite all the rumours that swirled around regarding Renaissance's contract with Apple, it remains strong. We have an open and mutually respectful relationship with Apple and will do all we can to enhance it. However, as shareholders in Renaissance, we have to accept that Apple will, and indeed must, continue to run its strategies with a global perspective.

We fully expect sales of Apple product will continue to show significant growth in 2007 and beyond as the flow of innovative products continues. In time we expect this growth will offset the step change in margin we have experienced.

At much the same time we were dealing with these changes, the principals of another one of our major brands, also changed the basis on which we transact with them. This change was sudden, and unexpected. As a result the contribution from this brand in 2007 will be significantly less than in 2006.

The effects of these two changes are the reasons behind the projected reduction of our profit for 2007.

This situation highlights the realities implicit in representing brands for major overseas principals and in some respects is business-as-usual.

Despite these challenges the fact of the matter is that our business is really in good heart. And there are some exciting developments to report on. Paul Johnston will say more about the individual elements of the business when he speaks.

**Renaissance
Corporation
Limited**

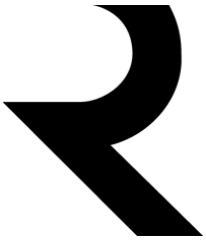
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In the last year your board has spent a lot of time on a strategy to mitigate the sort of risks our distributorship business faces and create a framework for growth. The board has developed and agreed a simple, coherent strategy that we believe should shift the risk profile of Renaissance and increasingly provide activities that could generate significant future growth. Now we have to execute.

In the last few years our sales have skewed to the December quarter as our mix of products has shifted more to the consumer market. This makes it somewhat difficult to predict the result to December 2007 at this time, but our best current estimate is a NPBT of about \$6 million. Despite the reduced profit number, we believe we should be able to maintain a similar level of dividend for 2007.

Colin Giffney
7 May 2007

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