



Renaissance announces Profit Result for Year to 31 December 2007

The Directors of Renaissance Corporation announce the Company results for the year to 31 December 2007.

These numbers are in the process of being audited.

	2007	2006	% Change
	\$000s	\$000s	
Sales	187,209	162,912	15%
EBITDA	6,586	9,438	-30%
Depreciation	1,102	840	
Amortisation of Intangible Assets	356	363	
Amortisation of Goodwill	0	0	
	1,458	1,203	
EBIT	5,128	8,235	-38%
Net Interest Received	3	135	
Net surplus before tax	5,131	8,370	-39%
Tax	1,805	2,294	
Net Surplus after tax	3,326	6,076	-45%

Highlights of 2007

Highlights of the 2007 result were

- The result was achieved after we expensed approximately \$1 million in start up costs for our on-line music and social networking site, Ttxtunes.
- We completed two acquisitions in 2007, MagnumMac and Natcoll.
- We successfully negotiated a new distribution contract with Apple, which was signed in January 2008.
- At this stage we anticipate paying a dividend of about 6 cents per share for the 2008 year. This reflects our policy to shift future dividend payments to a rate of around 70% of our annual NPAT. In line with this policy we propose to pay a first dividend of 3 cents on 4 April 2008.



Review of 2007

Trading for the year to December 2007 produced a net profit before tax of \$5.1m. As previously indicated, this was achieved after expensing approximately \$1m of start up costs in Ttxtunes. Trading in most market segments remained difficult throughout the year, and this was compounded by several months of supply restrictions of computer products, mainly iMac and Apple portable products. Demand for Apple products was at an all time high and, as the supply constraints eased in the final quarter of the year, we saw record sales for Apple products.

The acquisitions of MagnumMac and Natcoll also contributed to our 2007 profit. Despite completing the two acquisitions for a combined sum of \$11.1m we have ended the year with short term loans of just \$3.2m.

Segmental reporting 2007

We have adopted a segmental analysis of our results, which we believe gives a clearer picture of the Group. We have chosen to present the business in four main areas:

Brand Representation covers those businesses where we represent Vendors products in New Zealand. Brands in this segment include Apple, SonicWall, FileMaker, NEC, Palm etc.

Digital Services includes Conduit, our transactional website and EDI services business, Insite, our PC design and build business, Renaissance Service operations, and the early stage ventures such as Ttxtunes and DataCover.

Education includes Natcoll, our Private Tertiary Institute, and RED which supplies products and services to education, from Kindergarten through to Tertiary.

Retail is MagnumMac, our specialist Apple retail operation, the largest independent retailer of Apple products in the country.

The EBITDA contributions of these Segments are shown below.

\$000's	2007	2006
Brand Representation	5,557	8,613
Digital Services	110	1,538
Education	1,606	1,768
Retail	778	0
Inter-company	(1,465)	(2,481)
Group	6,586	9,438

The Digital Services result for 2007 was most affected by expensing the \$1m cost of starting up Ttxtunes.

In 2008 we will benefit from an additional 6 months trading of MagnumMac and 7 months trading of Natcoll.



Strategy

The Directors of Renaissance believe the future growth of the business is in providing innovative products and services to our customers which will enable them to fully participate in the rapidly expanding Digital Economy.

We aim to increase our earnings annually and improve the reliability of those earnings by introducing more of our own branded products and services. Whilst Brand Representation will remain a core business, we will continue to develop a portfolio of businesses consistent with our strategy to focus on opportunities in the digital economy. 2008 will show further advances in that direction.

We will embrace a limited number of start-up operations, and acquisitions remain important as we develop.

Outlook

We are excited by the opportunities that lie before us and believe the Group is well positioned to achieve long term profitable growth.

Dividend

We are announcing a fully imputed interim dividend of 3.0 cents per share. This will be paid on 4 April 2008, with the shares going ex-dividend on 28 March 2008.

The Company will also pay a supplementary dividend to non-resident shareholders of 0.52941 cents per share on the same date.

For and on behalf of the Board of Directors

CG Giffney
Chairman