



2008 Annual Meeting Chairman and Managing Director's Address

I think all of us who are shareholders will recognise what a difficult year Renaissance had in 2007. We had to deal with the changes made in 2006 to our distribution agreement with Apple and the significant drop in margin those changes brought about. We also terminated our distribution agreement with Asus after they made changes to their distribution model in New Zealand. Both of these events had a big impact on our 2007 result.

In 2007, there were further changes in our distribution agreement with Apple that we covered in detail earlier in the year. Although these changes were introduced late in 2007 they are slowly working their way through our 2008 financial year, however these changes have been fully accounted for in our 2008 forecast.

However, contrary to what many in the media reported, Renaissance retains and indeed recently renewed its distribution contract with Apple. We have represented Apple passionately in New Zealand for over 20 years and we will do so into the future.

As a Board we have moved on and we are looking forward. The acquisitions of MagnumMac and Natcoll last year were determined efforts to shift the base of our earnings and the benefits of those acquisitions will contribute fully to the 2008 result. Paul will explain Natcoll to you more fully shortly and you will see why we are excited about the prospects for that acquisition.

The Gartner Group have forecast Apple's world wide market share to rise from 5% to 10% over the next three years. Our acquisition of MagnumMac will allow us to leverage that phenomenal growth through the largest and highest quality Apple reseller in the country.

These were two significant strategic moves for Renaissance. We have adopted a strategy which will see your company

1. Become a market leader in providing solutions and services for the Digital Economy
2. Achieve long term profitable and sustainable growth for the Company
3. Develop our own brands, intellectual capital (people) and property in order to reduce the risk profile of the business and ensure the quality of earnings is improved

The resolutions we will move to later in the meeting on remuneration are all part of this strategy and our desire to align the interests of management with us shareholders.

Colin Giffney
Chairman
23 May 2008

**Renaissance
Corporation
Limited**

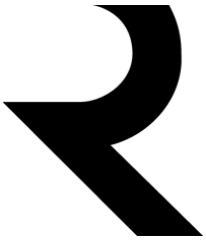
www.renaissance.co.nz

Registered Office:

Private Bag 24905,
Royal Oak 1030

92 Beachcroft Avenue,
Onehunga, Auckland

Phone 09 968 3600
Fax 09-968-3601



Managing Director

For over 20 years, the core business of this company has been the distribution of IT products.

In that time we have experienced many ups and downs. Some of that has been driven by the economy, but far more has been driven by decisions taken by vendors. There have been several occasions where Renaissance has developed a brand in New Zealand, often from scratch, to become a market leader, only to have changes made to our distribution agreements which have been detrimental to our company. In his opening remarks our Chairman highlighted some of the more recent instances where this has happened.

We have also seen a number of cases where vendors we have represented have been bought by competitors and the business for Renaissance has just disappeared. The most recent example of this was with Macromedia who were bought by Adobe a couple of years ago.

These situations highlight some of the difficulties we have faced, and will continue to face, whilst so much of our business is based in an area where we have little or no control over our own destiny. It also illustrates how well we have done to win, develop and retain the number of brands we have for over 20 years.

Over the last few years Renaissance has been following a strategy of diversifying our business and creating new, more sustainable revenue streams. In some cases we have looked to create our own IP (Intellectual Property), as in the case of the Ttxtunes business which we started almost 2 years ago. Although the Ttxtunes web site has not proven to be a commercial success, and as a direct result of being involved in the project, we have developed a new web based payment system, based on something called a widget, which we recently applied for a patent on and this process is now well underway.

This slide shows what the widget looks like and I will now explain how it works.

We are also involved in a new business venture, inDATAsure, previously called DataCover which, in its simplest terms, involves a patented process which allows data to be backed up on-line and then have an insurance policy applied to it. In the event that a company is unable to recover the backed-up data, they receive a pre-determined sum of money. Why is this important?

We have just launched the service in New Zealand and plan to expand the offering into other countries in the future. Interest in this service is very high and we have partnered with some major companies including QBE, Marsh Insurance and Unysis.

We will release more details of this business in the next few weeks.

Through our current businesses, recent acquisitions and our new business ventures, we aim to position Renaissance as the market leader in providing solutions and services for the Digital Economy. Each component of our business, along with future developments and acquisitions will support this strategy.

To better understand this strategy, I will take a few moments to talk about what the Digital Economy means and why we are focused in this high growth area.

Measuring the growth rate of the Digital Economy is very difficult, because it is impacting on so many aspects of the traditional economy. But there is general agreement that it is growing rapidly and shows no signs of slowing down.

The ability for consumers and businesses to create and share personal and commercial content, have access to a variety of programming and entertainment applications,

**Renaissance
Corporation
Limited**

www.renaissance.co.nz

Registered Office:
Private Bag 24905,
Royal Oak 1030

92 Beachcroft Avenue,
Onehunga, Auckland

Phone 09 968 3600
Fax 09-968-3601



communicate, and enhance productivity at home and on-the-road is evolving as digital technologies become more mainstream.

After many years of relatively little progress there is now solid activity and very real potential for a variety of companies to participate in providing services to address the increasing demand for “lifestyle enhancement” solutions and productivity applications. Growth across a wide array of digital lifestyle categories – Broadband, Wireless, Home Networks, Portable Music, IPTV Services, Hard-Drive based Consumer Electronics Products, and Communications Services – has been strong over the last few years and this growth shows every sign of continuing for many more years to come.

Can I ask, How many of you use Internet banking, how many have SKY, how many have used TradeMe, how many of you have an iPod?

Congratulations you are all participants in the Digital Economy.

This growth is helped by increasing access to computers and the Internet. At our jobs, home, and school, we work, communicate, study and play on computers and access the Internet.

Some studies have shown the growth rate for sales of PC’s has slowed in the last few years, that may be true

but new internet connected devices, such as Ultra Mobile PC’s and of course the iPhone and iPod Touch will drive sales to levels never before imagined.

At the heart of this growth is connectivity to the internet through wireless technology and, of course, Broadband uptake.

Although New Zealand has suffered in recent years with slow internet connections, things are starting to improve and Broadband uptake is growing. In the last 4 years alone the installed base has more than doubled.

In addition to the revenue generated from new consumer and business products and services, there will be development of new technology solutions such as Software as a Service, Mobile Payment Systems, Data Retrieval Systems, Content Delivery and Storage, and IP based Security Systems. These developments will drive a raft of new services and business models in the years ahead.

With the recent increase in Telco and Government spending, and promised improvements to the core infrastructure, there are a number of opportunities for companies that are building components and features that tie all these services together.

The changes I have outlined have created another problem, as well as an opportunity. There is already a drastic shortage of skilled workers and this will only get worse. This shortage will drive growth in high quality training establishments, particularly those who are able to configure course requirements to meet the needs of a demanding and rapidly changing market.

Our most recent acquisition, NatColl, is a prime example of how we can go some way to meet those needs.

I will now give a quick overview of NatColl

We believe there are great prospects in education. It is a market we have been heavily involved in for over 20 years with products, software, service and professional development.

Training is an adjacent activity and allows us to build off our deep knowledge of the many technologies available to deliver content and services. We also believe there are excellent

**Renaissance
Corporation
Limited**

www.renaissance.co.nz

Registered Office:

Private Bag 24905,
Royal Oak 1030

92 Beachcroft Avenue,
Onehunga, Auckland

Phone 09 968 3600
Fax 09-968-3601



opportunities to take parts of our education business to offshore markets, and, as you saw earlier in my presentation, we have had some success in this area already.

As you can see, we can no longer class Renaissance as just an IT distributor. Although distribution will continue to play an important part in the Group, we are working to transition a significant portion of our earnings to businesses where we have more control and, ideally, where we own our own IP and brands. By having a portfolio of businesses focussed around providing solutions and services for the Digital Economy, I believe Renaissance is in a prime position to capitalise on the growth this market will experience in the years ahead.

Paul Johnston
Managing Director
23 May 2008

**Renaissance
Corporation
Limited**

www.renaissance.co.nz

Registered Office:

Private Bag 24905,
Royal Oak 1030

92 Beachcroft Avenue,
Onehunga, Auckland

Phone 09 968 3600

Fax 09-968-3601
