



Full Year Result to 31 December 2008

	2008	2007	% Change
	\$000	\$000	
Sales	189,633	187,208	+1.3%
EBITDA before discontinued activities and non recurring items	6,159	7,596	-18.9%
Costs of businesses discontinued	2,070	1,010	
EBITDA	4,089	6,586	-37.9%
EBIT	1,835	5,129	-64.2%
NPBT	1,543	5,131	-69.9%

Renaissance Corporation has announced a net profit before tax of \$1.54m for the 2008 financial year. This is 69.9% down on the 2007 financial year. The Company paid a dividend of 3 cents in October 2008. There will be no further dividend paid in respect of the 2008 year. As a result the full dividend for 2008 remains at 3 cents, fully imputed.

The Company says trading conditions became progressively more difficult during 2008, particularly in the last quarter when sales and margin levels fell significantly below expectations.

The areas of business most affected by the downturn were retail, education hardware sales, and the core distribution business.

The Company has just completed a rigorous review of its business divisions and has taken the difficult decision to discontinue a number of activities, including two higher risk investment projects it has been working on for the last two to three years. This involved writing off the expenses incurred to date for the Company's on-line data insurance product, as well as the final portion of the write down for the discontinued widget based Digital Media service. Given the uncertainty over future trading conditions, the Company believes reducing risk in the business is the best option.

The combination of the lower than expected trading, and the write-down of \$2.07m, reduced the net profit before tax from \$5.13m in 2007 to \$1.54m in 2008. As a result of the write-downs referred to above, our level of net tangible assets were below the level required to meet one of our bank covenants at the end of the year.

The result for 2008 is disappointing and the current economic environment makes providing accurate forecasts for the year ahead difficult. The Company has recently initiated a number of cost reduction measures in response to current economic conditions.

**Renaissance
Corporation
Limited**

www.renaissance.co.nz

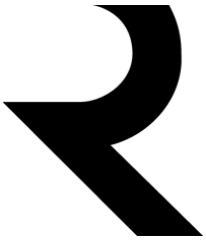
Registered Office:

Private Bag 24905,
Royal Oak 1030

92 Beachcroft Avenue,
Onehunga, Auckland

Phone 09 968 3600

Fax 09-968-3601



In looking at the year ahead a number of additional factors have to be taken into account and some key points to note are:

- The Company will benefit from a reduction in costs associated with the discontinued investments.
- The terms negotiated with Apple in December 2007 had a partial impact in 2008 and the Company will see the full impact in 2009. As a result, and on current projections, the Company expects the contribution from the Apple Division business to reduce by approximately \$1.5m in 2009 compared with 2008.
- The Company's new education activities have contributed well and it is optimistic about these businesses. However, there is some reliance on overseas students and it is too early to say if future enrolments of overseas students will be affected by the global economic conditions.
- A large part of the Company's trading occurs in the December quarter.

Based on current information the Company expects to see an improvement in its net profit before tax for 2009. The Company is confident the cost reduction measures it has taken, and the focus being applied to its core businesses, ensures it will be well positioned to manage current market conditions and should benefit from any improvement in the economy.

Paul Johnston
Managing Director

Phone: (09) 968-3688

**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
