



## RENAISSANCE ANNOUNCES A 20% INCREASE IN FIRST HALF PROFIT RESULT

### FINANCIAL STATEMENT

The Directors of Renaissance Corporation Limited are today announcing an unaudited surplus after tax and minority interest of \$1.464m (2007: \$1.217m), up 20% for the six month period to 30 June 2008. Earnings before interest, tax and depreciation for the six month period to 30 June 2008 were \$3.4m (2007: \$2.6m), up 31%. Group revenues were \$95.1m, up 9% on the previous corresponding period.

### THE SIX MONTHS UNDER REVIEW

General market conditions have been challenging. The slowdown in virtually all market segments has been widely reported in the media over the last few months. Given the climate we have been operating in, we believe the result is very positive and shows our strategy of diversifying the Group's business continues to have the desired impact.

The first 6 months of this financial year has seen solid progress in the implementation of the Company's strategy to expand in Retail, Education and Digital Services.

**Education.** Following the acquisition of Natcoll, our Education businesses have contributed an EBITDA of \$1.5m in the half year. Pleasingly, the overall contribution by our Education division to the Group's EBITDA before overheads rose from 12% to 34% in the half year.

**Digital Services** contribution for the first half of the year was \$18k EBITDA. Our Ttxtunes business has not achieved the goals we had planned and as a result we will not be proceeding with further investment in this business. The Digital Services result for the half year includes nearly \$600k of expenses for the Ttxtunes business. Expenses related to Ttxtunes will be substantially reduced in the second six months.

**Retail.** The Company acquired MagnumMac in July last year. Whilst the overall retail market has experienced difficulties we are continuing with our expansion of this business and look forward to future growth and greater nationwide coverage.

**Brand Representation,** the traditional core of the Company, experienced good growth. However in line with our strategy, by year end the contribution to EBITDA from this group should be around 50%. A satisfying achievement given our historic dependence on this activity.

### OUTLOOK

We gave guidance at the beginning of the year that our annual NPBT would be slightly ahead of our result in 2007 (\$5.2m). Although market conditions are likely to remain difficult for at least the remainder of the year, we maintain our forecast of a small increase in profit for the full 2008 year.

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**Renaissance  
Corporation  
Limited**

[www.renaissance.co.nz](http://www.renaissance.co.nz)

**Registered Office:**

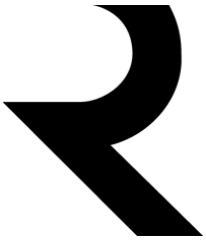
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## STRATEGY

We are continuing to look for suitable acquisitions and investments, focussed on the Digital Economy, which fit within our strategy of providing a better balance in the Group's portfolio of businesses and enhance our ability to achieve increased profits in the future.

## DIVIDEND

For this period, we are pleased to announce a fully imputed interim dividend of 3.00 cents per share.

	Unaudited six months ended		
	30 June 2008	30 June 2007	
	\$000	\$000	
Operating revenue	95,985	88,092	+9%
Earnings before interest, tax, depreciation, & amortisation ("EBITDA")	3,403	2,470	+38%
Depreciation & amortisation	1,151	529	+118%
Earnings before interest	2,252	1,941	+9%
Net interest payable	146	46	
Net profit before tax	2,106	1,987	+6%
Taxation	642	770	
Net profit after tax	1,464	1,217	+20%
Shareholders funds	17,020	12,136	
Net working capital	4,448	6,315	
Bank debt	2,500	0	
Total Funds	40,939	33,793	
Number of shares	44,273,267	39,213,905	
Shareholders equity ratio	42%	36%	
Net operating cash flow per share	5.9	4.5	
Net earnings per share	3.4	3.1	
Dividend paid per share	3.000	6.000	
Imputation credits attached	1.500	3.000	
Gross dividend per share	4.500	9.000	

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