



Renaissance rebounds – Profit after tax up 150%

Revenue up seven percent for the first half of 2010

Renaissance has announced that profit has increased by 150 percent for the first half of 2010 compared to the same period for 2009. At the same time the company announced that its revenue had increased seven percent for the same period, while net debt had been reduced from \$3 million to less than \$500,000.

The improved performance follows the restructuring of the group earlier this year after the appointment of Richard Webb as CEO in January.

“We’re delighted with the turnaround of the business in the last six months. We began the year by restructuring the business around clients instead of products and encouraged our staff to cross-sell the entire group offering to our retail and reseller community. Despite the impact of restructuring costs we delivered top line revenue growth across all sectors, introduced a wide range of new service offerings and continued to add class leading vendors to our distribution business,” said Webb.

Improved back office integration and centralising of resources also played a major part in returning Renaissance to profit in such a short time period. We’ve greatly reduced overheads related to the replication of back office functions across multiple vertical units within the group and this has had a significant positive impact on our bottom line.

NZ\$000	1H 2010	1H 2009	% Change
Revenue	\$100,879	\$94,648	7%
Profit After Tax for the Half Year	\$473	\$189	150%

“We are now developing and implementing a new customer relationship management platform. We have a new brand and corporate identity which we will launch shortly and we have several innovative product offerings in the pipeline. One of the most exciting developments is a range of collaboration and client engagement appliances that will deliver significant capabilities and genuine cost-savings to New Zealand businesses. We expect to bring these products to market in the next quarter.”

“At the same time we have a new retail concept in development which we are confident will change the face of technology retailing and deliver a customer experience not previously seen in New Zealand,” said Webb.

We are forecasting strong revenue growth across most areas of our business. In common with the rest of the world we expect sales of the new Apple iPad and iPhone will be strong. While our balance sheet is sound and we are well within our banking covenants, the board is working through demands on working capital, expected returns and balance sheet structure given expectations of future growth. If the board considers raising equity to fund the growth of the business as part of any funding package it will make an announcement shortly.

In March we advised shareholders that we forecast top line revenue of \$205 million and an EBITDA of \$3.5 million for the year to December 2010. While we are ahead of where we expected to be we have considered the uncertainties still too great to upgrade this expectation.

**Renaissance
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About Renaissance

The Renaissance Group enables creativity in nearly all facets of the digital economy in New Zealand. Renaissance's activities extend into technology distribution and retail, serving the ICT needs of educational institutions; technical service and support; training; network infrastructure design and application development; assembling PCs and servers; and vocational education.

The Renaissance distribution business provides brand management for a number of well-known, high-quality vendors, and has represented Apple in New Zealand for over 25 years. The company also runs MagnumMac, the largest Apple specialist retail chain in New Zealand, and on-campus retail chain, StudentIT.

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