



Press Release

Renaissance MagnumMac business reports strong growth Turnaround is six months ahead of schedule

Auckland, 7 July 2010 - Renaissance (NZX: RNS) has announced that its MagnumMac retail business has returned to profitability six months ahead of plan, reporting 17 percent year-on-year revenue growth for the first three months of 2010.

Renaissance Group, which will deliver a full six-month report to the market in early August, had originally expected that the MagnumMac retail business would not return to profitable trading until the end of 2010. After weathering a challenging environment in 2009, the Renaissance retail business, comprised of seven MagnumMac stores across New Zealand, began 2010 with an improved product mix, stronger sales focus and improved cost controls.

“We’re delighted with the turnaround in the retail business in the last six months,” said Richard Webb, CEO of Renaissance. “We embarked on a number of initiatives in early 2010 and we are now reaping the rewards of those initiatives.”

“Those initiatives included reduced overheads by using centralised marketing and HR functions within the Renaissance Group, a large investment in upskilling the retail sales force, improved communications between the stores, a focus on expanding the product offering and changing the sales representatives reward model,” said Webb.

“We have completely revamped our retail offering in the last six months”, said Eddie McGrory, Director of Retail at Renaissance. “We are now selling world class Apple authorised training in our Auckland and Wellington locations and will shortly be adding this to the Christchurch store.

“In addition, we have greatly expanded our product range, particularly in terms of accessories for Macs, PCs, iPods and other mobile devices. Year on year for the same quarter our Apple computer sales are up almost 50 percent,” said McGrory.

“We’ve got great plans for the second half of 2010 including implementing some radical new retail concepts, starting with our flagship store in Newmarket. We are also looking for sites for new stores and will be adding product lines focused on the converged home network, home automation and home theatre markets,” said McGrory.

Renaissance Limited
www.renaissance.co.nz

Private Bag 24905
Royal Oak 1345
Auckland

92 Beachcroft Avenue,
Onehunga
Phone 09-968-3600
Fax 09-968-3601



“We want to make it easy for the consumer to enjoy the latest in entertainment and communication technologies in their homes. To date the technology has forced them to behave like systems engineers in order to benefit from integration – we intend to take all that away and make it a seamless, fun experience,” said McGrory.

Webb said the growth rates are particularly impressive when compared to Apple’s own retail stores, which only grew by eight percent for the same period. “US-based Needham analyst Charlie Wolf reported earlier this year that Apple’s stores had revenue growth of eight percent for the first quarter of 2010. For us to achieve 17 percent growth for the same period shows we are on the right track. The whole team has worked hard for this and we’re delighted with the results,” said Webb.

For further information contact:

Joanna Burgess, Communications Manager, Renaissance
Joanna.burgess@renaissance.co.nz

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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