



MEDIA RELEASE

29th May 2007
Sydney Australia

RR Australia – Exceeding Prospectus and Positioned for Growth

RR Australia, which trades as Radio Rentals, today announced full year results that were above prospectus forecast and which indicate a solid positioning for future growth.

Increases were achieved in both revenue and profit for the 2006/07 financial year with total revenues growing from \$87,739,000 to \$101,039,000, a 15% improvement.

The growth in revenue was primarily attributable to finance lease revenues, which increased from \$11,296,000 to \$21,773,000, an improvement of 93%. Operating lease revenue increased from \$76,433,000 to \$79,266,000, an improvement of 4%.

The increase in gross profit from \$60,939,000 to \$64,510,000, a 6% improvement, resulted in net profit after tax increasing 85%, from \$3,541,000 to \$6,542,000. This result was also 6.9% above the prospectus profit after tax forecast of \$6,147,000.

On a normalised basis, excluding IPO costs, profit after tax was \$8,208,000, which was 3.1% above the prospectus forecast of \$7,960,000.

Managing Director, John Hughes stated that “the board is very pleased with this result which is a positive reflection of steady gains in new business whilst closely controlling operating costs. “

During the period there were a number of factors that assisted in generating growth and which provided an expanded platform for future development of the business going forward.

The national furniture launch in April/May '06 provided a strong impetus for the start of the financial year and now accounts for some 20% of new business. Continued growth is anticipated in this sector given further marketing exposure of the range and hence increased consumer awareness.

Plasma/LCD televisions and computers also registered solid gains, particularly in the last quarter when market price decreases enabled a repositioning of rental rates to a level that enabled far greater affordability for the target markets. These products should provide sustained growth opportunities as prices continue to abate, although at slower rates than experienced over the last year.



RR Australia Limited

ACN 072 507 147

Although whitegoods, which includes kitchen and laundry appliances, is a fairly traditional area of business with no major innovations, it remained a very solid contributor to the Company's performance. Side by side refrigerators and water efficient front loading washing machines continue to grow in popularity, particularly with young families.

Mr Hughes, commented "new product initiatives coupled with increased marketing expenditure and a more aggressive 'call to action' style of advertising has proven effective in generating increased activity levels and customer growth, especially in recent months, which we are confident of continuing through the year."

Mr Hughes added that "the board believes that we have a solid base which will continue to generate sound organic growth".

For further information please contact:

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