

RUN RELEASES HALF-YEAR RESULTS

RUN Corp Limited released the results for the half-year ended 31 December 2007 as set out in the Appendix 4D lodged with the Australian Stock Exchange today:

Financial Performance

	Half-year December 2007 (\$'000)	Half-year December 2006 (\$'000)
Revenue	12,564	12,774
EBITDA profit/(loss)	595	(197)
Depreciation and amortisation	(3,132)	(2,240)
Provision for asset impairment	-	(302)
Net finance cost	(1,348)	(1,681)
Taxation (charge)/benefit	706	1,273
Net loss attributable to members	(3,179)	(3,147)

Total Earnings before Interest, Taxation, Depreciation, and Amortisation (EBITDA) for the first half was \$0.6 million compared against an EBITDA loss before impairment of goodwill of \$0.2 million for the 6 months ending December 2006. The improvement in EBITDA reflected the stabilisation of the business and the impact of reductions in operating costs.

Total revenue for the period included \$9.2 million generated from property management commission income with the balance relating to letting fees, sales commission and other ancillary income.

Total operating expenses for the period were \$16.4 million. This included employee related expenses of \$8.5 million, other operating expenses of \$3.3 million, interest expense of \$1.5 million and non cash charges of \$3.1 million representing depreciation and amortisation. The amortisation charged has increased by \$0.7 million due to the company reducing the expected useful life of property management rights from 7 to 10 years to 5 to 7 years, primarily as a consequence of increased sales of properties by landlords off the rent roll. This is a change in accounting estimate which affects the current period and future years with no adjustment to previous accounting periods.

During the half year, there was a cash outflow from operations of \$1.4 million (including \$1.7 million net interest paid) and a cash outflow from investing activities of \$0.4 million. The cash outflow was covered by \$10.0 million received from Elders Property Management Pty Ltd (Elders) for the issue of converting notes and \$0.3 million received from the proceeds of the share incentive scheme. As announced in the June 2007 annual report, the Company repaid the working capital facility of \$3.0 million. To reduce interest charges an additional \$4.0 million in commercial bills has been repaid and is available for future drawdown.

Elders

In coming months, it is proposed that RUN will roll-out its technology and trust accounting services to the first of the planned Elders offices with subsequent Elders implementation expected to add approximately 10,000 additional customers to the RUN platform.

RUN has now achieved the following milestones to facilitate the provision of this solution to Elders:

- For personal use only
- Finalisation of the initial service offering and pricing for the ongoing trust accounting, technology and administrative services
 - Completion of the IT development enabling the platform to be used by Elders and other industry participants
 - A proposed national rollout schedule covering in excess of 40 Elders offices
 - Commencement of system training to Elders' staff

A long-form agreement formalising the above arrangements is expected to be finalised and executed by the parties by the end of next month.

RUN has held discussions with a number of other real estate agencies with a view to providing similar services.

This is a very exciting achievement for RUN and represents a positive first step in the rollout of its industry solution.

McGrath Litigation

As announced to the ASX on 26 February 2008 RUN Corp Limited is pleased to announce that it has reached a settlement in the Federal Court of Australia in the legal proceedings which it initiated against Mr John McGrath, McGrath Limited and associated companies (McGrath).

RUN is very pleased with the terms of the settlement, which are subject to the usual confidentiality restrictions, and includes a monetary payment to RUN. RUN maintains full ownership of the property management business which it acquired from McGrath.

Under the terms of the settlement agreement McGrath will be entitled to recommence property management activities in late April 2008 and settlement terms include the termination of the strategic alliance agreement between McGrath Limited and RUN.