RUN RELEASES HALF-YEAR RESULTS

RUN Corp Limited released the results for the half-year ended 31 December 2008 as set out in the Appendix 4D lodged with the Australian Stock Exchange today.

The key points of RUN Corp's performance for the half year ended 31 December 2008 are:

- Property Management income remains stable with total revenue down slightly due to softening sales market.
- Total expenses were lower than the previous period and included a once-off expense of $350k incurred to establish RUN's franchise business.
- Headcount reduced from 240 at June 2008 to 210 at December with the majority of the savings expected in the 2nd half of the financial year.

Financial Commentary

	Half-year December 2008 ($'000)	**Half-year December 2007 ($'000)**
Revenue	12,244	12,564
EBITDA profit/(loss)	**444**	**595**
Depreciation and amortisation	(2,973)	(3,132)
Net finance cost	(1,469)	(1,348)
Taxation (charge)/benefit	768	706
Net loss attributable to members	(3,230)	(3,179)

The consolidated loss for the half year, after income tax, was $3.2 million against a loss of $3.2 million for the comparative period ending 31 December 2007.

Total Earnings before Interest, Taxation, Depreciation, and Amortisation (EBITDA) for the first half was $0.4 million compared against an EBITDA loss of $0.6 million for the 6 months ending December 2007. The current period loss included $350k in consulting and legal expenses incurred to enable RUN to commence marketing its franchise opportunities. This expense will not continue in the second half of the financial year. Other income included $0.3 million in revenue from the Agentplus division, which provides trust accounting and administration services to external customers. As at December the Company serviced more than 3,000 non-RUN managed properties on its proprietary operating platform which is expected to increase with the planned Elders rollout.

Total revenue for the period was $12.2 million, with $9.2 million generated from property management commission income with the balance relating to letting fees, sales commission, other ancillary income and interest income. Management commission closely approximated commission for the corresponding half year, reflecting the operational stability that the company has reached with a significant reduction in property management losses. Sales commission was however $0.4 million lower, a consequence of a slow down in sales activity in all three states.

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Total operating expenses for the period were $16.2 million. This included employee related expenses of $8 million, other operating expenses $3.7 million, interest expense of $1.5 million and non cash charges of $3 million representing depreciation and amortisation. The Company has reduced headcount from 240 employees at the beginning of the financial year to 210 employees at the end of December 2008. Core payroll costs will be consequently reduced in the next six months.

During the half year, there was a cash outflow from operations of $0.9 million (including $1.6 million net interest paid) and a cash outflow from investing activities of $0.4 million. The cash outflow was funded by an additional $1 million commercial bill drawn-down, As at end December the Company had $2.4 million cash on hand with an additional $1.5 million in funds available under existing facilities with National Australia Bank.

As announced to the market on 19 December, RUN and Elders Property Management Pty Ltd agreed that all the converting notes and options previously granted to Elders were cancelled for a nominal consideration of one dollar. Accordingly RUN will not be required to issue ordinary shares with respect to either the converting notes or the options that were issued to Elders.

Elders has confirmed its commitment to RUN's Agentplus platform

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