

KORDIA GROUP LIMITED	
Results for announcement to the market	
Reporting Period	12 months to 30 June 2015
Previous Reporting Period	12 months to 30 June 2014

	12 months to 30 June 2015 (NZD'000)	12 months to 30 June 2014 (NZD'000)	Percentage change
Revenue from ordinary activities	248,004	301,363	(18%)
Earnings before interest, tax, depreciation and amortization (EBITDA)	37,990	12,944	193%
Profit (loss) after tax	9,234	(8,641)	207%

	Interim Dividend	Final Dividend
Amount	-	-
Dividend Payment Date	n/a	n/a

KORDIA DELIVERS OUTSTANDING PROFIT RESULT

Kordia Group has reported a 2015 profit of \$9.2m, beating its profit forecast by nearly 400 per cent.

The state-owned business telco has had a stellar year in both New Zealand and Australia, with both operations over-performing. The group's EBITDA was \$38m, a 193 per cent increase over the prior year.

In addition, Kordia has cut net debt nearly 80 per cent to \$12.5m from \$60.4m at the beginning of the financial year.

Kordia now has the strongest balance sheet in its history and is well positioned to deliver returns to the shareholder and invest for the future.

Kordia Group revenues for the year to 30 June 2015 totalled \$248m, with an EBITDA of \$38m (2014 \$13m) delivering an NPAT for the year at \$9.2m versus a target of \$1.9m.

Factors

Kordia chair Lorraine Witten says the fact the 2015 results far exceed the business' Statement of Corporate Intent is attributable to a range of factors.

"Throughout Australia and New Zealand the company's performance has been outstanding. Kordia New Zealand, under the direction of CEO Scott Bartlett, grew its telco revenues by more than 30 per cent. Our media business has also had a buoyant year, with the addition of online streaming services and growth in FM radio. Our mission critical solutions strategy is driving growth and positioning the business well for the future.

"In Australia, Kordia Solutions, under the leadership of chief executive Ken Benson, secured several multi-year annuity-type revenues which means it starts this financial year with eight times the carryover of revenues compared to the year under review. The Australian business has also had to re-size to reduce its cost structures and maintain competitiveness," Ms Witten says.

"The year's focus there has been on securing profitable revenue growth while also keeping an eye towards the long-term strategic future of the business.

"The board and management have maintained focus on our strategy and have driven performance to deliver a result for this year and beyond."

Highlights

Result highlights include:

- EBITDA of \$38m (2014 \$13m).
- NPAT of NZ\$9.2m with a budget of \$1.9m.
- Debt reduced to \$12.5m from \$60.4m.
- Business telco revenues in NZ up 30 per cent.
- Australian contracts worth in excess of \$300m secured.
- Return on equity is 10.8 per cent and gearing has reduced to 12.1 per cent.



Summary

Kordia is well placed to reap the benefits of a strong result in the 2015 financial year. Kordia New Zealand continues to grow with strong revenues across its business telco portfolio and is well positioned as the country's leading provider of mission critical networks.

Kordia Australia has locked in multi-year contracts with excellent carry-over revenue while there has been a focus on risk reduction, gross margin improvements and project delivery.

2016 has started well and the group is in a good position with the strongest balance sheet in Kordia's history, strong leadership in place and a clear focus on strategy.

For the board

Lorraine Witten

Chair

Kordia Group

27 August 2015

About Kordia NZ

Kordia New Zealand is New Zealand's leading provider of mission critical networks and technology solutions. With a rich heritage in broadcast and a focus on business to business telecommunications, Kordia NZ delivers the highest customer satisfaction scores in the industry.

