

<b>KORDIA GROUP LIMITED</b>	
Results for announcement to the market	
<b>Reporting Period</b>	6 months to 31 December 2015
<b>Previous Reporting Period</b>	6 months to 31 December 2014

	<b>6 months to 31 December 2015 (NZD'000)</b>	<b>6 months to 31 December 2014 (NZD'000)</b>	<b>Percentage change</b>
<b>Revenue from ordinary activities</b>	124,139	121,874	2%
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>	19,060	13,504	41%
<b>Profit (loss) after tax</b>	5,783	100	5,683%

	<b>Interim Dividend</b>
<b>Amount</b>	\$1m
<b>Dividend Payment Date</b>	31 March 2016

#### **Kordia Doubles Forecast Six Month Profit**

Business telecom and information security provider Kordia Group has maintained its outstanding financial performance in the first half of the current year.

The business has more than doubled its forecast after tax profit to \$5.8m, reduced net debt by more than half and is paying an interim dividend to the government of \$1m.

The half year payment is on top of a special dividend of \$5m late last year, given the strong FY15 results and the continued strength of the group balance sheet.



The directors say the strong result is despite Kordia NZ purchasing Aura Information Security for \$10m during the half year.

Kordia Australia also made a strong contribution to the result with the conclusion of the company's biggest ever design and build contract.

Group net debt has plummeted to \$5.8m from \$12.5m with gearing now at six per cent. The directors say the favourable variance results from improvements in working capital, in particular cash from key Australian projects. There are timing factors and some of the funds will be utilised in the second half of the year.

Kordia Group's net profit after tax of \$5.8m beats its budgeted forecast of \$2.4m by 140 per cent. Profit for the same period last year was \$100,000.

At \$8.9m, group earnings before interest and tax (EBIT) were a little shy of double the budgeted \$4.7m on revenue of \$124m.

Health and safety continues to be a key focus of the board both here and across the Tasman with Kordia New Zealand compliant with NZS4801 and Australia achieving federal certification.

### **Kordia New Zealand**

The acquisition of Wellington-based Aura InfoSec was completed during the half year. The acquisition significantly strengthens Kordia New Zealand's position in the cyber security market locking in a leading position cyber-security consulting business.

There is unprecedented demand for services in this sector and early Aura InfoSec trading has been encouraging. Overall, the New Zealand business has again performed well and is tracking ahead of its targets

### **Kordia Australia**

Kordia Solutions Australia continued to be a strong contributor to the Group result. The multi-year APLNG project, representing the biggest overseas delivery undertaken in Kordia's history has been successfully completed.



## **Dividends**

Kordia Group's Statement of Corporate Intent (SCI), forecasts a full year dividend of \$4.8m. Because the strong first half performance tracked ahead of target, the board has declared an interim dividend of \$1m.

For the board

Lorraine Witten

Kordia Group Chair

26 February 2016

## **About Kordia NZ**

Kordia is a highly focused, specialist telecommunications, information security and media business. We've been delivering innovative and highly reliable enterprise-grade broadcast, telecommunications and specialised networks for over sixty years.

We enjoy a strong presence throughout New Zealand and Australia, employing nearly 1000 highly skilled engineering, network operations and field technician staff, who develop networks, contract and consult.

Our people are here to make your business more effective—through real-time speed, efficiency and total reliability. The addition of the Aura InfoSec's cyber security services is a logical extension of the mission critical network services we already provide our customers.

