

KORDIA GROUP LIMITED	
Annual results for announcement to the market – 31 August 2011	
Reporting Period	12 months to 30 June 2011
Previous Reporting Period	12 months to 30 June 2010

	Amount 12 months to 30 June 2011	Amount 12 months to 30 June 2010	Percentage change
Revenue from ordinary activities	\$NZ294.9m	\$NZ258.3m	14.1% increase
Underlying profit	\$NZ7.2m	\$NZ2.2m	227% increase
Income tax adjustment	N/A	\$NZ3.1m	N/A
Impairment charge post tax	\$NZ21.9m	N/A	N/A
Profit (loss) from ordinary activities after tax	\$NZ(14.7m)	\$NZ(0.9m)	N/A
Net profit (loss) after tax	\$NZ(14.7m)	\$NZ(0.9m)	N/A

Interim Dividend	Nil	Nil	% Nil
Dividend Payment Date	Refer SCI.		

Comments:	<p>Kordia has announced its financial result for the 12 months to 30 June 2011, with a revenue increase of 14% from \$258m (2010) to \$295m.</p> <p>The underlying profit result of \$7.2m was impacted by an impairment charge of \$21.9m (post tax). This compares favourably with the underlying result of \$2.2m from last year, which was impacted by an income tax adjustment of</p>
------------------	--

\$3.1m for building depreciation and corporate tax rates. EBITDA remains strong at \$51.3m.

Strong performances were delivered by both Kordia Solutions and Orcon showing revenue increases of 12% and 31% respectively.

On 16 September 2010, the Government announced that the date for switch over to digital television would commence in September 2012, with completion by late 2013. Kordia had planned for a later switch over. Accordingly the Group reassessed the carrying value of the Network broadcast assets and in its mid-year accounts recorded an impairment charge of \$21.0m, post tax. Following the Christchurch earthquake in February 2011 an impairment charge of \$0.9m, post tax, was also made.

CEO Geoff Hunt says that, based on improved performance, the Group plans to recommence dividend repayments in FY12. Closing shareholders' funds stand at \$81.6m.

Hunt says that Kordia continues a strong focus on debt reduction with a further \$16.2m reduction in net debt in the past financial year. "Net debt now stands at \$73.8m, down from a high of \$123.7m in November 2008," he says.

"In addition to debt reduction, Kordia Group has continued its investment programme with \$23m of capital expenditure in the current year to develop new products and services like OnKor and Genius, as well as maintaining its existing infrastructure," he says.

Chairman David Clarke said the Board was pleased with the overall performance of the Group, with revenue, EBITDA and underlying NPAT increasing and debt continuing to decrease.

--	--