

<b>KORDIA GROUP LIMITED</b>	
Half year results for announcement to the market – 27 January 2010	
<b>Reporting Period</b>	6 months to 31 December 2009
<b>Previous Reporting Period</b>	6 months to 31 December 2008

	<b>Amount (000s) 6 months to 31 December 2009</b>	<b>Amount (000s) 6 months to 31 December 2008</b>	<b>Percentage change</b>
<b>Revenue from ordinary activities</b>	\$NZ129,604	\$NZ115,894	12% increase
<b>Profit (loss) from ordinary activities after tax</b>	\$NZ1,051	\$NZ(4,400)	N/A
<b>Net profit (loss) after tax</b>	\$NZ1,051	\$NZ(4,400)	N/A

<b>Interim Dividend</b>	Nil	Nil	% Nil
<b>Dividend Payment Date</b>	Refer SCI.		

<p><b>Comments: including:</b></p> <p><b>(i) a brief explanation of any of the above figures necessary to enable them to be understood</b></p>	<p>Kordia has posted a solid half year profit with a net profit after tax (NPAT) of \$1m, (unaudited), against a full year budget of \$1.3m. This compares with an NPAT loss of \$4.4m for the same period to December 08.</p> <p>As at 31 December 2009, the company was ahead of budget in both revenue and profit, and is ahead of budget in debt repayments - reducing its net debt level from \$105.4m to \$101.1m in the past six months.</p> <p>CEO Geoff Hunt says that results reflect the \$167m investment made in the business in the past four years, which are now contributing as per plan.</p>
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“The transformation of the Kordia Group from a sunset, analogue, broadcast-centric business to a technology, media and telecommunications business with new services and products is really starting to deliver to the bottom line,” he says.

“We have seen a substantial upturn in sales activity for new products including KorKor™ (integrated two-way digital radio) and OnKor™ (carrier Ethernet) in New Zealand. However, we are noting a reduction in capex investment, and considerable delays in decision-making inside customer organisations - and more generally, across the industry - as a result of the challenging economic climate,” says Hunt.

“Kordia Solutions Australia has again delivered a strong result, and has a good pipeline of work for the next six months from a broad base of customers and industry sectors, which is pleasing. There is some restructuring in progress within our customer base in Australia.

“Kordia Solutions New Zealand also has some promising contracts in the pipeline after a difficult first half, and we are working hard to ensure that recent consolidation is delivering tangible results.”

Orcon is now achieving its targets in a highly competitive market, and is ahead of budget on both revenue and EBIT.

Total Group capex for the full year will be around \$20m – 57 per cent of what it was last year, as the group focuses on driving returns off the recent investments, and reducing debt. Gearing is currently 50.5 per cent, down from 56.6 per cent at this time last year.

The OptiKor™ trans-Tasman cable project continues to

<p><b>(ii) in respect of each half-year period, commentary on the outlook for the remainder of the financial year, including whether the SOE considers it will achieve the financial performance targets in its SCI)</b></p>	<p>develop, and Kordia continues to focus on providing New Zealanders with more competition in the wholesale international bandwidth market, and ultimately, cheaper access to broadband services.</p> <p>(i) Noting the considerable uncertainties that remain in the Kordia Solutions' contracting business, Kordia considers that it will achieve the financial performance targets in its SCI for the year ending 30 June 2010.</p>
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