

MEDIA RELEASE

ORCON HAS BEEN SOLD

Monday 15 April 2013: Kordia has sold Orcon, its residential and business ISP.

The buyer is a group of New Zealand businesspeople, headed by Warren Hurst, Managing Director of Vivid Networks.

Kordia Group Chairman David Clarke says the Kordia Board is pleased to announce the sale.

"Under Kordia, Orcon's annual turnover has increased by almost 400%," he says. "But structural changes in the market place mean there are likely to be better opportunities for Orcon with a different owner.

"Orcon played an important role in Kordia's transformation from a broadcast to broadband business," says Clarke.

Late last year, Kordia integrated Orcon into the Kordia Networks business, creating Kordia New Zealand. Kordia New Zealand CEO Scott Bartlett says it was this move that sparked interest from a number of buyers.

Bartlett says he believes the sale will lead to a more sharply focused Kordia, with a sole aim to be the country's leading business network provider.

"Kordia is fundamentally a 'B2B' business, so being able to reset our strategy to better focus on delivering exceptional service to our business customers is really where we need to be," he says.

"It is business as usual for Orcon - the new owners are committed to providing excellent service and delivering the innovation and expertise Orcon is renowned for."

Bartlett expects that new ownership will help boost Orcon's growth and development.

"Management from both parties is committed to making sure the sale transition period is as smooth and straightforward as possible. The new owner will need existing staff and capacity to ensure the business continues to run smoothly and make a profit," he says.

Warren Hurst says Orcon is a well-respected, technically innovative and profitable ISP with excellent growth prospects.


"The business is in good shape. It has a sound technology platform and quality staff. We will soon be announcing the appointment of a new CEO. At that time we will discuss our growth strategy

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going forward. In the meantime, it will be very much business as usual for Orcon customers,” Warren Hurst said.

The deal closed last Friday. Kordia bought Orcon in July 2007 for \$24m.

- Ends -

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