



25 AUGUST 2016

**RESULTS FOR THE HALF-YEAR ENDED 30 JUNE 2016**

**HIGHLIGHTS**

- Operational results deliver a **\$7.5 million profit after tax**, EPS of 7.8 cents and a **fully franked dividend** of 2 cents( 1 cent ordinary and 1 cent special )per share
- **Debt free balance sheet** allowing a continued focus on core Publishing Services business
- **Increasing benefits from joint initiatives** with our majority shareholder, 1010 Printing Group Limited, including ability to offer customers multi-country print solutions and procurement savings
- Gain on disposal of C.O.S. Printing(Singapore) of \$3.6 million
- **Sale of Cactus Group(post 30 June** completed 1 August) enables OPUS to dedicate its full financial and operating resources to **the Publishing Services Division**

**FINANCIAL RESULTS OVERVIEW**

A \$000	Half-year ended 30 June 2016	Half-year ended 30 June 2015
<b>Continuing Operations *</b>		
Revenue	47,713	49,990
EBITDA	10,138	5,415
Profit before tax	8,838	4,345
Profit after tax	7,284	4,333
<b>Discontinued Operation**</b>		
Profit after tax	217	333
<b>Total profit after tax</b>	<b>7,501</b>	<b>4,666</b>
Earnings per share	7.78	4.84
Fully franked dividend per share	Ordinary: 1 Cent Special: 1 Cent	1 Cent

- \* Publishing Services and Outdoor Media(sold after 30 June)
- \*\* C.O.S. Printing(Singapore)

**CONTENT  
FASTER  
SMARTER**



The Board has today declared a 1 cent ordinary dividend and 1 cent special dividend per share in respect of the half-year ended 30 June 2016.

OPUS Group Limited ('OPUS' or the 'Group') (ASX: OPG) is a group of leading specialist print and related services businesses, spanning Asia Pacific supported by a strong relationship with its Hong Kong listed 62% shareholder, 1010 Printing Group Limited ('1010 Group'), which operates from Hong Kong, Singapore and China.

Commenting on the half year result released today, OPUS Executive Chairman and Group CEO Richard Celarc said:

"Our half-year results are a pleasing reflection of the progress we've made so far this year with our hands on approach to all areas of the business. The disposal of C.O.S and of the Outdoor Media division means our management team can now fully focus on maintaining the positive momentum we've gained in our Publishing Services division.

Our operations have and will continue to meet the ongoing challenges of rising costs and margin erosion and we will continue to take advantage of our debt free balance sheet to drive efficiencies in production to deliver value to our customers and results to our shareholders.

Looking to the 2<sup>nd</sup> half of 2016, with the support of our dedicated staff, I expect we will continue to be a group that excels in faster delivery of high quality printed products for our publishing customers."

### ***PUBLISHING SERVICES DIVISION***

<b>A \$000</b>	<b>Half-year ended 30 June 2016</b>	<b>Half-year ended 30 June 2015</b>
Revenue	42,003	39,484
EBITDA	6,252	6,171

The Publishing Services division recorded modest but pleasing revenue growth of 6% or \$2,519,000 over the comparative prior period. This has been driven by new business that commenced in late 2015 as well as the successful commissioning of new digital colour inkjet lines.

The competitive operating environment has resulted in a slight margin reduction of 0.7% over the comparative prior period.

**OPUS Group Limited A.B.N. 48 006 162 876**

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### **OUTDOOR MEDIA DIVISION**

<b>A \$000</b>	<b>Half-year ended 30 June 2016</b>	<b>Half-year ended 30 June 2015</b>
Revenue	5,710	10,506
EBITDA	1,275	1,260

The Outdoor Media division showed a drop on revenue of 46% or \$4,796,000 over the half-year ended 30 June 2016 which reflects the divestment of the New Zealand Outdoor Media business in October 2015.

The Group entered into a conditional sale and purchase agreement on 26 July 2016 to dispose of the shares of Cactus Imaging Holdings Pty Ltd and Cactus Imaging Pty Ltd, wholly owned subsidiaries of OPUS Group and primarily engaged in grand and large format printing for outdoor advertising in Australia. The transaction was completed on 1 August 2016. The net proceeds of the sale exceeded the net carrying value of the net assets and no impairment was incurred.

As a result of the sale, OPUS Group's activities consist solely of its Publishing Services division.

### **OUTLOOK**

The Board expects that solid progress will continue with the Group now well placed to execute on the opportunities in its Publishing Services division and continue to meet and exceed the expectations of its stakeholders.

**CONTENT  
FASTER  
SMARTER**



## **ABOUT OPUS GROUP**

OPUS Group is an Australasian group of three specialist print and related services businesses, each a leader in their individual market.

Operations are substantially in Australia (with a presence in New Zealand) and there is a strong operating relationship with OPUS Group's 62% shareholder, 1010 Printing Group which operates from Hong Kong, Singapore and China.

Servicing multiple industries, OPUS Group is the preferred partner to many of the world's largest publishers.

### **Contacts:**

#### **For investors & media:**

Richard Celarc (Executive Chairman and Group CEO)+61 2 9584 7680

**Opus Group Limited**  
**Appendix 4D**  
**Half-year report**

**1. Company details**

Name of entity:	Opus Group Limited
A.B.N.:	48 006 162 876
Reporting period:	For the half-year ended 30 June 2016
Previous period:	For the half-year ended 30 June 2015

**2. Results for announcement to the market**

	Half-year ended 30 Jun 2016 AUD\$'000s	Half-year ended 30 Jun 2015 AUD\$'000s	Change %
Revenues from ordinary activities	47,713	49,990	(5%)
Profit after income tax from ordinary activities attributable to the owners of Opus Group Limited	7,501	4,666	61%
Net profit attributable to the owners of Opus Group Limited	7,501	4,666	61%

**3. Distributions**

	Record date	Payment date	Amount per shares Cents	Franked amount per shares Cents
Distribution declared on 25 August 2016				
- Special dividend	13 Sep 2016	26 Sep 2016	1	1
- Interim dividend	13 Sep 2016	26 Sep 2016	1	1

The profit for the OPUS Group after providing for income tax amounted to \$7,501,000 (Half-year ended 30 June 2015: \$4,666,000).

**4. Dividend Re-investment Plan**

The Dividend Re-investment Plan (DRP) is currently not activated and is not available for the above declared dividend.

**5. Net tangible assets**

	Half-year ended 30 Jun 2016 Cents	Year ended 31 Dec 2015 Cents
Net tangible assets per ordinary share	26.26	28.68

**6. Controlled gained or lost over entities in the half-year**

On 29 March 2016, the Group entered into a conditional sale and purchase agreement to dispose of its 100% interest in C.O.S. Printers Pte, Ltd which contributed a gain of \$3,589,000 to the Group's consolidated profit from ordinary activities during the half-year ended. C.O.S. Printers Pte, Ltd reported an operating profit for the half-year ended 30 June 2016 of \$217,000.

**7. Subsequent events**

As of 30 June 2016, Cactus Imaging Holdings Pty Ltd and Cactus Imaging Pty Ltd (the 'Cactus Group'), wholly owned subsidiaries of OPUS Group and primarily engaged in grand and large format printing for outdoor advertising in Australia, was available for immediate sale in its present condition subject only to terms that are usual and customary for sales and the sale was highly probable. As such, the Cactus Group was classified as a disposal group held for sale as at 30 June 2016. On 26 July 2016, OPUS Group entered into a conditional sale and purchase agreement to dispose the shares of the Cactus Group. The transaction was completed on 1 August 2016. The net proceeds of the sale exceeded the net carrying amount of the assets and no impairment incurred. Upon the completion of this sale the Group ceased activities in Outdoor Media division.

**8. Audit status**

The consolidated financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

**9. Attachments**

The Interim Report of Opus Group Limited for the half-year ended 30 June 2016 is attached.

**10. Signed**



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Richard Celarc  
Chairman  
Sydney

Date: 25 August 2016

# **Opus Group Limited and Controlled Entities**

**A.B.N. 48 006 162 876**

**Interim Report - 30 June 2016**

**OPUS Group Limited and Controlled Entities**  
**Directors' Report**  
**30 June 2016**

The directors present their report, together with the consolidated financial statements, on the consolidated entity (referred to hereafter as the 'OPUS Group' or the 'Group') consisting of Opus Group Limited (referred to hereafter as the 'Company' or the 'parent entity') and the entities it controlled during the half-year ended 30 June 2016.

**(a) Directors**

The following persons were directors of OPUS Group Limited during the whole of the financial half-year and up to the date of this report: unless otherwise stated.

Richard F. Celarc  
 Chuk K. Lau  
 Mei L. Lam  
 Paul A. Young

**(b) Principal Activities**

The principal activities of the OPUS Group are providing printing services within the following two divisions:

*(i) Publishing Services*

Production and distribution of publications including electronic delivery of online material, regional production of scientific, medical, technical and scholarly journals, loose leaf manuals and primary, secondary and higher education texts and read for pleasure. As well as, provision of secure government communication requirements including document production, web hosting, electronic fulfilment, call centre, warehousing and logistics for the Australian Federal Government, State Governments and Local Councils.

*(ii) Outdoor Media*

Creation, production and distribution of outdoor advertising material and corporate signage, such as billboards, bus advertising, retail displays, building and vehicle wraps and trade exhibitions. Upon the disposal of Cactus Imaging Pty Ltd and Cactus Imaging Holdings Pty Ltd (the 'Cactus Group') on 1 August 2016, OPUS Group ceased activities in Outdoor Media division.

**(c) Review of Operations**

**HALF-YEAR OF 30 JUNE 2016 OPERATING RESULT, FINANCIAL SUMMARY AND COMMENTARY**

OPUS Group reported revenue of \$47,713,000 which is lower than the prior period (half-year ended 30 Jun 2015: \$49,990,000). The profit for OPUS Group after providing for income tax amounted to \$7,501,000 (half-year ended 30 Jun 2015: \$4,666,000).

Further details in respect of these results are provided below:

Reported Financial Performance

	Half-year ended 30 Jun 2016 AUD\$'000s	Half-year ended 30 Jun 2015 AUD\$'000s	% Change Favourable/ (Unfavourable)
Revenue from ordinary activities	47,713	49,990	(5%)
Operating expenses	(43,106)	(46,060)	6%
Other income	4,263	566	653%
Operating profit before finance costs	8,870	4,496	97%
Net finance costs	(32)	(151)	79%
Profit before income tax from continuing operations	8,838	4,345	103%
Income tax expense	(1,554)	(12)	(12,850%)
Profit after income tax from continuing operations	7,284	4,333	68%
Profit from discontinued operation (net of income tax)	217	333	(35%)
Profit for the half-year ended	7,501	4,666	61%

**OPUS Group Limited and Controlled Entities**  
**Directors' Report**  
**30 June 2016**

Asset and Capital Structure (as at date of the Consolidated Statement of Financial Position)

	30 Jun 2016 AUD\$'000s	31 Dec 2015 AUD\$'000s
Total current assets	33,526	37,434
Total current liabilities	(16,905)	(20,986)
Net working capital	16,621	16,448
Cash:		
Finance lease liabilities	(14)	(151)
Cash and cash equivalents	11,821	11,459
Cash and cash equivalents included in disposal group classified as held for sale	419	-
Net cash	12,226	11,308
Total equity	25,315	27,649

The financial position of OPUS Group continues its improvement after the recapitalisation transaction in late 2014. As at 30 Jun 2016, OPUS Group had total equity of \$25,315,000 (31 Dec 2015: \$27,649,000) after the dividend payment of \$10,605,000 during the current period.

There is net working capital of \$16,621,000 (31 Dec 2015: \$16,448,000). The current ratio is 2.0 (31 Dec 2015: 1.8). OPUS Group had cash of \$12,240,000 (31 Dec 2015: \$11,459,000). The borrowings of OPUS Group are represented by finance lease liabilities of \$14,000 (31 Dec 2015: \$151,000). The Group's gearing ratio, which is calculated on the basis of the total interest-bearing debts over the total equity, is 0.1% (31 Dec 2015: 0.6%).

The divestments of C.O.S. Printers Pte, Ltd and the Cactus Group allow OPUS Group to stay the focus in Publishing Services Division in Australian Market without distraction and maximise the synergies in continually partnering with 1010 Group, to strengthen its sourcing network, the bargaining power with the suppliers and the excellence of industrial management experience.

**(d) Rounding of Amounts**

OPUS Group Limited is a Company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016-191 dated 24 March 2016 issued by the Australian Securities and Investments Commission. Amounts in the Financial Report and Directors' Report have been rounded off in accordance with that legislative instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

**(e) Auditor's independence declaration**

The lead auditor's independence declaration under s 307C of the *Corporations Act 2001* is set out on page 6 for the half-year ended 30 June 2016.

This report is made in accordance with a resolution of the directors, pursuant to section 306(3) (a) of the *Corporations Act 2001*.




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Richard Celarc  
Chairman

25 August 2016  
Sydney

## DECLARATION OF INDEPENDENCE BY JOHN BRESOLIN TO THE DIRECTORS OF OPUS GROUP LIMITED

As lead auditor for the review of Opus Group Limited for the half-year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Opus Group Limited and the entities it controlled during the period.



John Bresolin  
Partner

**BDO East Coast Partnership**

Sydney, 25 August 2016

**Opus Group Limited and Controlled Entities**  
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**30 June 2016**

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Independent auditor's review report to the members of Opus Group Limited

**General information**

The consolidated financial statements cover Opus Group Limited as a consolidated entity consisting of Opus Group Limited and the entities it controlled at the end of, or during, the half-year. The consolidated financial statements are presented in Australian dollars, which is Opus Group Limited's functional and presentation currency.

Opus Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

**Registered office and principal place of business**

12 Rachael Close  
Silverwater NSW 2128

With effect from 1 August 2016, the registered office and principal place of business changed to:

138 Bonds Road,  
Riverwood, NSW 2210

A description of the nature of the OPUS Group's operations and its principal activities are included in the Directors' Report, which is not part of the consolidated financial statements.

The consolidated financial statements were authorised for issue, in accordance with a resolution of directors, on 25 August 2016.

**OPUS Group Limited and Controlled Entities**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**for the half-year ended 30 June 2016**

	Note	Consolidated	
		Half-year ended 30 June 2016 AUD\$'000s	Half-year ended 30 June 2015 AUD\$'000s
<b>Continuing Operations</b>			
Revenue	4	47,713	49,990
Other income	6	4,263	566
Expenses:			
Changes in inventories of finished goods, materials and work in progress		(15,379)	(14,313)
Other production costs and freight		(9,147)	(9,125)
Employee benefits expense		(14,423)	(16,277)
Occupancy costs		(1,215)	(1,977)
Depreciation and amortisation expense		(1,208)	(1,580)
(Loss)/gain on disposal of property, plant and equipment		(60)	661
Other expenses		(1,674)	(3,449)
<b>Operating profit before finance costs from continuing operations</b>	7	<b>8,870</b>	<b>4,496</b>
Finance income		76	85
Finance expenses		(108)	(236)
<b>Net finance costs</b>		<b>(32)</b>	<b>(151)</b>
<b>Profit before income tax from continuing operations</b>		<b>8,838</b>	<b>4,345</b>
Income tax expense	8	(1,554)	(12)
<b>Profit after income tax from continuing operations</b>		<b>7,284</b>	<b>4,333</b>
<b>Discontinued operation</b>			
Profit after income tax from discontinued operation	5	217	333
<b>Profit for the half-year ended</b>		<b>7,501</b>	<b>4,666</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		770	225
<b>Other comprehensive income for the half-year ended net of income tax</b>		<b>770</b>	<b>225</b>
<b>Total comprehensive income for the half-year ended</b>		<b>8,271</b>	<b>4,891</b>
		<b>Cents</b>	<b>Cents</b>
<b>Earnings per share</b>			
<b>Basic earnings per share</b>			
Earnings from continuing operations	3	7.55	4.49
Earnings from discontinued operation	3	0.23	0.35
<b>Total</b>		<b>7.78</b>	<b>4.84</b>
<b>Diluted earnings per share</b>			
Earnings from continuing operations	3	7.11	4.36
Earnings from discontinued operation	3	0.21	0.34
<b>Total</b>		<b>7.32</b>	<b>4.70</b>

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**OPUS Group Limited and Controlled Entities**  
**Consolidated Statement of Financial Position as at 30 June 2016**

		<b>Consolidated</b>	
<b>Note</b>	<b>30 Jun 2016</b>	<b>31 Dec 2015</b>	
	<b>AUD\$'000s</b>	<b>AUD\$'000s</b>	
<b>Current assets</b>			
	11,821	11,459	
Cash and cash equivalents	11,441	16,825	
Trade and other receivables	3,619	6,430	
Inventories	193	-	
Income tax receivable	1,502	2,720	
Other current assets	<u>28,576</u>	<u>37,434</u>	
Assets included in disposal group classified as held for sale	4,950	-	
<b>Total current assets</b>	<u>33,526</u>	<u>37,434</u>	
<b>Non-current assets</b>			
Investments accounted for using the equity method	-	-	
Property, plant and equipment	7,006	8,183	
Deferred tax assets	2,722	3,065	
Other non-current assets	441	1,469	
<b>Total non-current assets</b>	<u>10,169</u>	<u>12,717</u>	
<b>Total assets</b>	<u>43,695</u>	<u>50,151</u>	
<b>Current liabilities</b>			
Trade and other payables	10,431	13,888	
Interest bearing liabilities	14	151	
Employee benefits	4,160	5,076	
Amount due to a fellow subsidiary	-	700	
Provision for income tax	-	1,171	
	<u>14,605</u>	<u>20,986</u>	
Liabilities included in disposal group classified as held for sale	2,300	-	
<b>Total current liabilities</b>	<u>16,905</u>	<u>20,986</u>	
<b>Non-current liabilities</b>			
Deferred tax liabilities	147	153	
Interest bearing liabilities	-	-	
Employee benefits	263	448	
Provisions	1,065	915	
<b>Total non-current liabilities</b>	<u>1,475</u>	<u>1,516</u>	
<b>Total liabilities</b>	<u>18,380</u>	<u>22,502</u>	
<b>Net assets</b>	<u>25,315</u>	<u>27,649</u>	
<b>Equity</b>			
Share capital	8,099	70,594	
Reserves	9,578	8,808	
Profits reserve	7,979	11,083	
Accumulated losses	(341)	(62,836)	
<b>Total equity</b>	<u>25,315</u>	<u>27,649</u>	

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

**OPUS Group Limited and Controlled Entities**  
**Consolidated Statement of Changes in Equity for the half-year ended 30 June 2016**

	Note	Share capital AUD\$'000s	Reserves AUD\$'000s	Profits reserve AUD\$'000s	Accumulated losses AUD\$'000s	Total AUD\$'000s
<b>Consolidated</b>						
<b>Balance at 1 Jan 2015</b>		70,594	8,509	-	(62,836)	16,267
Profit after income tax		-	-	4,666	-	4,666
Exchange differences on translation of foreign operations		-	225	-	-	225
Total comprehensive income for the half-year ended		-	225	4,666	-	4,891
<i>Transactions with owners in their capacity as owners</i>						
Dividend paid	13	-	-	-	-	-
Total changes in ownership interests		-	-	-	-	-
<b>Balance at 30 June 2015</b>		70,594	8,734	4,666	(62,836)	21,158

	Note	Share capital AUD\$'000s	Reserves AUD\$'000s	Profit reserve AUD\$'000s	Accumulated losses AUD\$'000s	Total AUD\$'000s
<b>Consolidated</b>						
<b>Balance at 1 January 2016</b>		70,594	8,808	11,083	(62,836)	27,649
Profit after income tax		-	-	7,501	-	7,501
Exchange differences on translation of foreign operations		-	770	-	-	770
Total comprehensive income for the half-year ended		-	770	7,501	-	8,271
<i>Transactions with owners in their capacity as owners</i>						
Dividend paid	13	-	-	(10,605)	-	(10,605)
Capital reduction	11	(62,495)	-	-	62,495	-
Total changes in ownership interests		(62,495)	-	(10,605)	62,495	(10,605)
<b>Balance at 30 June 2016</b>		8,099	9,578	7,979	(341)	25,315

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**OPUS Group Limited and Controlled Entities**  
**Consolidated Statement of Cash Flows for the half-year ended 30 June 2016**

	Note	Consolidated	
		Half-year ended 30 Jun 2016 AUD\$'000s	Half-year ended 30 Jun 2015 AUD\$'000s
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		60,521	60,590
Payments to suppliers and employees (inclusive of GST)		(53,403)	(55,535)
Interest received		76	85
Interest and borrowing costs paid		(265)	(280)
Net income tax paid		(2,515)	(1,115)
<b>Net cash generated from operating activities</b>		<b>4,414</b>	<b>3,745</b>
<b>Cash flows from investing activities</b>			
Payments for purchase of property, plant and equipment		(1,647)	(685)
Proceeds from the disposal of property, plant and equipment		7	680
Net cash inflows on disposal of C.O.S.	5	8,779	-
Payment for deferred consideration for business combination		-	(540)
Dividends received		-	300
<b>Net cash generated from/(used in) investing activities</b>		<b>7,139</b>	<b>(245)</b>
<b>Cash flows from financing activities</b>			
Dividends paid		(10,606)	-
Repayment of unsecured promissory note		-	(1,900)
Repayment of finance leases		(92)	(595)
<b>Net cash used in financing activities</b>		<b>(10,698)</b>	<b>(2,495)</b>
<b>Net increase in cash and cash equivalents during the half-year ended</b>		<b>855</b>	<b>1,005</b>
<b>Cash and cash equivalents at the beginning of the financial half-year ended</b>		<b>11,459</b>	<b>7,119</b>
Net effect of exchange rate changes on cash		(74)	107
<b>Cash and cash equivalents held at the end of the financial half-year ended</b>		<b>12,240</b>	<b>8,231</b>
<b>Cash and cash equivalents held at the end of the financial half-year ended</b>		<b>11,821</b>	<b>8,231</b>
<b>Cash and cash equivalents included in disposal group classified as held for sale</b>		<b>419</b>	<b>-</b>
<b>Total cash and cash equivalents</b>		<b>12,240</b>	<b>8,231</b>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

**OPUS Group Limited and Controlled Entities**  
**Notes to the Consolidated Financial Statements**  
**for the half-year ended 30 June 2016**

**1. Summary of significant accounting policies**

**(i) Basis of Preparation**

These general purpose consolidated interim financial statements for the half-year reporting period ended 30 June 2016 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

These general purpose consolidated financial statements do not include all the notes of the type normally included in consolidated annual financial statements. Accordingly, these consolidated financial statements are to be read in conjunction with the latest annual report for the year ended 31 December 2015 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Comparative information in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows has been presented for the half-year ended 30 June 2015.

These interim financial statements were authorised for issue on 25 August 2016.

**(ii) Accounting Policies**

The principal accounting policies adopted are consistent with those of the previous financial period and corresponding interim reporting period, unless otherwise stated.

*New, revised or amended Accounting Standards and Interpretations adopted*

The OPUS Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the OPUS Group.

The following Accounting Standards and Interpretations are most relevant to the OPUS Group:

*AASB 2015-4 Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent*

The amendment aligns the relief available in AASB 10 *Consolidated Financial Statements* and AASB 128 *Investment in Associates and Joint Ventures* in respects of the financial reporting requirements for Australia groups with a foreign parent. Amendments are made to AASB 128 to require that the ultimate Australian entity apply the equity method in accounting for interests in associates and joint ventures if either the entity or the group is a reporting entity, or both the entity and group are reporting entities. There are no material impacts to OPUS Group as equity method has been adopted in accounting for interests in associates.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The directors of the Group are currently assessing the impact of these new *Australian Accounting Standards and Interpretations* but not yet in a position to state whether they would have any material financial impact on the Group's results of operations and financial position.

**(iii) Estimates**

When preparing the interim financial statements, there are a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the OPUS Group's last annual financial statements for the year ended 31 December 2015.

**2. Significant events and transactions**

There are no significant changes in financial position and performance of the OPUS Group since the end of the last annual financial statements for the year ended 31 December 2015, except for the divestment of C.O.S. Printer Pte, Ltd ('C.O.S.').

On 29 March 2016, the OPUS Group entered into a conditional sale and purchase agreement to dispose of its 100% interest in C.O.S. which contributed a gain of \$3,589,000 to the Group's consolidated profit from ordinary activities during the half-year ended. C.O.S. reported an operating profit for the half-year ended 30 June 2016 of \$217,000. Details are disclosed in note 5 of the Consolidated Financial Statements.

**OPUS Group Limited and Controlled Entities**  
**Notes to the Consolidated Financial Statements**  
**for the half-year ended 30 June 2016**

**3. Earnings per share**

	<b>Consolidated</b> <b>Half-year ended</b> <b>30 June 2016</b>	<b>Half-year ended</b> <b>30 June 2015</b>
<b>Basic earnings per share (cents ¢)</b>		
Earnings from continuing operations	7.55	4.49
Earnings from discontinued operation	0.23	0.35
<b>Total</b>	<b>7.78</b>	<b>4.84</b>
<b>Diluted earnings per share (cents ¢)</b>		
Earnings from continuing operations	7.11	4.36
Earnings from discontinued operation	0.21	0.34
<b>Total</b>	<b>7.32</b>	<b>4.70</b>

	<b>Consolidated</b> <b>Half-year ended</b> <b>30 June 2016</b> <b>AUD\$'000s</b>	<b>Half-year ended</b> <b>30 June 2015</b> <b>AUD\$'000s</b>
Earnings from continuing operations used in calculating basic and diluted earnings per share	7,284	4,333
Earnings from discontinued operation used in calculating basic and diluted earnings per share	217	333
Weighted average number of ordinary shares used as the denominator in calculating the basic profit per share	96,414	96,414
Weighted average number of ordinary shares used as the denominator in calculating the diluted profit per share	102,417	99,310

**4. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board and the Chief Executive Officer ('CEO').

*(a) Description of segments*

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker as defined above that are used to make strategic decisions.

These individuals review the business primarily from a product and service offering perspective and have identified two distinct operating segments: Publishing Services and Outdoor Media.

*Publishing Services*

The Publishing Services Division provides digital and offset printing, and other ancillary business services including digital asset management, content management, back catalogue fulfilment, direct to consumer distribution and warehousing, variable data and intelligent mailing.

The division has short run, medium and long run production capabilities and in-house finishing.

The Publishing Services Division also has a business services model that enables the efficient and seamless content creation to consumption for the Federal government, government departments and agencies. This includes webhosting, electronic fulfilment, printing on demand and digital asset management. These capabilities have been extended to the publishing sector as well.

*Outdoor Media*

The Outdoor Media Division produces and distributes outdoor advertising material and corporate signage for the outdoor advertising industry and corporate signage market. The majority of the work performed by the Outdoor Media Division consists of billboards and posters and requires a rapid turnaround to meet strict advertising campaign deadlines. Upon the disposal of Cactus Imaging Pty Ltd and Cactus Imaging Holdings Pty Ltd (the 'Cactus Group') on 1 August 2016, OPUS Group ceased activities in Outdoor Media Division.

*(b) Segment revenue*

Sales between segments are carried out on an arm's length basis and are eliminated on consolidation. The revenue from external parties reported is measured in a manner consistent with that in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

**OPUS Group Limited and Controlled Entities**  
**Notes to the Consolidated Financial Statements**  
**for the half-year ended 30 June 2016**

**4. Segment reporting (Continued)**

The revenue by geographic location is not used by the chief operating decision maker in reviewing the performance of the CGU. The Board considered the cost to develop it would be excessive.

*(c) EBITDA as monitored by the Board and Senior Management*

The Chief Operating Decision Maker assesses the performance of the operating segments based on a measure of EBITDA as monitored by the Board and Senior Management ('EBITDA'). This measure is consistent with the presentation of financial information internally for management accounting purposes.

A reconciliation of EBITDA to the profit/loss before income tax per the Consolidated Statement of Profit or Loss and Other Comprehensive Income is as follows:

	<b>Half-year ended 30 Jun 2016 AUD\$'000s</b>	<b>Half-year ended 30 Jun 2015 AUD\$'000s</b>
EBITDA on ordinary activities	10,138	5,415
Depreciation and amortisation expense	(1,208)	(1,580)
(Loss)/gain on disposal of property, plant and equipment	(60)	661
Finance income	76	85
Finance expenses	(108)	(236)
Profit before income tax from continuing operations	<b>8,838</b>	<b>4,345</b>

*(d) Segment Information*

<b>Half-year ended 30 Jun 2016</b>	<b>Publishing AUD\$'000s</b>	<b>Outdoor Media AUD\$'000s</b>	<b>Others* AUD\$'000s</b>	<b>Inter-Segment Eliminations AUD\$'000s</b>	<b>Total AUD\$'000s</b>
External revenue from continuing operations	42,003	5,710	-	-	47,713
Inter-segment sales	-	60	-	(60)	-
Other income	386	71	3,806	-	4,263
Operating expenses	(36,137)	(4,566)	(1,195)	60	(41,838)
<b>EBITDA</b>	<b>6,252</b>	<b>1,275</b>	<b>2,611</b>	<b>-</b>	<b>10,138</b>

<b>Half-year ended 30 Jun 2015</b>	<b>Publishing AUD\$'000s</b>	<b>Outdoor Media AUD\$'000s</b>	<b>Others* AUD\$'000s</b>	<b>Inter-Segment Eliminations AUD\$'000s</b>	<b>Total AUD\$'000s</b>
External revenue from continuing operations	39,484	10,506	-	-	49,990
Inter-segment sales	-	190	-	(190)	-
Other income	565	1	-	-	566
Operating expenses	(33,878)	(9,437)	(2,016)	190	(45,141)
<b>EBITDA</b>	<b>6,171</b>	<b>1,260</b>	<b>(2,016)</b>	<b>-</b>	<b>5,415</b>

\* Included in "Others" are the Group's activities in finance revenue and costs, staff costs and other corporate activities incurred under central corporate and treasury function which are not able to allocate to neither Publishing nor Outdoor Media segment. Other income during the period mainly represented \$3,589,000 gain on disposal of C.O.S. (30 June 2015: nil).

**OPUS Group Limited and Controlled Entities**  
**Notes to the Consolidated Financial Statements**  
**for the half-year ended 30 June 2016**

**4. Segment reporting (Continued)**

*(e) Others*

The "Others" column represents unallocated the OPUS Group and corporate costs.

*(f) Segment assets and liabilities*

The amounts provided to the Chief Operating Decision Maker with respect to total assets and total liabilities are not reported by operating segment. The Chief Operating Decision Maker does not receive information about the geographical locations of the segment assets and liabilities.

**5. Discontinued operation**

On 29 March 2016, the Group entered into a conditional sale and purchase agreement to dispose of its 100% interest in C.O.S., a wholly owned subsidiary of the Group. The proceeds of the disposal of \$11,300,000 were received in cash. The profit/(loss) for the half-year ended from the discontinued operation is analysed as follows:

	<b>Consolidated</b>	
	<b>Half-year ended 30 Jun 2016 AUD\$'000s</b>	<b>Half-year ended 30 Jun 2015 AUD\$'000s</b>
Revenue	5,297	5,541
Operating expenses	(5,030)	(5,090)
Profit before income tax	267	451
Income tax expenses	(50)	(118)
<b>Profit after income tax</b>	<b>217</b>	<b>333</b>
Profit before income tax on discontinued operation	267	451
Gain on disposal of C.O.S	3,589	-
<b>Total</b>	<b>3,856</b>	<b>451</b>

The net cash flows generated from /(used in) by C.O.S. are, as follows:

	<b>Consolidated</b>	
	<b>Half-year ended 30 Jun 2016 AUD\$'000s</b>	<b>Half-year ended 30 Jun 2015 AUD\$'000s</b>
Operating activities	(202)	193
Investing activities	(81)	(391)
Financing activities	-	(52)
Net cash outflow for the half-year ended	(283)	(250)

The net assets of C.O.S. and the net cash inflows at the date of disposal were as follows:

	<b>Consolidated</b>	
	<b>Half-year ended 30 Jun 2016 AUD\$'000s</b>	<b>Half-year ended 30 Jun 2015 AUD\$'000s</b>
Net assets of C.O.S. at the date of disposal	7,711	-
Gain on disposal	3,589	-
Total consideration received in cash	11,300	-
Cash and cash equivalents held at C.O.S.	(2,521)	-
Net cash inflows on disposal of C.O.S.	<b>8,779</b>	<b>-</b>

**OPUS Group Limited and Controlled Entities**  
**Notes to the Consolidated Financial Statements**  
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**6. Other income**

	Consolidated	
	Half-year ended 30 Jun 2016 AUD\$'000s	Half-year ended 30 Jun 2015 AUD\$'000s
Gain on disposal of C.O.S.	3,589	-
Scrap recoveries	200	150
Sundry income	-	158
Insurance compensation	105	146
Discount and rebates received	99	36
Other	270	76
<b>Total other income</b>	<b>4,263</b>	<b>566</b>

**7. Profit before income tax for continuing operations**

Profit before income tax for continuing operations includes the following items which require specific disclosure:

	Consolidated	
	Half-year ended 30 Jun 2016 AUD\$'000s	Half-year ended 30 Jun 2015 AUD\$'000s
(Reversal of)/provision for bad debts	(196)	470
Provision for obsolete stock	197	271
Minimum lease payments related to operating leases	1,527	1,439
Superannuation	1,164	1,177
Realised foreign exchange loss/(gain)	53	(33)

**8. Income tax expenses**

The Group calculates the period income tax expense using the tax rate of 30% (30 June 2015: 30%) on the estimated assessable profits for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

The major components of income tax expense in the Consolidated Statements of Profit or Loss are:

	Consolidated	
	Half-year ended 30 Jun 2016 AUD\$'000s	Half-year ended 30 Jun 2015 AUD\$'000s
Current tax expense	1,287	12
Deferred tax expense	4	-
Under provision of previous periods	263	-
<b>Total income tax expense</b>	<b>1,554</b>	<b>12</b>

**9. Non-current assets – Investments accounted for using the equity method**

	Consolidated	
	30 Jun 2016 AUD\$'000s	31 Dec 2015 AUD\$'000s
Shares in associate	-	-

	Consolidated	
	30 Jun 2016 AUD\$'000s	31 Dec 2015 AUD\$'000s
<i>Movements in carrying amount</i>		
Carrying amount at the beginning of the financial period	-	333
Share of profit after income tax	-	-
Dividend received	-	(375)
Add: Reversal of impairment loss	-	42
Carrying amount at the end of the financial period	-	-

**OPUS Group Limited and Controlled Entities**  
**Notes to the Consolidated Financial Statements**  
**for the half-year ended 30 June 2016**

**10. Interest bearing liabilities**

	Consolidated	
	30 Jun 2016 AUD\$'000s	31 Dec 2015 AUD\$'000s
Non-current liabilities		
Finance leases	-	-
Total non-current interest bearing liabilities	-	-
Current Liabilities		
Finance leases	14	151
Total current interest bearing liabilities	14	151
<b>Total interest bearing liabilities</b>	<b>14</b>	<b>151</b>

**11. Share capital**

	Consolidated		Consolidated	
	30 Jun 2016 Shares	31 Dec 2015 Shares	30 Jun 2016 AUD\$'000s	31 Dec 2015 AUD\$'000s
Ordinary shares				
Fully paid	96,413,596	96,413,596	70,594	70,594
Capital reduction	-	-	(62,495)	-
Fully paid	96,413,596	96,413,596	8,099	70,594

Issued capital as at 30 June 2016 amounted to \$8,099,000 (96,413,596 ordinary shares) (31 Dec 2015: \$70,594,000 (96,413,596 ordinary shares)). On 29 April 2016, the board of directors resolved to reduce the share capital amount of the Company by \$62,495,000 in accordance with section 258F of *Corporations Act 2001*. The capital reduction had the effect of reducing the share capital account and "Accumulated Losses" in the financial statements whilst didn't impact the net assets, financial results, cash flow, funding of the consolidated group or the number of shares issued.

As at 1 January 2016, the Company has accumulated losses of approximately \$62,495,000 and its net assets were less than its share capital. The deficiency in net assets arose primarily as a result of the impairment of goodwill and plant and equipment and high finance costs.

Ordinary shares entitle the holder to participate in dividends in proportion to the number of and amounts paid on the shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value and there is no limit on the amount of authorised capital.

As at the reporting date, 1010 Group holds 20 million options to subscribe for 20 million shares of the Company at a total exercise price of \$7,000,000 (\$0.35 each), exercisable at any time up to and including 30 September 2017. The capital reduction mentioned above has no impact on options issued.

**12. Disposal group classified as held for sale**

The amounts presented in the Consolidated Statement of Financial position relate to the assets and liabilities of Cactus Imagining Pty Ltd and Cactus Imagining Holdings Pty Ltd (the 'Cactus Group'). On 26 July 2016, OPUS Group entered into a conditional sale and purchase agreement to dispose the shares of the Cactus Group. The net proceeds of the sale exceeded the net carrying amount of the assets and no impairment incurred. Certain assets and liabilities were sold and the remaining balances were transferred to the entities within OPUS Group prior to the completion. It will be presented as discontinued operation for the year ending 31 December 2016.

**13. Equity - dividends**

Distributions paid in respect of the half-year ended 30 June 2016 were \$10,605,000 (30 June 2015: nil).

On 25 August 2016, the directors declared 1 cent special dividend and 1 cent interim dividend per share in respect of the year ending 31 December 2016. The dividends are to be paid on 26 September 2016 with a record date on 13 September 2016, a total estimated distribution of \$1,928,000 based on the number of ordinary shares on issue as at 25 August 2016. As the dividends were fully franked, there are no income tax consequences for the owners of OPUS Group in relation to these dividends.

**OPUS Group Limited and Controlled Entities**  
**Notes to the Consolidated Financial Statements**  
**for the half-year ended 30 June 2016**

**14. Contractual commitments for expenditure**

*(a) Capital commitments*

	Consolidated	
	30 Jun 2016 AUD\$'000s	31 Dec 2015 AUD\$'000s
Aggregate capital expenditure contracted for at reporting date, but not provided for in the accounts due:		
Plant and equipment	-	817
	-	817

*(b) Lease commitments*

Non-cancellable operating lease rentals are payable as follows:

	Consolidated	
	30 Jun 2016 AUD\$'000s	31 Dec 2015 AUD\$'000s
Not later than one year	2,122	3,207
Later than one year but not later than five years	5,314	8,900
More than five years	527	2,309
<b>Total lease commitments</b>	<b>7,963</b>	<b>14,416</b>

*(c) Finance lease commitments*

	Consolidated	
	30 Jun 2016 AUD\$'000s	31 Dec 2015 AUD\$'000s
Commitments in relation to finance lease payments are payable as follows:		
Not later than one year	14	157
Later than one year but not later than five years	-	-
	14	157
Future finance charges	-	(6)
Recognised as a liability	-	151
Representing finance lease		
Current	14	151
Non-current	-	-
Total finance leases	14	151

The OPUS Group leases offices, factories, warehouses, plant and machinery and motor vehicles under non-cancellable operating leases and finance lease arrangements. The leases vary in contract period, escalation clauses and renewal rights depending on the assets involved. On renewal, the terms of the lease are generally re-negotiated.

**15. Contingent liabilities**

The obligations of the controlled entities under an operating lease agreement and commercial agreements amounts to \$701,000 in total and are secured by a bank guarantee (31 Dec 2015: \$701,000).

**16. Fair value measurement of financial instruments**

The financial assets and liabilities included in the currents assets and liabilities in the Consolidated Statement of Financial Position are carried at amounts that approximate net fair values. As at reporting date there were no financial assets and liabilities recognised in the Consolidated Statement of Financial Position using fair value measurements.

**17. Subsequent events**

As of 30 June 2016, Cactus Imaging Holdings Pty Ltd and Cactus Imaging Pty Ltd (the 'Cactus Group'), wholly owned subsidiaries of OPUS Group and primarily engaged in grand and large format printing for outdoor advertising in Australia, was available for immediate sale in its present condition subject only to terms that are usual and customary for sales and the sale was highly probable. As such, Cactus Group was classified as a disposal group held for sale as at 30 June 2016. On 26 July 2016, OPUS Group entered into a conditional sale and purchase agreement to dispose the shares of the Cactus Group. The transaction was completed on 1 August 2016. The net proceeds of the sale exceeded the net carrying amount of the assets and no impairment incurred. Upon the completion of this sale the Group ceased activities in Outdoor Media division.

**OPUS Group Limited and Controlled Entities  
Directors' Declaration**

In the Directors' opinion:

- the attached consolidated financial statements and notes comply with the *Corporations Act 2001*, *Australian Accounting Standard AASB 134 'Interim Financial Reporting'*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached consolidated financial statements and notes give a true and fair view of the OPUS Group Limited and Controlled Entities financial position as at 30 June 2016 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Directors,

This declaration is made in accordance with a resolution of the Directors made pursuant to section 303 (5) (a) of the *Corporation Act 2001*.



Richard Celarc  
Chairman  
25 August 2016

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Opus Group Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Opus Group Limited, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

#### Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Opus Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Opus Group Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

### Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Opus Group Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

BDO East Coast Partnership

A handwritten signature in black ink, appearing to read 'John Bresolin'. The signature is written in a cursive style with a large initial 'J'.

John Bresolin  
Partner

Sydney, 25 August 2016