



18 May 2017

**OPUS GROUP LIMITED
ANNUAL GENERAL MEETING
HELD AT CLUB RIVERS
32 LITTLETON STREET, RIVERWOOD NSW 2210**

CHAIRMAN & CEO ADDRESS

As the Executive Chairman & CEO, it is with pleasure that I welcome you to our Annual General Meeting to discuss our performance for the twelve months ended 31 December 2016.

2016 has been an exciting year for the OPUS, with the management team continuing the hands on approach in working with each of our businesses; the sale of our Singapore business C.O.S. Printers and the full divestment of our Out of Home division with the sale of Cactus Imaging in April and August of 2016. As announced at the time, our exit from the Outdoor Media market allows OPUS to dedicate resources to the Publishing Services division and use net proceeds of the sales as working capital for the Group.

Our 2016 results are reflective of these activities and prove the strength of the Group's collective capabilities to service our core markets.

Overall, the Group's 2016 combined revenue remained on par with 2015 full year: December 2015 \$87.2million compared to December 2016 \$87.0million with an improved profit before tax of 34% compared to 2015.

For continuing operations in the Publishing Services division, pleasingly, revenue wins from new business and continued focus on operational efficiency resulted in an increased 2016 revenue of 8% or \$6.2million compared to 2015 with an improved profit before tax of 26% compared to 2015.

1010 Printing Group (1010) continues as a strong supporter of OPUS in system improvements, automation as well as supply chain consolidation and refinements.

I will now provide a brief update of our Publishing Services Division.

Publishing Services Division

With the sale of C.O.S. Printers to 1010 completed in April 2016 as announced at the time, our Publishing Services division currently consist of McPherson's Printing, Ligare Book Printers, CanPrint Communications, Union Offset and Canberra Mailing.

2016 continued the convergence of speed, quality and price for the majority of our publishing customers with supply chains evolving to balance the needs of stock holding, producing less more often and delivering faster.

The read-for-pleasure market and to a lesser extent, the professional and educational market's demand for printed books continued its positive momentum in 2016 with general predictions pointing to a stabilisation in print and e-book volumes with the former continuing to dominate in the domestic Australian market.

With our Publishing Services division now operating exclusively in Australia, our capital expenditure plan will continue to focus investment that improve the speed, efficiency and cost base of our operations so that we can meet our customers' expectations and continue to deliver positive results for our shareholders.

We continue to make selective investments to deliver on our promise of improved speed to market and boost our capabilities to maintain our competitiveness. The new hard cover binding line installed at our Ligare site in late 2016 is a good example of this. We are also looking to leverage our in-house embellishment capabilities and cross-site support to ensure we are able to meet our customers' requirements.

For 2017, now that we operate exclusively in Australia and in one division, we will continue to focus resources on improving our value-add proposition to publishing customers.

The ongoing convergence of speed, quality and price for our publishing customers means that market conditions will continue to be dynamic. However, we believe that our businesses are well equipped to align and adapt as required.

Using the foundations we set in place in 2015, 2016 has been our year to gain momentum and focus on our core business operations. I expect this momentum will continue in 2017 to ensure we remain a strong and sustainable print partner for our customers and continue to deliver strong results to our shareholders.

I would like to thank our staff, customers and suppliers for their support in 2016. As announced in late last year, I will be stepping down from the CEO role at the end of this AGM and continue on as the Chairman and senior advisor to the board for the next 3 years. An announcement regarding my successor will be made in due course and I look forward to presenting our six months results for 2017 which I believe will continue to demonstrate a sustainable business model that can deliver results.

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CONTACTS

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