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**17 May 2018**

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

**CHAIRMAN'S ADDRESS**

As the Executive Chairman of the group, it is with pleasure that I welcome you to our Annual General Meeting to discuss our performance for the twelve months ended 31 December 2017.

2017 has been the first year for us to be printing exclusively in Australia and solely for publishing customers. With the full divestment of the Out of Home division completed in August 2016, our businesses now consist of McPherson's Printing, Ligare Book Printers, CanPrint Communications, Union Offset and Canberra Mailing.

We have continued the hands-on approach to help our businesses refine core capabilities and consolidate business operations and our 2017 results are reflective of these activities.

The Group's 2017 core revenue softened compared with 2016: December 2016 \$87.0 million compared to December 2017 \$79.2 million. This decline has been driven by the net effect of commencement of new businesses in mid-2016 and early 2017 and the reduced print-spend of some existing customers.

Pleasingly, operating expenses have been reduced by 8% or \$6.6 million through synergies of partnering with our majority shareholder Lion Rock Group to strengthen our sourcing networks, bargaining power and cost efficiency management.

Profit after tax as a result has improved by 3% from \$5.5 million in the year ended 2016 to \$5.7 million in the year ended 2017.

2017 has been a solid year for the book industry with the leading statistics provider Nielsen reporting total retail book sales in Australia of 55.5m units (up 1.6% from 2016) at a value of \$1.07 billion (up 0.9% from 2016). For our publishing customers, we continue to see an emphasis on ordering less more often to balance the needs of stock holding with the need to meet market demands. To facilitate, we are actively working to boost in-house capabilities and review select capex investments to maintain a competitive edge so we can meet and exceed customer requirements.

## 2018 Outlook

We anticipate 2018 to be another year of dynamic market conditions with speed to market at the right quality and price more important than ever before. Our businesses are well placed to meet these requirements and we will continue to review select capex investment opportunities to ensure we are a sustainable print partner to our customers and deliver results to our shareholders.

I would like to thank our staff, customers and suppliers for their support in 2017 and look forward to working with all our key stakeholders in the coming year.

**-ENDS -**

## **CONTACTS**

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