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**28 JULY 2014**

**ASX ANNOUNCEMENT – OPUS GROUP LIMITED (ASX Code: OPG)**

**CAPITAL RAISING UPDATE**

**OPUS ANNOUNCES KEY STEP IN STABILISATION OF FINANCIAL POSITION**

OPUS Group Limited (“OPUS”) [ASX: OPG] is pleased to announce a major step in its financial restructuring with the replacement of Commonwealth Bank of Australia (“CBA”), as its senior lender, with the respected and well known international printing services and print management group, 1010 Printing Group Limited (“1010”) [HKG: 1127], subject to execution of formal documentation.

The effect will be that 1010 will replace CBA as senior debt provider from closing of the novation of the debt transaction, currently expected to be Wednesday 30 July 2014.

At that time, it is envisaged that 1010 and OPUS will have agreed on new terms for the debt which will provide financial stability for OPUS.

As soon as possible after settlement, 1010 has advised that it will explore possibilities in discussions with OPUS to restructure the debt and for new capital to be injected. 1010 has advised OPUS that it expects the discussions result in a further announcement in the near future, which will set out the basis of a secure capital structure for the future and enable OPUS to take advantage of the opportunities available to it, which has not been possible with its recent financial structure. The proposed capital investment will be subject to OPUS shareholder approval.

**ABOUT 1010**

1010 provides printing services to international book publishers, trade, professional and educational publishing conglomerates and print media companies. 1010’s printed products consist of illustrated leisure and lifestyle books (including photography books, cookbooks and art books), educational textbooks and learning materials (including primary, secondary and tertiary level school books) and children’s books.

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In the year ended 31 December 2013, 1010 had revenue of A\$163 million and profit after tax of A\$17m. Its market capitalisation is approximately A\$110 million. 1010's co-founder and executive director, Mr Chuk Kin (CK) Lau, and associates have an interest in approximately 39% of 1010.

OPUS and 1010 have had commercial links for several years through respective senior management connections. As the product offerings are largely complementary and in many cases to the same international customer base, OPUS and 1010 have consulted from time to time on business initiatives and as a result have developed a mutually respectful relationship.

Commenting on 1010's initiative in acquiring the debt, Bill Mackarell, the OPUS Chairman said "The OPUS Board and management team are very pleased that 1010 has demonstrated such strong support for OPUS's business by committing substantial funds, time and effort. Some of us at OPUS have known CK Lau for a while and his impeccable reputation in the international printing industry is a very strong endorsement of OPUS. OPUS has been challenged by its financial structure for some time now and, once we arrive at a suitable financial structure we look forward to those shackles being off and to OPUS aggressively pursuing the many opportunities that are available to it".

The Opus Board anticipates making a further announcement as regards the debt stabilisation promptly after 1010 settles with the CBA and will make further announcements regarding its recapitalisation over the coming period.

## **ABOUT OPUS GROUP**

OPUS Group is an Asia-Pacific, technology based (Australian headquartered) business services and communication group. Employing a dynamic technology platform, the OPUS Group produces and distributes published content at the speed and scale required by a range of increasingly global customers.

With a competitive advantage in the ability to deliver innovative solutions for customers across multiple specialist divisions, the OPUS Group has expanded to become one of the leading specialist providers in the Asia-Pacific region. Today, the OPUS Group holds leading positions in the Publishing and Outdoor Media market sectors and maintains strong, long term relationships with customers.

The OPUS Group offering includes a regional end-to-end value chain with facilities in Singapore, Sydney, Maryborough, Canberra and Auckland with further global reach via

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strategic content distribution alliances in North America, the United Kingdom, Europe, Philippines and China.

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