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30th August 2013

FULL YEAR RESULTS FOR THE YEAR ENDED 30 JUNE 2013

Overview

- Reported revenue of $97.2m, up from $75.2m in FY12
- Pro-forma revenue of $116.8m including Outdoor Media Division (FY12: $133.0m)
- Adjusted EBITDA before merger, transaction and restructuring charges of $14.1m (FY12: $20.6m)[(1)]
- Merger, transaction and restructuring charges of $3.1m excluded from Adjusted EBITDA[(1)]
- Reported Net Loss after Tax of $2.8m (FY12: $1.8m)
- Senior Financier debt reduced by $9.6m and total net debt reduced by $5.9m
- Consolidation in Canberra market with acquisition of Blue Star business completed in Q4
- Site consolidation with the closure of Victorian Mulgrave and Sutton Road Maryborough sites
- Strategic review of the Outdoor Media Division with view to potential divestment
- Q4 trading conditions improve with Q4 Adjusted EBITDA up 9%

OPUS Group Limited ('OPUS Group') (ASX: OPG), the Asia-Pacific technology-based business services and communications group, today announced its full year results for the year ended 30 June 2013.

FINANCIAL SUMMARY

The transformation of the Group continued throughout the year with the finalisation of the McPhersons Printing (''MPG'') integration, closure of a facility in Melbourne, completion of the sale and leaseback of the Singapore building and the completion of the acquisition of the Blue Star Canberra business in the fourth quarter. Proceeds from the completion of the sale and leaseback of the Singapore building were utilised to reduce debt by $5.9m.

The OPUS Group revenue on an always owned basis of $116.8m was 12% down on FY12 and Adjusted EBITDA of $14.1m was 31% down on the same period. This result reflects challenging macro market conditions, particularly in the publishing sector with significant market disruption and consolidation throughout the year.

Commenting on the FY13 result, OPUS Group CEO, Cliff Brigstocke said:

''Market conditions in FY13 were challenging, however our strategy of extending the service offering to our customers while reducing the cost base has started to bear fruit. Since the consolidation in the Canberra market, OPUS Group has won two major tenders, reinforcing the full service offering we provide.

The Publishing Division's Asia Pacific strategy continues to deliver benefits to both customers and the Group. A significant volume of work is now being shared across the network which allows for a varied cost-to-speed proposition for customers. The utilisation of the Singapore operation has been successful with orders shifting to our Singapore business where appropriate. Following a year of industry rationalisation, trading conditions improved in the last quarter of FY13 with Group Adjusted EBITDA improving on the same period last year by 9%. We anticipate that the improved trading conditions in the fourth quarter will continue.

With the implementation and restructuring activities of MPG largely complete, the Group is now firmly focused on offering innovative print to demand and technology solutions to professional, educational, read-for-pleasure,

OPUS Group Limited A.B.N. 48 006 162 876
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government and niche publishers. The strategic review of the Outdoor Media Division underlines our strategy to focus energy and investment on the core Publishing Division."

REPORTED FINANCIAL PERFORMANCE

	Year ended 30 June 2013 AUD$'000s As reported Unaudited	Year ended 30 June 2012 AUD$'000s As reported	% Change Favourable /(unfavourable)
Revenue from continuing operations	97,159	75,240	29%
Operating income and expenses	(93,544)	(73,205)	(28%)
Operating profit before finance costs	3,615	2,035	78%
Net finance costs	(6,535)	(5,005)	(31%)
Share of net loss of associate	(116)	(14)	(729%)
(Loss) before tax (continuing operations)	(3,036)	(2,984)	(2%)
Profit from discontinued operation (net of tax)	1,744	1,541	13%
Income tax expense	(1,490)	(351)	(325%)
(Loss) after tax	(2,782)	(1,794)	(55%)
(Loss) per share (cents)	(5.18)¢	(4.47)¢	(16%)

PRO-FORMA ALWAYS OWNED

	Year ended 30 June 2013 AUD$'000s Unaudited	Year ended 30 June 2012 AUD$'000s	% Change
Revenue (Always Owned)			
Publishing Division	97,159	112,243	(13%)
Outdoor Media Division	19,665	20,766	(5%)
Total Revenue (Always Owned)	**116,824**	**133,009**	**(12%)**
Adjusted EBITDA (Always Owned)			
Publishing Division	14,602	19,869	(27%)
Outdoor Media Division	3,435	3,618	(5%)
Corporate	(3,923)	(2,887)	(36%)
Total Adjusted EBITDA (Always Owned)	**14,114**	**20,600**	**(31%)**

(1) Adjusted EBITDA as monitored by the Board and Senior Management ('Adjusted EBITDA') excludes the effects of certain items such as integration and restructuring costs, material merger transaction costs, debt facility expenses, legal expenses and other related costs where these items are not deemed to be part of the underlying performance of the business. Adjusted EBITDA is a non-IFRS measure of performance and is unaudited.

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PUBLISHING DIVISION

The Publishing Division contributed $97.2m in pro-forma revenue and $14.6m in Adjusted EBITDA for the year.

The FY13 results of the OPUS Group were impacted by tough trading conditions in the general publishing sector due to the macro-economic environment and a reduction in government expenditure on print due to the Federal Government's budget reductions.

During the year, OPUS Group implemented restructuring and efficiencies that will deliver annualised cost savings in the coming period. The Publishing Division's Melbourne facilities were rationalised with the closure of the MPG Mulgrave site. Significant headcount reductions were implemented across the division to rationalise the Group's labour base, and relocation, closure and restructuring costs were incurred.

PUBLISHING DIVISION NEW WINS AND CUSTOMER RENEWALS

The benefits of the OPUS Group model to customers have been reflected in a 100% renewal rate on strategic account contracts tendered for this year.

A major contract was re-signed with CCH Australia and CCH New Zealand for three years with a renewal option for a further three years, demonstrating the geographical advantages of the OPUS Group offering. The contract was extended to include new revenues from New Zealand which, like Australia, provides traditional and digital fulfilment as well as full service data management and distribution. Contracts with Wiley-Blackwell and Harlequin Enterprises Australia were also renewed.

New customers signing onto OPUS Group's proprietary enabling technology platform include Melbourne University Publishing, who utilise IPALM® to re-position their web shopfront and dynamically integrate distribution with direct selling.

IPALM® has also been embraced by the Commonwealth Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education who awarded the Group a three-year contract as the primary provider for the provision of traditional production, new digital solutions and a full suite of complementary ancillary services.

OPUS Group's strategy in the government sector has been further reinforced by major contract wins with the Commonwealth Department of Immigration and Citizenship and the Commonwealth Department of Treasury.

OUTDOOR MEDIA DIVISION

Trading for the Outdoor Media Division improved in the second half with pro-forma revenue consistent with the same period in FY12.

Better market conditions in both Australia and New Zealand resulted in a rise in Adjusted EBITDA for the second half of FY13, up 20% on the same period in FY12, with the improving conditions continuing into the new financial year.

Full year Outdoor Media pro-forma revenue of $19.7m was 5% below the prior year pro-forma revenues and Adjusted EBITDA of $3.4m was 5% below the prior year.

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STRATEGIC REVIEW OF OUTDOOR MEDIA DIVISION

With the growth of the digital value chain and the Publishing Division representing the majority of group earnings, OPUS Group has announced a strategic review of the Outdoor Media Division with the objective of divesting this division. While this business is profitable and provides diversification, the Board is focused on reducing debt and a divestment will reduce net debt significantly. It will allow OPUS to focus on the Publishing Division where there is more opportunity for global, regional and local growth with scale. The strategic review is ongoing and investors will be updated when it is completed.

ASSET AND CAPITAL STRUCTURE

Net debt (interest bearing liabilities and overdrafts less cash) at 30 June 2013 decreased by $5.9m to $57m following the disposal of non-core assets, the sale and leaseback of the Singapore building, and scheduled debt amortisation. CBA senior debt has reduced by $9.6m which is consistent with the debt reduction strategy . The OPUS Group has $3.2m of cash at 30 June 2013 and a working capital facility of $4m of which $2.5m has been utilised.

At 30 June 2013, due to the requirements of the debt facility in place at the balance date, the Group had a requirement to repay $26m of debt to its financier in the 12 months to 30 June 2014. Of this amount $20,000,000 is currently due for payment by 30 September 2013. These amounts are classified as a current liability in the 30 June 2013 financial report, as a result of which the Group has presented a net current liability position on its balance sheet.

The Group is currently in advanced discussions with its senior financier in order to restructure its debt facility, including so as to extend the date of repayment of these amounts and revise the terms under the facility agreement. The Group has received a proposal from its senior financier and the Directors are considering the terms of the proposal. The Directors anticipate that an agreement on these matters will be reached with its senior financier shortly. An appropriate announcement will be made by the Group at that time.

For further commentary, please refer to the Group's Appendix 4E – Preliminary Final Report.

OUTLOOK

Speaking about the outlook for the business in the 2014 financial year, Cliff Brigstocke said:

"The FY13 results of the OPUS Group were impacted by tough trading conditions in the general publishing sector due to economic and market conditions and a reduction in government expenditure on publishing. We expect to see these conditions gradually pick up after the Australian Federal Election on 7 September 2013 and anticipate the improved trading conditions in the fourth quarter will continue. There will also be a continued focus on reducing overall net debt level beyond the current scheduled debt repayments over FY14 and FY15".

"The impact on traditional print supply chain and the general print industry is evident with publishing customers ordering shorter print runs, more often and requesting faster turnaround times in order to deliver content faster, which suits the OPUS Group business model. We are well positioned to bridge the gap between traditional and digital content distribution by delivering a full suite of complementary services utilising our network, alliances and proprietary IPALM® technology platform".

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ABOUT OPUS GROUP

OPUS Group is an Asia-Pacific, technology based (Australian headquartered) business services and communication group. Employing a dynamic technology platform, OPUS Group's vision is to be the partner of choice to produce and deliver published content faster and smarter via an integrated full service end-to-end value chain.

OPUS Group has a competitive advantage in delivering innovative solutions to customers across multiple specialist divisions and is one of the leading specialist providers in the Asia- Pacific region offering a regional end-to-end value chain with facilities in Singapore, Sydney, Maryborough, Canberra and Auckland with further global reach via strategic content distribution alliance partners.

Contacts:

<u>**For investors**</u>:

CEO, Cliff Brigstocke +61 2 9748 7405

CFO, Bob Alexander +61 2 9748 7405

<u>**For media**</u>:

Helen McCombie +61 2 9290 3073

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ASIC REGULATORY GUIDE 230 DISCLOSING NON-IFRS FINANCIAL INFORMATION

In December 2011, ASIC issued Regulatory Guide 230. To comply with this Guide, OPUS Group is required to make a clear statement about the non-IFRS information included in this release.

In addition to statutory reported amounts, non-IFRS measures are used by Senior Management and the Directors' as the primary measures of assessing financial performance of the Group and individual operating segments.

Non-IFRS measures used in describing financial performance include:

- **Pro-forma financial information**
  Pro-forma financial information is prepared on the basis that McPherson's Printing Pty Limited ('MPG') results are included for the full year ended 30 June 2012 as compared to the reported result for that period which includes the trading of MPG for the period 31 March 2012 to 30 June 2012 only. Pro-forma financial information also includes the results of the Outdoor Media Division which is presented as a discontinued operation in the 30 June 2013 financial report.

- **Adjusted EBITDA**
  Adjusted EBITDA as monitored by the Board and Senior Management ('Adjusted EBITDA') excludes the effects of certain items such as integration and restructuring costs, material merger transaction costs, debt facility expenses, legal expenses and other related costs.

- **Items excluded from Adjusted EBITDA**
  Items excluded from Adjusted EBITDA reflect the effects of certain items such as integration and restructuring costs, material merger transaction costs, debt facility expenses, legal expenses and related costs.

- **Operating cash flow pre interest, tax and items excluded from Adjusted EBITDA**
  Operating cash flow pre interest, tax and items excluded from Adjusted EBITDA represents the operating cash flows from trading activities excluding net tax payments, net interest and cash flows related to the items excluded from Adjusted EBITDA.

- **Net debt**
  Net debt is calculated as total interest bearing liabilities less cash and cash equivalent balances (net of bank overdrafts). This measure excludes bank guarantees and letters of credit recognised off balance sheet. Interest bearing liabilities include finance leases.

Given the complexity of the merger transaction in FY12 and the impact on the current year results the Board and management of the OPUS Group consider that these performance measures are appropriate for their purposes and present meaningful information on the underlying drivers of the combined business. This release and the included non-IFRS disclosures have not been audited.

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