OPUS GROUP LIMITED
Appendix 4E - Preliminary Final Report
Year ended 30 June 2013

(Previous corresponding period: Year ended 30 June 2012)

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenue from continuing operations	up (favourable)	29%	to	$97,159,000
(Loss) before income tax (continuing operations)	up (unfavourable)	(2%)	to	($3,036,000)
(Loss) from ordinary activities after tax attributable to members	up (unfavourable)	(55%)	to	($2,782,000)
(Loss) for the period attributable to members	up (unfavourable)	(55%)	to	($2,782,000)

DIVIDEND INFORMATION

	Amount per share (cents)	Franked amount per share (cents)
Dividend per share	Nil	Nil
Record date for dividend entitlements	Not applicable	
Dividend reinvestment plan	Not applicable	

NET TANGIBLE ASSETS

	30 June 2013	30 June 2012
Net tangible assets per security (cents)	(32.92)¢	(29.74)¢

Net tangible assets are calculated as net assets less total intangible assets. Net tangible assets per share is based on OPUS Group Limited's issued capital as the legal parent entity and issuer of this financial information for both periods.

EXPLANATION OF FINANCIAL PERFORMANCE

Refer to the Company's Market Release dated 30 August 2013 and the Operating and Financial Review on Page 3 which explains the performance of the OPUS Group. Non-IFRS information where presented is unaudited. Revenue and loss before tax excludes the Outdoor Media division of the OPUS Group which is presented as a discontinued operation. The Outdoor Media division reported a profit after tax of $1,744,000 for the year ended 30 June 2013 (2012: $1,541,000).

AUDIT QUALIFICATION OR REVIEW

This Appendix 4E is based upon the Financial Report of the Company which is currently subject to audit. The Audit Report to be issued by the Company's auditors, PricewaterhouseCoopers, is expected to include an Emphasis of Matter paragraph with respect to the matters disclosed in note 1(b) on page 15 of this report.

OPUS GROUP LIMITED AND CONTROLLED ENTITIES

A.C.N. 006 162 876

PRELIMINARY FINANCIAL REPORT

YEAR ENDED 30 JUNE 2013

OPERATING AND FINANCIAL REVIEW

The Board presents the 2013 *Operating and Financial Review*, which has been designed to provide shareholders with a clear and concise overview of OPUS Group's operations, financial position, business strategies and prospects. The review also provides contextual information, including the impact of key events that have occurred during 2013 and material business risks faced by the business so that shareholders can make an informed assessment of the results and prospects of the Group. The review complements the financial report and has been prepared in accordance with the recently released guidance set out in RG247.

1. OPUS GROUP'S OPERATIONS

Our Business Model

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

OPUS Group's key success factors include speed to market and being adaptive to customer needs by delivering a full suite of complementary services.

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.

Our Operations and Divisions

Publishing Division

The Publishing Division is responsible for the production, management and distribution of printed and digital content for professional, educational, read for pleasure, Government and niche publishers.

With facilities operating in Singapore, Sydney, Maryborough, Canberra and Auckland, the Publishing Division offer spans the electronic, digital and offset book production spectrum with a suite of complementary business services including Print on Demand, back catalogue fulfilment, content and digital asset management, direct to consumer distribution, virtual warehousing, web storefront and EDI and mailing.

The Publishing Division's core enabling strengths are speed, scale and specialisation. Speed in the ability to produce time sensitive and rapid turnaround published content; scale through the ability to offer the full book production spectrum and complementary business services across the Asia Pacific region and globally with our Content Distribution Alliance partners; and specialisation in the division's knowledge, capability and focus on providing innovative solutions to deliver content faster, smarter for our publishing customers.

Outdoor Media Division

The Outdoor Media Division is the largest provider of grand and large format printing for outdoor advertising with leading positions in both Australia and New Zealand.

This involves the creation, production and distribution of outdoor media advertising material and corporate signage, such as billboards, bus advertising, retail displays, building and vehicle wraps and trade exhibitions using a wide variety of flexible and rigid materials and offering a full range of in-house finishing.

The Outdoor Media Division remains at the forefront of industry development for new and exciting products and technologies and is a member of the Hewlett Packard global advisory board on technology and innovation.

2. KEY STRATEGIES

- **Network Efficiency and Operating Leverage**

OPUS Group is undertaking a number of operational initiatives to enhance the network efficiency across all facilities in light of the consolidation activities surrounding the traditional publishing supply chain and the increasing need for rapid turnaround and direct to customer distribution. A key initiative for FY14 is the alignment of workflow and ICT systems across OPUS Group facilities to better support the growing need for regional distribution and print solutions.

- **Harnessing the Digital Value Chain**

The growth in digital media is changing the way content is produced and delivered to end users. As a growing sector of the global publishing market, e-books and digital media represent fresh opportunities and challenges for publishers and suppliers alike to adapt and harness the digital value chain.

With significant capital invested in digital inkjet technology, workflow automation, integrated content management and fulfilment across our Asia Pacific facilities, OPUS Group is meeting local, regional and global demands for rapid turnaround with Print on Demand, zero inventory models and at the same time, is working to extend our specialist services to the digital value chain.

Utilising our proprietary IPALM® platform and strategic alliances with digital content partners, OPUS Group is working closely with our customers to harness the digital value chain by enabling services such as web storefront and EDI, content design and management, fulfilment and digital asset management with the aim to integrate the traditional and digital supply chains and support the publishing lifecycle from creation to consumption.

- **Operational and Strategic Focus**

OPUS Group is continually reviewing the markets within which it operates to ensure that operations are focused on key sectors and capital is deployed in the most effective manner.

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 with the objective of divesting the Outdoor Media Division. This will enable a pure focus on the Publishing Division, which has more opportunity for regional growth and scale.

Opus Group’s critical success factors include speed to market and being adaptive to customer needs by delivering a full suite of complementary services.

- **Debt Reduction**

As announced in previous market releases, OPUS Group intends to reduce its overall net debt level beyond the current scheduled debt repayments over the FY14 and FY15 years.

Since the inception of the debt facility entered into in March 2012, the OPUS Group has reduced its outstanding debt with its financier by $9.6m, through debt amortisation and through funds injected from the shareholder loans and non-core asset disposals including the Singapore building sale and leaseback which was completed in April 2013.

The Board is continuing to review the execution of its net debt reduction strategy and EBITDA accretive initiatives, and have a continued focus on reducing net debt levels further through FY14. The Group is currently renegotiating its external financing facilities as detailed in Note 1(b).

3. BUSINESS PROSPECTS, OPPORTUNITIES AND RISKS

The FY13 results of the OPUS Group were significantly 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 budgetary reasons. However, OPUS Group expects to see these market conditions gradually improve post the Australian Federal Election on 7 September 2013 and for this trend to continue throughout the remainder of FY14 and beyond.

The Board’s strategy is focused on minimising the impact of risks which may impact the future financial performance and financial position of the OPUS Group whilst taking advantage of the many opportunities which currently exist in the markets within which the OPUS Group operates. Significant opportunities, risks and the business prospects as a result of execution of the Board’s strategy are discussed below.

- *The changing print media market – the digital influence*

Digital media is changing the way content is produced and delivered to end users and traditional print media is facing growing competition from digital and online substitutes.

As a key partner in the publishing supply chain and working closely with our customers, OPUS Group is well positioned to bridge the gap between traditional and digital content distribution utilising:

  - Asia Pacific facilities in Singapore, Australia and New Zealand
  - Content Distribution Alliance with partners in North America, the UK, Europe and China
  - strategic partnerships with digital content providers Tilt+Co in Australia and MTC in Philippines
  - our proprietary enabling platform, IPALM®

- *Shorter print run sizes, increased order frequency and the Print on Demand model*

The rise of digital content is increasing the amount of published content and the speed at which they can be distributed to end-users. This is leading to consolidation in the global publishing supply chain. The impact on the 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 more quickly to market, which suits the OPUS business model.

With speed to market a core competitive advantage of the OPUS Group, we have invested in the latest digital technology by commissioning Australia's first Hewlett Packard's Onyx digital ink jet production line in March 2012. As the most sophisticated digital printer operating in the country, it is able to produce digital short run and long run books, fully bound and finished ready for distribution. Combined with our proprietary IPALM® platform, this enables OPUS to offer our publishing customers a combination of Print on Demand and Print to Demand, just in time delivery and zero inventory distribution. This means our customers save on warehousing costs and are able to manage their supply/ demand/ obsolescence equations more effectively.

- *Market consolidation opportunities*

Due to excess capacity, reduced print pricing and reducing offset print volumes, further industry consolidation is expected in the markets within which the OPUS Group Publishing Division operates.

As one of the leading companies in the industry, OPUS Group is well placed to take advantage of this industry consolidation with the OPUS Board continually reviewing opportunities as they arise. The most recent example is OPUS Group's decisive action to embrace the consolidation in the Government publisher supply chain in Canberra, by acquiring selected assets from Blue Star Group Australia.

- *Government content delivery changes and outlook*

In Canberra, as a leading supplier to the Federal Government and government departments, OPUS Group provides a full scale operation and proven systems to provide a secure and fast service supported by a host of other ancillary services.

During FY13, OPUS Group acquired selected assets and the revenue base of Blue Star Group Australia's Canberra business, which improved our footprint and market position in Government publishing.

This transaction is anticipated to deliver significant revenues on an annualised basis with the full financial benefits expected to be seen in FY14. Settlement of the consideration for the acquisition will occur on a deferred basis over a two-year period, based on the actual revenue contribution with minimum thresholds in place.

- *Overseas competition and the need to provide geographical flexibility*

Competition from offshore printers has been a sustained risk to the Australian printing industry over recent years. The strong Australian dollar has increased the threat by making imports much more price competitive.

With regional facilities in Singapore, Australia and New Zealand, and Content Alliance Partners in US, UK and China, OPUS Group is able to provide its publishing customers with locational flexibility for a wide range of content delivery options. The combination of onshore production in Australia and the use of the Group's lower cost hub in Singapore mean that OPUS Group has a full end-to-end model to support publishing customers as they transition from traditional to digital and hybrid distribution models.

As global publishers consolidate their supply chains and look to partners who can extend their service offering OPUS Group is focusing on a wider role in the value chain by adding services and distribution platforms to support customer needs.

4. 2013 OPERATING RESULT FINANCIAL SUMMARY AND COMMENTARY

The Group reported revenue of $97,159,000 from continuing operations, which was up 29% on the prior year.

However the FY12 comparative includes McPhersons Printing Pty Limited for the period 1 April 2012 to 30 June 2012 only. Revenue from continuing operations has been restated to reflect the Outdoor Media division as a discontinued operation.

The trading environment during FY13 was difficult and impacted participants across the Australian markets that OPUS Group services. In particular the impact of the Canberra market and cut backs on Federal Government spend had a significant impact on the performance of the Group.

Before reclassification of the Outdoor Media Division as a discontinued operation, the pre-tax loss for the 2013 financial year was $523,000, an improvement of 38% on the 2012 loss of $841,000. This loss is after $3,118,000 of one off items related to integration and restructuring costs, material merger transaction costs, debt facility expenses, legal expenses and other related costs (2012: $4,411,000) and gains of $3,465,000 (2012: $8,000) related to building disposals.

Further details in respect of these results are provided below:

Reported Financial Performance

	Year ended 30 June 2013 AUD$'000s As reported	Year ended 30 June 2012 AUD$'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%)

Due to the rounding of figures small discrepancies may exist

Revenue amounted to $97,159,000, 29% up on the corresponding period of $75,240,000.

Operating profit before finance costs was up 78% on the comparative period. This measure is after $3,118,000 (2012: $4,411,000) of one-off costs relating to integration and restructuring costs, material merger transaction costs, debt facility expenses, legal expenses and other related costs, and gains of $3,465,000 (2012: $8,000) relating to building disposals.

OPUS Group's loss after tax and discontinued operations was $2,782,000 (2012: loss after tax of $1,794,000). This is after $1,490,000 of income tax expense of which $1,388,000 relates to prior year Australian tax losses expensed during the year.

OPUS Group Limited and Controlled Entities

Pro-Forma Financial Performance (including discontinued operations)

Given the complexity of the merger transaction in FY12 and the presentation of the Outdoor Media Division as a discontinued operation, the Board and Senior Management of the OPUS Group assess the performance of the operating segments and the business as a whole based on measures of Adjusted EBITDA as monitored by the Board and Senior Management ('Adjusted EBITDA') and Revenue on an 'Always Owned' basis as defined below.

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 other related costs.

'Always Owned' measures include 9 months of pre-acquisition trading of McPhersons Printing Pty Ltd for FY12.

These measures are disclosed in Note 4 of this preliminary Financial Report and are consistent with the presentation of financial information internally for management accounts purposes. Both are non-IFRS measures of financial performance and are not principles contemplated by Australian Accounting Standards. These measures are unaudited.

	1HFY13 AUD$'000s	2HFY13 AUD$'000s	Year ended 30 June 2013 AUD$'000s	1HFY12 AUD$'000s	2HFY12 AUD$'000s	Year ended 30 June 2012 AUD$'000s	% Change
Revenue (Always Owned)							
Publishing Division	48,686	48,473	97,159	56,890	55,353	112,243	(13%)
Outdoor Media Division	10,598	9,067	19,665	11,617	9,149	20,766	(5%)
Total Revenue (Always Owned)	**59,284**	**57,540**	**116,824**	**68,507**	**64,502**	**133,009**	**(12%)**
Adjusted EBITDA (Always Owned)							
Publishing Division	7,512	7,090	14,602	10,763	9,106	19,869	(27%)
Outdoor Media Division	1,971	1,464	3,435	2,395	1,223	3,618	(5%)
Corporate	(1,951)	(1,972)	(3,923)	(1,119)	(1,768)	(2,887)	(36%)
Total Adjusted EBITDA (Always Owned)	**7,532**	**6,582**	**14,114**	**12,039**	**8,561**	**20,600**	**(31%)**

	Year ended 30 June 2013 AUD$'000s	**Year ended 30 June 2012 AUD$'000s**
Transaction and listing related costs (i)	475	1,487
Integration and restructuring costs (ii)	2,363	2,525
Closure of interest rate swaps (iii)	-	515
Other (iv)	376	44
Total items excluded from Adjusted EBITDA	3,214	4,571
Less: items excluded from Adjusted EBITDA relating to discontinued operations	(96)	(160)
Total items excluded from Adjusted EBITDA (continuing operations)	3,118	4,411

Items excluded from Adjusted EBITDA are summarised as follows:

(i) Costs related to the merger transaction including advisory, legal, accounting and taxation professional fees and the costs of the ASX initial listing. The 2012 comparatives include costs related to the proposed listing on the New Zealand Stock Exchange, which did not proceed.

(ii) Costs related to the activities being undertaken to realise the synergy benefits available to the OPUS Group and over the transition phase as the businesses become integrated.

(iii) Cost of the closure of the interest rate swaps related to the OPUS Group of Companies Debt Facility.

(iv) Fees related to the shareholder loan transactions entered into during the year, CBA debt facility restructuring and legal costs associated with acquisitions and strategic reviews.

OPUS Group Limited and Controlled Entities

A reconciliation of Adjusted EBITDA to the (Loss) before taxation per the Statement of Comprehensive Income is as follows:

	30 June 2013 AUD$'000s	30 June 2012 AUD$'000s
Adjusted EBITDA on an 'Always Owned' basis (continuing operations)	14,114	20,600
Adjusted for:		
Pre-acquisition trading for entities acquired during the year	-	(4,434)
Adjusted EBITDA	14,114	16,166
Less: adjusted EBITDA of discontinued division	(3,435)	(3,618)
Depreciation, amortisation and impairment	(7,527)	(6,124)
Gain on disposal of property, plant and equipment	3,465	8
Items excluded from Adjusted EBITDA	(3,118)	(4,411)
Finance revenue	116	74
Finance costs	(6,651)	(5,079)
(Loss) before taxation per the Consolidated Statement of Comprehensive Income	(3,036)	(2,984)

Publishing Division

The Publishing Division is integral to the publishing cycle of professional and educational publishers. It 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 operates with the brands of Ligare in Sydney and Auckland, CanPrint and Union Offset in Canberra, McPherson's Printing ('MPG') in Victoria and C.O.S. Printers in Singapore. Continuing reduced Government expenditure has had a direct impact on the performance of the OPUS Group's Publishing Division both directly through trading with Government customers and at a macro level with overall softer market demand in the Publishing sector. The strong financial performance of the Group's Singapore operation during the year has partially offset trading conditions for the Publishing Division in Australasia.

On an 'Always Owned' basis (as defined above), the Publishing Division generated revenue of $97,159,000 (2012: $112,243,000). Revenue and the Adjusted EBITDA of the Publishing Division decreased by 13% and 27% respectively.

Outdoor Media Division

The Outdoor Media Division produces and distributes outdoor advertising material and corporate signage for the outdoor advertising industry and corporate signage market. This market encompasses a wide range of 'out-of-home' advertising formats to reach consumers where they live, work, play, drive, shop and commute. The division operates a multi-brand strategy across Australasia through Cactus Imaging and Omnigraphics New Zealand. Trading for the Outdoor Media Division remained relatively stable with both the Australian and New Zealand operations having a strong second half to the year. Adjusted EBITDA for the second half of FY13 was 20% up on the same period in the prior year. Outdoor Media revenue of $19,665,000 was 5% below the prior year revenues. Adjusted EBITDA of $3,435,000 was 5% below the prior year.

OPUS Group Limited and Controlled Entities

Asset and Capital Structure (as at the Balance Sheet Date)

	30 June 2013 AUD$'000s	31 Dec 2012 AUD$'000s	30 June 2012 AUD$'000s
Debt:			
Bank debt and borrowings	52,384	62,175	63,500
Convertible loan notes	3,137	-	-
Finance lease liabilities	3,107	3,489	3,781
Bank overdraft	1,500	1,500	-
Cash and cash equivalents	(3,163)	(3,137)	(4,443)
Net debt*	56,965	64,027	62,838
Total equity	33,181	30,790	34,548
Total capital employed	90,146	94,817	97,386
Gearing (Net debt/ Net debt + equity)	63%	68%	65%

Due to the rounding of figures small discrepancies may exist

* Net debt excludes off balance sheet bank guarantees and letters of credit. For bank covenant purposes the convertible loan notes are excluded from net debt.

Net debt (interest bearing liabilities and overdrafts less cash) decreased by $5,873,000 to $56,965,000 following the disposal of non-core assets, the Singapore building sale and leaseback and scheduled debt amortisation.

The OPUS Group has $3,163,000 of cash at 30 June 2013 and a working capital facility of $4,000,000 of which $2,526,000 has been utilised. The OPUS Group has hedged the interest payments on $45,000,000 (2012: $48,800,000) of the Commonwealth Bank of Australia Limited ('CBA') debt owing at 30 June 2013 as required by the terms of the Debt Facility Agreement.

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 $25,963,000 of debt to its financier in the 12 months to 30 June 2014. This amount is classified as a current liability in the 30 June 2013 financial report. 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.

During the year in order to assist with the closure costs of the Mulgrave site and other working capital requirements beyond the Company's available banking facilities, the Company entered into conditional short term loan transactions with two of its major shareholders, Knox Investment Partners and Richard Celarc. An Extraordinary General Meeting was held on 28 March 2013, the outcome of which was the shareholder approval of the conversion of the two loan facilities to convertible notes, on which the Company pays interest at 15% per annum. The maturity date of the loan notes is 31 March 2014. At the election of the note holders, the convertible notes may be converted into shares on or before the maturity date. As the maturity date falls within 12 months of the balance sheet date, the convertible loan note debt is classified as a current liability.

Working capital and cash flow realisation

	Note	2013 $AUD'000s	2012 $AUD'000s
Receipts from customers (inclusive of GST)		129,040	106,976
Payments to suppliers and employees (inclusive of GST)		(120,555)	(95,637)
Adjusted for prepaid land tax relating to sale-and-leaseback transaction in Singapore operation		1,169	-
Adjusted operating cash flows before interest and tax		9,654	11,339
Adjusted EBITDA		14,114	16,166
Items excluded from Adjusted EBITDA		(3,214)	(4,571)
EBITDA after excluded items		10,900	11,595
Operating cash flow realisation before interest and tax		89%	98%

Operating cash flow realisation before interest and tax of 89% was down on the prior year reflecting significant working capital movements during the year and higher than normal cash collections from customers at the end of FY12. Employee termination and leave payout outflows during the year related to the closure of Mulgrave and other Publishing division restructuring activities also impacted the operating cash flow realisation achieved for the year.

As part of the requirements of the sale-and-leaseback transaction for the Singapore building, $1,169,000 of land tax was prepaid to the local Singaporean authority. This will provide a future benefit to the Company over the remaining lease term of 10 years.

Capital expenditure was managed with a focus on selective investment. The cash outflow for the year ended 30 June 2013 was $2,744,000 (2012: $2,249,000).

The Adjusted EBITDA presented above for 2012 includes McPherson's Printing Pty Limited for the period 31 March to 30 June 2012 only.

OPUS Group Limited and Controlled Entities

Consolidated Statement of Comprehensive Income

	Note	Consolidated 30 June 2013 AUD$'000s	Consolidated 30 June 2012 (restated) AUD$'000s
Revenue from continuing operations	4	97,159	75,240
Other Income		1,162	564
Changes in inventories of finished goods, materials and work in progress		(27,461)	(19,842)
Other production costs and freight		(15,455)	(11,457)
Employee benefits expense		(34,660)	(26,515)
Occupancy costs		(4,093)	(3,355)
Depreciation and amortisation expense		(7,527)	(6,124)
Gain on disposal of assets		3,465	8
Cost of closing interest rate swaps		-	(515)
Realised foreign exchange loss		(34)	(24)
Other expenses		(8,941)	(5,945)
Operating profit before finance costs		3,615	2,035
Finance revenue		116	74
Finance expenses		(6,651)	(5,079)
Net finance costs		(6,535)	(5,005)
Share of net loss of associate		(116)	(14)
Loss before income tax		(3,036)	(2,984)
Income tax expense		(1,490)	(351)
Loss after income tax		(4,526)	(3,335)
Profit from discontinued operation (net of income tax)	5	1,744	1,541
Loss after discontinued operation		(2,782)	(1,794)
Other comprehensive income			
Items that may be reclassified to profit and loss			
Changes in fair value of cash flow hedges (net of tax)		95	(836)
Exchange differences on translation of foreign operations		1,320	315
Other comprehensive income for the full year, net of tax from continuing operations		1,415	(521)
Total comprehensive income for the full year		(1,367)	(2,315)
Continuing operations		(3,080)	(3,844)
Discontinued operations	5	1,713	1,529
Total comprehensive income for the full year		(1,367)	(2,315)
		Cents	**Cents**
Basic (loss) per share	2	(5.18)	(4.47)
Diluted (loss) per share	2	(5.18)	(4.47)
Basic (loss) per share – continuing operations	2	(8.43)	(8.32)
Diluted (loss) per share – continuing operations	2	(8.43)	(8.32)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes. The 30 June 2012 reported results have been restated to present the Outdoor Media Division as a discontinued operation for comparative purposes. The 30 June 2012 comparatives include McPherson's Printing Limited for the period from 31 March 2012 to 30 June 2012 only.

Consolidated Balance Sheet

	Note	30 June 2013 AUD$'000s	30 June 2012 AUD$'000s
Current assets			
Cash		3,163	4,443
Trade and other receivables		12,641	16,088
Inventories		5,127	7,270
Other current assets		3,510	2,700
Assets classified as held for sale		70	98
Income tax receivable		-	272
Assets of disposal group	5	12,592	-
Total current assets		37,103	30,871
Non-current assets			
Investments accounted for using the equity method		782	1,038
Property, plant and equipment		28,132	40,006
Deferred tax assets		4,108	5,741
Intangibles	6	46,750	50,513
Other non-current assets		1,264	-
Total non-current assets		81,036	97,298
Total assets		118,139	128,169
Current liabilities			
Bank overdraft		1,500	-
Trade and other payables		12,108	17,145
Provision for income tax		1,298	848
Derivative financial instruments		717	1,253
Interest bearing liabilities	7	29,963	6,176
Provisions		5,283	5,192
Liabilities of disposal group	5	2,807	-
Total current liabilities		53,676	30,614
Non-current liabilities			
Derivative financial instruments		845	543
Interest bearing liabilities	7	28,665	61,105
Provisions		1,042	400
Deferred tax liabilities		730	959
Total non-current liabilities		31,282	63,007
Total liabilities		84,958	93,621
Net assets		33,181	34,548
Equity			
Share capital		39,353	39,353
Reserves		(315)	(1,730)
Accumulated losses		(5,857)	(3,075)
Total equity		33,181	34,548

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes. The 30 June 2013 Balance Sheet presents the Outdoor Media division as a discontinued operation with the assets and liabilities of the division shown separately above. The 30 June 2012 Balance Sheet does not restate the comparatives for the assets and liabilities of the Outdoor Media division.

Statement of Changes in Equity as at 30 June 2013

Consolidated Statement of Changes in Equity

Consolidated	Share Capital AUD$'000s	Reserves AUD$'000s	Accumulated losses AUD$'000s	Total AUD$'000s
Balance at 1 July 2011	24,576	(1,209)	(1,281)	22,086
Loss after income tax	-	-	(1,794)	(1,794)
Changes in fair value of cash flow hedges net of tax	-	(836)	-	(836)
Exchange differences on translation of foreign operations and internal borrowings	-	315	-	315
Total comprehensive income	-	(521)	(1,794)	(2,315)
Transactions with owners				
Return of capital to OPUS Group of Companies shareholders	(12,000)	-	-	(12,000)
Issue of share capital for reverse acquisition	26,777	-	-	26,777
Balance at 30 June 2012	39,353	(1,730)	(3,075)	34,548

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

Consolidated	Share Capital AUD$'000s	Reserves AUD$'000s	Accumulated losses AUD$'000s	Total AUD$'000s
Balance at 1 July 2012	39,353	(1,730)	(3,075)	34,548
Loss after income tax	-	-	(2,782)	(2,782)
Changes in fair value of cash flow hedges net of tax	-	95	-	95
Exchange differences on translation of foreign operations and internal borrowings	-	1,320	-	1,320
Total comprehensive income	-	1,415	(2,782)	(1,367)
Balance at 30 June 2013	39,353	(315)	(5,857)	33,181

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes. The 30 June 2012 comparatives include McPherson's Printing Limited for the period from 31 March 2012 to 30 June 2012 only.

OPUS Group Limited and Controlled Entities

Consolidated Statement of Cash Flows

	Consolidated	
	2013 $AUD'000s	**2012 $AUD'000s**
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	129,040	106,976
Payments to suppliers and employees (inclusive of GST)	(120,555)	(95,637)
Interest received	46	58
Interest and borrowing costs paid	(6,444)	(5,206)
Net income tax paid	(663)	(1,495)
Net cash inflows from operating activities	1,424	4,696
Cash flows from investing activities		
Payments for purchase of property, plant and equipment	(2,744)	(2,249)
Proceeds from the disposal of property, plant and equipment	7,866	75
Return of capital to OPUS Group of Companies shareholders	-	(12,000)
Dividends received	140	200
Cash acquired in reverse acquisition	-	4,276
Payment for security deposit	(701)	-
Net cash inflows/(outflows) from investing activities	4,561	(9,698)
Cash flows from financing activities		
Proceeds from borrowings	-	65,000
Shareholder loan repaid	17	344
Convertible note funds received, net of transaction costs	2,918	-
Repayment of borrowings	(11,116)	(56,933)
Repayment of finance leases	(674)	(218)
Net cash (outflows)/inflows from financing activities	(8,855)	8,193
Net (decrease)/increase in cash held	(2,870)	3,191
Cash and cash equivalents at beginning of the financial year	4,443	1,234
Net effect of exchange rate changes on cash	90	18
Cash and cash equivalents held at end of financial year	1,663	4,443
Comprising:		
Cash	3,163	4,443
Bank overdrafts	(1,500)	-
Cash and cash equivalents held at end of financial year	1,663	4,443

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.
The 30 June 2012 comparatives include McPherson's Printing Limited for the period from 31 March 2012 to 30 June 2012 only.

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of this Consolidated Preliminary Financial Report (referred to as the Preliminary Financial Report or Financial Report) are set out below. These policies have been consistently applied to all of the periods presented, unless otherwise stated. The Financial Report is for the consolidated entity consisting of OPUS Group Limited and its subsidiaries ('OPUS Group').

(a) Basis of preparation

This Preliminary Financial Report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001 for the purpose of fulfilling the OPUS Group's obligations under Australian Securities Exchange (ASX) Listing Rules.

This Preliminary Financial Report does not include all note disclosures required by Australian Accounting Standards. Selected note disclosures and accounting policies have been included in this document to aid the understanding of the information presented.

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2012 affected any of the amounts recognised in the current period and are not likely to materially affect future periods.

Historical cost convention

All financial information is prepared on an accruals basis and is based on historical costs, modified where applicable by the measurement at fair value of selected non-current financial assets and financial liabilities.

(b) Going concern

As at 30 June 2013, the OPUS Group reported a loss after tax of $2,782,000 and had total equity of $33,181,000. Furthermore, at 30 June 2013, the Group had debt facilities totalling $56,383,000, of which the utilised portion was $54,909,000. The debt facilities are with Commonwealth Bank of Australia (the 'CBA Debt Facilities' - refer Note 7).

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 $25,963,000 of debt to its financier in the 12 months to 30 June 2014. Of this amount $20,000,000 is due for repayment by 30 September 2013. These amounts are classified as a current liability in the 30 June 2013 financial report such that 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.

If, however, agreement cannot be reached, CBA will become entitled to request the immediate repayment of loans under the facility agreement, in which event an appropriate announcement will be made in that regard at that time.

Since 30 June 2012 the OPUS Group has paid down CBA debt by $9,616,000 and has a continued focus on reducing net debt levels further through FY14.

In January 2013, the Group entered into a loan agreement for up to $3,400,000 with two existing shareholders to meet short term working capital requirements, fund the closure costs of the Mulgrave facility and other Group reorganisation initiatives. This loan matures on 31 March 2014 and is convertible in whole or in part into equity at the option of the lenders (see note 7). The loan agreement and conversion option was approved by shareholders on 28 March 2013 at an Extraordinary General Meeting.

In April 2013 the Group finalised the sale and leaseback transaction associated with the Singapore owned building. Along with other non-core asset sales total proceeds of $6,500,000 were used to repay debt during the year.

The divestment of the Outdoor Media division as disclosed in Note 5 will be used to repay debt further and to focus the Group on its core Asian Pacific Publishing operations. This divestment is expected to complete in the 2nd quarter of FY14 and the debt reduction value will be disclosed at this time.

The Directors have taken a number of actions to improve the Group's profitability and expect an improvement for FY14. Efficiency gains achieved across the Group through consolidation of its production and rationalisation of its cost base together with increased leverage in digital production investments will also position the Group to meet its objectives.

The continuing viability of the Group and its ability to continue as a going concern and meets its debt and commitments as they fall due are dependent upon the Group being successful in generating sufficient future cash flow through the divestment of the Outdoor Media Division, improved profitability to meet its debt repayments and other obligations and complying with its debt covenants.

In considering the current bank discussions and the anticipated variation to the current debt facility, potential divestment of the Outdoor business, other debt reduction initiatives and the Group's current financial projections as discussed above, the Directors are of the opinion that the Group will be successful in implementing these initiatives and, accordingly, have prepared the financial report on a going concern basis. Notwithstanding this belief, there is a risk that the Group may not be successful in implementing its initiatives or the implementation of alternative options which may be available to the Group. As a result of these matters, there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. No adjustments have been made to the financial report relating to the recoverability and classification of the assets carrying amounts or the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

(c) Principles of consolidation

Subsidiaries

The Preliminary Financial Report incorporates the assets and liabilities of all subsidiaries of and the results of all subsidiaries for the year then ended. Subsidiaries are all entities (including special purpose entities) over which the OPUS Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the OPUS Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the OPUS Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group entities are eliminated. Management is required to make full disclosure of intercompany transactions during the year to ensure that all transactions of this nature are eliminated at a group level. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the OPUS Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet respectively.

Business combinations (excluding reverse acquisition accounting)

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange. Acquisition related costs are expensed as incurred. Where equity instruments are issued in an acquisition they are measured at their assessed fair value.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the OPUS Group's share of the identifiable net assets acquired is recorded as goodwill.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with changes in fair value recognised in profit or loss.

Subsidiaries are consolidated from the date on which control is transferred to the OPUS Group. They are de-consolidated from the date that control ceases.

OPUS Group of Companies aggregation

The OPUS Group of Companies is an aggregation of four subgroups (collectively referred to as the 'OPUS Group of Companies') which were all subject to common control by a consistent group of shareholders until they were acquired by OPUS Group Limited on 30 March 2012.

The OPUS Group of Companies is deemed to be a separately identifiable reporting entity for which a Financial Report can be presented.

The four subgroups are:
- Cactus Imaging Holdings Pty Limited and its subsidiary named Cactus Imaging Pty Limited. These entities are domiciled in Australia.
- CanPrint Holdings Pty Limited and its subsidiaries named Union Offset Co. Pty Limited, CanPrint Communications Pty Limited and Integrated Print and Logistics Management Pty Limited. These entities are domiciled in Australia.
- OPUS Group NZ Holdings Limited and its subsidiaries named Omnigraphics Limited, Cactus Imaging Limited, F'Digital Limited, F'Displays Limited, Ligare Limited and C.O.S. Printers Pte Limited. These entities are domiciled in New Zealand and Singapore.
- OPUS Group (Australia) Pty Limited and its subsidiary named Ligare Pty Limited. These entities are domiciled in Australia.

Financial information related to the OPUS Group of Companies as the parent company is an aggregation of the separate Financial Reports of each subgroup whilst they were subject to common control. All material transactions, balances and unrealised gains or losses between subgroups are eliminated on aggregation.

Reverse acquisition accounting

On 30 March 2012, OPUS Group Limited completed the acquisition of the OPUS Group of Companies.

In accordance with Australian Accounting Standards, this transaction has been accounted for as a reverse acquisition business combination.

In applying the requirements of AASB 3 Business Combinations to the OPUS Group:
- OPUS Group Limited is the legal parent of the OPUS Group; and
- The OPUS Group of Companies none of which are the legal parent or legal acquirer is deemed to be the accounting acquirer.

The consolidated financial information in this Financial Report incorporates the assets and liabilities of all OPUS Group entities deemed to be acquired by the OPUS Group of Companies and the results of those entities for the period from which they are deemed to be acquired by the OPUS Group of Companies.

The assets and liabilities of OPUS Group Limited and its subsidiary McPherson's Printing Pty Limited were recorded at fair value at the date of acquisition whilst the assets and liabilities of the OPUS Group of Companies are maintained at book value. The impact of all transactions between entities in the OPUS Group has been eliminated in full.

AASB 3 Business Combinations and AASB 127 Consolidated and Separate Financial Statements requires that the Consolidated Financial Report prepared following a reverse acquisition shall be issued under the name of the legal parent (OPUS Group Limited), but be a continuation of the Financial Report of the legal subsidiary entities (i.e. the OPUS Group of Companies).

The implications of applying AASB 3 to the above transaction on this Financial Report are as follows:

Consolidated Balance Sheet

The Consolidated Balance Sheet for 30 June 2012 and 30 June 2013 reflects the combined position of OPUS Group Limited, McPherson's Printing Pty Limited and the OPUS Group of Companies.

Consolidated Statement of Comprehensive Income

The Consolidated Statement of Comprehensive Income for the year ended 30 June 2013 represents the result for all entities.

The Consolidated Statement of Comprehensive Income for the year ended 30 June 2012 represents the results of OPUS Group Limited and McPhersons Printing Pty Limited for the period from 31 March 2012 to 30 June 2012 and the result of the OPUS Group of Companies for the full year.

Consolidated Statement of Changes in Equity

The 1 July 2011 opening retained earnings and other equity balances recognised in the consolidated entity are the aggregation of the OPUS Group of Companies before the transaction.

The loss after tax for the year comprises the results of the OPUS Group of Companies full for the full year ended 30 June 2012 and the consolidated financial results of OPUS Group Limited and McPhersons Printing Pty Limited for the period 31 March 2012 to 30 June 2012.

Consolidated Statement of Cash Flows

The Consolidated Statement of Cash Flows for the year ended 30 June 2013 comprises the aggregated cash flows for all entities.

The Consolidated Statement of Cash Flows for the year ended 30 June 2012 represents the cash flows of OPUS Group Limited and McPhersons Printing Pty Limited for the period from 31 March 2012 to 30 June 2012 and the cash flows of the OPUS Group of Companies for the full year.

(d) Goodwill

Recognition and nature

Goodwill represents the excess of the cost of an acquisition over the fair value of the OPUS Group's share of the net identifiable assets of the acquired business/associate at the date of acquisition. Goodwill on acquisition of businesses is included in intangible assets. Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates.

Impairment of goodwill

Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. An impairment loss in respect of goodwill cannot be reversed.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(e) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:
• the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
• by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
• the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
• the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Impact of reverse acquisition accounting on earnings per share

As the acquisition of the OPUS Group of Companies by OPUS Group Limited was accounted for as a reverse acquisition the weighted average number of shares outstanding for the period in which the combination took place is based on the weighted average number of shares of the legal subsidiary that are outstanding from the beginning of the period to the date of the combination. That number of shares is multiplied by the exchange ratio established in the acquisition agreement and added to the actual number of the shares of the legal parent entity that are outstanding in the period following the transaction. Comparative earnings per share information is based on the profit of the legal subsidiary and the legal subsidiary's historical weighted average number of shares that are outstanding, multiplied by the exchange ratio established in the acquisition agreement.

(f) Rounding of amounts

OPUS Group Limited is a company of the kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission. This Class Order relates to the 'rounding off' of amounts in the Financial Report. Amounts in the Financial Report have been rounded off in accordance with that Class order to the nearest thousand dollars, or in certain cases, the nearest dollar.

(g) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised.

A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the income statement.

2. (Loss) per share

	Consolidated	
	30 June 2013	**30 June 2012**
Basic (loss) per share (cents ¢)	(5.18)	(4.47)
Diluted (loss) per share (cents ¢)	(5.18)	(4.47)
Basic (loss) per share – continuing operations (cents ¢)	(8.43)	(8.32)
Diluted (loss) per share – continuing operations (cents ¢)	(8.43)	(8.32)

	Consolidated	
	30 June 2013 AUD$'000s	**30 June 2012 AUD$'000s**
(Loss) used in calculating basic and diluted earnings per share	(2,782)	(1,794)
(Loss) used in calculating basic and diluted earnings per share – continuing operations	(4,526)	(3,335)
	'000s	**'000s**
Weighted average number of ordinary shares used as the denominator in calculating the basic and diluted (loss) per share	53,678	40,102

Refer to Note 1 for the accounting policy which outlines the impact of the reverse acquisition accounting applied in this Financial Report to the (loss) per share calculations above.

3. Business combinations

(a) Acquisition of the revenue base of the Blue Star Group Australia's Canberra operation and certain assets thereof

On 27 March 2013 OPUS Group Limited announced that it had entered into an agreement to acquire selected assets and the revenue base of the Blue Star Group Australia's business in Canberra.

The transaction is anticipated to deliver additional revenues with the full financial benefits of this acquisition expected to be seen in FY14. Settlement of the consideration for the acquisition will occur on a deferred basis over a two year period, based on the actual revenue contribution with minimum thresholds in place. The deferred consideration is contingent on revenues generated from Blue Star customers using a contractual formula to assess the contribution of customers which were shared by the two entities.

The combined business will operate from the existing CanPrint facility in Canberra under the CanPrint brand.

The deemed acquisition date for the acquisition for the transaction is 5 April 2013.

Under Australian Accounting Standards, the OPUS Group has 12 months from the date of acquisition in which to complete its assessment of the fair value of the assets and liabilities acquired. Given the date of the transaction, the OPUS Group has provisionally recognised the fair value of the identifiable assets and liabilities acquired in the transaction based upon the best financial information available at the acquisition date. The fair values are provisional at the date of this report. Specifically, the OPUS Group is still in the process of the finalising the tax re-setting exercise, which may have an impact on the provisional acquisition accounting.

The fair value of the identifiable assets and liabilities as of the date of acquisition were as noted in the balance sheet extract below.

	Acquisition date fair value AUD$'000s
Assets	
Equipment	349
Inventory	197
Goodwill	1,438
Deferred tax asset on employee benefits	47
	2,031
Liabilities	
Employee benefits at 100%	(158)
Consideration paid and payable	
Cash (outflow)	(435)
Deferred consideration not yet paid	(1,438)

The fair value of assets and liabilities acquired approximated their carrying amounts at the acquisition date.

The goodwill recognised on acquisition represented the excess consideration paid above the fair value of the assets acquired and the deferred consideration to be paid. Goodwill relates to the synergies which result from the transaction. These benefits include increased volume of revenue with current customers and margin improvements due to improved buying power. Transactions costs were approximately $40,000 with the majority of due diligence undertaken in-house by the OPUS Group management team. These costs have been expensed.

As the business combination was an asset acquisition, information related to pre-acquisition revenue and profit of the business is not available. The revenue and profit derived from the acquisition of the revenue base cannot be determined because a number of the customers of Blue Star Group Australia's Canberra operation were pre-existing customers of the OPUS Group.

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, the Chief Executive Officer (CEO) and Chief Financial Officer (CFO).

(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 and Outdoor Media.

Publishing

The Publishing 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 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.

(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 Comprehensive Income although it is presented on an ‘Always Owned’ basis as further explained below.

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

The chief operating decision makers assess the performance of the operating segments based on a measure of Adjusted EBITDA as monitored by the Board and Senior Management (‘Adjusted EBITDA’). Adjusted EBITDA is a non-IFRS measure of financial performance and is not a principle contemplated by Australian Accounting Standards. This measurement basis excludes the effects of certain items from the operating segments such as integration and restructuring costs, material merger transaction costs, debt facility expenses, legal expenses and other related costs not deemed to be part of the underlying performance of the segment. It is presented internally on an ‘Always Owned’ basis where the full year results of each legal entity are included regardless of when they joined the OPUS Group during the year. This measure is consistent with the presentation of financial information internally for management accounts purposes.

A reconciliation of Adjusted EBITDA to the (Loss) before taxation per the Statement of Comprehensive Income is as follows:

	30 June 2013 AUD$'000s	30 June 2012 AUD$'000s
Adjusted EBITDA on an 'Always Owned' basis (continuing operations)	14,114	20,600
Adjusted for:		
Pre-acquisition trading for entities acquired during the year	-	(4,434)
Adjusted EBITDA	14,114	16,166
Less: Adjusted EBITDA of discontinued division	(3,435)	(3,618)
Depreciation, amortisation and impairment	(7,527)	(6,124)
Gain on disposal of property, plant and equipment	3,465	8
Items excluded from Adjusted EBITDA	(3,118)	(4,411)
Finance revenue	116	74
Finance costs	(6,651)	(5,079)
(Loss) before taxation per the Consolidated Statement of Comprehensive Income	(3,036)	(2,984)

As a result of the reverse acquisition accounting applied, the Financial Report for the year ended 30 June 2012 represents the segments results for OPUS Group Limited and McPherson's Printing Pty Limited for the period 31 March 2012 to 30 June 2012.

The 2012 Adjusted EBITDA includes 9 months of trading for McPherson's Printing Pty Limited, which is excluded from the reported result as being pre-acquisition trading.

Interest income and expenditure is not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the OPUS Group.

(d) Segment Information

30 June 2013	**Publishing**	**Outdoor Media (Discontinued)**	**Other**	**Inter-Segment Eliminations**	**Total**
	AUD$'000s	**AUD$'000s**	**AUD$'000s**	**AUD$'000s**	**AUD$'000s**
Total external revenue	97,159	19,665	-	-	116,824
Other	1,037	3	9	-	1,049
Operating expenses	(83,594)	(16,233)	(3,932)	-	(103,759)
Adjusted EBITDA	14,602	3,435	(3,923)	-	14,114

Total segment revenue is reconciled to total revenue per the Consolidated Statement of Comprehensive Income as follows:

	30 June 2013 $AUD'000s
Segment revenue (Revenue on an 'Always Owned' basis)	116,824
Less discontinued Outdoor Media Division	(19,665)
Total revenue from continuing operations per the Statement of Comprehensive Income	97,159

30 June 2012	Publishing AUD$'000s	Outdoor Media AUD$'000s	Other AUD$'000s	Inter-Segment Eliminations AUD$'000s	Total AUD$'000s
Total external revenue	112,243	20,766	-	-	133,009
Inter segment revenue	9	-	-	(9)	-
Operating expenses	(93,746)	(17,188)	(2,887)	9	(113,812)
Other	1,363	40	-	-	1,403
Adjusted EBITDA	19,869	3,618	(2,887)	-	20,600

Total segment revenue is reconciled to total revenue per the Consolidated Statement of Comprehensive Income as follows:

	30 June 2012 $AUD'000s
Segment revenue (Revenue on an 'Always Owned' basis)	133,009
Pre-acquisition revenue	(36,941)
Other	(62)
Revenue from discontinued Outdoor Media Division	(20,766)
Total revenue per the restated Statement of Comprehensive Income	75,240

(e) Inter-segment transactions

The inter-segment eliminations column above adjusts for the impact of internal transactions and the "Other" column represents unallocated OPUS Group and Corporate costs. Segment revenues, expenses and results include transactions between segments. Such transactions are priced on an 'arms-length' basis and are eliminated on consolidation.

(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.

5. Discontinued Operation

On 16 May 2013, OPUS Group announced that it was undertaking a strategic review of its Outdoor Media business.

The review follows the disposal of a number of non-core assets including the recent sale and leaseback of the Group's Singapore building, as well as the sale of surplus land and buildings at Maryborough in Victoria, with the proceeds used to pay down debt.

The Outdoor Media business is classified as a discontinued operation as at 30 June 2013. Consequently, the Consolidated Statement of Comprehensive Income (both current period and prior period comparative) have been prepared with the Outdoor Media business disclosed as a discontinued operations line item. In addition, all of the Outdoor related assets and liabilities have been disclosed in the Group's 30 June 2013 Balance Sheet as separate asset and liability categories.

a) Assets and Liabilities held for sale

	30 June 2013 AUD$'000s
Current assets	
Trade receivables	2,914
Inventory	877
Other current assets	106
Non-current assets	
Property, plant and equipment	1,955
Goodwill	6,445
Deferred tax asset	289
Other non-current assets	6
Total assets of disposal group held for sale	12,592

	30 June 2013 AUD$'000s
Current liabilities	
Trade and other payables	1,992
Employee-related provisions	718
Non-current liabilities	
Employee-related provisions	97
Total liabilities of disposal group held for sale	2,807

For reporting purposes, cash and bank balances of the discontinued division at year-end are presented within continuing operations. The amounts presented above are net of intercompany loan balances with other OPUS Group entities.

b) Discontinued operation financial information and cash flow information

	Consolidated	
	30 June 2013 AUD$'000s	30 June 2012 AUD$'000s
Income	19,665	20,766
Expenses	(17,137)	(18,530)
Net finance costs	(15)	(93)
Profit before tax from discontinued operations	2,513	2,143
Income tax expense	(769)	(602)
Profit after tax from discontinued operations	1,744	1,541
Other comprehensive loss	(31)	(12)
Total comprehensive income for the year attributable to discontinued operations	1,713	1,529

	Consolidated	
	30 June 2013 AUD$'000s	30 June 2012 AUD$'000s
Net cash inflow from operating activities	3,045	3,194
Net cash outflow from investing activities	(835)	(1,271)
Net cash outflow from financing activities	(2,300)	(1,700)
Net (decrease)/increase in cash generated	(90)	223

6. Non-current assets – intangibles

	Consolidated	
	30 June 2013 AUD$'000s	**30 June 2012 AUD$'000s**
Goodwill	46,750	50,513
Total intangibles	46,750	50,513

(a) *Reconciliations*

Reconciliations of the carrying amounts of each class of intangible assets at the beginning and end of the financial year are set out below:

Carrying amount

	Goodwill AUD$'000s
Balance at 1 July 2011	47,828
Acquisitions through business combinations – Note 3	2,445
Effect of movements in exchange rates	240
Balance at 30 June 2012	50,513
Balance at 1 July 2012	50,513
Acquisitions through business combinations – Note 3	1,438
Less goodwill attributable to discontinued operations	(6,445)
Effect of movements in exchange rates	1,244
Balance at 30 June 2013	46,750

(b) *Impairment testing*

For the purpose of impairment testing, goodwill is allocated to the OPUS Group's cash generating units ('CGU') which represent the lowest level that independent cash flows are generated (as at the reporting date). As at 30 June 2013, there has been a change in the identified CGUs of the OPUS Group resulting from the ongoing restructure of the Publishing Australia business. The previously reported CGUs of CanPrint, Ligare and McPherson's Printing have been combined as one CGU named Publishing Australia.

This change has occurred as a result of the restructuring of the OPUS Group business namely:

- The production site for work is determined by the "best fit" within the OPUS Group location rather than where the customer relationship has historically existed, leading to increased reallocation of work across the Publishing Australia network of operations;

- Closure of the Mulgrave site and shift of equipment to Canberra and Maryborough with corresponding work reallocated. The outcome of this restructure is the creation of a colour hub in Canberra which services Publishing Australia customers;

- Closure of the Sutton Road site and shift of work to the Sydney Ligare site;

- Change in management focus to a functional Publishing Australia structure including appointment of key divisional leads in Sales, Australian National Operations and Finance. This functional structure is a key component to the overall Publishing Division (which includes COS Printers Pte Ltd) whose performance is monitored by the Board and Senior Executive level team;

- Decisions around capital expenditure are now made on a Divisional basis in order to build operational excellence hubs rather than a single site approach; and

- Continuation of the standardisation of systems and resourcing across Publishing Australia.

The aggregate carrying amounts of goodwill allocated to each CGU are as follows:

	Consolidated 30 June 2013 AUD$'000s	Consolidated 30 June 2012 AUD$'000s
Cactus Australia	6,445	6,445
Publishing Australia	30,148	28,710
COS	16,602	15,358
Total goodwill	53,195	50,513
Reclassified to disposal group	(6,445)	-
Total goodwill presented on the balance sheet	46,750	50,513

The recoverable amount of a CGU is determined based on a value-in-use calculation. These calculations use cash flow projections based on financial forecasts for FY14. Cash flows beyond the projected period are extrapolated using estimated growth rates. In performing the value-in-use calculations for each CGU, the OPUS Group has applied a post-tax discount rate to discount the forecast future attributable post-tax cash flows.

When determining the carrying value of the cash generating unit an allocation of the OPUS Group's corporate asset base has been made to each unit.

The value-in-use has been based on the following key assumptions:

CGU	**EBITDA growth rate (2 to 5 years)**	**Terminal value growth rate**	**Discount rate (pre-tax)**	**Capex Growth Rate**
Cactus Australia	3%	0%	17%	10%
Publishing Australia	3%	2%	17%	10%
C.O.S. Printers Pte Limited	3%	2%	12%	10%

Cash flows of each CGU have been projected based on the budget for FY14 and the forecast which has been extended for 4 years using EBITDA growth assumptions noted above applicable to each CGU.

Terminal cash flows beyond 5 years forecast of each CGU were extrapolated using a constant growth rate as noted above. Growth rates used do not exceed the long-term average growth rate for the markets in which each of the CGU's operate.

The forecasts for the purposes of each of the value in use calculations are most sensitive to changes in the projected cash flows in year 1, the terminal year and the discount rate.

The Board have reviewed the sensitivities of each CGU's recoverable value for the above noted assumptions.

Based on the sensitivities to the key assumptions noted above, if the Publishing Australia forecasted cash flows for year 1 were 2.3% lower or the pre-tax discount rate was 0.4% higher or a 1% reduction in the year on year growth rate (all other assumptions being the same) the carrying value and recoverable amount of the CGU would be equal.

One of the key assumptions is the inclusion of capital expenditure cash flows. These are forecasted to grow at a rate of 10% over the forecast period. The magnitude and timing of these cash flows is within the control of OPUS Group management.

Based on the review of the sensitivities to the other key assumptions noted above, the Board believe that there are no other reasonably possible changes in any of the key assumptions that would cause the carrying amount of an individual CGU to exceed its recoverable amount.

7. Interest bearing liabilities

	Consolidated	
	30 June 2013 AUD$'000s	30 June 2012 AUD$'000s
Non-current liabilities		
Secured bank loan	26,421	58,100
Finance leases	2,244	3,005
Total non-current interest bearing liabilities	28,665	61,105
Current Liabilities		
Secured bank loan	25,963	5,400
Convertible loan notes	3,137	-
Finance leases	863	776
Total current interest bearing liabilities	29,963	6,176
Total interest bearing liabilities	58,628	67,281

(a) Current year debt financing - CBA

Utilisation of the OPUS Group's debt facilities at the balance date is as follows:

	Utilised Amount AUD$'000s	Total Facility AUD$'000s
30 June 2013		
Secured bank loan – tranche A	48,362	48,362
Secured bank loan – tranche B	4,021	4,021
Working capital facility	2,526	4,000
	54,909	56,383
30 June 2012		
Secured bank loan – tranche A	53,000	53,000
Secured bank loan – tranche B	10,500	10,500
Working capital facility	1,959	4,000
	65,459	67,500

The borrower under each of these CBA Facilities is OPUS Group Limited. The CBA Facilities are due to be repaid or refinanced by 31 March 2016. The tranche A component is subject to mandatory amortisation on a quarterly basis. The utilised component of the working capital facility relates to off balance sheet bank guarantees, letters of credit and overdraft drawdowns.

The details of each current facility are outlined below:

Facility A and Facility B: These are secured loan debt facilities. Interest is payable quarterly and amounts repaid are unable to be redrawn in the future.

Working Capital Facility: This is a multi-option facility that may be utilised to fund the day to day working capital requirements of the OPUS Group and general corporate purposes such as letters of credit. The amount drawn down under the Working Capital Facility varies according to the needs of the OPUS Group. At 30 June 2013 $2,526,000 was drawn down against this facility related to bank guarantees, letters of credit and overdraft drawn amounts.

Hedging Requirement: Under the terms of the debt facility, Facility A and B are to be 75% hedged against interest rate movements in the first 3 years and 50% thereafter.

The agreement under which the CBA facilities are made available contains financial covenants typical for a facility of this nature and are tested quarterly. The facility requires compliance with an interest cover ratio, leverage ratio, debt service ratio and limits on the OPUS Group's capital expenditure. Compliance with covenants is highly dependent on future business performance, working capital management and capital requirements. As at the date of this report the Group has complied with these covenants.

The terms of the CBA Facilities require OPUS Group Limited and each of its subsidiaries to be guarantors in respect of the external debt. Each guarantor grants security over its assets (including a fixed and floating charge) in favour of

CBA to support that guarantee in the form of a General Security Deed containing a specific security over shares or units in any unit trust held by that guarantor.

(b) Convertible loan notes

In order to assist with the closure costs of the Mulgrave site and other working capital requirements, beyond the Company's available banking facilities, the Company entered into conditional short term loan transactions with two of its major shareholders, Knox Investment Partners and Richard Celarc.

An Extraordinary General Meeting was held on 28 March 2013, the outcome of which was the approval of the conversion of the two loan facilities to convertible notes, on which the Company pays interest at 15% per annum. The maturity date of the loan notes is 31 March 2014. At the election of the note holders, the convertible notes may be converted into shares on or before the maturity date.

As the maturity date falls within 12 months of the balance sheet date, the convertible loan note debt is classified as a current liability.

8. Subsequent events

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 $25,963,000 of debt to its financier in the 12 months to 30 June 2014. Of this amount $20,000,000 is due for payment by 30 September 2013. These amounts are classified as a current liability in the 30 June 2013 financial report such that 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.

9. Compliance Statement

This report is based on the Financial Report of OPUS Group Limited and its controlled entities. The financial report is in the process of being audited. The OPUS Group is not aware of any matters associated with the Financial Report for the year ended 30 June 2013 that are likely to be subject to dispute or qualification by the auditors. The Audit Report to be issued by the Company's auditors, PricewaterhouseCoopers is expected to include an Emphasis of Matter paragraph with respect to the matters disclosed on page 15 of this report.

10. 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 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 other 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.

This release and the included non-IFRS disclosures have not been audited.