

Address by Kerry McDonald, Chairman of Opus International Consultants

Shareholders, ladies and gentlemen, I will now move on to my Chairman's address.

Our 2012 results were pleasing, given the challenging market conditions around the world. Operating revenue was up 3.6% to more than \$400m for the first time, and while EBIT dropped by 2.4%, underlying net profit after tax was up 1% after removing the effect of the previous year's R&D tax credit.

The full year dividend was 7.9 cents per share, fully imputed, and an additional special dividend of 1 cent per share was paid, to make use of available imputation credits at a higher tax rate, before that rate falls, while also maintaining strong cash reserves to fund future investment and growth.

The on-going financial difficulties in our main markets are still of concern, but we are now achieving real momentum with our business improvement initiatives. These are a long-term, value-adding investment, which is already delivering value in the short term.

Last year we focussed on developing capability and lifting the performance and cadence of the organisation. We put a particular focus on initiative and innovation, performance and reward, and global collaboration. This work included benchmarking the Opus culture, restructuring senior management, a general shift in focus to enable empowerment and encourage leadership at all levels, and a much stronger and more systematic focus on customers and project management and delivery.

To support this work there have been improvements in systems and processes generally, with a much greater overall emphasis on working on the business to continuously improve it.

The comprehensive rebranding of the organisation last year also reflects this transformational shift.

In parallel we made good progress on developing new lines of business, new markets, and a better risk management and risk appetite platform.

This business improvement programme has been a strong focus for the Board, and in some areas we have accepted higher costs as an investment in future performance.

These investments are being carefully managed to ensure they are in line with our strategic plan, will help to deliver our strategic objectives and will provide a sound return.

Looking forward, there are clearly on-going global financial issues, including the level of government debt around the world and the lack of growth. The sharp weakening of the Australian economy is a particular concern, as are some emerging issues in New Zealand. However, there are also opportunities. The shift towards emerging economies has continued and we are well placed to leverage such opportunities with our JV partner, Opus (M) Berhad.

The Board is particularly pleased with the turnaround of the UK business, which has faced a number of challenges over the past few years as a result of the global financial crisis. After a lot of hard work, it is now much improved and has achieved some notable project wins. David will comment in more detail in his address.

As we move into 2013, we continue to focus strongly on improving the business for long-term growth and profitability. We have seen the benefits of this approach over the past year, and will continue to do so in future.

I take a lot of confidence from the capability and performance of David and his Management team, and thank them and all of the Opus staff for their work. I also thank my fellow directors for their excellent contribution throughout the year.

ENDS