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MEDIA RELEASE

NEW STRATEGY TARGETS INNOVATION AND KEY GROWTH OPPORTUNITIES

At today's AGM Opus International's Chairman, Kerry McDonald, highlighted the successes and challenges of 2015, and the Company's new strategic plan.

Overall, Group revenue and EBIT were down but EBIT in New Zealand increased strongly, by 29%, reflecting reasonable economic conditions and a strong focus over recent years on performance improvement. UK EBIT also rose, by 133% to an all-time high. In contrast there were reductions in Canada and Australia, reflecting the difficult economic conditions and the sharp fall in oil and gas prices and resource prices generally.

Group NPAT was down by 36% to \$16.7m - but this reflected substantial accounting adjustments, without which NPAT was virtually unchanged at \$21.2m. The accounting adjustments included a deferred consideration release of \$8.1m and a goodwill impairment charge of \$12.6m – both in Canada.

He also confirmed the final dividend of 4.9 cents per share, bringing the total dividend for the year to 11 cents, up 24% on 2014.

Opus Chief Executive, Dr David Prentice said the improved performance in New Zealand and the United Kingdom in 2015 was mainly due to the continuous improvement and productivity measures which the business had implemented over recent years.

He also commented on the 2016 year to date performance - a slower than expected start to the year in New Zealand has seen revenue marginally below 2015, although we have secured a number of important new contracts."

The Australian business is showing early signs of improvement after cost management and revenue measures were implemented in 2015. However the oil price collapse continues to put pressure on the Canadian business. "We have taken further cost-saving



measures, with restructuring costs of around \$900k, as we work to align our cost base with market conditions” said Dr Prentice but we are also maintaining our capacity for future growth.

Continued improvement in the United Kingdom business has been underpinned by some key wins. “In the first three months of the year we have secured £4.7m of new rail work which is recognition of our expertise in this key sector,” said Dr Prentice.

He also outlined the new strategy which will fundamentally reposition the business. “This repositioning includes close targeting of specific markets, including Transportation, Water and Buildings, and building global capability in asset management, innovation and the environment.

Dr Prentice concluded that the outlook across markets is mixed, presenting challenges as well as opportunities for 2016.

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