

OPUS INTERNATIONAL CONSULTANTS LIMITED

# 2010 Half-Year Report

Period Ending 30 June 2010



# Overview

Continuing on from the good second half of 2009, we have delivered a very positive outcome for the first half of this year. This was despite tight economic conditions in many of our markets and increasing competition in all of them.

Net profit after tax was \$10.4 million, strongly ahead of the \$5.1 million in the corresponding period last year.

In New Zealand we continue to perform strongly, and in Australia business has shown good signs of improvement. Despite difficult market conditions our UK business continues to improve and our loss for the second half of 2009 has been turned around to a profit for the first half of this year. This is a great achievement by our team in the UK. In Canada our revenue is down on expectations.

In the half-year ended 30 June 2010, we achieved earnings before interest and tax (EBIT) of \$15.5 million, in comparison with \$7.4 million for the same period last year. Our Australian business reported an EBIT of \$1.4 million, Canada \$0.2 million, New Zealand \$13.6 million, and in the UK an EBIT of \$0.2 million.

In light of the uncertain economic environment, Opus was strongly focussed on business improvement and marketing. This included increased collaboration and work sharing amongst office locations, which often expand capacity and capability. The company has maintained a strong base of long term contracts in addition to acquiring new work and as we move

into the second half of the year we will continue to closely monitor the economic climate and pursue opportunities.

Our global work force currently stands at 2,291.

The results of our operations for the half-year are summarised in the chart below. Further details and analysis are provided in the Financial Statements section of this report.

	Six Months Ended 30 June		Year Ended 31 December
	2010	2009	2009
	\$000	\$000	\$000
Operating Revenue	\$185,013	\$187,113	\$367,848
EBITDA	\$18,251	\$10,879	\$31,556
Depreciation and Amortisation	(\$2,770)	(\$3,466)	(\$6,208)
EBIT	\$15,481	\$7,413	\$25,348
Net Surplus After Tax	\$10,427	\$5,135	\$18,598

## OPERATIONS

Over the first six months of this year, we have secured a number of significant road and highway contracts in New Zealand for projects commissioned by the New Zealand Transport Agency and a number of local authorities. This has included a \$6 million commission for the development of the Te Rapa Bypass, a Road Asset Management contract for the Waikato District Council, and work for the Auckland City Council. Other major highway projects include the design services for the Tauranga Eastern Motorway, the Rotorua Eastern Arterial Route, the Hamilton section of the Waikato Expressway, and the four-lane Peka Peka to Otaki 13 km Expressway. We have also been commissioned to carry out Stage 2 of the investigative work for the proposed Transmission Gully highway route north of Wellington.

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All Monetary values in this publication relate to NZ\$



1. Sound walls, SH20 Extension, Auckland, NZ; 2. Road survey work, UK; 3. Newfoundland Ferry Terminal, Canada; 4. Hamilton Island Yacht Club, Queensland, Australia



We are also working on the ongoing electrification design work for ONTRACK and KiwiRail in the lower North Island. The highly acclaimed and redeveloped Newmarket Railway Station in Auckland, for which we provided the architectural, structural, mechanical and electrical engineering design, was opened in January. We also provided the same services for the Grafton Road Station, which opened in April and the Kingsland Station which will open in July, and we are continuing with the development of the new Manukau Station.

During the reporting period we also worked for the Bank of New Zealand, refurbishing their branches, and are involved in the further development of Bowen Hospital in Wellington. We are designing the conversion of the former CPO in Dunedin to a five-star hotel under the Hilton Hotels brand and secured contracts for the design of new specialist facilities for the Department of Corrections. We also secured a contract for the property management of TelstraClear's network and non-network facilities and are currently carrying out investigations and preparing consent applications for the Pouto Wind Farm near Dargaville for Meridian Energy, and the Waiari Pipeline study for Tauranga City Council.

In Australia we were commissioned for the design, documentation and supervision of civil works for a new residential subdivision near Ipswich, Queensland. Our ongoing work for Logan City Council (Queensland) has included the design,



Newmarket Railway Station, Auckland, NZ

project management and cost risk analysis for future road and drainage schemes. In Western Australia we are continuing to provide services to MainRoads Western Australia, and asset management support and technical advice to Southern Roads Services. In New South Wales, we were commissioned to investigate and provide design services for the upgrade and repair of a number of rail bridges for Railcorp, and we are providing civil and structural design services for a new forty-storey building at Chatswood on Sydney's North Shore. We are also supervising the development of 233 residential allotments including the design of civil works. In the Northern Territory, we have a civil and structural design contract for a residential development in Alice Springs, and a contract for the provision of transportation asset management services on 'Roads of Regional Significance' for the Outback Regional Roads Group.

Much of the work in Canada has been centred on the delivery of existing project work. New contracts secured over the period have included: the design and construction supervision of sewer infrastructure along Routes 105 and 110, and the design and construction supervision for a new elevated water storage tank for the Village of New Maryland. We were also awarded a two-year contract by the British Columbia Ministry of Transportation for the provision of pavement asset management advisory services, and on the Atlantic coast we are providing civil engineering services for the reconstruction of Route 1 from St Stephen to River Glade for the New Brunswick Department of Transportation.

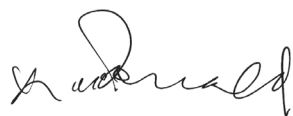
The economic conditions continue to be difficult in the UK, but we are securing good new contracts. These include: an extension to our contract with the Environmental Agency, a four-year contract in partnership with AECOM for the North Wales Trunk Road Agency, and our appointment to the Welsh Assembly Government Consulting Framework Agreement for the North, South and Mid-Wales regions. In partnership with Arup we are developing an asset management model for the Highways Agency and have been commissioned to provide the civil and structural design for the University Hospital of Wales. Our subsidiary, Tower Surveys, is providing aerial mapping services of several regions in the UK for Aerial Cartographic of America Inc.

## FUTURE OUTLOOK

For the first half of the year we produced a very successful financial result whilst responding to the difficult economic conditions. Conditions remain uncertain in our four main markets, and we continue to retain positive cash balances and exercise prudence in the management of costs and recruitment.

As we move into the second half of the year, we will continue to closely monitor the economic climate and respond as opportunities arise. We will continue to build on our strengths and the disciplines developed from the challenges of the recent past and when and where appropriate we will expand our business through acquisition and recruitment.

We have maintained a base of long term contracts in addition to acquiring new work, and this helps to underpin our strength. We remain financially strong with no net debt.



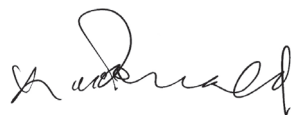
Kerry McDonald  
Chairman



Kevin Thompson  
Chief Executive and Managing Director

#### \*Retirement of Kevin Thompson

Kevin Thompson is to retire from Opus on 30 September. In his nine years as Chief Executive, Kevin has made an outstanding contribution to the company, growing the business and its profitability, managing its listing on the NZX, and steering the company through the global financial crisis. During this time Kevin has always put a strong focus on people, and this has been a key factor in the development of the business. He leaves Opus in a strong position and can be very proud of what he and the company have achieved during his term as Chief Executive and Managing Director.



Kerry McDonald  
Chairman

## Consolidated Income Statement

FOR THE PERIOD ENDED 30 JUNE 2010 (UNAUDITED)

		(Unaudited) Six Months Ended 30 June		(Audited) Year Ended 31 December
	Note	2010 \$000	2009 \$000	2009 \$000
<b>OPERATING ACTIVITIES</b>				
Operating Revenue		185,013	187,113	367,848
Operating Expenses	1	(167,477)	(176,740)	(337,707)
Operating Surplus		17,536	10,373	30,141
Equity Accounted Share of Surplus of Associates		715	506	1,415
EBITDA		18,251	10,879	31,556
Depreciation and Amortisation		(2,770)	(3,466)	(6,208)
EBIT	2	15,481	7,413	25,348
Interest Revenue		1,311	1,017	2,487
Interest Expense		(867)	(1,114)	(1,990)
<b>OPERATING SURPLUS BEFORE TAX</b>		<b>15,925</b>	<b>7,316</b>	<b>25,845</b>
Less Tax Expense		(5,498)	(2,181)	(7,247)
<b>NET SURPLUS AFTER TAX</b>		<b>10,427</b>	<b>5,135</b>	<b>18,598</b>
<b>EARNINGS PER SHARE</b>				
Basic Earnings Per Share		0.08	0.04	0.14
Diluted Earnings Per Share		0.07	0.04	0.13

The accompanying Notes on pages 11 to 17 form part of and should be read in conjunction with this statement.

# Consolidated Statement of Comprehensive Income

FOR THE PERIOD ENDED 30 JUNE 2010 (UNAUDITED)

	(Unaudited) Six Months Ended 30 June		(Audited) Year Ended 31 December
	2010 \$000	2009 \$000	2009 \$000
Net Surplus After Tax for the Period	10,427	5,135	18,598
<b>OTHER COMPREHENSIVE INCOME:</b>			
Actuarial Loss on Defined Benefit Plan	-	-	(2,528)
Exchange Difference on Translation of International Subsidiaries	(375)	(394)	(1,726)
Net Gain/(Loss) in Hedge of Net Investment	577	508	1,455
Income Tax Relating to Components of Other Comprehensive Income	(120)	(176)	487
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	<b>82</b>	<b>(62)</b>	<b>(2,312)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>10,509</b>	<b>5,073</b>	<b>16,286</b>

The accompanying Notes on pages 11 to 17 form part of and should be read in conjunction with this statement.

# Consolidated Statement of Changes in Equity

FOR THE PERIOD ENDED 30 JUNE 2010 (UNAUDITED)

		Ordinary Shares	Convertible Notes	Employee Equity Benefits	Foreign Currency Translation Reserve	Retained Earnings	Total Equity
	Note	\$000	\$000	\$000	\$000	\$000	\$000
<b>AT 1 JANUARY 2009</b>		<b>46,486</b>	<b>642</b>	<b>1,661</b>	<b>140</b>	<b>22,029</b>	<b>70,958</b>
Other Comprehensive Income		-	-	-	(62)	-	(62)
Net Surplus for the Period		-	-	-	-	5,135	5,135
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(62)</b>	<b>5,135</b>	<b>5,073</b>
<b>EQUITY TRANSACTIONS:</b>							
Shares Issued (Net of Transaction Costs)	3	668	-	-	-	-	668
Share-Based Payment		-	-	61	-	-	61
Dividend Paid	4	-	-	-	-	(4,275)	(4,275)
Tax Credits on Supplementary Dividend	4	-	-	-	-	27	27
<b>AT 30 JUNE 2009</b>		<b>47,154</b>	<b>642</b>	<b>1,722</b>	<b>78</b>	<b>22,916</b>	<b>72,512</b>
<b>AT 1 JANUARY 2010</b>		<b>45,705</b>	<b>642</b>	<b>(77)</b>	<b>(352)</b>	<b>32,783</b>	<b>78,701</b>
Other Comprehensive Income		-	-	-	82	-	82
Net Surplus for the Period		-	-	-	-	10,427	10,427
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>82</b>	<b>10,427</b>	<b>10,509</b>
<b>EQUITY TRANSACTIONS:</b>							
Shares Issued (Net of Transaction Costs)	3	898	-	(64)	-	-	834
Share-Based Payment		-	-	55	-	-	55
Dividend Paid	4	-	-	-	-	(5,785)	(5,785)
Tax Credits on Supplementary Dividend	4	-	-	-	-	55	55
<b>AT 30 JUNE 2010</b>		<b>46,603</b>	<b>642</b>	<b>(86)</b>	<b>(270)</b>	<b>37,480</b>	<b>84,369</b>

The accompanying Notes on pages 11 to 17 form part of and should be read in conjunction with this statement.

# Consolidated Statement of Financial Position

AS AT 30 JUNE 2010 (UNAUDITED)

		(Unaudited) 30 June		(Audited) 31 December
	Note	2010 \$'000	2009 \$'000	2009 \$'000
<b>NON-CURRENT ASSETS</b>				
Property, Plant and Equipment		9,874	12,885	11,165
Investments in Associates		420	103	511
Intangible Assets		31,574	34,689	32,557
Deferred Tax Asset		12,249	12,295	12,888
<b>TOTAL NON-CURRENT ASSETS</b>		<b>54,117</b>	<b>59,972</b>	<b>57,121</b>
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents		76,508	60,318	77,761
Receivables and Prepayments		41,480	55,315	36,356
Work in Progress		30,237	24,514	23,006
<b>TOTAL CURRENT ASSETS</b>		<b>148,225</b>	<b>140,147</b>	<b>137,123</b>
<b>TOTAL ASSETS</b>		<b>202,342</b>	<b>200,119</b>	<b>194,244</b>
<b>NON-CURRENT LIABILITIES</b>				
Provisions for Employee Entitlements	5	7,146	7,376	6,894
Defined Benefit Pension Liability	5	2,505	354	2,760
Finance Leases		1,202	1,727	1,214
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>10,853</b>	<b>9,457</b>	<b>10,868</b>
<b>CURRENT LIABILITIES</b>				
Bank Borrowings		34,662	46,431	37,792
Creditors and Accruals		20,881	24,331	19,069
Provisions		877	1,367	944
Tax Payable		2,445	878	2,829
Revenue in Advance		22,260	21,562	18,517
Provisions for Employee Entitlements	5	25,995	23,581	25,524
<b>TOTAL CURRENT LIABILITIES</b>		<b>107,120</b>	<b>118,150</b>	<b>104,675</b>
<b>NET ASSETS</b>		<b>84,369</b>	<b>72,512</b>	<b>78,701</b>
<b>EQUITY</b>				
Ordinary Share Capital	3	46,603	47,154	45,705
Convertible Notes		642	642	642
Employee Equity Benefits		(86)	1,722	(77)
Retained Earnings	4	37,480	22,916	32,783
Foreign Currency Translation Reserve		(270)	78	(352)
<b>TOTAL EQUITY</b>		<b>84,369</b>	<b>72,512</b>	<b>78,701</b>

For and on behalf of the Board, who authorised the issue of these financial statements on 4 August 2010.

Director

Director

The accompanying Notes on pages 11 to 17 form part of and should be read in conjunction with this statement.

# Consolidated Statement of Cash Flows

FOR THE PERIOD ENDED 30 JUNE 2010 (UNAUDITED)

		(Unaudited) Six Months Ended 30 June		(Audited) Year Ended 31 December
	Note	2010 \$'000	2009 \$'000	2009 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers		178,364	181,454	374,420
Interest Received		1,209	1,117	2,161
Payments to Suppliers and Employees		(166,070)	(168,604)	(326,876)
Interest Paid		(801)	(1,143)	(2,166)
Taxation Paid		(5,849)	(6,238)	(8,959)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	7	<b>6,853</b>	<b>6,586</b>	<b>38,580</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Sale of Property, Plant and Equipment		805	1,046	1,195
Purchase of Property, Plant and Equipment and Intangible Assets		(1,292)	(1,783)	(3,374)
Dividends From Associates		806	812	1,312
Purchase of Investments		(127)	(132)	(1,912)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>192</b>	<b>(57)</b>	<b>(2,779)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Dividends Paid		(5,785)	(4,275)	(8,312)
Repayment of Finance Lease Obligations		(926)	(1,033)	(1,972)
Share Capital Issued (Net of Transaction Costs)		834	-	663
Share Capital Repurchased		-	-	(1,478)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(5,877)</b>	<b>(5,308)</b>	<b>(11,099)</b>
<b>NET INCREASE / (DECREASE) IN CASH HELD</b>		<b>1,168</b>	<b>1,221</b>	<b>24,702</b>
Foreign Exchange Adjustment		709	(987)	1,614
Cash at Beginning of the Period		39,969	13,653	13,653
<b>CASH AT THE END OF THE PERIOD</b>		<b>41,846</b>	<b>13,887</b>	<b>39,969</b>
<b>COMPRISING:</b>				
Cash at Bank		76,508	60,318	77,761
Bank Borrowings		(34,662)	(46,431)	(37,792)
		<b>41,846</b>	<b>13,887</b>	<b>39,969</b>

The accompanying Notes on pages 11 to 17 form part of and should be read in conjunction with this statement.



# Statement of Significant Accounting Policies

(UNAUDITED)

## PRESENTATION AND ACCOUNTING POLICIES

The condensed interim financial statements of Opus International Consultants Limited (the "Company") together with its subsidiaries and associates (the "Group") have been prepared in accordance with New Zealand Equivalent to International Accounting Standard ("NZIAS") 34 "Interim Financial Reporting", issued by the New Zealand Institute of Chartered Accountants. The condensed interim financial statements also comply with IAS 34 Interim Financial Reporting.

The Company is an issuer for the purposes of the New Zealand Financial Reporting Act 1993. The functional and presentational currency of Opus International Consultants Limited and its New Zealand subsidiaries is the New Zealand Dollar and the financial statements are expressed in New Zealand Dollars.

The condensed interim financial statements of the Group for the six months ended 30 June 2010 have been prepared using the same accounting policies and methods of computation as, and should be read in conjunction with, the financial statements and related notes included in the Group's Annual Report for the year ended 31 December 2009, except for the adoption of new standards and interpretations noted below.

NZ IFRS 3 Business Combinations (revised) is applicable to the Group for accounting periods beginning on or after 1 January 2010. The revised standard introduces a number of changes to the accounting for business combinations, the most significant being the requirement to expense transaction costs. The Company has previously capitalised these costs as part of the investment and included them within Goodwill. The impact of this change on the Group's Financial Statements will depend on the number and timing of acquisitions. There have been no new acquisitions in the six month period ended 30 June 2010.

There are a number of other amendments to accounting standards as part of the ongoing improvement process. None of these changes are expected to significantly impact on the Group.

## SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The same significant judgements, estimates and assumptions included in the notes to the Financial Statements in the Group's Annual Report for the year ended 31 December 2009 have been applied to these interim Financial Statements, with the exception of the following:

### 1) Change in New Zealand Corporate Tax Rate

On 20 May 2010 the corporate tax rate in New Zealand was changed from 30% to 28% effective from the 2011/12 income tax year. In accordance with NZIAS 12, the Company has reviewed its New Zealand deferred tax asset base and calculated the impact of this rate change on those timing differences expected to reverse in 2011 or thereafter. This has resulted in a write-down of deferred tax assets and a corresponding charge to tax expense of \$337,000 in the six month period ended 30 June 2010.

### 2) Change in United Kingdom Corporate Tax Rate

On 23 June 2010 the United Kingdom Government announced a progressive reduction in the Corporate tax rate from 28% to 24% by 2014. At 30 June 2010 this change was awaiting parliamentary approval, which is expected to be given. This change will impact on the Group's United Kingdom deferred tax assets, depending on when timing differences reverse over the next four years. Our initial assessment of the impact of this change is that it will result in a write-down of deferred tax assets of approximately £180,000 in the second half of the 2010 financial year.

# Notes to the Condensed Interim Financial Statements

(UNAUDITED)

## 1. OPERATING EXPENSES

	(Unaudited) Six Months Ended 30 June		(Audited) Year Ended 31 December
INCLUDED IN OPERATING EXPENSES ARE THE FOLLOWING ITEMS:	2010 \$000	2009 \$000	2009 \$000
Employee Remuneration Costs	96,465	104,663	198,618
Consultant and Sub-Contractor Expenses	32,641	30,690	62,084
Project Materials and Services Costs	6,305	7,093	13,201
Lease/Rental Expenses	8,764	8,818	17,193
Travel Related Expenses	6,165	6,138	12,199
Training and Other Employee Related Expenses	3,071	3,033	5,849
Communication and Office Administration Costs	4,059	3,682	7,523
Insurance	1,062	1,071	2,093
Advertising and Promotion Expenses	989	785	1,720
Group Auditors - Audit Fees	250	260	435
Group Auditors - Taxation Services	28	36	78
Group Auditors - Other Assurance Services	32	5	14
Directors' Fees and Expenses	253	258	540
Loss/(Profit) on Foreign Exchange Transactions - Realised	9	26	105
(Profit)/Loss on Foreign Exchange Transactions - Unrealised	(34)	14	(473)
Bad Debts Expense	238	1,028	1,667
Change in Provision for Doubtful Debts	(298)	(310)	(949)
(Gain)/Loss on Sale of Property, Plant & Equipment	(18)	(228)	(119)
Other Operating Expenses	7,496	9,678	15,929
<b>TOTAL OPERATING EXPENSES</b>	<b>167,477</b>	<b>176,740</b>	<b>337,707</b>

## 2. SEGMENTAL REPORTING

For management reporting purposes, the Group is organised into segments based on their geographic location and has four reportable operating segments being New Zealand, United Kingdom, Australia and Canada. No

significant operating segments have been aggregated to form the reportable operating segments above.

The majority of the Group's clients are in the government and quasi-government sector. The Group is a supplier of multidisciplinary consultancy and project management services across a range of disciplines including, civil, mechanical and electrical engineering, and planning, environmental, architectural and property management. Services supplied support asset development and asset management activities of the Group's clients.

Management monitors the operating results of its reporting segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on earnings before interest and tax and is measured consistently with earnings before interest and tax in the consolidated financial statements.

Transactions between operating segments are on an arm's length basis in a manner consistent with transactions with external customers.

### GEOGRAPHIC SEGMENT INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2010 (UNAUDITED)

	New Zealand	United Kingdom	Australia	Canada	Other*	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Segment Revenue:						
External Customers	135,712	13,836	29,423	5,466	576	185,013
Inter-Segment Revenue	293	1,448	19	13	(1,773)	-
Segment EBIT	13,613	240	1,381	180	67	15,481
Segment Assets	140,159	25,828	30,397	5,919	39	202,342

FOR THE SIX MONTHS ENDED 30 JUNE 2009 (UNAUDITED)

	New Zealand	United Kingdom	Australia	Canada	Other*	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Segment Revenue:						
External Customers	133,510	19,001	27,329	6,563	710	187,113
Inter Segment Revenue	367	-	83	91	(541)	-
Segment EBIT	14,157	(6,680)	(703)	574	65	7,413
Segment Assets	125,810	34,411	32,533	7,357	8	200,119

## 2. SEGMENTAL REPORTING CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2009 (AUDITED)

	New Zealand	United Kingdom	Australia	Canada	Other*	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Segment Revenue:						
External Customers	264,333	33,377	56,767	12,022	1,349	367,848
Inter-Segment Revenue	746	678	98	97	(1,619)	-
Segment EBIT	29,218	(6,647)	1,633	1,058	86	25,348
Segment Assets	130,858	28,404	28,326	6,649	7	194,244

\*includes inter-company eliminations and consolidation entries

## 3. EQUITY - ORDINARY SHARE CAPITAL

Effective 6 April 2010 the Company issued 1,683,240 new shares through the exercise of share options by employees under the Employee Share Option Plan. These shares were issued at a price of \$0.495 per share, increasing share capital by \$0.834 million (30 June 2009: \$0.668 million). The issue of new shares increased the number of ordinary shares on issue to 139,558,678, net of treasury stock held (30 June 2009: 138,805,687, 31 December 2009: 137,875,438). As at 30 June 2010 the Company holds 1,880,892 treasury shares (30 June 2009: 950,643, 31 December 2009: 1,880,892).

## 4. EQUITY - RETAINED EARNINGS

	(Unaudited) Six Months Ended 30 June		(Audited) Year Ended 31 December
	2010 \$000	2009 \$000	2009 \$000
Balance at Beginning of Period	32,783	22,029	22,029
Net Surplus for the Period	10,427	5,135	18,598
Dividend on Ordinary Shares	(5,785)	(4,275)	(8,312)
Tax Credit on Supplementary Dividend	55	27	468
<b>BALANCE AT END OF PERIOD</b>	<b>37,480</b>	<b>22,916</b>	<b>32,783</b>

Dividends of \$5.79 million were declared and paid during the period ended 30 June 2010 (30 June 2009: \$4.28 million, 31 December 2009: \$8.3 million) representing 4.1 cents per ordinary share (30 June 2009: 3.1 cents per ordinary share, 31 December 2009: 5.7 cents per ordinary share).



## 5. PROVISIONS FOR EMPLOYEE ENTITLEMENTS & DEFINED BENEFIT PENSION LIABILITY

Included under current and term liabilities are accruals for salaries and wages and provisions for annual leave, long service leave, retirement leave and incentive costs. The benefits for retirement leave and long service leave are based on an annual independent actuarial valuation provided by AON Consulting (NZ) Limited. Opus International Consultants (UK) Limited has a defined benefits pension Fund. The Fund is closed to new employees. The assets of the Fund are held in a legally separate fund from the reporting entity and the fund exists solely to pay or fund employee benefits. The assets are funded by both the employer and employees. The Fund purchases an annuity at the time of an employee being entitled to a pension. The Fund is valued on an annual basis by independent actuary, Clerical Medical Investment Group Limited, taking into account gains and losses. The unfunded liability of the Fund was assessed by the independent actuary as at 31 December 2009 at \$2.76 million (£1.24 million) and has been taken up as a liability by the Company.

The next independent actuarial advice is scheduled for 31 December 2010. In preparing the financial statements for the six months ended 30 June 2010, the Directors consider the 31 December 2009 valuation to be appropriate for the preparation of the financial statements for the period ended 30 June 2010.

## 6. RELATED PARTY TRANSACTIONS

Opus International Consultants Limited is a company incorporated in New Zealand.

The immediate holding company is Opus International (NZ) Limited. The intermediate holding company is Opus Group Bhd, a company incorporated in Malaysia, and the ultimate holding company and controlling entity is Khazanah Nasional Berhad, a company incorporated in Malaysia. The Parent Company provides consultancy services to Opus Group Bhd and associate companies, NZWETA and Total Bridge Services. During the period ended 30 June 2010 the Group entered into the following transactions with related parties.

	(Unaudited) Six Months Ended 30 June		(Audited) Year Ended 31 December
	2010 \$000	2009 \$000	2009 \$000
<b>OPERATING REVENUE/(EXPENSE)</b>			
Opus Group Bhd	545	683	1,349
Consultancy Services to Associates	464	455	1,106
<b>DEBTORS/(CREDITORS)</b>			
Opus Group Bhd	434	22	263

## 7. RECONCILIATION OF NET SURPLUS AFTER TAX WITH NET CASH FLOWS FROM OPERATING ACTIVITIES

	(Unaudited) Six Months Ended 30 June		(Audited) Year Ended 31 December
	2010 \$000	2009 \$000	2009 \$000
Reported Net Surplus For The Period	10,427	5,135	18,598
<b>ADD/(LESS) NON-CASH ITEMS AND NON-OPERATING ITEMS:</b>			
Depreciation and Amortisation	2,770	3,466	6,208
Bad Debts Written Off	238	1,028	1,667
Fair Value of Employee Equity Benefits	55	61	116
Doubtful Debts	(298)	(310)	(949)
Accommodation Fit-Out Incentive	(178)	(125)	(476)
Unrealised Foreign Exchange (Gains)/Losses	(34)	14	(473)
(Gain)/Loss on Sale of Property, Plant and Equipment	(18)	(228)	(119)
Share of Surplus of Associate	(715)	(506)	(1,415)
Deferred Taxation	639	(1,504)	(2,070)
Defined Benefit Pension Obligation	-	-	258
<b>MOVEMENT IN WORKING CAPITAL:</b>			
(Increase)/Decrease in Receivables and Prepayments	(5,008)	(8,310)	11,317
(Increase)/Decrease in Work in Progress	(7,231)	4,259	5,767
Increase/(Decrease) in Creditors and Accruals	2,191	4,450	830
(Decrease)/Increase in Provisions	(67)	(190)	(613)
(Decrease)/Increase in Taxation Payable	(384)	(2,281)	(109)
Increase/(Decrease) in Revenue in Advance	3,743	1,258	(1,787)
Increase/(Decrease) in Provisions for Employee Entitlements	723	369	1,830
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>6,853</b>	<b>6,586</b>	<b>38,580</b>

## 8. COMMITMENTS AND CONTINGENCIES

There are various capital expenditure items contracted for at balance date totalling \$161,000 (30 June 2009: \$199,000, 31 December 2009: \$399,000).

### Contingent Liabilities

Provisions have been made to cover probable professional indemnity liabilities. There are additional notifications and claims against the Group that the Directors consider have a remote chance of liability which have not been provided for. Due to the nature of these notifications it is not possible to quantify any liability. The Group has professional indemnity insurance with an excess of \$100,000 (30 June 2009: \$100,000, 31 December 2009: \$100,000) per claim. Our insurers have been notified of any potential claims against the Group.

### Contingent Assets

As at 30 June 2010 the Group has fee claims outstanding for additional services. As negotiations are not in an advanced stage and written evidence of acceptability and amount has not been received, no assets have been recognised in the financial statements (30 June 2009: nil, 31 December 2009: nil).

## 9. SIGNIFICANT EVENTS AFTER BALANCE DATE

On 4 August 2010 the Board of Directors approved an interim dividend payment of 3.4 cents per share to be paid on 30 September 2010.

Due to strong growth of earnings outside the Guaranteeing Group during the period a technical breach of a banking covenant occurred at 30 June. This was immediately remedied and a waiver received from the BNZ. This has no impact on the Financial Statements.

## Directory

### REGISTERED OFFICE OF OPUS

#### OPUS INTERNATIONAL CONSULTANTS LIMITED

Level 9, Majestic Centre  
100 Willis Street  
Wellington  
**Phone** 04 471 7243  
**Fax** 04 473 3017

### MAILING ADDRESS

#### OPUS INTERNATIONAL CONSULTANTS LIMITED

PO Box 12343  
Wellington 6144

### DIRECTORS OF OPUS

Kerry McDonald (Chair)  
Suhaimi Halim  
Abd Rahim Bin Md Noh  
Kevin Thompson  
Keith Watson  
Fraser Whineray  
Chin Chi Haw  
Alan Isaac

### SHARE REGISTRAR

#### COMPUTERSHARE

Investor Services Limited  
Level 2/159 Hurstmere Road  
Takapuna  
North Shore City  
Private Bag 92119  
Auckland 1142  
**Phone** 09 488 8700  
**Fax** 09 488 8787  
[www.computershare.co.nz](http://www.computershare.co.nz)

### PRINCIPAL LAWYERS

#### BELL GULLY

Level 21, HP Tower  
171 Featherston Street  
Wellington  
**Phone** 04 915 6800  
**Fax** 04 915 6810

### AUDITOR

#### ERNST & YOUNG

Level 24, Majestic Centre  
100 Willis Street  
PO Box 490  
Wellington 6140  
**Phone** 04 499 4888  
**Fax** 04 495 7400



[www.opus.co.nz](http://www.opus.co.nz)

[www.opus.com.au](http://www.opus.com.au)

[www.opusinternational.ca](http://www.opusinternational.ca)

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