
WHAT
CAN BE
CREATED
WHEN MANY
MINDS ARE
FOCUSSED



Opus International Consultants
2011 Annual Report

10,020 ENERGY INSULATION
AUDITS

29,000 BUILDING
ASSESSMENTS

OPERATING
REVENUE
\$393m

NET
PROFIT
UP **11.5%**

110 BRIDGES
DESIGNED

35,000 KM ROAD
NETWORKS MANAGED

2,390 STAFF

76 LOCATIONS

12,000 CLIENTS

2,426 INVESTORS



ONE OPUS



Newmarket Station, Auckland, New Zealand

HIGHLIGHTS

Just some of our award winning projects:

- **New Zealand Institute of Architects Award (Urban Design)** - Newmarket Railway Station (in conjunction with Herriot + Melhuish Architecture)
- **New Zealand Institute of Architects Award (Auckland)** - Devonport Navy Museum (in conjunction with Herriot + Melhuish Architecture and Dave Pearson Architects)
- **Consulting Engineers of British Columbia Awards for Engineering Excellence, Canada** - Award of Merit (Municipal) - Dickson Lake Upgrade
- **South Yorkshire and Humber Building Excellence Award, UK** - Sheffield Accommodation for Alcohol Rehabilitation
- **Union of British Columbia Municipalities Award, Canada** - Saanich Thermal Energy Heat Recovery
- **2011 National Trust of Queensland Bendigo Bank Heritage Awards, Australia** - Gold Award for Heritage Conservation for Mt. Spec Road and Little Crystal Creek, Conservation Management Plan
- **New Zealand Planning Institute 2011 Project Award** - East Taupo Arterial
- **The Managing Directors Safety Awards 2011, UK** - Soham Lode and Wicken Fen Geotechnical Projects
- **Illuminating Engineering Society Energy Efficiency and Conservation Authority Commendation Award and Illuminating Engineering Society/Trends Peoples Choice Award, New Zealand** - Eden Park Streetlighting
- **Innovate NZ Award** - Association of Consulting Engineers New Zealand Gold Award of Excellence for the Wastewater Network Strategic Improvement Project
- **Consulting Engineers of British Columbia Awards for Engineering Excellence, Canada** - Award of Excellence (Municipal) - District of Kent - Duncan-Bateson Pump Station

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ABOUT US

With a network of offices in Australia, Canada, New Zealand, the United Kingdom and USA, Opus is at the forefront of infrastructure design and asset management.

Our reputation is critically important to us and this is founded on the skill and talent of our architects, engineers and planners who collectively have the vision and expertise to deliver tailored, innovative and award-winning solutions.

Many of our people are globally recognised in their fields of expertise and are regarded as 'thought leaders', highly sought after by our clients worldwide. Our people are our point of difference - it is their skills, experience, knowledge and dedication that position us as leaders in the fields in which we operate and as a consultant of choice.

Above all, we value our achievements and the strong working relationships we have with our clients.

Our team makes a point of understanding our clients' needs, working closely with them to deliver innovative and effective solutions and advice. We are building our reputation on this.

As well as working locally within our primary markets, we actively share and foster co-operation and knowledge among all our offices to bring a 'global best practice' approach to problem solving.

Opus is a company that is on the move, through the expansion of services and acquisition growth. We have developed rapidly and we now have 2,390 employees working from 76 offices globally.

All of this is for the benefit of our shareholders and all other stakeholders.

CHAIRMAN'S REPORT



The 2011 result reflected a solid performance in a difficult environment in global markets. It benefitted substantially from the comprehensive improvement processes, commented on in other sections of this report, which are having an increasing positive impact throughout the Opus business.

The Net Profit After Tax of \$24.5m represents a continuing high return on equity, achieved in spite of the Company's strong cash position.

The state of the global economy is now a serious consideration in the future planning and operation of the business. World-wide uncertainties and difficulties,

particularly in the developed economies, are increasing short and medium term business risk and uncertainty and growth rates have slowed sharply. Excessive government debt is a major issue, especially as a constraint on growth stimulating policies. While the so-called emerging economies are stronger, with the interconnected global economic and financial systems this is another dimension of uncertainty.

Opus is not immune to these issues, especially with most of its business in developed economy markets and with its strong government client base.

On the other hand:

- Australia, Canada and New Zealand are amongst the strongest developed economies
- There is intensive on-going work within Opus on market growth, diversification and improving the organisation and its systems and processes
- The value of Opus' international interconnections are increasingly evident, including those with the UK
- Joint development work with Opus Group Bhd is focussed on emerging economies, particularly in Asia and the Middle East/Africa where they have relationship and cultural strengths. This is progressing well and a formal joint venture structure is well advanced. There is also parallel work on several potential projects.

Looking ahead, the risk and uncertainty will be watched closely, and responded to as appropriate. There will continue to be a strong focus on opportunities, which is reflected in other comments in this Report. This includes a strong focus on acquisitions, but transactions will take account of the current levels of uncertainty and risk and our decisions will generally reflect a tailored trade-off amongst growth, profitability (short and longer term) and protecting the capability and capacity of the business.

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; and the Directors who are a very capable and well-performing team.

Kerry McDonald

Chairman

Financial Highlights for the year to 31 December 2011

- Total Revenue up \$26.3m from prior year to \$393.5m
- EBIT steady at \$30.9m
- NPAT up 11.5% to \$24.5m
- Return on Equity 23.6%
- Dividend of 8.5 cps, up from 7.7 cps

MANAGING DIRECTOR'S REPORT



2011, my first full year as Chief Executive, was a year of challenges in an increasingly competitive market, with continuing uncertainty in the global economy. It was also a year in which the Opus team dug deep to face these challenges, a year of hard work, change and innovation and absolute commitment to delivering excellent solutions to our clients and generating another very good result.

Operating revenue increased by 7% to \$393m. Earnings Before Interest and Tax (EBIT) of \$31m was in line with 2010 and our Net Profit has increased by \$2.5m (11.5%) to \$24.5m.

In New Zealand, we continued our strong performance with an EBIT of \$27.8m. Despite some challenges in the market, particularly the slow building sector, we increased our revenue by 6% to \$286m. This was pleasing after a relatively small increase in revenue over the prior two years. We strengthened our team in Christchurch to address the significant post-earthquake repair work and anticipate further recruitment in 2012 as the rebuild gains momentum. While there was increasing budgetary pressure in all levels of government, we maintained our strong competitive position in that market.

In Australia, we won a number of significant contracts, many of which will continue into 2012. The Australian economy is mixed, with ongoing difficulties in our traditional developer-led building structure design market. We successfully targeted commissions in the buoyant resources sector and anticipate further opportunities in 2012. Our revenue increased by 8% to \$65m and while our EBIT of \$3.2m was slightly down on 2010, many areas performed very strongly, supported by some major long-term contracts. We anticipate the full benefit of these in 2012.

Our result in the UK was disappointing after the strong turnaround in 2010 and reflected the continued difficult market conditions. Following a thorough review, we have reorganised the business to target specific sectors of opportunity. We are already starting to see the benefits of this, and expect that 2012 will produce a better result.

In Canada, we successfully integrated Opus DaytonKnight into our operations and took the opportunity to streamline and reorganise our business to provide better alignment with our core service offerings. With the strong contribution from Opus DaytonKnight, we lifted our result to an EBIT of \$1m, an improvement of \$1.3m on the 2010 result.

ONE-OPUS

While the global economic landscape continued to be a challenge, there were also a number of devastating natural disasters around the world.

I remain humbled by the commitment and strength of spirit of our people living and working in Christchurch and those who have visited in support of the recovery and rebuilding process. It has been, and continues to be a very emotional and stressful environment, and I sincerely thank everyone involved for their ongoing efforts.

The situation in Queensland was also devastating where floods in early 2011 caused tragic loss of life, destruction of communities and widespread damage. Our ability to respond to these tragic events has been greatly strengthened by the way we work as One-Opus team. There is a great sense of unity across the company as the wider Opus community has rallied to help and support. Our ability to mobilise resources has lifted our capability to engage quickly and effectively to meet our clients' needs. In Christchurch, our engineers from around the world have assisted with recovery work, both on the ground and working remotely from the UK. In Queensland, our NZ based laboratory teams were also enlisted to support the management of, and repair to, the flood damaged road network.

This collaboration from a One-Opus team is also enabling us to have greater knowledge sharing, greater work sharing, and greater capacity and capability to pursue opportunities across a broad spectrum.

FUTURE OUTLOOK

The environment in which we do business is continually shifting. I met with many of our clients throughout the year and they are looking for greater value and efficiency gains in the development and management of their infrastructure. This is driving our need to work smarter and sharper. While turbulent times can be unsettling, they can also bring about more innovative and collaborative thinking. We are changing the way we work, so that we are more nimble, agile and responsive to the changing business environment.

First, we reviewed our corporate structure and made changes to increase individual responsibility at more appropriate levels. This reflects our continued drive for higher performance and positioning for growth.

Second, we are reorganising our business support structure to drive greater efficiency, productivity and consistency throughout the company.

Third, we reviewed the fundamental parts of our business relating to organisational development and service delivery. We are now in the process of rolling out updated systems and processes aimed at providing greater clarity, accountability and ownership of the many internal aspects relating to our technical expertise and the services we provide to our clients.

As we move into 2012, we are finalising our strategic plan, building on the strength of our existing business and expanding our global reach. We are targeting growth in our existing countries of operation as well as in emerging economies. We continue to explore collaborative opportunities with our major shareholder, Opus Group Bhd, which is part of the United Engineers of Malaysia (UEM) Group.

Growth will continue to be supplemented by acquisitions and the opportunities they bring, particularly in Australia and Canada. In November, we announced the acquisition of Coffey Rail. This signalled a continuation of our growth plans through the addition of 50 staff and an office in Victoria, Australia. We see real synergistic value between the rail infrastructure consulting and engineering of the new Opus Rail and our existing civil and structural capability. This will significantly increase our rail service offering, not just in Australia but also globally.

As we look to the future and the uncertainties that lie ahead, I believe we are in a very strong position. The capabilities and skills of our people will be critical to our continued success. I have no doubt that after the events of 2011 and with the resilience, dedication and commitment shown by all Opus people throughout the company, we are well placed to build on our strong performance. While we do not underestimate the challenges ahead, we are confident in our ability to achieve our goals.

Dr David Prentice

Chief Executive & Managing Director

BOARD OF DIRECTORS



The current Board comprises eight Directors. Full details of their interests are presented in pages 96 to 99.

Kerry McDonald

*BCom, MCom (Hons), DCom (hc), AFID, FAICD, FNZIM
Chairman and Director, Chairman of Remuneration and
Nomination Committee
Independent*

Kerry McDonald was appointed to the Board on 1 April 2007 and elected Chairman on 1 September 2008. Kerry is a past President of the Institute of Directors (NZ), a Director of Leighton Contractors Pty Ltd, Deputy Chairman of the New Zealand Institute of Economic Research, Chairman of Grant Thornton New Zealand, a Director of the National Army Museum, Director of Ruapehu Alpine Lifts Ltd, and an

advisor to i-lign Limited. He has extensive experience in the corporate world and with numerous non profit organisations. He has also been involved in numerous state sector activities, including chairing the State Sector Standards Board and holds a number of other directorships.

Suhaimi Halim

*BSc (Hons) (Civil)
Director, Member of Remuneration and Nomination Committee
Non-Independent and Non-Executive*

Suhaimi Halim has been a Director since 2002. He is currently the Managing Director of the Asset and Facilities

Management Group of Companies within the UEM Group. Suhaimi is Chairman of Opus International (NZ) Ltd and is also on the Boards of a number of related companies. He has considerable experience in international operations in the professional services area and infrastructure asset management.

Keith Watson

*Director, Chairman of Risk Committee, Member of Remuneration and Nomination Committee
Independent*

Keith Watson was appointed to the Board on 1 September 2008. He is the Managing Director of Hewlett Packard New Zealand (HP) and has held executive roles with HP in Australia, Asia Pacific and at HP Corporate Headquarters. Keith has considerable international leadership experience in technology related and professional services business.

Fraser Whineray

*BE (Hons) (Chemical), MBA (Cambridge),
GRADIP DY.SCI.TECH (Distinction)
Director, Member of Audit Committee, Member of Risk Committee
Independent*

Fraser Whineray was appointed to the Board on 13 October 2008. He is the General Manager Operations for Mighty River Power. Prior to this he held a number of senior positions in Carter Holt Harvey and the dairy industry. Between 1997 and 2002 he was an investment banker with Credit Suisse First Boston. Fraser has considerable international business experience including commodities, professional services, strategy and innovation.

Alan Isaac

*BCA, FCA, FCIS
Director, Chairman of Audit Committee
Independent*

Alan Isaac has an extensive background in accounting and finance. He is a former national chairman of KPMG and is Chairman and Director of Wakefield Health Ltd and a Trustee of the New Zealand Community Trust, the New Zealand Red Cross Foundation, First Foundation and Vice President of the International Cricket Council. In addition

he is Chair/Advisor to a number of independent committees including the Ministry of Economic Development and Department of Corrections Audit and Risk Committees, and the New Zealand Fire Service Audit Committee.

Dr David Prentice

*PhD, BEng (Hons), CPEng, MIPENZ
Managing Director
Non-Independent and Executive*

David Prentice is a Member of the Institution of Professional Engineers of New Zealand and is a Chartered Professional Engineer (CPEng), New Zealand. David has held a number of senior positions within the company including Manager of the Business Solutions Group, General Manager for Business Development and in February 2009 was appointed Director of Opus' UK operations. He commenced his role of Chief Executive and Managing Director on 1 October 2010.

Dato' Seri Ismail Shahudin

*BEC (Hons)
Director
Non-Independent and Non-Executive*

Dato' Seri Ismail Shahudin was appointed to the Board on 8 December 2010. He has held a number of executive positions and directorships in the banking sector in Malaysia over a long and illustrious career. He is Chairman of Opus Group Bhd, Maybank Islamic Bhd and SMPC Corporation Bhd. He currently holds a number of other directorships.

Nik Airina Nik Jaffar

*MSCE
Director, Member of Audit Committee, Member of Risk Committee
Non-Independent and Non-Executive*

Nik Airina Nik Jaffar was appointed to the Board on 8 December 2010. She was appointed Managing Director of Opus Group Bhd on 1 October 2010 prior to which she held a number of senior positions including the Chief Operating Officer of PLUS Expressways Berhad. She is a Fellow of the Chartered Institution of Highways and Transportation, UK. Nik Airina has vast experience in the various sectors of the highways industry. She is also a Director of a number of Opus Group Bhd companies.

MANAGEMENT TEAM



EXECUTIVE LEADERSHIP TEAM

Richard Croad
*Director, Service
Excellence*

Melvyn Maylin
*Managing Director,
Australia*

Alec Webster
*Director,
International
Operations*

Mike Eagle
*Director,
Organisational
Development*

Alison Swan
Company Secretary

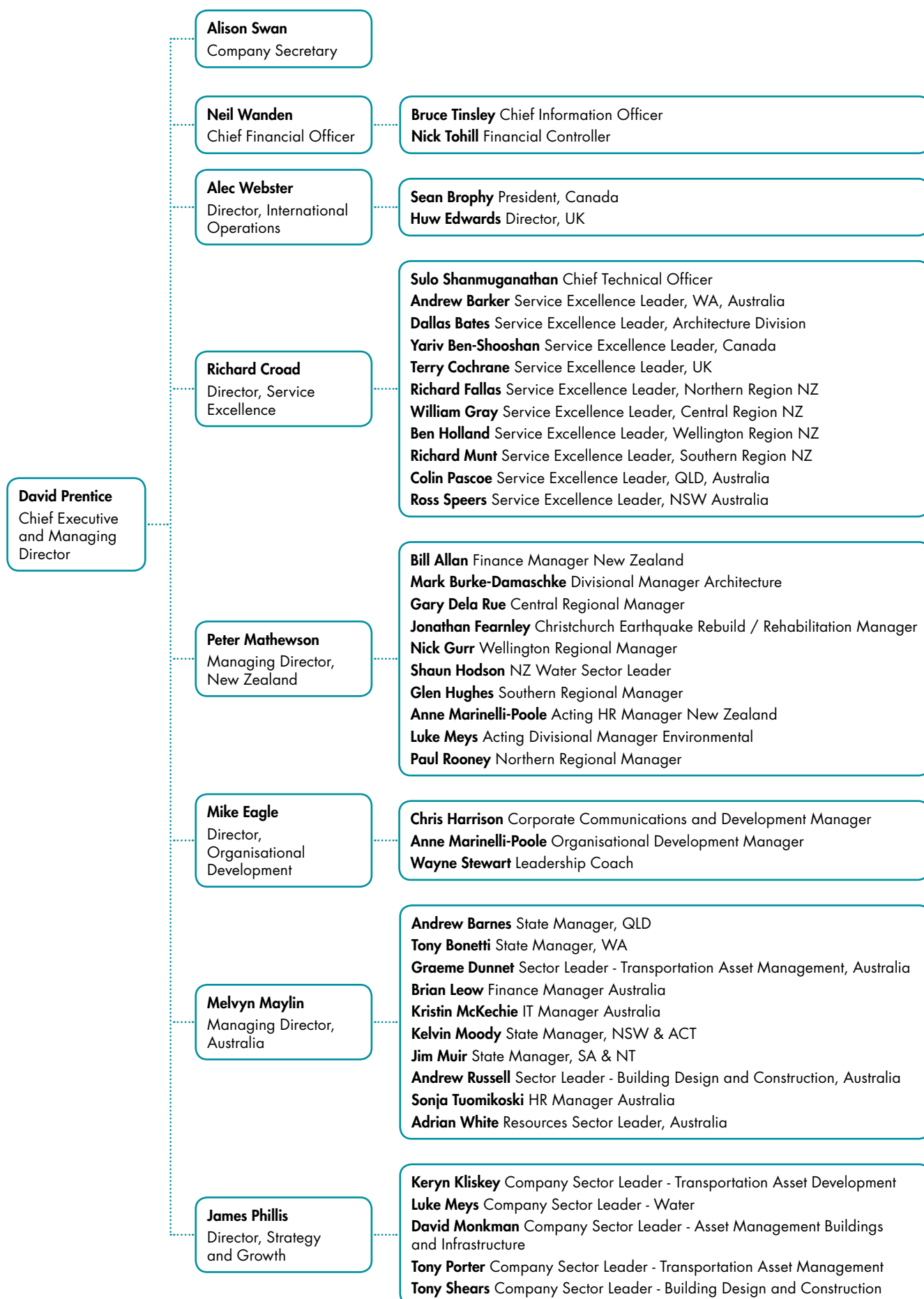
Neil Wanden
*Chief Financial
Officer*

James Phillis
Director, Strategy and Growth

David Prentice
Chief Executive and Managing Director

Peter Mathewson
Managing Director, New Zealand

STRATEGIC LEADERSHIP TEAM



OPERATIONAL OVERVIEW

Managing our greatest assets

With the economic recalibration of recent years, how will we make sure that our vital assets like infrastructure, will stand the test of time?

When funds are limited, it is critical that the 'full life cycle' of an asset is considered in prioritising investment. This holistic, long-term approach to constructing, commissioning, and maintaining infrastructure is the industry's future and Opus has been a leader in this approach for many years. Opus professionals were contributors to the 2011 International Infrastructure Management Manual. Similarly, Opus specialists are injecting the company's experience in the development of an ISO standard on asset management and an Opus team is leading the development of World Bank guidelines on performance-based maintenance contracting in the transport sector.

Our key people are very much in demand globally to advise infrastructure owners as they strive to get the most from their assets. An example is the Highways Agency in England, which at a time when the UK is facing a serious financial crisis, selected Opus professionals from **New Zealand** to provide technical guidance and training in asset management.

In New Zealand, a Joint Venture comprising Opus, TBS Farnsworth and Fulton Hogan has recently celebrated thirteen successful years managing the Auckland Harbour Bridge, one of the most prominent pieces of transportation infrastructure in New Zealand's largest city. The Joint Venture is focussed on improving the long-term future of the bridge. Opus with its partners continues to contribute years of knowledge, striving

for ever-increasing value. Together they have brought numerous innovations to the bridge including - operating management plans, acoustic weld fatigue monitoring, 3D laser profiling and specialist coatings. Arrangements are currently in hand for the work to become a sub-alliance, part of the Auckland Motorway Alliance.

In **Australia**, the Wheatbelt Integrated Services Arrangement (ISA) project is an example of a new form of contract being used by Main Roads Western Australia (MRWA) for road and bridge maintenance. Opus is working with Leighton Contractors to help MRWA to improve the management of their assets in the region and deliver a consistent level of service to road users. The ISA incorporates two broad kinds of key performance indicators including short term measures and enablers which measure performance against longer term goals.

Opus' New Zealand asset management specialists have been integral in assisting tertiary education institutions to meet the requirements of the Treasury's Capital Asset Management (CAM) initiative. Areas of advice include gap analysis and maturity models to help organisations understand their current capabilities and the development of asset management systems and processes. With the support of Opus, organisations such as Te Wānanga o Aotearoa, one of the largest tertiary education providers in New Zealand, have established sector leading asset management



processes, automated and targeted performance measurement systems, and strategic investment planning frameworks that deliver business-focussed year-on-year savings and service delivery enhancements.

Opus' work with Queensland University of Technology has resulted in a university with reduced facilities management costs, increased awareness of how their infrastructure can be adapted to support growth, more efficient use of land and deferment of investment in new facilities which will generate substantial cost savings.

After a structural engineering assessment, design and documentation project at Queensland Museum, there is now greater public access to their unique collections, as well as enhanced learning opportunities because of the improved circulation and space. These changes have also encouraged capital and community investment in assets, exhibitions and facilities.

In the **UK**, Opus is assisting Network Rail with asset management to formulate their next five year plan. From 2009-2014, the industry participants are working together



to increase capacity, improve services and modernise the railway for the benefit of all those who use it. With a planned £12b investment in enhancements by Network Rail, Opus will be exploring innovative ways of improving efficiency and sustainability to make further investment more affordable.

Working with PricewaterhouseCoopers, Opus **Canada** has carried out an analysis of lifecycle costs for various surfacing structure options over a 30 year period for the remote Alaska Highway which spans a total distance of

2,288 kilometres from Dawson Creek in British Columbia to Delta Junction in Alaska.

This crucial piece of work for Public Works and Government Services Canada will ensure future decisions will be better informed and more cost effective, with a greater understanding of long-term financial costs.

Our 'whole of life' approach to infrastructure management ensures that we help our clients to make the best use of, and get the best value for money, from their assets.





The power of collaboration



With a relationship there is understanding.
With understanding there is collaboration. With
collaboration there is trust. And with trust there is the
basis for excellence and innovation.

Relationships are about coming together, working together and staying together.

Opus focusses on enriching client relationships, working in partnerships which bring together disparate interests and talents, where genuine collaboration between consultant, contractor and client is the basis for service excellence and project success.

Our approach is to understand owners' businesses and objectives and build upon this by leveraging and adapting best practices and global knowledge to create innovative solutions that suit their specific requirements. This high level of understanding and insight deepens our client relationships and partnerships.

In recognition of a highly successful client-consultant relationship, the Sheffield Accommodation for Alcohol Rehabilitation project in the **UK** was awarded "Best Partnership with a Local Authority" at the South Yorkshire Building Awards in 2010 and the Humber Building Excellence Awards in 2011. It is another example of Opus cementing relationships with local and central government clients by supporting them through large, intricate projects that serve the public good.

In **Australia**, our affinity for fostering enduring client relationships is evidenced by our relationships with the majority of Western Australian local governments. We have worked in partnership with them for over 10 years now in the adoption of the ROMAN II road asset management software system. ROMAN II offers users benefits such as the ability to produce work programmes, valuations, road network conditions and cost predictions.

Across the board, but particularly in **Canada**, Opus continues to make a strong contribution to the success of Public Private Partnership (PPP) projects. Opus' strength in this area lies in working constructively with stakeholders, bringing a blend of technical skill, engineering judgement and the insight critical to the success of such projects.

Through previous successful projects, Opus has been invited to tender for upcoming projects with major contracting and consulting partners. In **New Zealand**, Opus was selected as Technical Advisor to the Department of Corrections as part of the tender evaluation for the proposed 960 bed men's prison to be constructed in Auckland. The project was the first major PPP for New Zealand, involving the design, construction and operation of the prison for a 25 year period. Opus supplied key technical resources to both the evaluation and due diligence teams, including provision of key technical requirements in the Request For Proposal.

An alliance between Opus, civil contracting company Fulton Hogan and the New Zealand Transport Agency has created a strong collaborative working relationship.

The Te Rapa alliance is focussed on the construction of an 8km long realignment of SH1 on the northern outskirts of Hamilton. Borne of a changing industry landscape that calls for new ways of approaching construction or development projects, this approach maximises the sharing of ideas and methodologies between designer, contractor and owner and has also meant that problems are solved more efficiently.

In New Zealand, the New Zealand Water and Environment Training Academy (NZWETA) joint venture combines the resources of Opus and Water New Zealand. NZWETA focuses on meeting the training needs of the water and waste water industry and swimming pool operators. Opus' main contribution involves the provision of marketing, management and delivery of training courses that have been designed around the needs of Water NZ members, for professional development and formal qualifications. This is another example where Opus is making a professional contribution on the basis of strong industry relationships. In Australia, we are working with the Australian Water Association in a similar arrangement that is initially targeted at lifting the quality of training services for water and wastewater operators. That arrangement also has scope to broaden into related areas of training.

We work with indigenous communities across our operations including the Australian Indigenous Housing and Infrastructure Programme in the Northern Territory, Australia. In Canada, we are assisting the Woodstock First Nation, St Mary's First Nation, Liard First Nation in Watson Lake, Yukon and the Gitanmaax Band Council at the Village of Hazelton, British Columbia on a range of water, municipal and roading projects. In New Zealand, our Maori Business Service staff are actively involved in developing and implementing consultation strategies for Crown and Local Authority clients to enhance communication with iwi groups on infrastructure projects. Also, in working with the Waikato-Tainui College for Research and Development, Opus' Environmental Training Centre has developed training courses for small water supplies, project management and resource management. In the **US**, Opus road safety specialists are assisting the Wisconsin Department of Transportation Tribal Task Force in the implementation of their Traffic Safety Programme which involves the State's 11 Native American Tribes.

Recognising that our clients are looking for greater added value in the development and management of their infrastructure, we are committed to innovative and collaborative thinking. It has been a privilege to work with all our clients and business partners who have excited and challenged us with problems to solve and questions to answer in 2011.



Joseph Berkers,
Graduate Engineer

Securing our infrastructure

Those who experience natural disasters of any description hope they are 'once-in-a-lifetime' events. Returning to normality after tragedies such as the devastating 2010 and 2011 Christchurch earthquakes and Queensland floods will always be hampered by the fact that events of such scale cripple the structures that support 'everyday' life.

Infrastructure encompasses the most visible and most tangible assets many organisations will ever own, develop or operate. Following the Christchurch earthquakes and Queensland floods, we immediately moved to secure the infrastructure of our clients, and beyond that, to strengthen existing infrastructure to support a return to 'everyday' life.

In **Christchurch**, staff rallied to respond to clients in need. Within a few hours of the first earthquake, teams were inspecting the road network and the main arterial bridges for New Zealand Transport Agency (NZTA) and shortly afterwards many more were providing assistance to the Christchurch City Council, Civil Defence and numerous other local agencies. We were also able to provide assistance to clients such as Telecom, Transpower, Telstra Clear, Orion, Bank of New Zealand, Ministry of Education, Ministry of Justice, Housing New Zealand and the Department of Corrections.

For the Catholic Diocese, who have a diverse portfolio including churches, schools, hospitals and aged care facilities, a quick return to normality was the key driver. This required damage assessments, safety confirmations and emergency repairs to be completed swiftly. Within a few

weeks most schools and churches had been assessed and were either open for use or alternatives had been arranged. Both the Diocese and the Insurance Loss Adjusters described the effort as "beyond the call of duty".

Then, in February 2011, when the unthinkable happened again, the protocols already in place from the first response aided the second. In the case of heritage buildings such as the Cathedral of the Blessed Sacrament, restoration was top of mind. With damage difficult to assess, an innovative approach was required, and a remote-controlled robot equipped with a video camera was sent into the Cathedral to survey the extent of the destruction. Following a thorough assessment, this technology assisted with the removal of the dome roof of the structure which was able to be kept intact and preserved for future restoration purposes.

The reality of everyday life is that persistent smaller quakes make rebuilding and continuing with 'business as usual' difficult. At Lyttelton Port, a shiploader used to load coal for export was damaged, severely limiting its range of motion. The coal terminal is infrastructure of national importance, a key source of export earnings for New Zealand. Opus moved to establish a port-specific team of engineers at the





Lyttelton Port, New Zealand



Flooding damage in Queensland, Australia

Port's harbourside headquarters, where the team installed trusses to hold up the deck, so that if the piles fail or move in further earthquakes the valuable shiploader could be salvaged, thus preserving a precious export capability.

Smart solutions and a prompt response were also integral to our relief efforts in **Queensland**, where the level of destruction as a result of the flooding was profound. Every local authority area in the state was declared a disaster zone with significant damage to vital physical infrastructure including road and rail networks, buildings and communication links.

Some 9,000km of state-controlled highways were damaged, along with a significant proportion of the state's local authority road network. While the scale was unprecedented, the issue was not - cycles of flooding and drought are a natural part of the climate in Australia's North, with monsoon

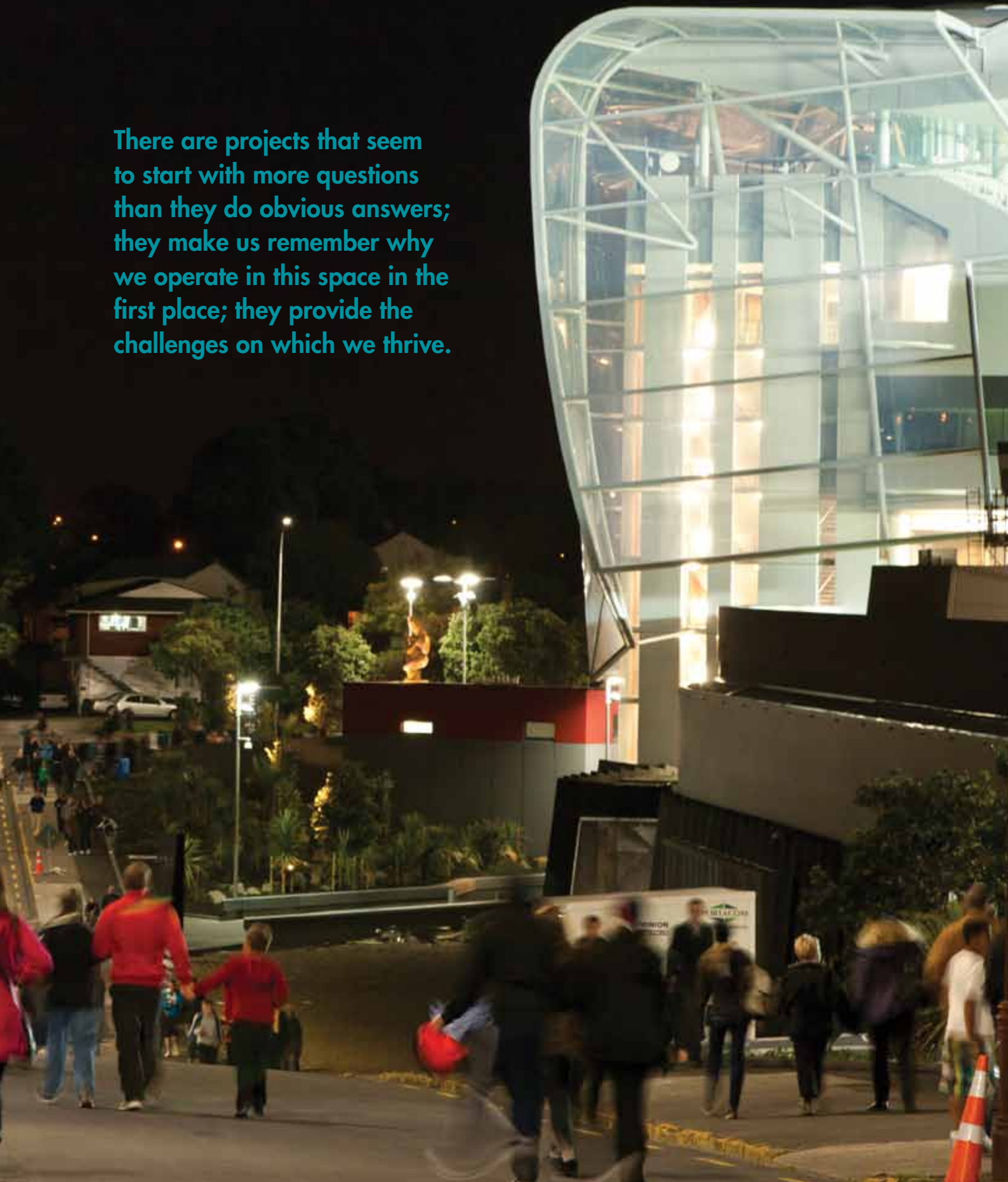
flooding each year and sporadic flooding in other areas. Extra strengthening work was carried out, in addition to the replacement work, to provide increased resilience in future.

Because of intense competition for resources in the Queensland flood recovery efforts, Opus developed new sustainable asset solutions when tasked with repairing 345km of road in the Mackay area and 330km around Bundaberg, creating the critical mass and the speed required by local authorities and ensuring the success of the project.

For the Opus team, both disasters have reinforced the importance of our reach and connections. The support from our global team has been invaluable, and has shown us the importance of operating seamlessly across borders while retaining our strong local roots.

Meeting the challenge

There are projects that seem to start with more questions than they do obvious answers; they make us remember why we operate in this space in the first place; they provide the challenges on which we thrive.





To raise new questions and new problems brings about creativity, imagination and the opportunity for new possibilities and new solutions.

In **New Zealand**, the Auckland Rail Electrification project required a number of smart solutions. This challenging, road-over-rail bridge replacement project involved three bridges, a busy commuter route, tight delivery timeframes and a series of innovative design firsts. These included the country's first bridge replacement over a live railway line and the first use of the twin portal superstructure in New Zealand.

Our design of the Carterton Events Centre is only the second time worldwide that the leading-edge 'Pres Lam' or 'Pre Stressed Laminated Timber' system has been used, and the first in this form. This system, developed by Canterbury University uses post-tensioned laminated veneer lumber shear walls which rock back and forth in an earthquake, absorbing energy as they move. The design significantly reduces the amount of movement and damage to a building during an earthquake, meaning enhanced safety and fewer repairs to the building after a large quake.

At the new Mahinawa Specialist School and Resource Centre the entire school environment - including buildings and landscaping features - has been designed to meet the specific needs of students with intellectual, emotional, physical and behavioural impairments. The building has been designed to achieve Green Star certification, which involves the integration of sustainability principles into a building's design and construction. Key features include solar hot water heating, a natural ventilation strategy, material selection containing low volatile organic compounds (VOC), timber from sustainable resources, and incorporation of Education for Sustainable Development (ESD) Learning Resources, used as learning tools for students in the building and grounds.

When called on to light the streets surrounding Auckland's newly upgraded Eden Park, Opus responded with a state-of-the-art system, designed to increase light levels during times of high pedestrian activity, and provide subdued residential lighting at other times. The solution utilised the latest Light Emitting Diodes (LED) technology, controlled by an intelligent wireless Remote Management System - both technologies a first in New Zealand for large scale road lighting installations.

In **Canada**, a pioneering Opus-led project uses a thermal energy recovery system to extract energy from the effluent of a wastewater treatment plant and uses it to heat a leisure centre swimming pool.

In the **UK**, we have worked around complex obstacles and constraints to assist Britain's Department of Transport in their phasing out of diesel locomotion. The project involved raising three bridge decks along a 51.5 km stretch of double track between Liverpool and Manchester to ensure the railway tracks have sufficient clearance to accommodate electricity lines. Structural intervention needed to be kept to a minimum, as did any disruption to associated infrastructure around the bridges, so our design effort was focussed on slimming down the bridge decks to avoid altering road levels or sighting distances.

The University of Exeter's new business school was awarded a BREEAM (BRE Energy Assessment Method) 'Excellent' rating for innovation in the area of sustainability. BREEAM sets the standard for best practice in sustainable building design, construction and operation and has become one of the most comprehensive and widely recognised measures of a building's environmental performance. Factors which contributed to this rating included hydrocarbon runoff mitigation measures for the car parking areas and ground gas venting measures to deal with methane in the soil.

In **Australia**, we were commissioned to provide structural design, documentation and construction services for a multi-storey high-rise Residential and Commercial Development at Pacific Place Chatswood, NSW. To assist the design process, Revit software was used throughout the project to document all structural elements. Revit draws on film-esque 3D design and animation to bring clients a complete model of a project including building design, building services and structural elements. This is a powerful collaboration tool which helps optimise a building's features before it is built. The model also enables service clashes to be recognised early in the design process rather than at the construction phase, saving money and time.

Broad horizons

What is clear now is that we are not just seeing the ebb and flow of the economic cycle, but rather, a fundamental shift in what 'normal' is. But as the saying goes, the more things change the more they stay the same - opportunity is there as it ever was.

To remain quick on our feet, we are implementing a range of strategies to address the breadth and depth of our skills, relationships, sector strengths and organisational structures in support of significant growth plans. Key factors are efficiency, agility, flexibility and the strength of Opus' united global structure.

In the **UK**, Opus has broadened its service delivery portfolio with the appointment onto the Environment Agency's National Site Investigation Framework. Rather than the more conventional consultancy approach, this involves Opus in the capacity of a principal contractor, providing investigation services which include a strong emphasis on health and safety. Opus also offers the ability to provide interpretive reporting and design services when they are called for. A review of past, present and likely future opportunities indicates a large number of prospects for consultants prepared to shift to new services and new markets. An increase in contractor-led projects has been widely noted over the last three years in addition to projects with early contractor involvement.

2011 marked the first full year of operation after the merger with Dayton & Knight Ltd in **Canada**. As a result of our expanded capabilities, significant opportunities have

opened up and we are positioning to meet more of these. The North American operations also moved towards a sector-based structure, to better serve our clients, utilising the combined strengths of the wider organisation.

In the **US**, our Detroit team has won a significant commission with the Transportation Asset Management Council by leveraging the leading-edge expertise of other Opus offices. The Council determined that our proposed public asset management work plan for Michigan was the strongest due to a combination of our local agency knowledge and experience and our strong international capability.

In moving into the Resource Sector, the team in **Australia** rose to the challenge of an intensely time-bound project, demonstrating the ability to mobilise resources and deliver accurate results, consistent with the demanding needs and expectations of the fast-growing sector. With the original brief for Cockatoo Coal being to prepare a plan for a bridge design and build within the client's six-month timeframe, Opus gathered a team from around Australia at short notice for a three-day workshop, presented a solution the following day and signed on to carry out the project the following week.





In late 2011, Opus concluded an agreement to acquire the Australian-based Coffey Rail Pty Ltd and its related company Asia Pacific Rail Pty Ltd. The acquisition comes into effect in March 2012 and will add 50 staff and an office in Victoria, bringing the total number of Opus offices in Australia to 17, with a total staff number of 370. The acquisition is strategically important for Opus Australia's development, with strong synergies between the rail infrastructure consulting of Coffey Rail, and Opus' civil and structural capability.

In **New Zealand**, our involvement in the dairy sector has increased significantly over the past two years. In 2010, a concerted effort was made to form a focus group and link into two other key development areas - irrigation and water quality, and this has greatly increased our revenue in 2011. We have also secured several major contracts and continue to be approached directly by local and national contractors. The intention is to diversify into the wider agricultural sector,

as well as dove-tailing into new irrigation schemes with a wider focus on environmental water quality and sustainability.

Amongst other strategic initiatives, we are working on business growth in emerging economies in association with our major shareholder Opus Group Bhd. Future growth in this area will build on the successful joint delivery of a project for the Punjab State Government in India. That work is well underway and is being funded by a World Bank loan. It is focussed on the implementation of performance-based road maintenance contracts and is another example of Opus extending its involvement in international asset management best practice.

Our continuing commitment to broadening our horizons is a reflection of the importance we place on geographical and sector diversity. This relates to both our ability to thrive in challenging economic times and to the achievement of our growth targets in which acquisitions will play a significant role.

FINANCIAL STATEMENTS

Financial Statements for the Year Ended 31 December 2011

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

		YEAR ENDED 31 DECEMBER	
	NOTE	2011 \$000	2010 \$000
OPERATING ACTIVITIES			
Operating Revenue	1	393,466	367,228
Operating Expenses	2	(358,213)	(332,858)
Operating Surplus		35,253	34,370
Equity Accounted Share of Surplus of Associates	14	653	2,061
EBITDA		35,906	36,431
Depreciation and Amortisation	3	(5,021)	(5,407)
EBIT		30,885	31,024
Interest Revenue	5	3,346	3,430
Interest Expense	5	(2,378)	(2,225)
OPERATING SURPLUS BEFORE TAX		31,853	32,229
Less Tax Expense	6	(7,323)	(10,224)
NET SURPLUS AFTER TAX		24,530	22,005
EARNINGS PER SHARE (CENTS)			
Basic Earnings Per Share	7	0.17	0.16
Diluted Earnings Per Share	7	0.16	0.15

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2011

		YEAR ENDED 31 DECEMBER	
	NOTE	2011 \$000	2010 \$000
Net Surplus After Tax for the Year		24,530	22,005
OTHER COMPREHENSIVE INCOME:			
Actuarial Gain/(Loss) on Defined Benefit Plan	18	336	1,228
Exchange Difference on Translation of International Subsidiaries	12	(648)	(205)
Net Gain on Hedge of Net Investment	12	424	894
Income Tax Relating to Components of Other Comprehensive Income	12, 18	(42)	(437)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		70	1,480
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		24,600	23,485

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2011

	NOTE	ORDINARY SHARES \$000	CONVERTIBLE NOTES \$000	EMPLOYEE BENEFITS \$000	FOREIGN CURRENCY TRANSLATION RESERVE \$000	RETAINED EARNINGS \$000	TOTAL EQUITY \$000
AT 31 DECEMBER 2009		45,705	642	(77)	(352)	32,783	78,701
Other Comprehensive Income, Net of Tax		-	-	884	596	-	1,480
Net Surplus for the Year		-	-	-	-	22,005	22,005
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	-	884	596	22,005	23,485
EQUITY TRANSACTIONS:							
Shares Issued	8	4,708	-	(64)	-	-	4,644
Convertible Notes Converted to Ordinary Shares	8	242	(242)	-	-	-	-
Share-Based Payment	10	-	-	122	-	-	122
Dividend Paid	11	-	-	-	-	(10,537)	(10,537)
Tax Credits on Supplementary Dividend	11	-	-	-	-	101	101
AT 31 DECEMBER 2010		50,655	400	865	244	44,352	96,516
Other Comprehensive Income, Net of Tax		-	-	249	(179)	-	70
Net Surplus for the Year		-	-	-	-	24,530	24,530
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	-	249	(179)	24,530	24,600
EQUITY TRANSACTIONS:							
Shares Issued	8,10	1,910	-	(120)	-	-	1,790
Convertible Notes Converted to Ordinary Shares	8	42	(42)	-	-	-	-
Share-Based Payment	10	-	-	73	-	-	73
Dividend Paid	11	-	-	-	-	(11,777)	(11,777)
Tax Credits on Supplementary Dividend	11	-	-	-	-	115	115
AT 31 DECEMBER 2011		52,607	358	1,067	65	57,220	111,317

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2011

		31 DECEMBER	
	NOTE	2011 \$000	2010 \$000
NON-CURRENT ASSETS			
Property, Plant and Equipment	13	9,665	9,868
Investments in Associates	14	339	291
Intangible Assets	15	47,437	48,583
Deferred Tax Asset	6	12,401	12,168
TOTAL NON-CURRENT ASSETS		69,842	70,910
CURRENT ASSETS			
Cash and Cash Equivalents	21	92,813	83,559
Receivables and Prepayments	16	44,464	47,407
Work in Progress		21,829	18,254
Tax Receivable		774	848
Derivative Financial Instruments	21	245	-
TOTAL CURRENT ASSETS		160,125	150,068
TOTAL ASSETS		229,967	220,978
NON-CURRENT LIABILITIES			
Provisions for Employee Entitlements	17	6,919	6,728
Defined Benefit Pension Liability	18	835	1,305
Long Term Bank Borrowings	21	4,415	4,578
Finance Leases (Term Portion)	20	1,324	1,291
Long Term Payable	21	918	6,468
TOTAL NON-CURRENT LIABILITIES		14,411	20,370
CURRENT LIABILITIES			
Short Term Bank Borrowings	21	36,440	37,614
Finance Leases (Current Portion)	20	1,083	1,321
Creditors, Accruals and Provisions	19	21,955	19,138
Tax Payable		2,215	4,858
Revenue in Advance		17,455	13,915
Provisions for Employee Entitlements	17	25,091	27,246
TOTAL CURRENT LIABILITIES		104,239	104,092
NET ASSETS		111,317	96,516
EQUITY			
Ordinary Share Capital	8	52,607	50,655
Convertible Notes	9	358	400
Employee Benefits	10	1,067	865
Retained Earnings	11	57,220	44,352
Foreign Currency Translation Reserve	12	65	244
TOTAL EQUITY		111,317	96,516

For and on behalf of the Board, who authorised the issue of these financial statements on 14 February 2012.

Chairman Managing Director 

The accompanying Statement of Significant Accounting Policies and Notes to the Financial Statements on pages 48 to 91 form part of and should be read in conjunction with this statement.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2011

		YEAR ENDED 31 DECEMBER	
	NOTE	2011 \$000	2010 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers		395,336	363,473
Interest Received		3,415	3,236
Payments to Suppliers and Employees		(361,213)	(335,492)
Interest Paid		(2,249)	(2,207)
Taxation Paid		(10,189)	(9,092)
NET CASH FLOWS FROM OPERATING ACTIVITIES	22	25,100	19,918
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of Property, Plant and Equipment		1,326	1,558
Purchase of Property, Plant and Equipment and Intangible Assets	13,15	(4,855)	(3,053)
Dividends From Associates	14	605	2,281
Purchase Price Adjustment/(Purchase of Investments)		727	(8,705)
(Overdraft)/Cash Acquired on Acquisition of Subsidiary		-	(114)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(2,197)	(8,033)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends Paid	11	(11,777)	(10,537)
Repayment of Finance Lease Obligations		(1,795)	(1,786)
Share Capital Issued (Net of Transaction Costs)	8	1,790	823
Drawdown of Borrowings		-	4,421
NET CASH FLOWS FROM FINANCING ACTIVITIES		(11,782)	(7,079)
NET INCREASE IN CASH HELD		11,121	4,806
Foreign Exchange Adjustment		(693)	1,170
Cash at Beginning of the Year		45,945	39,969
CASH AT THE END OF THE YEAR		56,373	45,945
COMPRISING:			
Cash and Cash Equivalents	21	92,813	83,559
Short Term Bank Borrowings	21	(36,440)	(37,614)
		56,373	45,945

PARENT COMPANY INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

		YEAR ENDED 31 DECEMBER	
	NOTE	2011 \$000	2010 \$000
OPERATING ACTIVITIES			
Operating Revenue	1	286,654	271,278
Operating Expenses	2	(255,353)	(241,065)
EBITDA		31,301	30,213
Depreciation and Amortisation	3	(3,503)	(3,913)
EBIT		27,798	26,300
Interest Revenue	5	4,128	4,084
Interest Expense	5	(693)	(815)
OPERATING SURPLUS BEFORE TAX		31,233	29,569
Less Tax Expense	6	(7,142)	(9,728)
NET SURPLUS AFTER TAX		24,091	19,841

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2011

		YEAR ENDED 31 DECEMBER	
	NOTE	2011 \$000	2010 \$000
Net Surplus After Tax for the Year		24,091	19,841
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		24,091	19,841

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2011

	NOTE	ORDINARY SHARES \$000	CONVERTIBLE NOTES \$000	EMPLOYEE EQUITY BENEFITS \$000	RETAINED EARNINGS \$000	TOTAL EQUITY \$000
AT 31 DECEMBER 2009		45,705	642	224	41,960	88,531
Other Comprehensive Income, Net of Tax		-	-	-	-	-
Net Surplus for the Year		-	-	-	19,841	19,841
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	-	-	19,841	19,841
EQUITY TRANSACTIONS:						
Shares Issued	8	4,708	-	(64)	-	4,644
Convertible Notes Converted to Ordinary Shares	8	242	(242)	-	-	-
Share-Based Payment	10	-	-	122	-	122
Dividend Paid	11	-	-	-	(10,537)	(10,537)
Tax Credits on Supplementary Dividend	11	-	-	-	101	101
AT 31 DECEMBER 2010		50,655	400	282	51,365	102,702
Other Comprehensive Income, Net of Tax		-	-	-	-	-
Net Surplus for the Year		-	-	-	24,091	24,091
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	-	-	24,091	24,091
EQUITY TRANSACTIONS:						
Shares Issued	8	1,910	-	(120)	-	1,790
Convertible Notes Converted to Ordinary Shares	8	42	(42)	-	-	-
Share-Based Payment	10	-	-	73	-	73
Dividend Paid	11	-	-	-	(11,777)	(11,777)
Tax Credits on Supplementary Dividend	11	-	-	-	115	115
AT 31 DECEMBER 2011		52,607	358	235	63,794	116,994

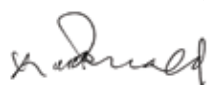
PARENT COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2011

		31 DECEMBER	
	NOTE	2011 \$000	2010 \$000
NON-CURRENT ASSETS			
Property, Plant and Equipment	13	6,232	5,851
Investment in Subsidiaries	24	22,904	22,904
Intangible Assets	15	1,046	1,085
Loans to Subsidiaries	23	17,247	17,150
Deferred Tax Asset	6	7,255	7,464
TOTAL NON-CURRENT ASSETS		54,684	54,454
CURRENT ASSETS			
Cash and Cash Equivalents	21	91,365	81,442
Receivables and Prepayments	16	26,976	29,125
Work in Progress		14,533	12,323
Derivative Financial Instruments	21	245	-
TOTAL CURRENT ASSETS		133,119	122,890
TOTAL ASSETS		187,803	177,344
NON-CURRENT LIABILITIES			
Provisions for Employee Entitlements	17	6,827	6,587
Finance Leases (Term Portion)	20	1,143	1,087
TOTAL NON-CURRENT LIABILITIES		7,970	7,674
CURRENT LIABILITIES			
Short Term Bank Borrowings	21	12,420	14,362
Finance Leases (Current Portion)	20	969	1,158
Creditors, Accruals and Provisions	19	12,316	13,393
Tax Payable		1,967	4,073
Revenue in Advance		16,237	12,549
Provisions for Employee Entitlements	17	18,930	21,433
TOTAL CURRENT LIABILITIES		62,839	66,968
NET ASSETS		116,994	102,702
EQUITY			
Ordinary Share Capital	8	52,607	50,655
Convertible Notes	9	358	400
Employee Equity Benefits	10	235	282
Retained Earnings	11	63,794	51,365
TOTAL EQUITY		116,994	102,702

For and on behalf of the Board, who authorised the issue of these financial statements on 14 February 2012.

Chairman



Managing Director



PARENT COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2011

		YEAR ENDED 31 DECEMBER	
	NOTE	2011 \$000	2010 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers		289,956	265,814
Interest Received		3,347	3,170
Payments to Suppliers and Employees		(260,482)	(242,004)
Interest Paid		(611)	(766)
Taxation Paid		(9,039)	(9,494)
NET CASH FLOWS FROM OPERATING ACTIVITIES	22	23,171	16,720
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of Property, Plant and Equipment		1,284	1,398
Purchase of Property, Plant and Equipment and Intangible Assets		(3,851)	(2,605)
Dividends From Associates		605	2,281
Repayment From/Advances to Subsidiaries		2,045	1,909
NET CASH FLOWS FROM INVESTING ACTIVITIES		83	2,983
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends Paid		(11,777)	(10,537)
Repayment of Finance Lease Obligations		(1,591)	(1,640)
Share Capital Issued (Net of Transaction Costs)		1,790	823
NET CASH FLOWS FROM FINANCING ACTIVITIES		(11,578)	(11,354)
NET INCREASE IN CASH HELD		11,676	8,349
Foreign Exchange Adjustment		189	891
Cash at Beginning of the Year		67,080	57,840
CASH AT THE END OF THE YEAR		78,945	67,080
COMPRISING:			
Cash and Cash Equivalents		91,365	81,442
Short Term Bank Borrowings		(12,420)	(14,362)
		78,945	67,080

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

CORPORATE INFORMATION - REPORTING ENTITY

Opus International Consultants Limited is a New Zealand company registered under the New Zealand Companies Act 1993. The registered office of the company is 9th floor, 100 Willis Street, Wellington, New Zealand.

The Group consists of Opus International Consultants Limited and its subsidiaries.

The Group is an issuer for the purposes of the New Zealand Financial Reporting Act 1993.

The consolidated financial statements of the Group for the year ended 31 December 2011 were authorised for issue in accordance with a resolution of the directors on 14 February 2012.

The principal activities of the Group are described in Note 4.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand. They have also been prepared on a consistent basis with the requirements of the New Zealand Companies Act 1993 and the Financial Reporting Act 1993.

The financial statements comply with applicable Financial Reporting Standards, which include New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"). The financial statements also comply with International Financial Reporting Standards ("IFRS"). In addition the Group and Company have chosen to present Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") and Earnings Before Interest and Tax ("EBIT") on the face of the Income Statement because they are key performance measures for the Group and Company and they are relevant to the investment community and industries in which they operate.

The consolidated financial statements have been prepared on a historical cost basis except for any derivative financial instruments, which are measured at fair value. The Group is a profit-orientated entity.

Changes in Accounting Policy

The accounting policies adopted are consistent with the previous financial year except as follows:

The Group has adopted the following new and amended equivalents to International Financial Reporting Standards and interpretations during the year ended 31 December 2011.

- Amendments to NZ IAS 24 - Related Party Disclosure
- Amendments to NZ IFRS 7 - Financial Instruments: Disclosures
- Amendment to NZ IFRS 8 - Operating Segments; and
- Amendments to NZ IFRIC 14 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.

None of these amendments have had a significant impact on the financial results of the Group.

SPECIFIC ACCOUNTING POLICIES

Basis of Consolidation

The consolidated financial statements comprise the financial statements of Opus International Consultants Limited and its subsidiaries as at 31 December 2011. The financial statements of subsidiaries are prepared for the same reporting year as the Parent Company, using consistent accounting policies.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Subsidiary investments are accounted for at cost less any impairment charges in the Parent Company's financial statements. Dividends received from subsidiaries are recorded as a component of other revenues in the separate Statement of Comprehensive Income of the Parent Company, and do not impact the recorded cost of the investment. Upon receipt of dividend payments from subsidiaries, the Parent Company will assess whether any indicators of impairment of the carrying value of the investment in the subsidiary exist. Where such indicators exist, an impairment loss is recognised to the extent that the carrying value of the investment exceeds its recoverable amount.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves the recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets and liabilities are measured at their acquisition date fair values. The difference between the fair value of identifiable assets and liabilities and the fair value of the consideration is goodwill or a discount on acquisition.

The effects of all inter-company transactions between entities that have been consolidated are eliminated on consolidation.

If the Group loses control over a subsidiary, all assets, liabilities, foreign currency translation differences in reserves and any non-controlling interest are derecognised. At the same time the Group will recognise the fair value of the investment retained and share of any surplus or deficit in profit or loss and reclassify the parent's share of any amounts previously recognised in other comprehensive income to profit or loss.

Business Combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair value of the assets transferred and liabilities incurred by the Group to former owners of the acquiree and the equity issued by the Group. Acquisition related costs are expensed as incurred. Any non-controlling interest in the acquiree is measured either at the proportionate share of the acquiree's identifiable net assets or fair value.

When the Group acquires a business, it assesses the financial assets and liabilities for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Groups' operating or accounting policies and other relevant conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the Group's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration will be recognised in accordance with NZ IAS 39 either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured.

Operating Segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources and to assess performance and for which discrete financial information is available. Operating segments have been identified based on the information provided to the chief operating decision makers, being the executive management team. Management reviews operating segment performance based on geographical segments. These segments are distinguishable components of the business engaged in providing services to customers in particular economic environments and subject to risks and returns that are different to other segments. The Group measures and evaluates the reporting segments based on earnings before interest and tax.

Foreign Currency Translation

The functional and presentational currency of Opus International Consultants Limited and its New Zealand subsidiaries is the New Zealand Dollar. The functional currencies of foreign subsidiaries are British Pound, Australian Dollar, Canadian Dollar and United States Dollar.

Transactions denominated in foreign currencies are recorded at the exchange rate at the date of the transaction.

The assets and liabilities of overseas foreign operations and other monetary assets and liabilities denominated in foreign currencies are translated at the balance date closing rate. Revenue and expense items are translated at the spot rate at the transaction date or a rate approximating that rate. Foreign currency exchange differences on foreign operations are recognised in the Foreign Currency Translation Reserve. Exchange variations on intercompany assets and liabilities that are long term in nature are recognised in Other Comprehensive Income within the Statement of Comprehensive Income in the Group Financial Statements.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the acquiring company and are recorded at the exchange rate at the date of the transaction. Goodwill and fair value adjustments are translated at the closing rate on translation into the presentation currency.

Derivative Financial Instruments and Hedging

The Group adopts hedge accounting for net investments in foreign operations. The Group currently hedges investments in the United Kingdom, Canadian and Australian operations.

Hedges of net investments

Net investment hedges are hedges of the Group's exposure to foreign currency risk associated with foreign operations. The Group has designated a portion of bank borrowings in the same currency as the foreign operations and a forward exchange rate contract, as hedges of the net investment in those operations. Gains or losses arising on the effective portion of the hedge are recognised directly in Other Comprehensive Income within the Statement of Comprehensive Income. Any gains or losses arising on the ineffective portion are recognised directly in the Income Statement.

On loss of control or disposal of the foreign operation, the cumulative value of any such gains or losses recognised in Other Comprehensive Income is transferred to the Income Statement.

Forward Exchange Rate Contracts

The Group may enter into forward exchange rate contracts where it agrees to buy or sell specified amounts of foreign currencies in the future at a predetermined exchange rate. The objective is to protect the Group from the possibility of material losses from future exchange rate fluctuations.

Depending on the circumstances, the Group will either recognise fair value changes in the forward contracts in the Income Statement or apply net investment hedge accounting. Where hedge accounting is applied, any gains or losses arising on the effective portion of the hedge are included in Other Comprehensive Income within the Statement of Comprehensive Income. Any gains or losses arising on the ineffective portion of the hedge and the changes in fair values where hedge accounting is not applied, are recognised in the Income Statement.

The de-recognition of a financial asset takes place when the contractual rights to the cash flows from the financial asset expire or the asset has been transferred.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Consultancy Services

Revenue is recognised to the stage of completion at balance date when the outcome of a transaction involving the rendering of services can be estimated reliably. This occurs when the following conditions are satisfied:

- (a) The amount of revenue can be measured reliably;
- (b) It is probable that the economic benefits associated with the transaction will flow to the Group;
- (c) The stage of completion of the transaction at balance date can be measured reliably; and
- (d) The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When it is probable that the total contract costs will exceed the total contract revenue, the expected loss is recognised as an expense immediately and a corresponding liability is recognised.

Interest

Revenue is recognised as the interest accrues using the effective interest rate method.

Income Tax and Other Taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax assets and liabilities are measured at the tax rates that apply to the year when the asset is realised or the liability settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. Deferred income tax assets are recognised to the extent that it is probable that these will reverse in the foreseeable future.

Deferred income tax is provided on all temporary differences at each reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets and liabilities are recognised for all temporary differences except:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or from a transaction that is not a business combination and that at the time of the transaction affects neither accounting or taxable profit or loss; and
- When the temporary difference relates to investments and the timing of the reversal of that difference can be controlled and it is probable that it will not reverse in the foreseeable future and taxable profits will be available against which a deductible temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

The financial statements have been prepared so that all amounts are stated exclusive of New Zealand Goods and Services Tax (GST) and similar overseas services taxes except:

- Where the GST (or similar tax) is not recoverable from, or payable to, the taxation authority; and
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, is classified as part of operating cash flows.

Commitments and contingencies are stated net of the amount of GST recoverable from, or payable to, the taxation authorities.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank, in hand and short-term deposits with banks. Short term deposits include deposits used for cash management with maturities up to 180 days. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of the items as defined above together with bank overdrafts and short-term loans which are used as part of day-to-day cash management.

Trade and Other Receivables

Trade and other receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost after making suitable provisions for doubtful debts. The Group evaluates all outstanding debts for impairment on a regular basis. This includes actively monitoring and assessing whether there are any significant disputes or concerns about the ability of the counterparty to make payment and/or whether the passage of time indicates that the collectability of a debt is doubtful. In the event of there being sufficient evidence to suggest that an amount due is doubtful, the Group provides against the outstanding amount, regardless of its age.

Work in Progress

Work in Progress on consultancy contracts is recognised either on a percentage of completion or time-charge basis, whichever is applicable to the terms of the contract. The percentage of completion is estimated based on actual costs incurred and the expected total cost of the contract. Work in Progress is reviewed on a regular basis for impairment and provision made for any irrecoverable amounts.

Revenue in Advance

This represents amounts where clients have been invoiced ahead of the work being undertaken.

Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. Plant and equipment is stated at cost less any accumulated depreciation and impairment in value. Those acquired through a business combination are capitalised at fair value as at the date of acquisition.

Depreciation is calculated on a straight-line basis on all tangible property, plant and equipment other than land, over the estimated useful life of the asset as follows:

	Useful Life (Years)
Buildings	45 - 55
Leasehold improvements	Earlier of lease term or economic life
Plant and vehicles	5 - 20
Computer equipment (including finance leases)	3 - 5
Furniture and equipment	5 - 20

Gains or losses on the sale or disposal of property, plant and equipment are recognised in the Income Statement.

Investment in Associates

Investments in associated undertakings are accounted for by the equity method of accounting.

Investments in associates are carried in the Group's Statement of Financial Position at cost plus post-acquisition changes in the Group's share of net assets of the associates, less any impairment in value. The Income Statement reflects the Group's share of the results of operations of the associates.

A gain or loss on the sale of an associate is recognised when the sale and purchase agreement becomes unconditional.

Intangible Assets

(A) Goodwill

Goodwill on acquisition is initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

As at the acquisition date, any goodwill acquired is allocated to the cash-generating unit(s) expected to benefit from the combination's synergies. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is assessed for impairment in June and December each year, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. The recoverable amount of cash generating units that goodwill has been attributed to is determined by its value in use, calculated using discounted cash flow methodology. Further details on the methodology and assumptions are outlined in Note 15. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the Income Statement.

Where goodwill forms part of a cash-generating unit, and where part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

Goodwill disposed of in this manner is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(B) Other Intangible Assets

Intangible assets acquired separately are capitalised at cost. Those acquired through a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

The finite useful lives of these intangible assets are assessed to be on average 3 to 4 years. Amortisation is charged on the assets and the expense is recognised in the Income Statement.

Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged to the Income Statement in the year in which the expenditure is incurred.

Recoverable Amount of Assets

At each reporting date, or more frequently if events or changes in circumstances dictate, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of the recoverable amount. Where the carrying value of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. Individual assets are generally not independent of those in a group and the recoverable amount is calculated on the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Employee Entitlements

The liability for employees' compensation for future leave is accrued in relation to the length of service rendered by employees and relates to vested and unvested entitlements. One Group company operates a defined benefits pension scheme. The cost of providing benefits under this plan is determined using the projected unit credit method. Actuarial gains and losses on the Defined Benefit Plan are recognised in Other Comprehensive Income within the Statement of Comprehensive Income at the time of valuation. Actuarial gains and losses on other employee entitlements are recognised in the Income Statement at the time of valuation.

The defined benefit asset or liability recognised in the Statement of Financial Position represents the present value of the defined benefit obligation, adjusted for unrecognised past service cost net of the fair value of the plan assets. Any asset resulting from this calculation is limited to past service costs, plus the present value of available refunds and reductions in future contributions to the plan.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event. This occurs when it is probable that a cost will be incurred to settle the obligation and a reliable estimate can be made of that obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an expense.

Trade and Other Payables

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. The amounts are unsecured and are paid according to their terms of trade and usually within 30 days of recognition.

Interest-Bearing Loans and Borrowings

All loans and borrowings are initially recognised at fair value of the considerations received less directly attributable transaction costs associated with borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses are recognised in the Income Statement over the term or when the liabilities are derecognised.

Borrowings are classified as either current or term liabilities based on the contractual maturity date and rights of settlement of each facility.

Leases

Operating lease payments, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are recognised as an expense in the income statement on a straight-line basis over the lease term.

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased items, are capitalised at the present value of the minimum lease payments. The leased assets and corresponding liabilities are therefore recognised and the assets are depreciated in line with the Group's depreciation policy to reflect the estimated useful lives. Lease payments relating to finance leases are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Employee Share-Based Benefit Plans

The Group provides benefits to qualifying senior employees of the Group in the form of share-based payment transactions, whereby employees render services in exchange for non-transferable share options and shares. The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer, on a periodic basis, using the Black-Scholes-Merton model, further details of which are given in Note 10. The fair value cost of equity settled options at issue date is amortised to the Income Statement over the vesting period with a corresponding amount recognised in equity. Where an equity-settled award is cancelled before vesting, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. Where an equity-settled award is forfeited when vesting conditions are not met, any previously recognised expense is reversed.

Convertible Notes

Under the terms of the Employee Share Option Plan, employees may elect for the Group to repurchase shares issued at the time of exercising options in exchange for convertible notes issued by the Group. The convertible notes have a face value of the issue price and are interest bearing with semi-annual coupon payments. The notes are convertible into ordinary shares on a one for one basis at the option of the Group and/or the holder at any time with five business days written notice. The notes are compound financial instruments which have both a financial liability and an equity component.

The financial liability component represents the interest obligations on the notes and interest is recognised on an accruals basis. All proceeds received from the issue of convertible notes have been recognised in a separate component of equity. Upon conversion to shares the proceeds from issue of the convertible notes will be reclassified to ordinary share capital.

Significant Accounting Judgements, Estimates and Assumptions

In applying the Group's accounting policies management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgements, estimates and assumptions made. Significant judgements, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

(1) Revenue Recognition

The Group and Parent Company enter into some long term contracts with customers on commercial terms and conditions. Revenue from these contracts is recognised based on the stage of completion of the work, which requires judgement and estimates about the expected costs over the life of the contract. Where the outcome of a long term contract cannot be reliably estimated, a risk-based probabilistic approach is used to estimate expected costs. Actual costs incurred over the life of the contract may be different from previous estimates. These judgements and estimates also affect the carrying amount of work in progress or revenue in advance.

If the expected costs on a contract exceed the expected revenues, a provision for the future expected loss on a contract is estimated and recognised. The carrying amounts of work in progress and revenue in advance are separately disclosed in the Statement of Financial Position.

(2) Provisions for Doubtful Debts on Trade Receivables

Where receivables are outstanding beyond the normal trading terms, the likelihood of the recovery of these receivables is assessed by management. This assessment is based on individual circumstance including whether there are any disputes and the outcome of credit control activities. The provision for doubtful debts and an assessment and quantification of the Group's credit risk is disclosed in Note 21.

(3) Defined Benefit Plan

The Defined Benefit Pension Fund is valued on an annual basis by independent actuary, Clerical Medical Investment Group Limited, taking into account gains and losses. Various actuarial assumptions underpin the determination of the Group's pension obligations arising from a defined benefit plan in the United Kingdom. The key assumptions relate to the expected growth in the value of assets and the pension contract as well as expected salary escalation and market discount rate. All of these require judgement and are subject to change year on year depending on market conditions and other economic factors relevant to the ability of the plan's assets to meet the pension obligations. These assumptions and the related carrying amount of the Group's obligation are discussed in Note 18.

(4) Provision for Employee Entitlements

Certain employees of the Group and Parent Company are entitled to long service and retirement leave benefits. These liabilities have been recognised based on actuarial valuations, which determine the present value of estimated future cashflows to be made to these employees at balance date. The valuation is based on a probabilistic assessment of employees reaching service and age levels to earn their entitlement and expected future salary movements. The carrying amounts of these liabilities are detailed in Note 17.

(5) Impairment of Goodwill with Indefinite Useful Life

The Group determines whether goodwill with an indefinite useful life is impaired on a semi-annual basis in June and December. This requires an estimation of the recoverable amount of the cash-generating units to which the goodwill is allocated. Depending on the nature and timing of acquisitions, the carrying amount of goodwill may be based on estimates of expected payments and/or net assets acquired at balance date.

The assumptions used in the estimation of the recoverable amount and carrying value of goodwill are discussed in Note 15.

(6) Recovery of Deferred Tax Assets

Deferred tax assets are recognised for deductible temporary differences and tax losses when management considers that it is probable that future taxable profits will be available to utilise those temporary differences and losses. The carrying amount of deferred tax assets are disclosed in Note 6.

Standards or Interpretations Issued but not yet Effective

There are a number of other amendments to accounting standards as part of the ongoing improvement process. The following standards and amendments have been issued but are not yet effective:

- NZ IAS 1 - Presentation of Financial Statements - Presentation of Other Comprehensive Income effective from 1 January 2013, requires the grouping of items in Other Comprehensive Income on the basis of whether they can potentially be reclassified to profit or loss in subsequent periods (reclassification adjustments).
- NZ IAS 19 - Employee Benefits is applicable to the Group for accounting periods beginning on or after 1 January 2013. The revised standard changes the accounting for defined benefit plans and requires amended presentation of the changes in the plan liabilities/assets.
- NZ IAS 27 - Separate Financial Statements (previously Consolidated and Separate Financial Statements) removes the accounting and disclosure requirements for consolidated financial statements which are now covered in NZ IFRS 10 and is effective from 1 January 2013.
- NZ IAS 28 - Investments in Associates and Joint Ventures prescribes the accounting for investment in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The disclosure requirements are now in NZ IFRS 12. This amended statement is effective from 1 January 2013.
- NZ IFRS 7 - Financial Instruments: Disclosures. Revised disclosure requirements about the transfer of financial assets and is effective from 1 January 2012.
- NZ IFRS 9 - Financial Instruments - Recognition and Measurement of Financial Assets was issued in November 2010 as part of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. The standard deals with accounting for financial assets, their recognition, derecognition and measurement. Financial assets are classified according to their measurement, either at fair value or amortised cost. The standard is effective from 1 January 2013.
- NZ IFRS 10 - Consolidated Financial Statements applicable for accounting periods beginning on or after 1 January 2013 and introduces a new approach to the control model for the consolidation of entities.
- NZ IFRS 12 - Disclosures of Interests in Other Entities introduces new disclosures regarding the judgements made by management to determine whether control exists and is effective from 1 January 2013.
- NZ IFRS 13 - Fair Value Measurement provides a single standard source of fair value measurement guidance, does not change when fair value is required and expands disclosure requirements for assets and liabilities carried at fair value. The standard is applicable from 1 January 2013.
- FRS-44 - New Zealand Additional Disclosures, as part of the joint Trans-Tasman Convergence project between Australia and New Zealand, this standard relocates various New Zealand specific disclosures from other standards to one place and revises disclosure in a number of areas. This harmonisation amends a number of standards and is applicable to the Group from 1 January 2012.

The Group has yet to fully evaluate the impact of these changes, if any, on the financial statements and results.

NOTES TO THE FINANCIAL STATEMENTS

1. OPERATING REVENUE

	GROUP		PARENT COMPANY	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Consultancy Fees	393,466	367,228	286,049	268,997
Dividend From Associates	-	-	605	2,281
TOTAL OPERATING REVENUE	393,466	367,228	286,654	271,278

There were no discontinued activities in the above figures.

2. OPERATING EXPENSES

	GROUP		PARENT COMPANY	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
INCLUDED IN OPERATING EXPENSES ARE THE FOLLOWING ITEMS:				
Employee Remuneration Expenses	211,724	196,778	143,527	136,390
Consultant and Sub-Contractor Expenses	64,051	61,953	55,311	52,203
Project Materials and Services Expenses	13,732	12,601	11,772	9,811
Lease/Rental Expenses	18,667	16,486	12,806	11,277
Travel Related Expenses	16,005	12,766	12,183	9,876
Training and Other Employee Related Expenses	8,096	6,892	5,754	5,231
Communication and Office Administration Expenses	8,590	7,665	6,557	5,930
Insurance	2,063	1,906	1,873	1,547
Advertising and Promotion Expenses	1,714	2,066	1,285	1,546
Group Auditors - Audit Fees	423	396	211	212
Group Auditors - Taxation Services	58	60	23	23
Group Auditors - Other Assurance Services	59	22	35	22
Directors' Fees and Expenses	582	520	582	520
(Profit)/Loss on Foreign Exchange Transactions - Realised	(7)	(10)	(191)	(903)
(Profit)/Loss on Foreign Exchange Transactions - Unrealised	(95)	18	169	579
Bad Debts Expense	522	1,267	76	612
Change in Provision for Doubtful Debts	(900)	(2,133)	(124)	(1,149)
(Gain)/Loss on Sale of Property, Plant & Equipment	(21)	(54)	-	(33)
Other Operating Expenses	12,950	13,659	3,504	7,371
TOTAL OPERATING EXPENSES	358,213	332,858	255,353	241,065

3. DEPRECIATION AND AMORTISATION

	GROUP		PARENT COMPANY	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Buildings	24	24	6	6
Plant and Vehicles	755	755	548	510
Computer Equipment	551	503	279	207
Computer Equipment - Leased	1,320	1,396	1,206	1,386
Furniture and Equipment	950	1,031	588	618
Leasehold Improvements	755	945	331	541
TOTAL DEPRECIATION	4,355	4,654	2,958	3,268
Amortisation Expense - Software Assets	666	753	545	645
TOTAL DEPRECIATION AND AMORTISATION	5,021	5,407	3,503	3,913

4. 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 ("EBIT") and is measured consistently with earnings before interest and tax in the consolidated financial statements except for management charges between the Parent Company and subsidiaries. For management reporting purposes EBIT is monitored using a standard management charge basis consistent across all subsidiaries. In the financial statements of the Parent Company, EBIT is presented after recognising the actual management charge to subsidiaries.

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

Geographical Segment Information

	FOR THE YEAR ENDED 31 DECEMBER 2011					
	NEW ZEALAND \$000	UNITED KINGDOM \$000	AUSTRALIA \$000	CANADA \$000	OTHER* \$000	TOTAL \$000
SEGMENT REVENUE:						
External Customers	286,175	19,717	65,116	22,458	-	393,466
Inter-Segment Revenue	2,127	2,087	279	9	(4,502)	-
Associate Earnings	653	-	-	-	-	653
Employee Remuneration Costs	143,527	15,228	40,005	12,964	-	211,724
Other Operating Expenses	114,103	7,258	21,424	8,284	(4,580)	146,489
SEGMENT RESULT	27,822	(1,183)	3,156	1,012	78	30,885
Segment Total Assets	147,364	23,076	33,513	26,007	7	229,967
Segment Non-Current Assets	7,617	14,080	16,139	19,605	-	57,441
Segment Liabilities	70,438	12,822	18,145	17,235	10	118,650
Capital Expenditure	3,851	224	678	102	-	4,855
Depreciation & Amortisation	3,503	501	810	207	-	5,021
	FOR THE YEAR ENDED 31 DECEMBER 2010					
	NEW ZEALAND \$000	UNITED KINGDOM \$000	AUSTRALIA \$000	CANADA \$000	OTHER* \$000	TOTAL \$000
SEGMENT REVENUE:						
External Customers	269,885	25,602	60,298	11,443	-	367,228
Inter-Segment Revenue	1,095	2,916	114	9	(4,134)	-
Associate Earnings	2,061	-	-	-	-	2,061
Employee Remuneration Costs	136,390	17,156	35,970	7,262	-	196,778
Other Operating Expenses	105,331	10,155	20,009	4,375	(3,790)	136,080
SEGMENT RESULT	27,407	620	3,647	(306)	(344)	31,024
Segment Total Assets	136,598	24,907	32,421	27,045	7	220,978
Segment Non-Current Assets	7,228	14,618	16,455	20,441	-	58,742
Segment Liabilities	74,261	12,949	18,684	18,555	13	124,462
Capital Expenditure	2,689	288	456	16	-	3,449
Depreciation & Amortisation	3,913	587	786	121	-	5,407

* includes inter-company eliminations and consolidation entries

Segment non-current assets for this purpose consist of property, plant and equipment, intangible assets and investment in associates.

4. SEGMENTAL REPORTING CONTINUED

Major Customer

Revenue from one client amounted to \$86 million (2010: \$82 million), arising from contracts with the New Zealand operating segment.

Services Segment Information

Asset management services include property management and asset maintenance services predominantly using our engineering and environmental specialists. Asset development services include civil, mechanical and electrical engineering, planning, environmental and architectural work.

FOR THE YEAR ENDED 31 DECEMBER 2011	ASSET DEVELOPMENT \$000	ASSET MANAGEMENT \$000	TOTAL \$000
External Revenue	187,203	206,263	393,466

FOR THE YEAR ENDED 31 DECEMBER 2010	ASSET DEVELOPMENT \$000	ASSET MANAGEMENT \$000	TOTAL \$000
External Revenue	190,606	176,622	367,228

5. INTEREST

	GROUP		PARENT COMPANY	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
INTEREST REVENUE				
Bank Deposits	3,346	3,430	3,326	3,396
Loan to Subsidiaries	-	-	802	688
TOTAL INTEREST REVENUE	3,346	3,430	4,128	4,084
INTEREST EXPENSE				
Bank Borrowings	(2,135)	(2,025)	(441)	(622)
Finance Leases	(156)	(183)	(165)	(176)
Convertible Notes	(87)	(17)	(87)	(17)
TOTAL INTEREST EXPENSE	(2,378)	(2,225)	(693)	(815)

6. TAXATION

(A) INCOME TAX RECOGNISED IN THE INCOME STATEMENT	GROUP		PARENT COMPANY	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
CURRENT TAXATION				
Current Period	9,483	10,316	8,433	9,578
Research and Development Tax Credits	(1,464)	(232)	(1,377)	-
Adjustment in Respect of Prior Periods	(302)	7	(123)	256
	7,717	10,091	6,933	9,834
DEFERRED TAXATION				
Origination and Reversal of Timing Differences	(718)	(448)	225	(712)
Reduction in Tax Rates	100	644	-	533
Under/(Over) Provision in Prior Years	224	(63)	(16)	73
	(394)	133	209	(106)
TAXATION EXPENSE	7,323	10,224	7,142	9,728

The prima facie income tax expense on pre-tax accounting profit reconciles to the income tax expense in the financial statements as follows:

	GROUP		PARENT COMPANY	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Operating Surplus Before Taxation	31,853	32,229	31,233	29,569
Prima Facie Income Tax at 28% (2010: 30%)	8,919	9,669	8,745	8,871
Taxation Effect of Differences between Tax and Accounting	(7)	211	(87)	256
Utilisation of Tax Losses	(260)	(9)	-	-
Adjustment in Respect of Prior Periods	(78)	(56)	(139)	329
Different Overseas Statutory Tax Rates	113	(3)	-	-
Effect of Change in Corporation Tax Rate	100	644	-	533
Research & Development Tax Credits	(1,464)	(232)	(1,377)	-
Tax Group Offset	-	-	-	(261)
TAXATION EXPENSE	7,323	10,224	7,142	9,728

The effect of the change in corporation tax rate reflects the impact on the deferred tax asset from the progressive change in the United Kingdom tax rate from 27% to 26% during 2011 (2010: change in corporate tax rate from 30% to 28% in New Zealand and the United Kingdom tax rate from 28% to 27%).

During the year the Group received a one-off credit for research and development activity in New Zealand relating to a prior year. An amount of \$1.38 million has been credited against tax expense in the year. Research and Development tax incentives continue to be available in a number of the countries that we operate in; however after a change in legislation further tax credits will not be available in New Zealand in future years.

6. TAXATION CONTINUED

Unrecognised Tax Losses

The Group has unrecognised overseas income tax losses available to carry forward of \$4.3 million (2010: \$5.3 million). No deferred tax asset has been recognised for these losses as it is not considered sufficiently probable that they will be utilised or they are for dormant companies that are not expected to trade in the future.

The deferred tax asset of \$12.4 million includes \$1.9 million related to subsidiaries that made a loss in the 2011 financial year. Based on business forecasts the deferred tax benefits in these subsidiaries are expected to be realised in the foreseeable future.

	GROUP		PARENT COMPANY	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
(B) INCOME TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME				
Foreign Currency Translation Reserve	(45)	93	-	-
Actuarial Loss on Defined Benefit Plan	87	344	-	-
INCOME TAX CHARGED TO OTHER COMPREHENSIVE INCOME	42	437	-	-

	GROUP		PARENT COMPANY	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
(C) DEFERRED TAX ASSET				
Employee Entitlements	7,494	7,464	6,190	6,307
Property, Plant and Equipment	1,567	1,296	934	905
Defined Benefit Pension Obligation	217	353	-	-
Provisions	526	770	131	252
Tax Losses Recognised	2,597	2,285	-	-
TOTAL DEFERRED TAX ASSET	12,401	12,168	7,255	7,464
Balance at Beginning of Year	12,168	12,888	7,464	7,358
Foreign Exchange Adjustment	(74)	(201)	-	-
Acquisition of Subsidiaries	-	(42)	-	-
Amount Charged to Income Statement	394	(133)	(209)	106
Amount Charged to Equity	(87)	(344)	-	-
BALANCE AT END OF YEAR	12,401	12,168	7,255	7,464

	PARENT COMPANY	
	2011 \$000	2010 \$000
(D) IMPUTATION CREDIT ACCOUNT		
Opening Balance	14,389	9,436
Income Tax or RWT Payments During the Year	10,281	9,386
Credits attached to Dividends Paid	(4,972)	(4,433)
CLOSING BALANCE	19,698	14,389

7. EARNINGS PER SHARE

Basic Earnings Per Share

Basic earnings per share is calculated by dividing net surplus after tax by the weighted average number of ordinary shares on issue. For the year ended 31 December 2011 the weighted average number of shares on issue are 143,605,897 (2010: 139,820,470).

Diluted Earnings Per Share

Diluted earnings per share represents basic earnings per share adjusted for the dilutive effect of outstanding share options whose exercise price is less than the current estimate of fair market value. These options increase the weighted average number of shares on issue with no corresponding increase in net surplus after tax (as per basic earnings per share), causing a reduction in earnings per share (dilutive effect). Convertible notes are also considered to be dilutive and these have been included in the calculation of diluted earnings per share as the interest earned by noteholders is less than basic earnings per share. The weighted average number of shares used to calculate diluted earnings per share for the year ended 31 December 2011 are 149,641,396 (2010: 147,377,264).

8. EQUITY - ORDINARY SHARE CAPITAL

All ordinary shares have equal voting rights and share equally in dividends and surplus on winding up. These shares have been issued and are fully paid.

During the year ended 31 December 2011, the Company has undertaken the following equity transactions:

- 1) The exercise of share options under the Employee Share Option Plan;
- 2) The issue of shares for the Employee Share Ownership Plan;
- 3) The conversion of Convertible Notes into Ordinary Shares; and
- 4) The transfer of shares to employees from the Employee Share Ownership Plan on retirement.

The following table summarises the movements in ordinary share capital during the year ended 31 December 2011.

	ORDINARY SHARE CAPITAL \$000	NO. OF SHARES	ACCUMULATED NO. OF SHARES
At 1 January 2011	50,655	141,995,306	141,995,306
Exercise of Share Options	1,820	2,893,170	144,888,476
Conversion of Convertible Notes into Ordinary Shares	42	56,000	144,944,476
Transfer of Shares for Employees from the Employee Share Ownership Plan on Retirement	90	55,405	144,999,881
Share Issue for Employee Share Ownership Plan	1,394	686,853	145,686,734
Transfer of Shares to Treasury Stock	(1,394)	(686,853)	144,999,881
AT 31 DECEMBER 2011	52,607	144,999,881	144,999,881

8. EQUITY - ORDINARY SHARE CAPITAL CONTINUED

Treasury Shares

The Company issued a number of its own equity instruments for later use in the Employee Share Ownership Plan (details of which are disclosed in Note 10). The value of these shares and associated transaction costs are deducted from equity. The first issue of shares under the Employee Share Ownership Plan is scheduled for 2013. As at 31 December 2011, the Group and Parent Company through an Employee Trust (Opus Partners Trust), held 3,451,721 Treasury Shares (2010: 2,820,273).

Capital Management

When managing capital, the Board's objectives are to ensure that the Company continues as a going concern and to achieve optimal returns to shareholders. The Directors also aim to maintain a capital structure that has an appropriate cost of capital available to the Company. With the exception of the Employee Share Ownership Plan, the major shareholder and the Directors have no specific plans to issue further shares but remain open to doing so. This may occur as a means for the Group to fund an acquisition. The Employee Share Ownership Plan involves the company issuing new shares to the Opus Partners Trust.

Management monitor the return on equity (defined as Net Profit After Tax/Average Shareholders Equity) and the debt and net debt to equity ratios. Management also monitors the relationship between equity and total tangible assets to ensure compliance with bank covenants. One of the Group's bankers requires total shareholders funds (equity) to be no less than 20% of total tangible assets at all times. These measures during 2011 and 2010 were as follows:

	GROUP		PARENT COMPANY	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Short Term Bank Borrowings	36,440	37,614	12,420	14,362
Long Term Bank Borrowings	4,415	4,578	-	-
Finance Lease Liabilities	2,407	2,612	2,112	2,245
TOTAL DEBT	43,262	44,804	14,532	16,607
TOTAL EQUITY	111,317	96,516	116,994	102,702
NET PROFIT AFTER TAX	24,530	22,005	24,091	19,841
Debt to Equity Ratio	0.39	0.46	0.12	0.16
Net Debt to Equity Ratio	-	-	-	-
Return on Equity	23.61%	25.12%	21.93%	20.75%
Equity to Total Tangible Assets Ratio	0.83	0.79	-	-

9. EQUITY - CONVERTIBLE NOTES

During 2007, the Company issued convertible notes to certain employees for cash consideration. These convertible notes are interest bearing and the current interest rate is 8.23% (2010: 8.23%). Interest is recognised on an accruals basis and included within Creditors, Accruals and Provisions. The notes are convertible into ordinary shares at any time at the option of either the Company or the holder. The equity portion of the convertible notes is classified within a separate component of equity and as at 31 December 2011 there were 483,300 convertible notes on issue (2010: 539,300) following the conversion of 56,000 notes into ordinary shares during the year.

10. EQUITY - EMPLOYEE BENEFITS

The Employee Benefits Reserve is used to record the value of share based payments provided to employees. The Employee Benefits Reserve also contains the actuarial gains/losses on the Defined Benefit Pension Fund, details of which are disclosed in Note 18. The following table summarises the reserve as at balance date:

	GROUP		PARENT COMPANY	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Employee Equity-Settled Benefits	235	282	235	282
Defined Benefit Pension Fund	832	583	-	-
CARRYING AMOUNT AT END OF YEAR	1,067	865	235	282

Employee equity-settled benefits comprise the fair value at grant date of the Company's employee share option plan and Employee Share Ownership Plan.

Employee Share Option Plan

In May 2002 the Company established an employee share option plan (ESOP), by way of offering selected employees the opportunity to purchase options for ordinary shares in the company. Additional issues of options were made in 2003, 2004, 2005, 2006 and 2007. The purpose of the employee share option plan is to:

- attract and retain key employees;
- reward and incentivise those employees; and
- create a sense of collective ownership among employees, aligning employee incentives with the enhancement of shareholder value.

The Board of Directors of Opus International Consultants Limited administers all aspects of the plan. Any matter to be determined by the Board is determined as it sees fit at its sole discretion. The options must be exercised for ordinary shares on the exercise date unless the Board considers that the exercise would give rise to a breach of regulations or the options have expired. Options will also be forfeited if the participant ceases to be an employee.

To date the 2002, 2003, 2004, 2005 and 2006 tranches have been exercised. The remaining options outstanding are detailed in the table below.

	OPTIONS ISSUED	OPTION PRICE	EXERCISE PRICE	FAIR VALUE	EXERCISE DATE
2007	2,369,040	Nil	\$0.741	\$0.042	May 2012

Effective from June 2008, the Employee Share Option Plan has been replaced by the Employee Share Ownership Plan, which is discussed in further detail below.

10. EQUITY - EMPLOYEE BENEFITS CONTINUED

Employee Share Ownership Plan

During the year ended 31 December 2008, the Company established the Opus International Consultants Limited Employee Share Ownership Plan to replace the Employee Share Option Plan. The Share Ownership Plan established a framework under which the Company can, from time to time, offer selected employees the opportunity to acquire shares in the Company. It is anticipated that the Company will make annual offers to selected employees as part of their remuneration package. The plan initially operated with the Company acquiring its own shares on-market for immediate resale to participants. The price at which the shares were resold to participants was the average price paid by the Company to acquire the shares. During the year ended 31 December 2010, the Company ceased acquiring its own shares and began issuing new shares to participants. New shares issued are issued at the market price on the day of issue.

The Company offers an interest free loan to the participants to purchase a beneficial interest in the shares. The shares will be held in Trust for the duration of a restricted period and initially the vesting period will be five years after the date that employees are invited to participate in the Plan. The Company's Board of Directors administer the Trust and the Trustee holds legal title until the Transfer Date. The Trust is included within the Parent Company when preparing the Company and Group's Financial Statements.

At the completion of the vesting period, participants may elect to accept a transfer of the restricted shares subject to the loan being repaid, continued employment and all exercise hurdles being met. The exercise hurdle has been set to align employees interests with shareholders and the shares will not be released unless, at the vesting date, aggregate NOPAT exceeds the vesting hurdle.

Aggregate NOPAT is defined as Earnings Before Interest and Tax ("EBIT") as set out in the consolidated audited financial statements of the Group for the year in which the shares are allocated to participants and each of the following four years respectively, net of tax.

The vesting hurdle equals $5 \times \text{EBIT}$ (for the preceding year), net of tax, plus $(A - (5 \times B)) \times C$.

A = Average Adjusted Net Assets (average of the opening and closing) as set out in the consolidated audited financial statements of the Group for the year in which the shares are allocated to participants and each of the following four years respectively. Average Net Assets is defined as Net Assets less bank balances and short term deposits plus borrowings, doubtful debts and provisions for employee entitlements;

B = Average Adjusted Net Assets for the year preceding the grant; and

C = Weighted Average Cost of Capital (WACC) most recently determined by the Company's directors prior to the allocation of shares to the participants. The Company's WACC after tax is currently 12%.

During the year ended 31 December 2011, the Company issued 850,541 shares for the fourth tranche under this plan. The following table summarises the shares acquired on-market during 2008 and 2009 and those issued in 2010 and 2011:

	SHARES ACQUIRED/ISSUED	EXERCISE PRICE	FAIR VALUE	EXERCISE DATE
2008	950,643	\$1.87	\$0.21	August 2013
2009	988,270	\$1.57	\$0.18	September 2014
2010	1,030,639	\$1.55	\$0.18	September 2015
2011	850,541	\$2.03	\$0.15	September 2016

Included in the shares issued for the 2011 tranche were 163,688 shares that had been forfeited from the 2008/2009/2010 tranches. The total number of new shares issued for the 2011 tranche was 686,853.

The cost of all equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using the Black-Scholes-Merton model. For share options granted during the year, the fair value calculation was based on the following key inputs:

Option Life	5 Years
Dividend Growth Rate	13.5%
Share Price Volatility	25-30%
Exercise Price	\$2.03
Valuation Date Share Price	\$1.92
Risk Free Interest Rate	4.6%

Employee Equity Benefits Reserve Account

The movement within the Employee Equity Benefits Reserve account within shareholders equity for the above ESOP schemes, for the year ended 31 December 2011, is shown in the table below:

ESOP	31 DECEMBER			
	2011 \$000	2010 \$000	2011 Nos.	2010 Nos.
Opening Balance	282	224	7,815,678	8,584,452
Options Granted During Year	-	-	850,541	1,030,639
Options Forfeited	-	-	(638,219)	(116,173)
Options Exercised	(120)	(64)	(2,893,170)	(1,683,240)
Share-Based Payment Expense	73	122	-	-
TOTAL OPTIONS ON ISSUE	235	282	5,134,830	7,815,678

11. EQUITY - RETAINED EARNINGS

	GROUP		PARENT COMPANY	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Balance at Beginning of Year	44,352	32,783	51,365	41,960
Net Surplus for the Year	24,530	22,005	24,091	19,841
Dividend on Ordinary Shares	(11,777)	(10,537)	(11,777)	(10,537)
Tax Credit on Supplementary Dividend	115	101	115	101
BALANCE AT END OF YEAR	57,220	44,352	63,794	51,365

Dividends of \$11.8 million (including \$0.1 million supplementary dividends) were declared and paid during the twelve months to 31 December 2011 representing 8.1 cents per ordinary share (2010: 7.3 cents per share).

12. EQUITY - FOREIGN CURRENCY TRANSLATION RESERVE

	GROUP		PARENT COMPANY	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Balance at Beginning of Year	244	(352)	-	-
Net Exchange Difference on Translation of International Subsidiaries	(648)	(205)	-	-
Income Tax Effect of Translation of International Subsidiaries	95	175	-	-
Net Gain on Hedge of Net Investment	424	894	-	-
Income Tax Effect of Hedge of Net Investment	(50)	(268)	-	-
BALANCE AT END OF YEAR	65	244	-	-

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries and items that form part of the Company's net investment in foreign subsidiaries. It is also used to record the effective portion of gains and losses arising on derivatives used in net investment hedges of foreign operations.

13. PROPERTY, PLANT AND EQUIPMENT

	GROUP							
	LAND \$000	BUILDINGS \$000	LEASEHOLD IMPROVEMENTS \$000	PLANT & VEHICLES \$000	COMPUTER EQUIPMENT \$000	FURNITURE & EQUIPMENT \$000	FINANCE LEASES (COMPUTER EQUIPMENT) \$000	TOTAL \$000
2011								
Balance at 1 January 2011 (net of accumulated depreciation and impairment)	135	1,095	1,595	1,523	1,081	2,307	2,132	9,868
Additions	-	-	625	717	2,099	770	90	4,301
Disposals	-	-	-	(26)	(1)	(3)	-	(30)
Reclassification	-	-	(7)	-	(1,205)	9	1,122	(81)
Depreciation charge for the year	-	(24)	(755)	(755)	(551)	(950)	(1,320)	(4,355)
Foreign Exchange Adjustment	-	(15)	(14)	7	9	(21)	(4)	(38)
BALANCE AT 31 DECEMBER 2011	135	1,056	1,444	1,466	1,432	2,112	2,020	9,665
At 31 December 2011								
Cost	135	1,245	9,698	8,925	4,737	11,337	10,256	46,333
Accumulated Depreciation And Impairment	-	(189)	(8,254)	(7,459)	(3,305)	(9,225)	(8,236)	(36,668)
NET CARRYING AMOUNT	135	1,056	1,444	1,466	1,432	2,112	2,020	9,665

	GROUP							
	LAND \$000	BUILDINGS \$000	LEASEHOLD IMPROVEMENTS \$000	PLANT & VEHICLES \$000	COMPUTER EQUIPMENT \$000	FURNITURE & EQUIPMENT \$000	FINANCE LEASES (COMPUTER EQUIPMENT) \$000	TOTAL \$000
2010								
Balance at 1 January 2010 (net of accumulated depreciation and impairment)	135	1,204	2,174	1,448	1,400	2,791	2,013	11,165
Additions	-	-	169	876	1,533	353	252	3,183
Assets of Subsidiaries Acquired	-	-	173	-	45	132	-	350
Disposals	-	-	(1)	(29)	(34)	(33)	-	(97)
Reclassification	-	-	(4)	-	(1,342)	50	1,264	(32)
Depreciation charge for the year	-	(24)	(945)	(755)	(503)	(1,031)	(1,396)	(4,654)
Foreign Exchange Adjustment	-	(85)	29	(17)	(18)	45	(1)	(47)
BALANCE AT 31 DECEMBER 2010	135	1,095	1,595	1,523	1,081	2,307	2,132	9,868
At 31 December 2010								
Cost	135	1,263	9,162	8,405	5,360	11,041	8,895	44,261
Accumulated Depreciation And Impairment	-	(168)	(7,567)	(6,882)	(4,279)	(8,734)	(6,763)	(34,393)
NET CARRYING AMOUNT	135	1,095	1,595	1,523	1,081	2,307	2,132	9,868

13. PROPERTY, PLANT AND EQUIPMENT CONTINUED

	PARENT COMPANY							
2011	LAND \$000	BUILDINGS \$000	LEASEHOLD IMPROVEMENTS \$000	PLANT & VEHICLES \$000	COMPUTER EQUIPMENT \$000	FURNITURE & EQUIPMENT \$000	FINANCE LEASES (COMPUTER EQUIPMENT) \$000	TOTAL \$000
Balance at 1 January 2011 (net of accumulated depreciation and impairment)	135	239	703	1,091	588	1,197	1,898	5,851
Additions	-	-	287	610	1,889	558	-	3,344
Disposals	-	-	-	(7)	-	1	-	(6)
Reclassification	-	-	-	-	(1,123)	-	1,124	1
Depreciation charge for the year	-	(6)	(331)	(548)	(279)	(588)	(1,206)	(2,958)
BALANCE AT 31 DECEMBER 2011	135	233	659	1,146	1,075	1,168	1,816	6,232
At 31 December 2011								
Cost	135	280	6,334	7,384	1,748	7,325	9,918	33,124
Accumulated Depreciation And Impairment	-	(47)	(5,675)	(6,238)	(673)	(6,157)	(8,102)	(26,892)
NET CARRYING AMOUNT	135	233	659	1,146	1,075	1,168	1,816	6,232

	PARENT COMPANY							
2010	LAND \$000	BUILDINGS \$000	LEASEHOLD IMPROVEMENTS \$000	PLANT & VEHICLES \$000	COMPUTER EQUIPMENT \$000	FURNITURE & EQUIPMENT \$000	FINANCE LEASES (COMPUTER EQUIPMENT) \$000	TOTAL \$000
Balance at 1 January 2010 (net of accumulated depreciation and impairment)	135	245	1,129	842	769	1,559	2,013	6,692
Additions	-	-	115	769	1,307	262	-	2,453
Disposals	-	-	-	(10)	(11)	(5)	-	(26)
Reclassification	-	-	-	-	(1,270)	(1)	1,271	-
Depreciation charge for the year	-	(6)	(541)	(510)	(207)	(618)	(1,386)	(3,268)
BALANCE AT 31 DECEMBER 2010	135	239	703	1,091	588	1,197	1,898	5,851
At 31 December 2010								
Cost	135	280	6,077	6,897	1,158	6,794	8,643	29,984
Accumulated Depreciation And Impairment	-	(41)	(5,374)	(5,806)	(570)	(5,597)	(6,745)	(24,133)
NET CARRYING AMOUNT	135	239	703	1,091	588	1,197	1,898	5,851

14. INVESTMENTS IN ASSOCIATES

	GROUP	
	2011 \$000	2010 \$000
Carrying Amount at Start of Year	291	511
Share of Surplus	653	2,061
Dividends Received	(605)	(2,281)
CARRYING AMOUNT AT END OF YEAR	339	291

The Parent Company owns interests in the following entities:

INTEREST IN ASSOCIATES	% INTEREST	BALANCE DATE	PRINCIPAL ACTIVITY
NZ Water and Environment Training Academy	50%	31 December	Providing Water Services Training
TBS Corporation Limited	25%	31 March	Providing Engineering Services

There are no significant unadjusted transactions or events that occurred between the balance date of the company and that of any associates.

Whilst the Group has significant influence over these associates it does not have the power to govern the financial and operating policies and these entities are therefore not consolidated into the Group.

The unaudited financial position of the Associate Companies as at 31 December 2011 is summarised below:

	2011 \$000	2010 \$000
Current Assets	2,424	2,491
Non-Current Assets	240	183
Total Assets	2,664	2,674
Current Liabilities	(1,423)	(1,768)
Total Liabilities	(1,423)	(1,768)
NET ASSETS	1,241	906
Revenue Earned	12,094	27,353
Profit For The Year	2,460	7,964

15. INTANGIBLE ASSETS

	GROUP		PARENT COMPANY	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
INTANGIBLE ASSETS COMPRISE:				
Software Assets	771	811	631	670
Goodwill	46,666	47,772	415	415
CARRYING AMOUNT AT END OF YEAR	47,437	48,583	1,046	1,085

	GROUP		PARENT COMPANY	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
SOFTWARE ASSETS				
Carrying Amount at Start of Year	811	1,227	670	1,078
Additions	554	266	507	237
Assets of Subsidiaries Acquired	-	41	-	-
Disposals	-	(11)	-	-
Reclassification from Property, Plant and Equipment	81	32	(1)	-
Amount Amortised During Year	(666)	(753)	(545)	(645)
Foreign Exchange Adjustment	(9)	9	-	-
CARRYING AMOUNT AT END OF YEAR	771	811	631	670
Cost	7,922	7,170	6,286	5,780
Accumulated Amortisation	(7,151)	(6,359)	(5,655)	(5,110)
	771	811	631	670

Software assets represent licenses and other software assets that are not an integral part of property, plant and equipment assets. Software assets are recorded at cost and have finite useful lives based on the term of the license or other contractual basis. The cost is amortised over the asset's useful life.

	GROUP		PARENT COMPANY	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
GOODWILL				
Carrying Amount at Start of Year	47,772	31,330	415	415
Additions	-	16,182	-	-
Foreign Exchange Adjustment	(1,106)	260	-	-
CARRYING AMOUNT AT END OF YEAR	46,666	47,772	415	415
Cost	47,264	48,376	415	415
Accumulated Impairment	(598)	(604)	-	-
	46,666	47,772	415	415

Goodwill Recoverable Amount

Goodwill is allocated and monitored by management across the following cash generating units:

	UNITED KINGDOM \$000	CANADA \$000	AUSTRALIA \$000	NEW ZEALAND \$000	TOTAL \$000
As at 31 December 2011	12,548	19,200	14,503	415	46,666
As at 31 December 2010	12,786	19,913	14,658	415	47,772

Goodwill has been tested for impairment by comparing the carrying amount of all cash-generating units (inclusive of goodwill) with their respective recoverable amounts, which are based on value in use. The value in use is determined by discounting future cashflows over a five-year period including a terminal value. The future cashflows are based on management's five-year business plan, which is the best estimate of immediate future performance. Management consider these forecasts to be realistic and prudent.

The following describes the key assumptions and management's approach to determining the value in use for each of the above cash generating units.

United Kingdom

The value in use of the United Kingdom CGU is based on cashflow projections for a five year period with the following key assumptions:

- 1) The unit will return to profit in 2012 after a difficult 2011 reflecting management actions taken during 2011 and supported by the units results in the final months of 2011;
- 2) Following 2012, the unit will achieve revenue growth consistent with inflation expectations of 2.9% per annum over the four year period to 2016; and
- 3) The forecast revenue growth will assist the unit to return to a more sustainable level of profitability in future years and the forecasts assume that the profit margin (defined as EBIT to Net Revenue) will grow by 1% each year from 2013 to 2016.

The above key assumptions are based on management's assessment of the current and anticipated future economic environment of the United Kingdom, coupled with an assessment of the unit's trading capabilities and prospects. The future growth assumptions take into account the unit's recent performance, and the expectation that there will be some improvement in the United Kingdom's economy over the next five years. This expectation is underpinned by the recent announcements from the UK Government indicating significant increased spending on infrastructure.

The future cashflows have been extrapolated beyond the 5 year period using a growth rate of 2.9% (2010: 3.3%) and discounted at a pre-tax rate of 11.8% (2010: 11.4%). The growth rate has decreased slightly from that used in 2011 to align with current long term inflation expectations for the UK economy. The discount rate has increased based on independent advice on the appropriate discount rate applicable to the United Kingdom.

There remains a risk that a reasonably possible change in the above key assumptions could result in the carrying value of the CGU's assets exceeding the recoverable amount, resulting in an impairment. The most recent assessment of recoverable amount showed that it exceeds the carrying amount of the CGU's assets by approximately \$2.8 million (£1.43 million). This headroom is mostly attributable to the growth in revenues and profitability factored into future years. If both the revenue and profit growth do not occur then the carrying amount of the assets would exceed the recoverable amount of the CGU.

15. INTANGIBLE ASSETS CONTINUED

Canada

The value in use of the Canada CGU is based on cashflow projections for a five year period with the following key assumptions:

- 1) The unit will achieve an improved 2012 result compared with 2011;
- 2) Following 2012, the unit will achieve revenue growth of 5% per annum for 2013 to 2016; and
- 3) The improving performance will lead to increased profitability in future years and the forecasts assume that the profit margin (defined as EBIT to Net Revenue) will grow by 1% each year from 2013 to 2016.

The above key assumptions are based on management's assessment of the current and anticipated future economic environment of the Canadian market, coupled with an assessment of the unit's trading capabilities and prospects.

The future cashflows have been extrapolated beyond the 5 year period using a growth rate of 2% (2010: 3%) and discounted at a pre-tax rate of 10.9% (2010: 10.6%). The discount rate has increased in line with interest rate movements and is based on independent advice on the appropriate discount rate applicable to Canada.

Australia

The value in use of the Australian CGU is based on cashflow projections for a five year period with the following key assumptions:

- 1) The unit will achieve an improved 2012 result compared with 2011;
- 2) Following 2012, the unit will achieve revenue growth of 5% per annum for 2013 to 2016; and
- 3) The improving performance will lead to increased profitability in future years and the forecasts assume that the profit margin (defined as EBIT to Net Revenue) will grow by 1% each year from 2013 to 2016.

The above key assumptions are based on management's assessment of the current and anticipated future economic environment of the Australian market, coupled with an assessment of the unit's trading capabilities and prospects.

The future cashflows have been extrapolated beyond the 5 year period using a growth rate of 2.8% (2010: 3%) and discounted at a pre-tax rate of 14.7% (2010: 15.3%). The discount rate has decreased in line with interest rate movements and is based on independent advice on the appropriate discount rate applicable to Australia.

New Zealand

The value in use of the New Zealand CGU has not been calculated due to the insignificant value of goodwill included in the CGU and the strong financial performance of the unit.

No impairment was identified in any of the above CGU's for the year ended 31 December 2011 (2010: \$nil).

16. RECEIVABLES AND PREPAYMENTS

	NOTE	GROUP		PARENT COMPANY	
		2011 \$000	2010 \$000	2011 \$000	2010 \$000
Trade Receivables		41,311	43,544	24,592	24,843
Less Provision for Doubtful Debts	21	(694)	(1,644)	(198)	(322)
Prepayments		2,358	3,274	1,473	2,542
Interest Receivable		681	749	681	749
Other Receivables		808	1,484	135	510
Receivables from Subsidiaries		-	-	293	803
TOTAL RECEIVABLES AND PREPAYMENTS		44,464	47,407	26,976	29,125

Included within other receivables are retentions receivable of \$89,234 for the Group and Parent Company (2010: \$105,400) and amounts receivable from Opus Group Bhd to the Group of \$4,480 (2010: \$112,121).

17. PROVISION FOR EMPLOYEE ENTITLEMENTS

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 as at 31 December 2011 and 2010 have been based on an independent actuarial valuation provided by AON Consulting (NZ) Limited and are summarised in the tables below.

	GROUP		PARENT COMPANY	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
PROVISION FOR EMPLOYEE ENTITLEMENTS - RETIREMENT LEAVE				
Opening Balance	7,701	7,423	7,542	7,275
Paid Relating to Prior Year	(399)	(413)	(399)	(413)
Increase during the year in the discounted amount arising from the passage of time and the effect of any change in the discount rate	372	1	372	1
Transfer from Subsidiary	-	-	42	-
Foreign Exchange Adjustment	(3)	8	-	-
Provision Current Year	466	682	478	679
CLOSING BALANCE	8,137	7,701	8,035	7,542

17. PROVISION FOR EMPLOYEE ENTITLEMENTS CONTINUED

	GROUP		PARENT COMPANY	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
PROVISION FOR EMPLOYEE ENTITLEMENTS - LONG SERVICE LEAVE				
Opening Balance	3,485	3,201	1,312	1,326
Paid Relating to Prior Year	(358)	(345)	(168)	(108)
Increase during the year in the discounted amount arising from the passage of time and the effect of any change in the discount rate	(138)	(2)	(138)	(2)
Transfer from Subsidiary	-	-	6	-
Foreign Exchange Adjustment	(28)	138	-	-
Provision Current Year	646	493	146	96
CLOSING BALANCE	3,607	3,485	1,158	1,312

	GROUP		PARENT COMPANY	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
MATURITY PROFILE OF RETIREMENT AND LONG SERVICE LEAVE LIABILITIES				
Current - Less than One Year	4,825	4,458	2,366	2,267
Term - Greater than One Year	6,919	6,728	6,827	6,587
TOTAL RETIREMENT AND LONG SERVICE LEAVE LIABILITIES	11,744	11,186	9,193	8,854

18. DEFINED BENEFIT PENSION LIABILITY

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 becoming 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 to the Fund was assessed by the independent actuary as at 31 December 2011 at \$0.84 million or £0.42 million (2010: \$1.31 million, £0.64 million) and has been taken up as a liability by the Company. The assets and liabilities of the Fund are outlined below:

	2011 \$000	2010 \$000	2009 \$000	2008 \$000	2007 \$000
Present Value of Defined Benefit Liabilities	(11,689)	(11,834)	(12,769)	(10,659)	(15,184)
Fair Value of Fund Assets	10,854	10,529	10,009	10,261	14,709
NET FUND LIABILITIES	(835)	(1,305)	(2,760)	(398)	(475)
INCOME TAX/(BENEFIT) ON ACTUARIAL GAINS/LOSSES	(87)	(344)	708	2	(51)

Changes in the present value of the defined benefit obligation are as follows:

	2011 \$000	2010 \$000
Opening Defined Benefit Obligation	(11,834)	(12,769)
Current Service Cost	(155)	(152)
Interest Cost	(619)	(691)
Benefits Paid	732	458
Member Contributions	(30)	(32)
Actuarial (Gains)/Losses	(4)	227
Foreign Exchange Movements	221	1,125
CLOSING DEFINED BENEFIT OBLIGATION	(11,689)	(11,834)

Changes in the fair values of plan assets are as follows:

	2011 \$000	2010 \$000
Opening Fair Value of Plan Assets	10,529	10,009
Expected Return	489	420
Contributions by Employer	394	417
Member Contributions	30	32
Benefits Paid	(732)	(458)
Actuarial Gains/(Losses)	340	1,001
Foreign Exchange Movements	(196)	(892)
FAIR VALUE OF PLAN ASSETS AT 31 DECEMBER	10,854	10,529

The income tax on actuarial gains/losses is recognised directly in Other Comprehensive Income within the Statement of Comprehensive Income.

The Group expects to make contributions to the Fund of approximately \$0.4 million in 2012.

18. DEFINED BENEFIT PENSION LIABILITY CONTINUED

The principal actuarial assumptions used as at 31 December were:

	2011	2010	2009	2008	2007
Discount Rate	5.1%	5.5%	6.0%	6.9%	5.8%
Salary Escalation	2.9%	3.3%	3.0%	5.0%	4.7%
Expected Gross Return on Cash and Other Assets	3.3%	3.8%	4.1%	4.7%	4.8%
Expected Return on Group Pension Contract	4.9%	4.8%	4.6%	6.3%	5.9%

The fair value of fund assets principally consists of a group pension contract.

The benefits paid during the year ended 31 December 2011 totalled \$0.7 million (2010: \$0.5 million, 2009: \$0.002 million).

19. CREDITORS, ACCRUALS AND PROVISIONS

	GROUP		PARENT COMPANY	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Trade & Sundry Creditors	2,644	5,997	1,830	3,863
Accruals	13,394	12,217	10,218	8,950
Short Term Payable	5,480	-	-	-
Provisions	437	924	268	580
TOTAL CREDITORS, ACCRUALS AND PROVISIONS	21,955	19,138	12,316	13,393

Short Term Payable

The short term payable comprises an amount of \$5.5 million (C\$4.34 million), payable to the vendors of Dayton & Knight Limited on 15 November 2012. This amount was included in the purchase consideration for this business combination.

Provisions

The following provisions have been determined based on a loss-incurred model and recorded within provisions above:

	GROUP		PARENT COMPANY	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
PROFESSIONAL INDEMNITY CLAIMS				
Opening Balance	606	454	268	68
Paid Relating to Prior Year	(229)	(97)	-	-
Amount Released	(147)	(269)	(146)	-
Foreign Exchange Adjustment	(5)	(9)	-	-
Provision Current Year	64	527	-	200
CLOSING BALANCE	289	606	122	268

	GROUP		PARENT COMPANY	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
PROVISION FOR PROJECT COSTS				
Opening Balance	318	490	312	447
Amount Released	(308)	(341)	(303)	(304)
Provision Current Year	138	169	137	169
CLOSING BALANCE	148	318	146	312

The Professional Indemnity claim provision is an assessed amount relating to a number of contracts that Opus may or may not be required to pay outside of its insurance cover. Due to the complexity of the cases it is unknown at this time when subsequent payments (if any) may be made. Provision for project costs is an assessment of the shortfall between costs and future revenue on certain projects where the Company is committed to providing a service for which the costs will exceed the revenues.

20. FINANCE LEASE LIABILITIES

	GROUP		PARENT COMPANY	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
PRESENT VALUE OF MINIMUM LEASE PAYMENTS				
LEASE LIABILITY UNDER FINANCE LEASES				
Current - Less Than One Year	1,083	1,321	969	1,158
Between One & Two Years	385	420	205	216
Between Two & Five Years	939	871	938	871
PRESENT VALUE OF MINIMUM LEASE PAYMENTS	2,407	2,612	2,112	2,245

Total minimum lease payments over the term of finance leases are summarised in the table below:

	GROUP		PARENT COMPANY	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
MINIMUM LEASE PAYMENTS				
LEASE LIABILITY UNDER FINANCE LEASES				
Current - Less Than One Year	1,200	1,445	1,066	1,262
Between One & Two Years	442	477	249	258
Between Two & Five Years	954	896	946	883
MINIMUM LEASE PAYMENTS	2,596	2,818	2,261	2,403
Less Interest Attributable to Future Years	(189)	(206)	(149)	(158)
PRESENT VALUE OF MINIMUM LEASE PAYMENTS	2,407	2,612	2,112	2,245

The average interest rate on the Finance Leases was 6.90% (2010: 7.28%) per annum.

21. FINANCIAL INSTRUMENTS & RISK MANAGEMENT

The Group's principal financial instruments comprise cash balances, bank borrowings, receivables, creditors, lease creditors, term payables, convertible notes and derivative financial instruments. It is, and has been through the period of these financial statements, the Group's policy that no trading in financial instruments shall be undertaken. All material financial instruments are classified as either loans and receivables or as financial liabilities at amortised cost. The following table summarises the categories of the Group and Parent Company's financial instruments:

	GROUP		PARENT COMPANY	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
LOANS AND RECEIVABLES				
Cash and Cash Equivalents	92,813	83,559	91,365	81,442
Trade Receivables	41,311	43,544	24,592	24,843
DERIVATIVES DESIGNATED AS A HEDGE OF A NET INVESTMENT				
Derivative Financial Instruments	245	-	245	-
FINANCIAL LIABILITIES AT AMORTISED COST				
Short Term Bank Borrowings	36,440	37,614	12,420	14,362
Trade Creditors	2,644	5,997	1,830	3,863
Finance Leases	2,407	2,612	2,112	2,245
Short Term Payable	5,480	-	-	-
Long Term Bank Borrowings	4,415	4,578	-	-
Long Term Payable	918	6,468	-	-

The main risks arising from the Group's financial instruments are credit risk, foreign currency risk, interest rate risk and liquidity risk. These risks are explained and quantified in further detail below.

Credit Risk

Credit risk arises from the financial assets of the Group and the potential default of the counterparty. Financial instruments which potentially subject the Group to credit risk principally consist of cash and cash equivalents and receivables. The Group manages its exposures to credit risk by performing credit evaluations on its customers requiring credit and monitoring the credit quality of financial institutions that hold cash balances and are counter parties to financial instruments.

	GROUP		PARENT COMPANY	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
MAXIMUM EXPOSURES TO CREDIT RISK AT BALANCE DATE ARE:				
Cash and Cash Equivalents	92,813	83,559	91,365	81,442
Loans to Subsidiaries	-	-	17,540	17,953
Trade Receivables	40,617	41,900	24,394	24,521
Derivative Financial Instruments	245	-	245	-

No collateral is held on the above amounts. The maximum exposures are net of any recognised provision for losses on these financial instruments.

Concentration of Credit Risk

The Group's ten largest customers account for approximately 41% (2010: 42%) of total debtors. The majority of these customers are government and quasi-government organisations.

Credit Quality of Receivables

The credit quality of receivables is initially managed by Opus through a requirement to undertake a credit check before accepting contracts with new clients. The credit quality of receivables is further assessed on a regular basis through the Company's internal credit management policies and review processes. The Company does not employ an internal credit rating system. The quality of all receivables is reviewed on a monthly basis. At balance date the portfolio of receivables which were neither past due or impaired were considered to be of similar quality to previous periods and collectable. Further details on receivables, which are past due are provided below.

Past Due Assets

Financial assets are considered to be past due when a counterparty has failed to make a payment when contractually due. Given the diversity of the industries and practices within the various geographic locations in which the Group operates, the contractual period for collection of outstanding debts varies. Whilst the Group targets collection to occur by the due date, it is not unusual for some clients to take longer to settle their obligation with us. Accordingly the Group has determined that any amounts due which are 60 days or older represent past due assets. As at 31 December 2011 the Group and Parent Company's ageing profile of receivables was as follows:

	GROUP		PARENT COMPANY	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Receivables < 60 days old	34,078	35,276	20,160	21,573
Receivables > 60 days old not impaired	6,454	6,435	4,204	2,908
Receivables > 60 days impaired	779	1,833	228	362
TOTAL ACCOUNTS RECEIVABLE	41,311	43,544	24,592	24,843
PROVISION FOR DOUBTFUL DEBTS	694	1,644	198	322

The average age of receivables which are past due but not impaired is 102 days (2010: 93 days). Provision has been made against 100% of the impaired receivables balances, excluding indirect taxes (2010: 100%). The Group evaluates all outstanding debts for impairment on a regular basis and actively monitors and assesses whether there are any significant disputes or any concerns about the ability of the counterparty to make payment and/or whether the passage of time indicates that the collectability of a debt is doubtful. In the event of there being sufficient evidence to suggest that an amount due is doubtful, the Group provides against the outstanding amount, regardless of its age. Included in receivables greater than 60 days but not impaired are debts where we have agreed to receive payment over time but in all cases these debts are disclosed in the table above according to their original due date.

The movement in provision for doubtful debts for the year is outlined below:

	GROUP		PARENT COMPANY	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
PROVISION FOR DOUBTFUL DEBTS				
Opening Balance	1,644	3,635	322	1,475
Amount Recovered	(1,441)	(2,508)	(273)	(819)
Amount Written Off	(522)	(1,267)	(76)	(612)
Provision Current Year	1,063	1,642	225	278
Foreign Exchange Adjustment	(50)	(17)	-	-
Acquired on Acquisition of Subsidiary	-	159	-	-
CLOSING BALANCE	694	1,644	198	322

21. FINANCIAL INSTRUMENTS & RISK MANAGEMENT CONTINUED

The Group and Parent Company account for the impairment of any receivables in the first instance by recognising a provision for doubtful debts. Accordingly, the net carrying amount of Accounts Receivable also represents the fair value. During the year ended 31 December 2011, the Group wrote-off debts totalling \$522,036 (2010: \$1,267,030). The Parent Company wrote-off debts of \$76,003 (2010: \$611,882).

Foreign Currency Risk

The Group faces risk from movements in foreign currency exchange rates against the New Zealand dollar. The Group's foreign subsidiaries principally operate in the United Kingdom, Australia, Canada and the United States of America. As a result the Group's Income Statement and Statement of Financial Position can be affected by movements in exchange rates. The Group seeks to partially mitigate this foreign currency risk by borrowing in the local currency of the subsidiary and entering into forward exchange rate contracts in the local currency of the subsidiary.

The Group also has exposure to foreign exchange risk as a result of transactions denominated in other foreign currencies arising from normal trading activities. These transactions are not significant to the Group. The currencies in which the Group primarily transacts business are New Zealand dollars, Australian dollars, US dollars, British pounds and Canadian dollars. Offsetting exposures are used to mitigate this risk. Exposures in currencies that cannot be offset may be partially managed by using a US dollar partial hedge. As at 31 December 2011 there was one forward exchange contract (2010: none).

The following table summarises the potential effect on the Group's Net Surplus After Tax and Other Comprehensive Income, if the New Zealand Dollar had strengthened or weakened against the Group's three major trading currencies with all other variables held constant. Total Comprehensive Income is impacted by the translation of Australian dollar, British pound and Canadian dollar foreign currency bank overdrafts in the Parent Company into New Zealand Dollars. The calculation effectively changes the actual exchange rate in each currency for the year by 10% and restates the foreign currency bank overdrafts using the adjusted rates. The sensitivity used in the calculations below is consistent with the range of actual movements in the New Zealand Dollar against each of the foreign currencies during the year. The relative size of the overdrafts is also considered when assessing sensitivity to changes in foreign currency exchange rates.

	GROUP			
	+10%		-10%	
EFFECT OF MOVEMENTS IN FOREIGN EXCHANGE RATES ON FINANCIAL INSTRUMENTS:	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Reported Net Surplus After Tax	24,530	22,005	24,530	22,005
Potential Effect of Change in Exchange Rates	(32)	(276)	39	337
Possible Net Surplus After Tax	24,498	21,729	24,569	22,342
Other Comprehensive Income	70	1,480	70	1,480
Potential Effect of Change in Exchange Rates	1,081	1,297	(1,323)	(1,585)
Possible Other Comprehensive Income	1,151	2,777	(1,253)	(105)
Possible Total Comprehensive Income	25,649	24,506	23,316	22,237

The above calculation demonstrates the impact on Net Surplus After Tax and Other Comprehensive Income from changes in foreign currency exchange rates on financial instruments. The Group also has offsetting investment related exposures, not considered to be financial instruments, on which changes in foreign currency exchange rates have an inverse impact on Other Comprehensive Income. The overall impact on Total Comprehensive Income is the net impact from translating all these items into New Zealand Dollars. For the year ended 31 December 2011, Total Comprehensive Income reduced by \$179k (31 December 2010: increase of \$596k) arising from changes in foreign currency exchange rates.

Interest Rate Risk

Interest rate risk is the risk that the value of the Group and Parent Company's assets and liabilities will fluctuate due to changes in market interest rates.

The Group and Parent Company are exposed to interest rate risk primarily through cash balances, bank overdrafts, bank borrowings, finance leases and Convertible Notes. The Group does not have any forward rate agreements or interest rate hedge products. The interest rate re-pricing profile of the Group's financial assets and liabilities subject to interest rate risk is outlined below:

	GROUP			
AS AT 31 DECEMBER 2011	12 MONTHS \$000	12 - 24 MONTHS \$000	> 24 MONTHS \$000	TOTAL \$000
FINANCIAL ASSETS				
Cash and Cash Equivalents	92,813	-	-	92,813
TOTAL	92,813	-	-	92,813
FINANCIAL LIABILITIES				
Short Term Bank Borrowings	36,440	-	-	36,440
Finance Lease Creditors	1,083	385	939	2,407
Short Term Payable	5,480	-	-	5,480
Long Term Bank Borrowings	4,415	-	-	4,415
Long Term Payable	-	-	918	918
TOTAL	47,418	385	1,857	49,660
Convertible Notes	358	-	-	358

	GROUP			
AS AT 31 DECEMBER 2010	12 MONTHS \$000	12 - 24 MONTHS \$000	> 24 MONTHS \$000	TOTAL \$000
FINANCIAL ASSETS				
Cash and Cash Equivalents	83,559	-	-	83,559
TOTAL	83,559	-	-	83,559
FINANCIAL LIABILITIES				
Short Term Bank Borrowings	37,614	-	-	37,614
Finance Lease Creditors	1,445	477	896	2,818
Long Term Bank Borrowings	4,578	-	-	4,578
Long Term Payable	-	5,573	-	5,573
TOTAL	43,637	6,050	896	50,583
Convertible Notes	400	-	-	400

21. FINANCIAL INSTRUMENTS & RISK MANAGEMENT CONTINUED

	PARENT COMPANY			
AS AT 31 DECEMBER 2011	12 MONTHS \$000	12 - 24 MONTHS \$000	> 24 MONTHS \$000	TOTAL \$000
FINANCIAL ASSETS				
Cash and Cash Equivalents	91,365	-	-	91,365
TOTAL	91,365	-	-	91,365
FINANCIAL LIABILITIES				
Short Term Bank Borrowings	12,420	-	-	12,420
Finance Lease Creditors	969	205	938	2,112
TOTAL	13,389	205	938	14,532
Convertible Notes	358	-	-	358

	PARENT COMPANY			
AS AT 31 DECEMBER 2010	12 MONTHS \$000	12 - 24 MONTHS \$000	> 24 MONTHS \$000	TOTAL \$000
FINANCIAL ASSETS				
Cash and Cash Equivalents	81,442	-	-	81,442
TOTAL	81,442	-	-	81,442
FINANCIAL LIABILITIES				
Short Term Bank Borrowings	14,362	-	-	14,362
Finance Lease Creditors	1,262	258	883	2,403
TOTAL	15,624	258	883	16,765
Convertible Notes	400	-	-	400

The financial assets and liabilities shown above are subject to floating or short-term interest rate risk except for finance lease creditors, short and long term payables and convertible notes, which are subject to fixed rate interest risk. All other financial assets and financial liabilities of the Group and Parent Company are not subject to interest rate risk.

The following table demonstrates the potential effect on the Group and Parent Company's Net Surplus after Tax, if interest rates had been 2% higher or lower with all other variables held constant. The calculation effectively changes the actual average interest rate for interest bearing assets and liabilities for the year by 2% and restates interest revenue and expense using the adjusted rates.

	GROUP			
	+2%		-2%	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
EFFECT OF MOVEMENTS IN INTEREST RATES:				
Reported Net Surplus After Tax	24,530	22,005	24,530	22,005
Potential Effect of 2% Change in Interest Rates	1,023	464	(1,023)	(464)
POSSIBLE NET SURPLUS AFTER TAX	25,553	22,469	23,507	21,541

	PARENT COMPANY			
	+2%		-2%	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
EFFECT OF MOVEMENTS IN INTEREST RATES:				
Reported Net Surplus After Tax	24,091	19,841	24,091	19,841
Potential Effect of 2% Change in Interest Rates	1,860	1,787	(1,860)	(1,787)
POSSIBLE NET SURPLUS AFTER TAX	25,951	21,628	22,231	18,054

The above impact on reported Net Surplus After Tax from potential changes in interest rates is the same for Other Comprehensive Income.

Liquidity Risk

Management monitor the Group's liquidity on a regular basis through rolling cashflow forecasts. The Group, through the Parent Company, keeps a committed credit line open with its main banker in excess of normal requirements to mitigate any liquidity risk. Cash at bank, derivative financial instruments and term deposits are held with financial institutions that have a current Standard and Poor's credit rating of AA- or greater.

Long Term Borrowings

The Group and Parent Company hold the following long term borrowings and finance lease liabilities:

	GROUP		PARENT COMPANY	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Finance Lease Liabilities (refer Note 20)	1,324	1,291	1,143	1,087
Long Term Bank Borrowings	4,415	4,578	-	-
TOTAL LONG TERM BORROWINGS	5,739	5,869	1,143	1,087

Long Term Bank Borrowings comprises a 48 month facility with HSBC Bank Canada for C\$3.5 million. The facility was drawn down on 15 November 2010 for part-funding of the acquisition of Dayton & Knight Limited. The loan is due for repayment on 15 November 2014 and is subject to a deed of negative pledge.

21. FINANCIAL INSTRUMENTS & RISK MANAGEMENT CONTINUED

Long Term Payable

The long term payable comprises an amount of \$0.9 million (C\$0.7 million), payable to the vendors of Dayton & Knight Limited, which is contingent on certain performance criteria being met. The contingent payment is discounted to net present value and is due no later than January 2014.

Credit Facilities

The Group has multi-currency bank overdraft and loan facilities of \$81 million as at 31 December 2011 at an average interest rate of 4.12% (2010: \$82 million at interest rate of 4.82%). As at 31 December 2011, the Group has \$41 million of unused credit facilities available for immediate use.

Assets as Security

All bank overdrafts and loans are unsecured and are subject to a deed of negative pledge. The bank facility with the Group's main bankers, BNZ, expires in 2014.

In 2011 the Group and Company complied with all banking covenants.

Derivative Financial Instruments

The Group and Parent Company hold the following derivative financial instruments:

	GROUP		PARENT COMPANY	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Forward Exchange Rate Contract - due within 6 months (net settled)	245	-	245	-
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS	245	-	245	-

The forward exchange rate contract comprises a contract with Hong Kong and Shanghai Banking Corporation Limited, comprising a 12 month contract for the notional amount of C\$3.0 million to partially hedge the Group's acquisition of Dayton & Knight Limited.

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

- Level 1 - the fair value is calculated using quoted prices in active markets.
- Level 2 - the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3 - the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The fair value of the forward exchange contract is calculated using Level 2.

Hedges of Net Investments in Foreign Operations

The Group has designated a portion of bank borrowings in the same currency as the foreign operations and forward exchange rate contracts as hedges of the net investment in those operations. The hedges were effective throughout 2011 and there was no ineffectiveness recognised in the Income Statement (2010: \$Nil).

Maturity Profile

The maturity profile of the Group's financial liabilities is consistent with the interest rate re-pricing profile disclosed above except for finance lease liabilities and long term bank borrowings. The interest rate on finance lease liabilities is fixed for the term of the lease. The Group has a range of individual leases which mature at various points over the next four years, which is the maximum lease term for all leases. The maturity profile of finance lease liabilities is disclosed in Note 20. The interest rate on long term bank borrowings is subject to movements in the lenders prime rate, whilst the facility itself is for a 48 month period. The maturity profile of the undiscounted cashflows is shown below.

	GROUP			
AS AT 31 DECEMBER 2011	12 MONTHS \$000	12 - 24 MONTHS \$000	> 24 MONTHS \$000	TOTAL \$000
MATURITY PROFILE				
Long Term Bank Borrowings	192	192	4,583	4,967

	GROUP			
AS AT 31 DECEMBER 2010	12 MONTHS \$000	12 - 24 MONTHS \$000	> 24 MONTHS \$000	TOTAL \$000
MATURITY PROFILE				
Long Term Bank Borrowings	199	199	5,151	5,549

Fair Value

The carrying value of each class of financial assets and financial liabilities has been assessed as an appropriate measure of their fair value except as follows:

	GROUP		PARENT COMPANY	
	CARRYING VALUE \$000	FAIR VALUE \$000	CARRYING VALUE \$000	FAIR VALUE \$000
Cash & Cash Equivalents	92,813	92,861	91,365	91,413
Short Term Payable	5,480	5,230	-	-

Cash and cash equivalents comprise deposits with banking institutions and have maturities ranging from on-call to 180 days. The fair value of these deposits has been calculated by comparing interest rates for similar maturities as at 31 December with the actual interest rates on the deposits. The short term payable is an amount due in November 2012 to the vendors of an acquired company. The sale and purchase agreement specified that it was subject to an interest rate of 2% per annum. The fair value of this payable has been calculated by comparing this interest rate with an equivalent 2 year borrowing facility from a bank.

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

	GROUP YEAR ENDED 31 DECEMBER		PARENT COMPANY YEAR ENDED 31 DECEMBER	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Reported Net Surplus for the Year	24,530	22,005	24,091	19,841
ADD/(LESS) NON-CASH ITEMS AND NON-OPERATING ITEMS:				
Depreciation and Amortisation	5,021	5,407	3,503	3,913
Bad Debts Written Off	522	1,267	76	612
Fair Value of Employee Equity Benefits	73	122	73	122
Doubtful Debts	(900)	(2,133)	(123)	(1,149)
Accommodation Fit-Out Incentive	(168)	(328)	(61)	(92)
Unrealised Foreign Exchange (Gains)/Losses	(95)	18	169	579
(Gain)/Loss on Sale of Property, Plant and Equipment	(21)	(54)	-	(33)
Share of Surplus of Associate	(653)	(2,061)	-	-
Dividend From Associate	-	-	(605)	(2,281)
Deferred Taxation	(394)	677	209	(106)
Defined Benefit Pension Obligation	285	423	-	-
Intercompany Transactions with Subsidiaries	-	-	(1,625)	(767)
MOVEMENT IN WORKING CAPITAL:				
Decrease/(Increase) in Receivables and Prepayments	3,894	(6,297)	1,515	(4,290)
(Decrease)/Increase in Taxation Receivable/Payable	(2,569)	455	(2,106)	340
(Increase)/Decrease in Work in Progress	(3,575)	5,390	(2,209)	3,799
(Decrease)/Increase in Creditors and Accruals	(1,957)	(1,444)	(1,161)	(606)
Increase/(Decrease) in Revenue in Advance	3,540	(4,602)	3,687	(4,127)
(Decrease)/Increase in Provisions for Employee Entitlements	(2,433)	1,073	(2,262)	965
NET CASH FLOWS FROM OPERATING ACTIVITIES	25,100	19,918	23,171	16,720

23. RELATED PARTY TRANSACTIONS

Opus International Consultants Limited is a company incorporated in New Zealand. The immediate holding company of the majority shareholder (Opus International (NZ) Limited) 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 NZ Water and Environment Training Academy and TBS Corporation Limited. During the year ended 31 December 2011 the Group entered into the following arms-length transactions with related parties:

	GROUP		PARENT COMPANY	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
OPERATING REVENUE/(EXPENSE)				
Opus Group Bhd	174	668	174	668
Consultancy Services to Associates	752	1,211	752	1,211
INTEREST INCOME				
Loans to Subsidiaries	-	-	802	688
DEBTORS/(CREDITORS)				
Opus Group Bhd	4	112	4	112
Associates	329	320	329	320
Loans to Subsidiaries	-	-	17,247	17,150
Trade Receivables from Subsidiaries	-	-	293	803

Loans to Subsidiaries

Loans to Subsidiaries are long term facilities subject to market interest rates based on applicable term Libor rates plus a margin.

Key Management Personnel Remuneration

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any directors. The following table summarises remuneration paid to key management personnel:

	GROUP	
	2011 \$000	2010 \$000
Short-term Employee Benefits	4,486	4,806
Post-Employment Benefits	195	156
Share-based Payment	27	20
TOTAL	4,708	4,982

24. SUBSIDIARIES

All the subsidiaries of Opus International Consultants Limited listed below are wholly owned (2010: 100%) and have a 31 December balance date.

Opus International Consultants Holdings (UK) Limited

Registered in the United Kingdom, providing consultancy services within the Construction Industry and has 100% holdings in the following subsidiary companies:

- Opus International Consultants (UK) Limited
- Opus International Consultants (Projects) Limited (formerly Sub Surface Engineering Limited)
- The Joynes Pike Group Limited
 - » Opus Joynes Pike Limited
 - » Tower Surveys Limited
 - » Structural Surveys Direct Limited
 - » Reach UK Limited (Not currently trading)
- Veryards Holdings Limited (Not currently trading)
- Opus HCL Limited (Not currently trading)
- Evans Grant Group Limited (Not currently trading)
 - » Evans Grant Opus Limited (Not currently trading)
 - » Office Network Engineering Limited (Not currently trading)
 - » Evans Grant (Fareham) Limited (Not currently trading)
 - » Evans Grant (Alton) Limited (Not currently trading)

Opus International Consultants (Canada) Limited

Registered in Canada, providing consultancy services within the Construction Industry and has 100% holdings in the following subsidiary companies:

- Opus DaytonKnight Consultants Limited
- Opus International Consultants Inc (Registered in USA, providing consultancy services within the Construction Industry)

Opus International Consultants (PCA) Pty Limited

Registered in Australia, providing consultancy services within the Construction Industry in Australia and has 100% holdings in the following subsidiary company:

- Opus International Consultants (NSW) Pty Limited

Opus International Pty Limited

Holding company registered in Australia.

Opus International Consultants A Limited Partnership

Holding and financing entity registered in Australia and has 100% holdings in the following subsidiary companies:

- Opus International Consultants (Australia) Pty Limited
 - » Martin Findlater & Associates Limited (not currently trading)

Opus International Consultants (OPC) Limited

Registered in New Zealand, providing consultancy services within the Construction Industry.

Opus International Consultants Sdn Bhd

Registered in Malaysia, providing consultancy services within the Construction Industry.

Kejuruteraan Opus Sdn Bhd Registered in Malaysia, not trading.

Opus International Consultants (Pte) Limited Registered in Singapore, not trading.

25. OPERATING LEASE COMMITMENTS

	GROUP		PARENT COMPANY	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Lease Commitments Under Operating Leases				
Current - Less Than One Year	16,388	17,338	9,935	11,612
Between One & Two Years	11,192	12,320	7,224	7,305
Between Two & Five Years	14,596	16,647	10,794	10,898
Greater Than Five Years	7,468	3,250	6,618	1,837
	49,644	49,555	34,571	31,652

26. CAPITAL COMMITMENTS

The Group has contracted to acquire 100% of the ordinary share capital of the Australian based engineering consultancy, Coffey Rail Pty Ltd and its related company Asia Pacific Rail Pty Ltd for A\$9.0 million. The acquisition is expected to be completed on 29 February 2012.

There are various other capital expenditure items contracted for at balance date totalling \$1,378,762 (2010: \$968,280)

27. CONTINGENCIES

	GROUP		PARENT COMPANY	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Bank Performance Bonds and Letters of Credit	3,094	2,392	2,075	2,392

Performance bonds are in respect of consultancy contracts where certain levels of performance have been guaranteed to third parties. Letters of credit principally relate to certain future payment obligations that have been recognised as liabilities in these financial statements.

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 a maximum excess of \$250,000 (2010: \$100,000) per claim. Our insurers have been notified of any potential claims against the Group.

Contingent Assets

As at 31 December 2011 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 accrual has been recognised in the financial statements (2010: no change).

28. SIGNIFICANT EVENTS AFTER BALANCE DATE

On 14 February 2012 the Board of Directors approved a final dividend payment of 4.7 cents per share to be paid on 2 April 2012.

Independent Auditor's Report

To the Shareholders of Opus International Consultants Limited

Report on the Financial Statements

We have audited the financial statements of Opus International Consultants Limited and its subsidiaries on pages 38 to 91, which comprise the statement of financial position of Opus International Consultants Limited and the group as at 31 December 2011, and the statement of comprehensive income, income statement, statement of changes in equity and statement of cash flows for the year then ended of the company and group, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the company's shareholders, as a body, in accordance with section 205(1) of the Companies Act 1993. Our audit has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of the financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). These auditing standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected, depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we have considered the internal control relevant to the entity's preparation of the financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Ernst & Young provides taxation advice, due diligence and other assurance related services relating to the audit of a Trust account and a review of procurement and revenue loss management procedures to the Company. We have no other relationship with, or interest in Opus International Consultants Limited or any of its subsidiaries.

Partners and employees of our firm may deal with the Company on normal terms within the ordinary course of trading activities of the business of the Company.

Opinion

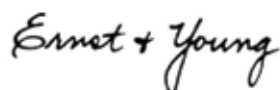
In our opinion, the financial statements on pages 38 to 91:

- comply with generally accepted accounting practice in New Zealand;
- comply with International Financial Reporting Standards; and
- give a true and fair view of the financial position of Opus International Consultants Limited and the group as at 31 December 2011 and the financial performance and cash flows of the company and group for the year then ended.

Report on Other Legal and Regulatory Requirements

We have obtained all the information and explanations we have required.

In our opinion proper accounting records have been kept by Opus International Consultants Limited as far as appears from our examination of those records.



14 February 2012
Wellington

GOVERNANCE AND SHAREHOLDER INFORMATION

CORPORATE GOVERNANCE

The Role of the Board

The Board of Opus is responsible for ensuring Opus is well led and managed for the benefit of all its shareholders, while having regard for the interests of all other stakeholders.

The Board has adopted the NZX Corporate Governance Best Practice Code. The code aims to enhance investor confidence through corporate governance and accountability.

The Board has also established a Code of Ethics which covers conflict of interest, corporate information and property, compliance with laws, regulations and policies and Directors' obligations. To assist in fulfilling the Board's obligations, three committees (Audit, Risk, Remuneration and Nomination), have been established.

Board Performance Review

The Board regularly reviews the performance of Directors, the Board, and Board committees, to ensure that they are effective and Opus' responsibilities and obligations are met.

In October 2011, as in previous years, the Directors participated in a comprehensive assessment of the performance of the Board using the NZ Institute of Directors Board appraisal process. The Directors rated the leadership, interaction amongst Directors, and between the Board and Management, very highly.

The Board will continue to review both the method of assessment, and the Board's performance, to continually challenge and improve performance. An assessment will be carried out annually.

Board Meetings

The Board plans to meet not less than six times during any financial year. There are also at least annual sessions to consider the strategic direction of Opus and Opus' forward looking business plans. Board meetings are held in various locations where Opus has offices, to enable interaction between the Board, employees and clients. For the year ended 31 December 2011, six meetings were held.

1 JANUARY 2011 TO 31 DECEMBER 2011		
DIRECTOR	MEETINGS	MEETINGS ATTENDED
Kerry McDonald	6	6
Suhaimi Halim	6	5
Keith Watson	6	6
Fraser Whineray	6	6
Alan Isaac	6	6
David Prentice	6	6
Dato' Seri Ismail Shahudin	6	5
Nik Airina Nik Jaffar	6	6

Board Committees

The Board has three formally constituted committees of Directors, having decided that there was value in having a dedicated Risk Committee, in addition to, rather than part of, the Audit Committee. Committees review and assess policies, strategies, processes, issues and results which are within their respective terms of reference. The Committees make decisions and also recommendations to the Board.

Audit Committee

The Audit Committee is responsible for overseeing the treasury, insurance, accounting and audit activities of Opus, and reviewing the adequacy and effectiveness of internal controls, meeting with and reviewing the plans and reports of external auditors, reviewing the consolidated financial statements, and making recommendations on financial and accounting policies.

The members of the Audit Committee during 2011 were Alan Isaac (Chairman), Fraser Whineray and Nik Airina Nik Jaffar.

Risk Committee

The Risk Committee's objective is to assist the Board to fulfil its responsibilities in relation to risk and the Company's risk management practices.

The Committee works with the Executive Leadership Team to ensure that the Board, Directors, and Management are aware of all material actual and potential risks facing the business, and that the system to identify, assess, and manage those risks continues to be effective, and regularly monitored and reviewed.

The members of the Risk Committee in 2011 were Keith Watson (Chairman), Fraser Whineray and Nik Airina Nik Jaffar.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee is responsible for reviewing and approving the compensation arrangements for the Managing Director, for reviewing Board and Director Performance, for recommending to the full Board on the Board composition and remuneration, and taking an overview of Opus' remuneration policies.

The members of the Remuneration and Nomination Committee in 2011 were Kerry McDonald (Chairman), Suhaimi Halim and Keith Watson.

SHAREHOLDER INFORMATION

Directors

The Board determines fees on the recommendation of the Remuneration and Nomination Committee plus reasonable travelling, accommodation and other expenses incurred in the course of performing duties or exercising powers as Directors.

David Prentice is employed by Opus as Managing Director, and received salary and other remuneration benefits in respect of this employment in 2011.

The following people held office as a Director during the year and received the following remuneration and benefits during the year:

NAME	FEES	SALARY & BENEFITS
Kerry McDonald	\$110,000	-
Suhaimi Halim*	-	-
Keith Watson	\$55,000	-
Fraser Whineray	\$55,000	-
Alan Isaac	\$63,000	-
David Prentice	-	\$418,000
Dato' Seri Ismail Shahudin	\$55,000	-
Nik Airina Nik Jaffar*	-	-
TOTAL	\$338,000	\$418,000

* In line with the policy of the Parent Company, Opus Group Bhd, fees are not paid to the Directors appointed from Opus Group Bhd and employed within the UEM Group.

The current directors' fees were set in 2007 at a total figure of \$357,500. The fees and the fee policy were reviewed during 2011, and it is proposed that the fees be increased with effect from 1 January 2012, subject to approval at the Annual General Meeting in April 2012. The proposed increase is for a total figure of \$400,000.

Directors' Interests

Directors hold the following interests in shares:

NAME	BENEFICIAL INTEREST		NON-BENEFICIAL INTEREST
	DIRECT	INDIRECT	
Kerry McDonald (1)	-	19,000	-
Suhaimi Halim (2)	-	-	90,511,615
Fraser Whineray	20,000	-	-
Keith Watson (3)	-	3,000	-
Alan Isaac (1)	-	10,000	-
David Prentice (2) (4)	368,669	-	90,511,615
Dato' Seri Ismail Shahudin (2)	-	-	90,511,615
Nik Airina Nik Jaffar (2)	-	-	90,511,615

1) Shares held by trust

2) Non-beneficial interest held as Directors of Opus Group Bhd and/or Opus NZ

3) Shares held by an investment company

4) David Prentice also has

- 6653 shares from the 2008 ESOP
- 8967 shares from the 2009 ESOP
- 9510 shares from the 2010 ESOP

Interest Register

In accordance with Section 140 of the Companies Act 1993 the Directors named below have made a general disclosure of interest by a general notice disclosed to the Board and entered on the Company's interest register.

Kerry McDonald

- Beneficial interest in shares
- Director, Leighton Contractors Pty Ltd (including Visionstream, Nextgen, and Leighton Mining/HWE)
- Deputy Chairman, NZ Institute of Economic Research
- Principal, Strategic Value Ltd
- Life Member, Australia New Zealand Business Council
- Patrons group member, University of Canterbury Foundation
- Advisor, i-lign Ltd
- Shareholder and Director, Opus Partners Trust Ltd
- Director, Ruapehu Alpines Ltd
- Chairman, Grant Thornton New Zealand Ltd
- Director, National Army Museum Waiouru
- Advisor to the Board, Swimming New Zealand
- BNZ: Wellington partners' Chairman

Suhaimi Halim

- Non beneficial interest in shares
- Managing Director, Assets and Facilities Management Group, UEM Group Bhd
- Chairman, Opus International (NZ) Ltd
- Director, Opus International Consultants Sdn Bhd
- Director, Opus Group Bhd
- Director, Faber Group Bhd
- Director, UEM Environment Sdn Bhd
- Director, Kualiti Alam Sdn Bhd
- Director, Opus International Ltd
- Director, Projek Penyelenggaraan Lebuhraya Berhad

Keith Watson

- Beneficial interest in shares
- Managing Director, Hewlett Packard New Zealand
- Member, Auckland University Business School Advisory Board
- Principal, Working Assets Ltd
- Director, Cranleigh Forests Ltd
- Director, NZCIT

Fraser Whineray

- Beneficial interest in shares
- General Manager, Operations, Mighty River Power
- Director Rotokawa Generation Limited
- Director, PSX Group Limited
- Director, O'Ceallaigh Investments Limited
- Advisor, ABC Surgical Limited

Alan Isaac

- Beneficial interest in shares
- Chairman and Director, Wakefield Health Ltd
- Director, AKA Investments Ltd
- Director, Isaac Advisory Services Ltd
- Director, Murray Capital General Partner Limited
- Vice President, International Cricket Council
- Chairman, McGrath Nicol and Partners in New Zealand
- Trustee, New Zealand Community Trust
- Trustee, First Foundation
- Trustee, New Zealand Red Cross Foundation
- Chairman, Audit and Risk Committee of NZ Fire Service
- Chairman, Audit and Risk Committee of Ministry of Economic Development
- Chairman, Audit and Risk Committee of the Department of Corrections
- Member, Audit Committee of Ministry of Social Development
- Chairman, Wellington City Council Controlled Organisation Performance Governance Committee
- Member, AMP Capital Property Trust Governance Committee
- Shareholder and Director, Opus Partners Trust Ltd
- Director, New Zealand Vault Limited

David Prentice

- Non beneficial interest in shares
- Beneficial interest in shares as noted above
- Director, Opus International (NZ) Ltd
- Chairman, Business New Zealand Infrastructure Sub Group

Dato' Seri Ismail Shahudin

- Director, Malayan Banking Berhad (listed on Main Market, Bursa Malaysia)
- Chairman, Maybank Islamic Berhad
- Director, MCB Bank Limited, Lahore Pakistan (listed on Karachi Stock Exchange)
- Chairman, Opus Group Berhad
- Director, UEM Group Berhad
- Director, Cement Industries of Malaysia Berhad
- Director, EP Manufacturing Berhad (listed on Main Market, Bursa Malaysia)
- Chairman, EP Metering Services Sdn Bhd
- Director, Peps-JV (M) Sdn Bhd
- Chairman, SMPC Corporation Berhad (listed on Main Market, Bursa Malaysia)
- Director, Nadayu Properties Berhad (listed on Main Market, Bursa Malaysia)
- Director, Aseana Properties Limited (listed on Main Market, London Stock Exchange)
- Director, Perbadanan Kemajuan Ekonomi Islam Negri Perak
- Director, Sutera Mentari Sdn Bhd
- Director, Citra Busana Sdn Bhd

Nik Airina Nik Jaffar

- Non beneficial interest in shares
- Managing Director, Opus Group Bhd
- Director, Expressway Lingkar Tengah Sdn Bhd
- Director, Linkedua (Malaysia) Berhad
- Director, Konsortium Lebuhraya Butterworth-Kulim (KLBK) Sdn Bhd
- Director, PLUS Helicopter Services Sdn Bhd
- Director, Opus International (M) Bhd
- Director, Opus Management Sdn Bhd
- Director, Pengurusan Lintas Berhad
- Director, Pengurusan LRT Sdn Bhd
- Director, Opus International Consultants Sdn Bhd
- Director, Kejuruteraan Opus Sdn Bhd
- Director, Opus International (NZ) Ltd
- Director, Builders Credit & Leasing Sdn Bhd
- Director, International Business Link Inc
- Director, PL Management International Phils. Inc
- Director, Opus International India Private Ltd

EMPLOYEE REMUNERATION IN EXCESS OF \$100,000

The number of employees or former employees, who received remuneration and other benefits valued at or exceeding \$100,000 during the year, are stated below:

2011		
\$000	NO. OF EMPLOYEES	DIRECTORS OF SUBSIDIARIES
100 - 110	148	
110 - 120	96	
120 - 130	95	1
130 - 140	64	
140 - 150	52	1
150 - 160	51	
160 - 170	31	
170 - 180	31	
180 - 190	15	
190 - 200	13	
200 - 210	14	
210 - 220	5	
220 - 230	8	
230 - 240	4	1
240 - 250	3	
250 - 260	4	1
260 - 270	3	
270 - 280	2	
280 - 290	1	
290 - 300	1	
330 - 340	1	
400 - 410	1	
410 - 420	1	1
420 - 430	2	
430 - 440		1
440 - 450		1
TOTAL	646	7

Remuneration includes salary, bonuses, employer's contributions to superannuation, health and insurance plans, motor vehicles and other sundry benefits received in their capacity as employees.

Incentive Plan

Opus introduced a new employee incentive scheme during 2008 to provide continuing incentive for key employees. The Managing Director did not participate in the plan in 2011. The plan has the following features:

- Each key employee will receive an annual allocation of shares with the average allocation value being \$10,000 (that sum being reviewed annually);
- The number of key employees being limited to seven percent of total employee numbers, which on current employee numbers is around 150;
- The annual allocation of shares being limited to three percent of the shares issued, three percent currently being around 4,453,548 shares;
- Vesting of the shares will not occur until the fifth anniversary of each issue;
- Vesting will only occur if Opus' performance has exceeded the key performance indicator(s) as specified and determined by the Board.

Substantial Security Holder

The following information is given pursuant to Section 26 of the Securities Markets Act 1988. The following is recorded by the company as at 31 January 2012 as a substantial security holder in the company.

Opus International (NZ) Ltd 90,511,615 shares (60.97% percent).

SPREAD OF SECURITY HOLDERS AS AT 31 JANUARY 2012				
SIZE OF SHAREHOLDING	NUMBER OF SHAREHOLDERS		NUMBER OF SHARES	
	NUMBER	%	NUMBER	%
1 to 99	1	0.04	2	0.00
100 to 199	2	0.08	200	0.00
200 to 499	50	2.06	15,368	0.01
500 to 999	187	7.71	130,308	0.09
1,000 to 1,999	372	15.33	491,522	0.33
2,000 to 4,999	786	32.40	2,356,238	1.59
5,000 to 9,999	497	20.49	3,090,595	2.08
10,000 to 49,999	393	16.20	6,432,439	4.33
50,000 to 99,999	35	1.44	2,643,140	1.78
100,000 to 499,999	96	3.96	20,480,652	13.8
500,000 to 999,999	1	0.04	520,498	0.35
> 1,000,000	6	0.25	112,290,640	75.64
TOTAL	2426	100	148,451,602	100

LOCATION OF SECURITY HOLDERS AS AT 31 JANUARY 2012

COUNTRY	NUMBER OF SHAREHOLDERS		NUMBER OF SHARES	
	NUMBER	%	NUMBER	%
New Zealand	2273	93.72	145,530,645	98.05
Australia	88	3.62	2,360,693	1.58
Canada	20	0.82	143,094	0.10
France	1	0.04	3,290	0.00
Germany	1	0.04	3,000	0.00
Italy	1	0.04	18,000	0.01
Japan	1	0.04	5,800	0.00
Netherlands	1	0.04	937	0.00
Singapore	1	0.04	1,246	0.00
U.S.A.	3	0.12	12,650	0.01
United Kingdom	36	1.48	372,247	0.25
TOTAL	2426	100	148,451,602	100

LARGEST SECURITY HOLDERS AS AT 31 JANUARY 2012

NAME	ORDINARY SHARES	% OF ORDINARY SHARES
OPUS INTERNATIONAL (NZ) LIMITED	90,511,615	60.97
NEW ZEALAND CENTRAL SECURITIES DEPOSITORY LIMITED	14,413,379	9.70
OPUS PARTNERS TRUST LIMITED <NZ UK CD EMPLOYEE SCHEMES TRUSTEE>	2,921,749	1.96
FNZ CUSTODIANS LIMITED	1,799,953	1.21
CUSTODIAL SERVICES LIMITED <A/C 3>	1,377,314	0.92
KEVIN JOSEPH THOMPSON & ANNE THERESE THOMPSON	1,266,630	0.85
OPUS PARTNERS TRUST LIMITED <AUST EMPLOYEE SCHEMES TRUSTEE>	520,498	0.35
RASTAL INVESTMENTS LIMITED	492,930	0.33
WILLIAM JOHN DARNELL	406,545	0.27
ALEC WEBSTER	401,000	0.27
CUSTODIAL SERVICES LIMITED <A/C 2>	395,896	0.26
INVESTMENT CUSTODIAL SERVICES LIMITED <A/C C>	393,253	0.26
CUSTODIAL SERVICES LIMITED <A/C 1>	374,534	0.25
DAVID JAMES PRENTICE	368,669	0.24
CUSTODIAL SERVICES LIMITED <A/C 18>	368,475	0.24
ALISON ELIZABETH SWAN	341,760	0.23
RICHARD NORMAN CROAD	330,000	0.22
PETER IAN MATHEWSON	327,380	0.22
MELVYN MAYLIN	326,985	0.22
KERYN EDWARD KLISKEY	306,525	0.20
TOTAL	117,645,090	79.17

New Zealand Central Securities Depository Limited (NZCDS) is a depository system which allows electronic trading of securities to members.

SHAREHOLDERS HELD THROUGH NZCSD AS AT 31 JANUARY 2012		
NAME	ORDINARY	SHARES % OF ORDINARY SHARES
TEA CUSTODIANS LIMITED - NZCSD	6,291,240	4.24%
ACCIDENT COMPENSATION CORPORATION - NZCSD	3,051,387	2.06%
CITIBANK NOMINEES (NEW ZEALAND) LIMITED - NZCSD	3,045,000	2.05%
JPMORGAN CHASE BANK NA - NZCSD	740,002	0.50%
NATIONAL NOMINEES NEW ZEALAND LIMITED - NZCSD	660,055	0.44%
AMP INVESTMENTS STRATEGIC EQUITY GROWTH FUND - A/C NZCSD	275,188	0.19%
HSBC NOMINEES (NEW ZEALAND) LIMITED A/C STATE STREET - NZCSD	202,100	0.14%
NEW ZEALAND PERMANENT TRUSTEES LIMITED <NZCSD>	135,385	0.09%
HSBC NOMINEES (NEW ZEALAND) LIMITED - NZCSD	8,022	0.01%
PRIVATE NOMINEES LIMITED - NZCSD	5,000	0.00%
	14,413,379	9.72%

CALENDAR

EVENT	MONTH
End of Year Results	February
Annual General Meeting	April
Half Year Results	August
Dividend Payment	April* and September

* The final dividend payment for 2011 is payable to shareholders whose names appear on the Register of Members of the Company on 16 March 2012.

Subsidiary Companies

Opus International Consultants (OPC) Ltd

Alison Swan, David Prentice

Opus International Consultants (PCA) Pty Ltd

Melvyn Maylin, David Prentice

Opus International Consultants (NSW) Pty Ltd

Melvyn Maylin, David Prentice

Opus International Pty Ltd

Melvyn Maylin, David Prentice

Opus International Consultants (Australia) Pty Ltd

Melvyn Maylin, David Prentice

Martin Findlater & Associates Ltd

Melvyn Maylin, David Prentice

Opus International Consultants Pte Ltd

Woo May Poh, Alison Swan, David Prentice

Opus International Consultants (Canada) Ltd

Alec Webster, David Prentice (a), Sean Brophy (b)

Opus International Consultants Inc

Jeffrey Bagdade

Opus DaytonKnight Consultants Ltd

Alec Webster, David Prentice (a), Sean Brophy (b)

Opus International Consultants Sdn Bhd

Suhaimi Halim, Nik Airina Nik Jaffar, David Prentice

Kejuruteraan Opus Sdn Bhd

Suhaimi Halim (c), Neo Chal Ying (c), David Prentice, Nik Airina Nik Jaffar (d), Chan Kin Pooi (d)

Opus International Consultants Holdings (UK) Ltd

Alison Swan, Alec Webster, David Prentice

Opus International Consultants (UK) Ltd

Alec Webster, David Prentice

Opus International Consultants (Projects) Ltd

Alec Webster, David Prentice

Veryards Holdings Ltd

Alison Swan, David Prentice

Evans Grant Group Ltd

Alison Swan, David Prentice

Evans Grant Opus Ltd

Alison Swan, David Prentice

Evans Grant (Alton) Ltd

Alison Swan, David Prentice

Evans Grant (Fareham) Ltd

Alison Swan, David Prentice

Office Network Engineering Ltd

Alison Swan, David Prentice

Opus HCL Ltd

Alison Swan, David Prentice

The Joynes Pike Group Ltd

Alec Webster, David Prentice

Opus Joynes Pike Ltd

Alec Webster, David Prentice

Tower Surveys Ltd

Nick Downes, James Hulme, Alec Webster, David Prentice

Structural Surveys Direct Ltd

Alec Webster, David Prentice

Reach UK Ltd

Alison Swan, David Prentice

(a) resigned 1 August 2011

(b) appointed 1 August 2011

(c) resigned 24 March 2011

(d) appointed 24 March 2011

APPENDICES

APPENDIX 1

GRI Reporting Parameters, Scope and Boundary

Since 2009 Opus has been reporting to the Global Reporting Initiative (GRI) standard and has subsequently continued on an annual reporting cycle. The Sustainability Committee met at the end of 2011 and agreed to again target a self-certified level C rating as part of an overall consolidation and improvement in data gathering, measurement and reporting. Data and analysis included in this report covers:

- All permanent establishments, including subsidiary companies, globally (i.e. all operations in New Zealand, Australia, Canada, the United Kingdom and the USA) unless otherwise stated;
- All Joint Venture and Associate operations in the above countries.

The impacts of joint venture, associate operations, and activities involving partners are limited to the activities performed by our employees. The scope does not include the activities of external consultants and sub-contractors engaged by us or managed by us on behalf of clients.

All incorporated company subsidiary operations are wholly owned and consolidated into the Group Financial Statements. The effects and impacts of all leased assets, including vehicles, computing and buildings, over which we and our subsidiary companies have the beneficial use, are reported for our New Zealand operation for 2011. Outsourced activities, including contractor and sub-consultant activities, are excluded except to the extent that our staff are directly involved in these outsourced activities.

The basis of calculations and assumptions is mentioned under the respective indicators which follow the definition of GRI Indicator Protocols. As this is our third full report, all information is stated again using the GRI Framework, Version 3.1.

There have been no significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report, other than as noted. The GRI component of this report has not been subject to external assurance. Financial data has been taken from Audited Financial Statements as certified on page 92 (Auditors Report).

Stakeholders / Materiality

The team and senior management charged with preparing the annual report met at the end of 2011 to confirm the scope and stakeholders for the GRI reporting for 2011.

This group reviewed and re-confirmed our reporting-stakeholders based on consideration of the elements of our business and our people, organisations and relationships that are critical to our organisation. These stakeholders are defined in the table below and engagement with these groups (marked with *) continues to be well established and frequent (i.e. daily and monthly).

The team also reviewed the materiality of each reporting criterion and Greenhouse Gas (GHG) emissions were again assessed and confirmed. No significant changes have been made from the previous reporting periods although most of the GHG emissions scopes now have actual data gathered at source rather than nominal estimates and this is noted under Appendix 2.

INTERNAL STAKEHOLDERS GROUPS	EXTERNAL STAKEHOLDERS GROUPS
Employees (*)	Shareholders (*)
Prospective employees	Clients (*)
Families of employees	Communities / community organisations with whom we are linked (*)
Managers / Partners / Associates (*)	Business partners / suppliers / sub-consultants (*)
Board of Directors (*)	Regulators
	Professional institutes (*)
	Industry associations (*)

APPENDIX 2

Emissions Profile

2011 is the fourth year of measuring and reporting our carbon emissions profile and the calculation is for the New Zealand operation only. We report an overall increase in CO₂-e emissions of 23 percent in 2011, driven by an increase in reported air travel emissions primarily around supporting our Christchurch earthquake response, and more accurate data on vehicle emissions based on actual fuel usage which has led to a 31 percent increase in land travel emissions. Our purchased energy emissions reduced by six percent, with this category now being calculated on actual rather than estimated data.

Emissions shown in the table on page 108 for New Zealand operations are estimated to represent approximately 73 percent of our total global emissions based on full time equivalent staff (FTE). For 2012, we will be extending our emissions measuring and reporting regime to all our global operations. As of January 2012, we have implemented consistent global data capture procedures for all emissions categories and will also be developing more in-depth initiatives relating to energy and waste reduction throughout our operations, with the implementation of ISO 14001 certification.

Total emissions for 2011 are estimated at 4,898 tonnes CO₂-e, which is an increase from 2010 estimated at 3,973 tonnes CO₂-e (3,724 tonnes in 2009). The emission rate per FTE in 2011 was 2.9 tonnes, compared with 2.3 tonnes CO₂-e in 2010 (2.2 tonnes in 2009). Further details are provided in the table on the following page.

“We strive to make sustainability inherent in everything we do. We recognise that in designing and delivering projects for our clients we can deliver the greatest positive benefit for all facets of sustainability - environmental, social and economic. It is also important to us that as an organisation we can demonstrate our own commitment which is why we are implementing the ISO 14001 Environmental Management System throughout our NZ and Australian business over 2012 to complement our UK certification.”

David Prentice, Chief Executive and Managing Director



Above: Andy Marchant, Stefan Geelen, Amanda Kwok, Robert Cunningham and Rula Alatia members of the Auckland Architecture team

	UNITS OF QUANTITY	2011					2010				
		QUANTITY	EMISSIONS (TONNE)				QUANTITY	EMISSIONS (TONNE)			
			CO ₂	CH ₄	N ₂ O	CO ₂ -e		CO ₂	CH ₄	N ₂ O	CO ₂ -e
LAND TRANSPORT											
Fleet vehicles: Petrol	1000 l	576	1,327	3	13	1,343	5,336*	951	2	9	962
Fleet vehicles: Diesel	1000 l	274	722	1	8	731	2,077*	509	-	5	515
Rental vehicles	1000 km	352	84	-	1	85	600	143	-	1	144
Taxis	1000 km	308	100	-	1	101	308	100	-	1	101
Train	1000 km	4	-	-	-	-	4	-	-	-	-
TOTAL LAND TRANSPORT		-	2,233	4	23	2,260	8,325	1,703	2	16	1,724
AIR TRAVEL											
Domestic	1000 km	6,432	1,100	1	11	1,111	4,251	727	1	7	735
Short haul international	1000 km	1,379	136	0	1	137	970	95	-	1	96
Long haul international	1000 km	2,585	290	0	3	293	2,261	254	-	2	256
TOTAL AIR TRAVEL		10,396	1,526	1	15	1,541	7,482	1,076	1	11	1,087
PURCHASED ENERGY											
Purchased electricity	MWh	5,628	894	58	7	959	5,878	957	61	7	1025
Purchased gas	MWh	1	-	-	-	-	-	-	-	-	-
TOTAL PURCHASED ENERGY		5,628	894	58	7	959	5,878	957	61	7	1,025
PAPER AND WASTE											
Paper consumed	tonne	103	79	-	-	78	100	77	-	-	77
Solid waste to landfill	tonne	79	60	-	-	60	77	59	-	-	59
TOTAL PAPER AND WASTE		182	139	-	-	138	177	136	-	-	136
TOTAL EMISSIONS			4,792	63	45	4,898		3,872	64	34	3,973

NOTES TO ABOVE TABLE:

* Vehicle emissions for 2011 were determined based on fuel consumption for each fleet vehicle after deducting a private use component, and km travelled for rental and taxi journeys. Note that figures for 2010 were based on estimated 20,000 km per vehicle only, and then deducting a private use component, and the CO₂-e conversion rate for each type of vehicle according to the manufacturer's data or the data from www.rightcar.co.nz.

- Transport emissions cover business use of vehicles, air travel, taxis and hire cars, covering scope 1, 2, and 3 activities in accordance with the GHG Protocol (Service Sector).
- Air travel emissions were based on great circle distances travelled and calculated from origin and destination data for every flight supplied by our travel agents. Distances were increased by nine percent to allow for height changes, indirect routes, and circling near airports. CO₂-e conversion rates for air travel were based on the GHG Protocol according to haul distances.
- 2011 indirect emissions from energy purchased were calculated using direct meter readings with a CO₂-e conversion rate for purchased energy in New Zealand according to data published by the Ministry of Economic Development. 2010 data was based on the leased floor area assuming an annual use of 140 kWh/m² for the North Island and 160 kWh/m² for the South Island.
- Solid waste and paper emissions were calculated based on employee numbers and consulting industry norms for consumption rates with limited verification through direct measurement at one office.

APPENDIX 3

Our People

ORGANISATIONAL PROFILE

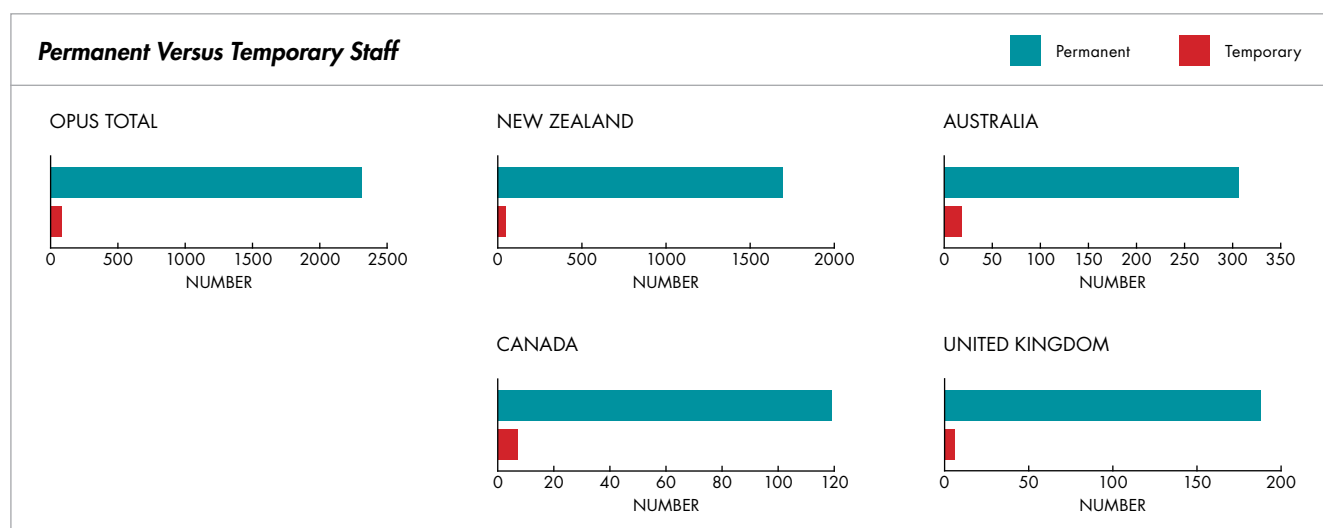
Our people operate through permanent businesses in New Zealand, Australia, Canada, the United Kingdom and the USA. We also perform project work in other regions, primarily the Pacific Islands, India and Malaysia. The activities associated with this other project work represent less than one percent of our overall activities, the primary environmental impacts of which, related to long-distance travel, are incorporated in the impacts assessment for the home country of the staff involved. Our scale, in terms of our overall staff numbers is set out in the following table:

PARAMETER	2011	2010	2009	2008
Year End Number of employees (FTE)	2,390	2,280	2,285	2,549

EMPLOYEE VALUE AND WELLBEING

OUR PEOPLE

As at December 2011, Opus had 2,390 employees measured on a full-time equivalent (FTE) basis, of which 2,308 were permanent staff on individual employment contracts of indefinite duration, and 82 were temporary staff on casual contracts with a specified termination date or maximum duration of less than one year.



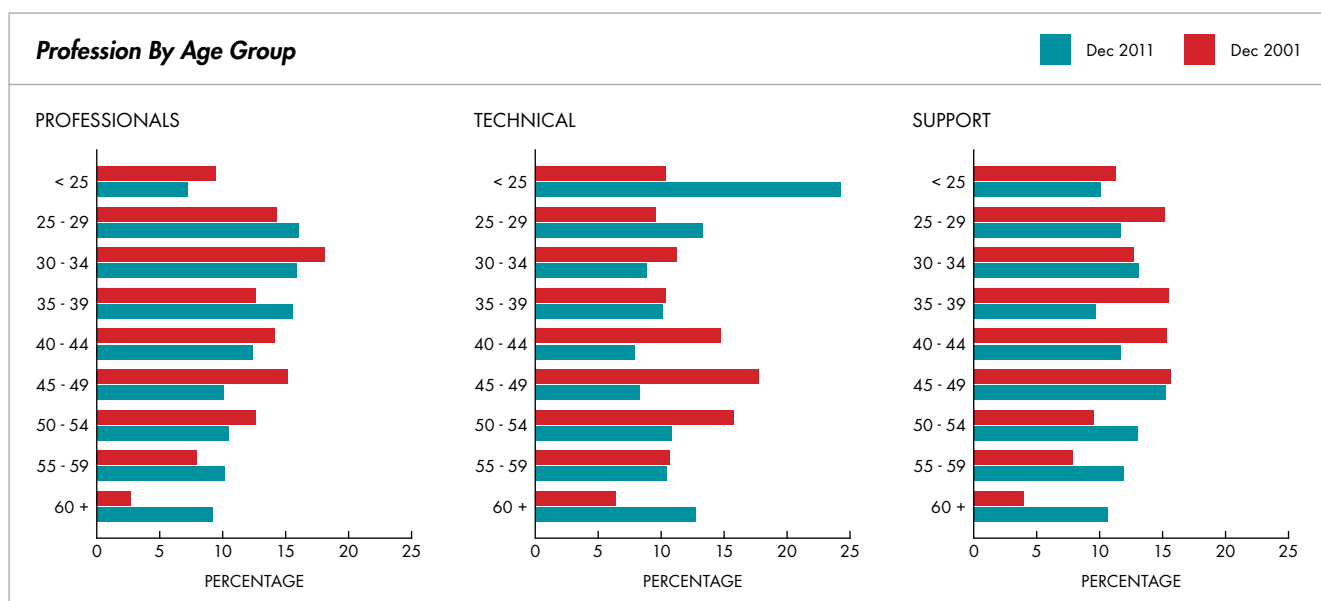
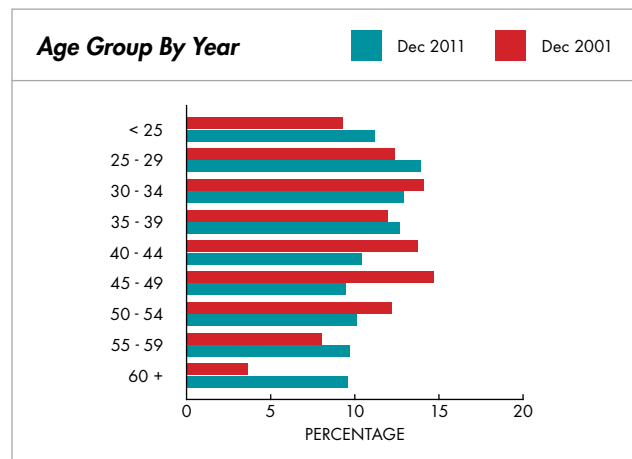
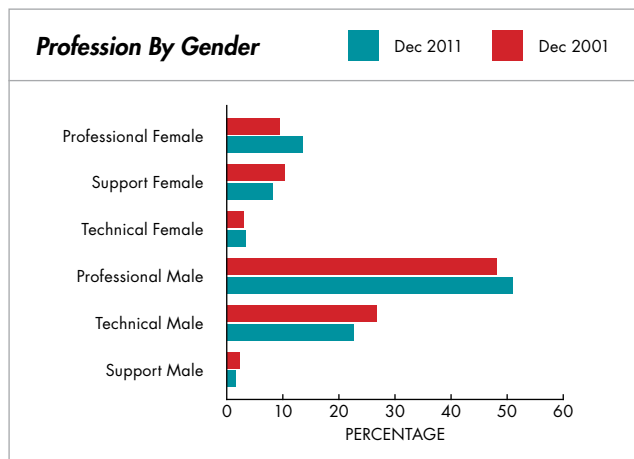
OUR DIVERSITY

We have continued to develop as a diverse company in terms of age, gender, ethnicity and skill mix. The following graphs show the change in gender balance over a 10 year period. Staff numbers over the 10 year period have doubled in size. During this time, female numbers in the Professional category have increased from 122 in 2001 to 310 currently.

Overall we are achieving an age, gender and ethnicity mix that adds to our strength and capability. This has largely been achieved by proactive recruitment programmes, targeting a balanced mix of both professional graduates and school leavers engaged as technician cadets. The impact of the technician cadet recruitment can be seen on page 110. Many of these cadets will be supported financially to complete degree level qualifications.

With the overall level of diversity that now exists, we have introduced a high level of flexibility in terms of our working environment. This includes:

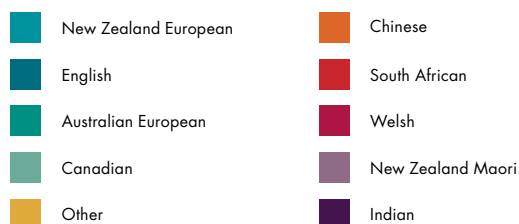
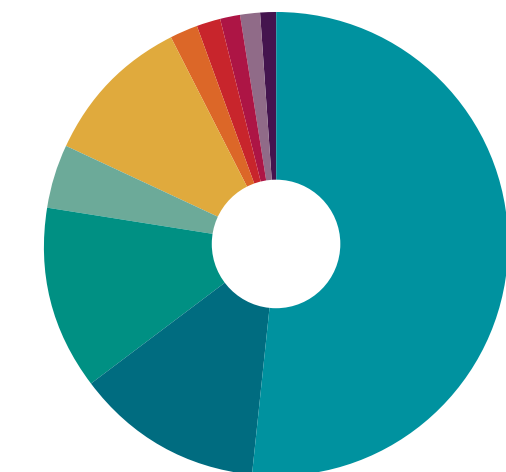
- Flexible conditions of employment agreed at a personal level with the opportunity to create a win/win situation;
- Flexible hours of work;
- Paid leave to care for dependants at times of illness;
- Career breaks by providing extended periods of unpaid leave;
- Partly paid leave to participate in Red Cross and other Aid type organisations;
- The introduction of “tradeable” benefits as part of an employee’s remuneration. This enables employees to trade cash for additional benefits and vice versa within their total remuneration.



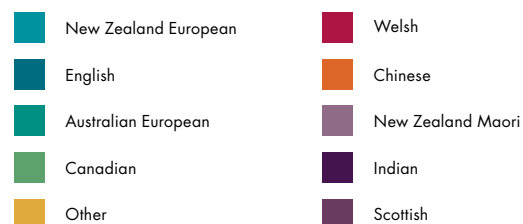
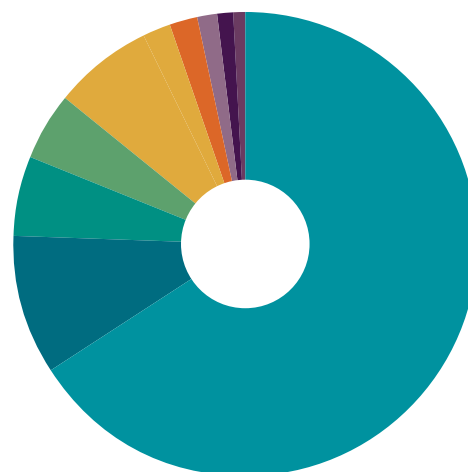
Our recruitment practices have resulted in a culturally diverse employment base. A breakdown of our employee ethnicity is shown on page 111.

Ethnicity

DECEMBER 2011



DECEMBER 2001

**SUPPORTING EMPLOYEE PERSONAL DEVELOPMENT**

We continue to be an organisation committed to providing an environment where our people are “challenged to reach their full potential”. This is a company-wide value. In addition, a company-wide policy defines our overall commitment to Employee Value and Wellbeing aspects.

We are committed to being a diverse organisation where people are highly engaged, motivated and enabled to think, challenge, innovate and achieve.

We are committed to employment practices, (including commitment to fairness and equity, and cultural and heritage sensitivities):

- That provide flexibility and add value to the business;
- Where a process of regular and on-going feedback and performance review is a strength, and is supported by a strong reward/recognition practice;
- Where ongoing training and development and succession planning programmes enable and improve individual, team and organisational capability.

We assess our performance against this policy as part of a Staff Survey. This survey is generally conducted every two years with most aspects of the policy addressed in its content. Our last Staff Survey was completed in the previous reporting period of 2009 and showed a very good overall satisfaction level representing a slight improvement over our 2007 result. The overall ‘employee engagement’ for Opus is 53 percent compared with the Global Benchmark of 34 percent. The overall performance index also improved and the performance indices for each section of the survey remained generally consistent with the 2007 result. Following a full review of the staff engagement process through 2011 the next survey, which will focus on strengthening our culture to one that is firmly based on achievement, is due in 2012. The results will be published as part of the 2012 Annual Report.

Our preference is to develop staff from within the company for leadership roles and appointment to management and principal technical roles. Specific development programmes are in place to support this aim. All vacant positions in each country are advertised internally to the whole Opus community. Where suitable internal candidates are not available or cannot be identified, appointments are sought from outside of the company. No preference or policy applies to hiring of candidates from local communities; all appointments, whether from internal or external candidates, are based on merit.

QUALITY ASSURANCE SYSTEMS

"Excellent Service Delivery" and "Strong Client Relationships" are two key Company Values that are instilled in all our employees and are fundamental to the business. All of our businesses are certified to ISO 9001:2008, with the exception of two business groups in Canada, one of which was acquired in November 2010. It is important to Opus to maintain a high level of internal management system standards across our organisation and good progress is being made towards achievement of ISO 9001:2008 certification for these remaining offices in 2012. Working with our external ISO auditors we continue to pursue a high level of global consistency in management systems.

The Company's management systems have been designed recognising the need to:

- Empower individuals to have a sense of ownership;
- Raise the performance bar by focussing on the business and people issues that matter;
- Set well-defined performance outcome expectations;
- Provide flexibility to promote a high sense of urgency and to encourage innovation;
- Utilise "outcome-based" auditing processes that focus on achieving best practice.

Our Company management systems and processes are set out in our company management system, 'OpusWay'. This is accessed online and sets out the guiding principles for the management of the company and the way we do our business. It is supported by, and provides ready links to other information held on the Company's intranet, OpusWeb.

EMPLOYEE HEALTH & SAFETY

We value the wellbeing and safety of our staff and have in place an ongoing and comprehensive health and safety programme.

Training is provided for new employees, both at induction briefings and in-house training programmes. Staff who are involved in construction and site operational work are given additional specific training appropriate to their activities.

Opus also has a rehabilitation programme, which is tailored to the individual and specific needs of any injured employees. This is developed in consultation with the individual employee to support their timely and safe return to the work place.

Our health and safety performance is reviewed on a regular basis and given frequent coverage in team briefs and through the Chief Executive's Newsletters.

In New Zealand, we are part of the Workplace Safety Management Practices scheme operated by the Accident Compensation Corporation, and have attained the top level in that scheme. This was the result of an audit of our operations in October 2010. The next audit will be carried out in 2012.

Our Chief Executive confirmed his commitment to having a safe workplace, where no one is injured in the course of their work. He participated in the initiative in New Zealand which reflects the commitment to promote safety in the workplace. This is a government-industry partnership with a focus on active, involved, individual, and collaborative, leadership to reduce New Zealand's workplace death and injury toll.

The partnership involves working towards a vision of Zero Harm Workplaces, through sharing of information, and providing effective safety leadership. Commitment to this principle is shown through taking a Pledge, which involves the Chief Executive:

- Taking personal responsibility for making health and safety a vital part of our business, and
- Creating a workplace where everyone views health and safety as natural and as important as quality, profit and customer service.

“Our aim is to achieve a zero harm workplace. We work towards our goal through the development of a culture that delivers industry leading practices in occupational health, safety, environmental and sustainability management for the benefit of our employees, contractors, clients and communities.”

David Prentice, Chief Executive and Managing Director

All parts of the business have a management-employee Health and Safety Committee in accordance with procedures set out in company documentation.

The company's lost time/injury accident record for all countries since 2006 is shown in the table below.

We have adopted the following definition of Lost Time Injuries - where the injured person leaves work, and, because of the injury, does not return to normal duties at the start of the next working day.

We have introduced a number of initiatives to encourage a safe working environment:

- a) The incident reporting form was enhanced to allow better identification of root cause, and appropriate measures to prevent future incidents.
- b) An Incident Investigation Working Group was established to consider all incident reports, and ensure appropriate analysis and promulgation of preventive measures.
- c) Health and Safety awards have been introduced, and were awarded for the first time in the 2011 round of Company awards. These are:
 - » Outstanding Commitment - Health and Safety Award for an Individual;
 - » Outstanding Commitment - Health and Safety Award for Team;
 - » Project Health and Safety Award
- d) A Drug and Alcohol policy has been developed through consultation with company staff.

YEAR	2011	2010	2009	2008	2007	2006
Days lost per 100,000 days	15	19	12	5	10	30.6
Incidents per 1m hours worked	12	20	20	11	12	17
Lost Time Incidents (LTI) per 1m hours worked *	2	4	1			
Cost (\$1000k)	131	137	146	112	81	80

* Measurement of LTI's was introduced in 2009

STAFF TURNOVER

Staff turnover as given in the following table is expressed as resignations and total turnover (which includes retirements, leave without pay, and parental leave). The rates of turnover are presented as percentages in the graphs below.

At present, we do not formally monitor turnover by age group or gender. However, it is recognised that a higher proportion of turnover occurs with the 20-30 years age group and is associated with overseas travel, particularly for staff in New Zealand and Australia, and women in the 25-35 years age group associated with parental leave.

PERMANENT STAFF TURNOVER	2011	2010	2009	2008
Resignations	7.9 %	8.6 %	6.8 %	10.9 %
Total turnover	12.4 %	13 %	16.2 %	14 %



EMPLOYEE BENEFITS

The following are the key points of comparison between staff employed under permanent and temporary employment contracts (covers all operations):

- Permanent employment contracts have a minimum notice period of one month unless a longer period is specified according to the applicable country legislation or adopted for a particular employment position. A minimum consultation period of two weeks also applies prior to giving notice where restructuring is proposed. No notice or consultation period applies for temporary employment contracts.

FEATURE	PERMANENT STAFF	TEMPORARY STAFF
Remuneration	A total remuneration is negotiated at commencement of contract and reviewed annually based on performance and job scope. Benefits such as additional leave, health insurance, etc. may be negotiated.	Hourly rate established at commencement of contract.
Overtime payments	Payments made, or time-in-lieu provided, for staff on salaries below a threshold established for each country.	Provided as cash payment according to the hours worked.
Superannuation	A superannuation provision is included.	Not provided.
Annual leave	Normally four weeks or the minimum provided by legislation in each country.	Provided at the minimum statutory rate applicable in each country.
Sick leave	Provided.	Provided after six months.
Parental leave	Provided in accordance with the relevant country legislation.	Not eligible.
Transfer assistance	Provided.	Not provided.
Bonus payments	All permanent staff are eligible based on performance.	Not eligible.
Provision for redundancy payment and notice period	Provided.	Not provided.
Promotion to Associate and Partner	Eligible.	Not eligible.
Provision of training and development	Fully eligible, including access to training assistance.	Limited to project operational needs.
Personal appraisals and career development	Fully applied.	Not applicable.
Professional indemnity	Applicable.	Applicable.

WE VALUE AND RESPECT OUR PEOPLE AND STAKEHOLDERS

We value our employees and stakeholders, as this is an important and an implicit part of our company values. Our sustainability policy includes the provision to “continue to recognise the cultural diversity of our people, clients and stakeholders, and respect and value their different cultural practices and beliefs”. We fully comply with the employee protection laws and are an equal opportunities employer. Given the legislative base and operation of Human Rights Commissions in all the countries in which Opus is based, there are no risks associated with employee rights issues.

We undertake due diligence on all our acquisitions which includes assessment of human resource practices, compatibility with our values, and compliance with legislation. Compliance with people’s rights and good practice is implicit in this assessment. There is currently no policy in place for screening of suppliers on human rights issues. Due diligence focusses on ensuring that the culture of acquired firms is compatible with our own.

Procedures for handling complaints and grievances relating to employees are set out in individual employment contracts. This involves a five step process ranging from internal resolution, through mediation, through to the highest Appeal Court. Any issues that might arise that relate to employees are handled by the relevant manager within our business structure in the first instance, but can be referred to the Human Rights Commission (or equivalent in each country) if necessary. We have a non-harassment policy as part of our human resources policy and practices, which is set out in ‘OpusWay’.

We are very focussed on attracting, retaining and developing talent. Our overall aim is for Opus to be a “great place to work”. Our Sustainability Policy is central to who we are and includes our aims to:

- Continue to foster an environment where people feel valued, take pride and enjoyment in working for a successful company, and where skills, competencies, knowledge and talent are proactively identified, nurtured and developed, and;
- Continue to recognise the cultural diversity of our people, clients and stakeholders, and respect and value their different cultural practices and beliefs.

SOCIETY

We have a spread of offices over a large number of locations ranging from major cities to smaller townships in New Zealand, Australia, Canada, the United Kingdom and the USA. In this sense, most staff have a close connection to the communities where they work and live. In many cases our clients also live in the same location as our staff and the projects we are undertaking.

Our sustainability policy includes the provision to ‘encourage the positive impacts we can have on the communities in which we are based.’ Examples of mechanisms through which positive impacts are achieved include:

- The economic value we provide through the use of local suppliers, where this is appropriate.
- The salaries expended by our staff within the communities where they either work or live.
- The value provided to local communities through the projects we deliver.
- Investment in community projects through the provision of labour and expertise pro bono, the supply of goods in relation to these projects, and fund-raising for charities.
- Support for staff who voluntarily contribute their own time and expertise in assisting developing countries through humanitarian organisations.

APPENDIX 4

GRI Content Index

The GRI Content Index allows the different elements of the GRI content to be located within the Annual Report in accordance with GRI section 3.12. In the content index below: - means not reported with supporting reason for exclusion; + means partially reported for stated countries; and * means fully reported.

In accordance with the application levels set out in the GRI Sustainability Reporting Guidelines (Version 3.0), this Annual Report matches self-assessed level C. This means that the report provides information about most of the profile disclosures (as specified) and a minimum of 10 performance indicators, including at least one from each of: social, economic, and environmental. The content has been self-assessed for compliance with the guidelines.

GRI SECTION	DESCRIPTION	GRI SECTIONS COVERED	PAGES
1	Strategy and Analysis	1.1 - 1.2	8 - 11, 107, 113
2	Organisational Profile	2.1-2.10	Cover, 1 - 7, 17 - 36, 104
3	Report Parameters		
	Report Profile	3.1 - 3.4	106, 120
	Report Scope and Boundary	3.5 - 3.11	106
	GRI Content Index	3.12	116 - 118
	Assurance	3.13	92, 106
4	Governance, Commitments and Engagement		
	Governance	4.1 - 4.10, 4.11 - 4.13	94 - 104
	Stakeholder Engagement	4.14 - 4.15	106

ECONOMIC

INDICATOR		STATUS	REASONS FOR EXCLUSION/NOTES	PAGES
EC1 Direct economic value generated and distributed, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Core	*		37 - 92
EC2 Financial implications and other risks and opportunities for the organisation's activities due to climate change.	Core	*		26 - 36
EC3 Coverage of the organisation's defined benefit plan obligations	Core	*		53, 77 - 78
EC4 Significant financial assistance received from government.	Core	*		18
EC6 Policy, practices, and proportion of spending on locally based suppliers at significant locations of operations.	Core	*		115
EC7 Procedures for local hiring and proportion of senior management hired from the local communities at locations of significant operations.	Core	*		112 - 115

ENVIRONMENTAL

INDICATOR		STATUS	REASONS FOR EXCLUSION/NOTES	PAGES
EN2 Percentage of materials used that are recycled input materials.	Core	-	Opus as a professional services company has no manufacturing operations. Some materials consumed are recycled (e.g. printing paper), but is an immaterial component of Opus' operations.	-
EN3 Direct energy consumption by primary energy source.	Core	+	Included in the table under EN16	107 - 108

ENVIRONMENTAL CONTINUED

INDICATOR		STATUS	REASONS FOR EXCLUSION/NOTES	PAGES
EN16 Total direct and indirect greenhouse gas emission by weight.	Core	+	Covers New Zealand only	107 - 108
EN17 Other relevant indirect greenhouse gas emissions by weight.	Core	+	Included in the table under EN16	107 - 108
EN22 Total weight of waste by type and disposal method.	Core	+	Included in the table under EN16	107 - 108
EN29 Significant environmental impact of transporting products and other goods and materials used for the organisation's operations and transporting members of the workforce.		+	Covers New Zealand only	107 - 108

EMPLOYEE VALUE AND WELLBEING

INDICATOR		STATUS	REASONS FOR EXCLUSION/NOTES	PAGES
LA1 Total workforce by employment type, employment contract, and region.	Core	*		109
LA2 Total number and rate of employee turnover by age group, gender, and region.	Core	*		110, 113 - 114
LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Add	*		114
LA4 Percentage of employees covered by collective bargaining agreements.	Core	-	Staff are not covered by collective bargaining agreements. Staff may elect to appoint bargaining agents to negotiate employment contracts according to the relevant country legislation.	-
LA5 Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	Core	*		114
LA6 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes.	Core	*		112 - 113
LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities, by region.	Core	*	Absenteeism is monitored locally; instances are irregular and immaterial.	113

WE VALUE AND RESPECT OUR EMPLOYEES AND STAKEHOLDERS

INDICATOR		STATUS	REASONS FOR EXCLUSION/NOTES	PAGES
HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.		*		115
HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Core	-	No screening has been carried out in the selection of significant suppliers or contractors.	-

SOCIETY

INDICATOR		STATUS	REASONS FOR EXCLUSION/NOTES	PAGES
SO1 Nature, scope, and effectiveness of any programmes and practices that access and manage the impacts of operations on communities, including entering, operating and exiting.	Core	-	Opus' operations relate only to developing countries, and activities are the subject of impact assessment under the relevant legislation.	-
SO3 Percentage of employees trained in the organisation's anticorruption policies and procedures.	Core	-	The company employs a rigorous internal control framework and transactions are monitored and reviewed continually.	-
SO5 Public policy positions and participation in public policy development and lobbying.	Core	-	Opus is not involved in policy development or lobbying in its own right.	-
SO6 Total value of financial and in-kind contributions to political parties, politicians and related institutions by country.	Add	-	No financial or in-kind contributions have been made.	-
SO7 Total number of legal actions for anti-competitive behaviours, anti-trust, and monopoly practices and their outcomes.	Add	-	No legal actions have been undertaken, nor are any legal actions pending.	-

PRODUCT RESPONSIBILITY

INDICATOR		STATUS	REASONS FOR EXCLUSION/NOTES	PAGES
PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Core	*		112 - 113
PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes.	Add	-	There have been no non-compliances.	-
PR3 Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Core	*		112 - 113
PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	Add	-	There have been no non-compliances.	-
PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Add	*		106
PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Add	-	There have been no complaints.	-
PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Core	-	There have been no significant fines.	-

GLOSSARY

Auditor	Ernst & Young, Wellington
Board	the Board of Directors
Companies Act	the Companies Act 1993
Company	Opus International Consultants Limited
Directors	the Directors of Opus
EBIT	earnings before interest and tax
EBITDA	earnings before interest, tax, depreciation and amortisation
ESOP	Employee Share Ownership Plan
FTE	Full-time equivalent employee
Independent Directors	Kerry McDonald, Keith Watson, Fraser Whineray and Alan Isaac
NZ IFRS	New Zealand equivalent to International Financial Reporting Standards
Opus	Opus International Consultants Limited, and subsidiary companies where applicable
Opus NZ	Opus International (NZ) Limited
Share Registry	Computershare Investor Services Limited
Shareholder	a holder of Shares
Shares	fully paid ordinary shares in Opus

DIRECTORY

Registered Office of Opus

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New Zealand

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New Zealand

Directors Of Opus

Kerry McDonald (Chairman)
Suhaimi Halim
Keith Watson
Fraser Whineray
Alan Isaac
David Prentice
Dato' Seri Ismail Shahudin
Nik Airina Nik Jaffar

Chief Executive

David Prentice

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