OPUS
INTERNATIONAL
CONSULTANTS

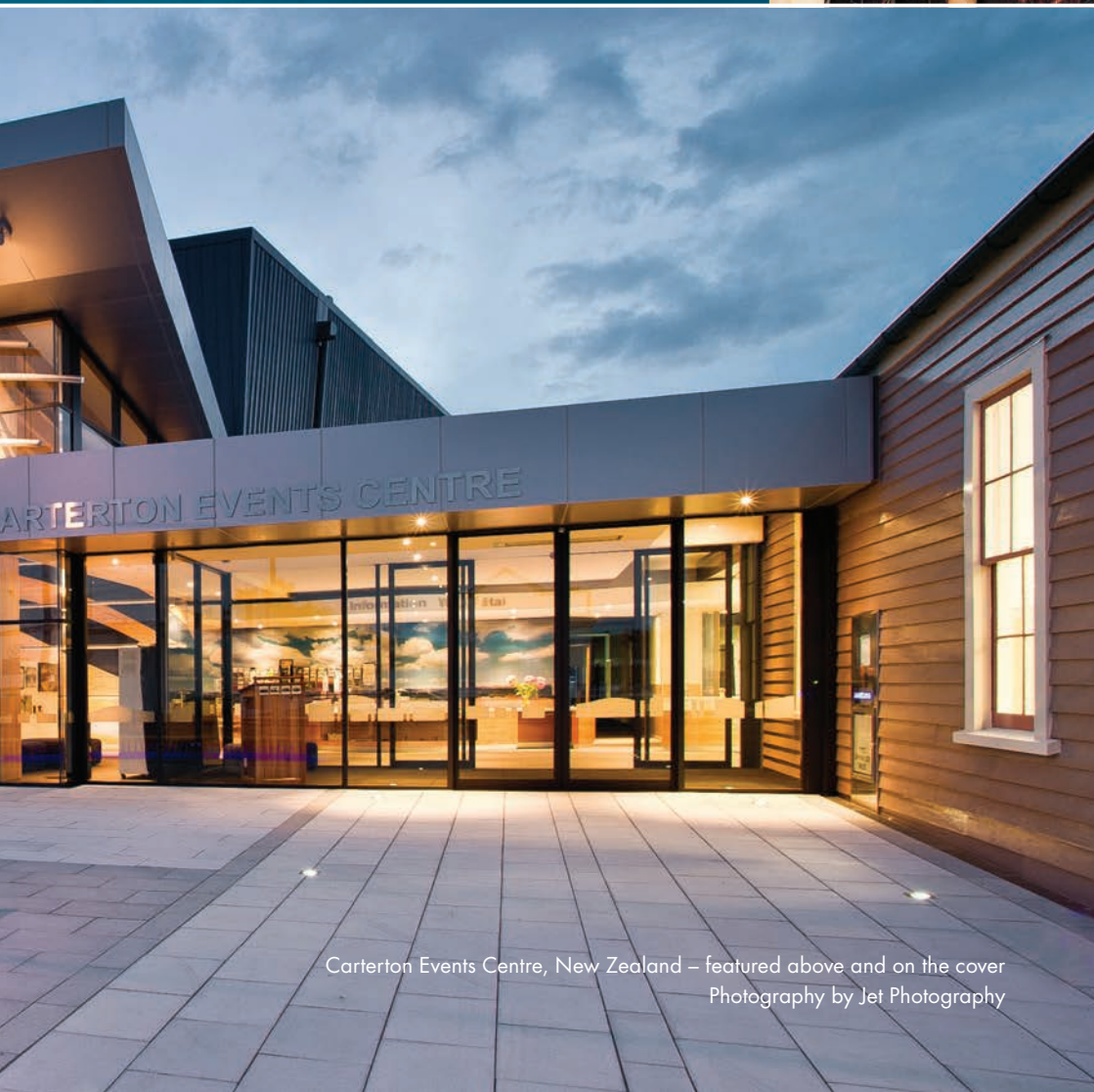
2012
HALF-YEAR REPORT

OPUS

RE·SOURCE·FUL
ADJ. ABLE TO ACT
EFFECTIVELY
OR IMAGINATIVELY,
ESPECIALLY IN
DIFFICULT SITUATIONS

CARTERTON EVENTS CENTRE NEW ZEALAND

The Carterton Events Centre is an example of resourcefulness at its best – where state-of-the-art design meets innovative technology. Incorporating a leading-edge earthquake protection system (as designed by researchers at the University of Canterbury, NZ) it is only the second time it has been used worldwide, and the first in this form. The new structural support system uses laminated veneer timber sandwiched together into layers to form large vertical shear walls. The walls are held in place with internal high-strength steel rods that are able to withstand earthquake loads. The project was recently awarded the INGENIUM Excellence Award for Public Infrastructure in the category of projects from $2m – $10m.



Carterton Events Centre, New Zealand – featured above and on the cover
Photography by Jet Photography

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OVERVIEW

Following a strong second half in 2011, we have delivered a steady outcome for the first half of this year, in spite of continuing tight economic conditions in all of our markets, and increased competition.

In the half-year ended 30 June 2012, earnings before interest and tax (EBIT) were $14.4 million, an increase of 7% over the same period last year. The net profit after tax was $10.8 million, down 5% on 2011 which had benefitted from a $1.4m tax credit. Our revenue was $203.5 million, which is an increase of 3.5% over the same period last year.

In New Zealand we continue to perform strongly. EBIT was $15.5 million, an increase of 26% over the same period last year, and was boosted by the gradual increase of work in Christchurch. Our Canadian EBIT was $0.5 million, reflecting continuing improvement with the integration of Dayton & Knight into the Opus business. Difficult economic conditions continue in the United Kingdom where we reported a loss of $0.6 million, but there were also real positives and our strong asset management expertise has become increasingly important in this market. In Australia, a loss of $1.0 million reflected a major doubtful debt and the softening, two-speed economy. The resources sector remained strong but projects in other sectors were much slower than expected in coming to market. We completed the acquisition of Coffey Rail in Melbourne (now Opus Rail Pty Ltd) in March and it is performing well.

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

	SIX MONTHS ENDED 30 JUNE		YEAR ENDED 31 DECEMBER
	2012 $M	2011 $M	2011 $M
Operating Revenue	203,549	196,661	393,466
EBITDA	16,864	16,077	35,906
Depreciation and Amortisation	(2,483)	(2,620)	(5,021)
EBIT	14,381	13,457	30,885
Net Surplus After Tax	10,755	11,303	24,530

OPERATIONS

Opus' overall performance continues to support a healthy net cash position. We have maintained a base of long-term contracts in a range of geographic locations, which has helped to underpin our performance and ultimately spread risk in these challenging times.

During the first six months of 2012 we secured a number of significant new contracts in all our countries of operation. In particular, in the UK, alongside joint venture partner Arup, we have been awarded a major Client Support Term Contract for road network management services for Hertfordshire County Council (HCC). This is a seven-year contract with the option of a five-year extension and will increase the Opus team in the UK by over 130 people in the coming months. It is important for us given the continuing recessionary conditions in the UK and uncertainty in the Eurozone, and our strenuous efforts to maintain a profitable business there, based on a range of good opportunities in that market.

For example, we have successfully targeted the UK rail sector and have a number of projects currently underway for Network Rail as part of a rail electrification programme, and a UK-based engineering team continues to work with other Opus offices on Christchurch design work.

In New Zealand, the market has strengthened in some areas over the past six months, but competition remains strong. We restructured our Architecture Division in late 2011 and it has since defied a depressed building market to secure a number of important new projects. These include the concept design for the new Law and Management building at the University of Waikato, and the recent appointment, in collaboration with Thom Craig Architects, to provide full architectural services for Tait Communications' new headquarters in Christchurch. We were also recently presented with the Best Public Service Architecture Asia Pacific Award at the Asia Pacific Property Awards 2012 for the Wilson Special Needs School in Auckland.

The Christchurch earthquake rebuild is likely to ease some of the competitive pressures in the building market. Work in that area is slowly gaining momentum and we are positioned to service new

and existing clients across a range of capabilities.

As part of the rebuild, we have an integral role in the Stronger Christchurch Infrastructure Rebuild Team – responsible for rebuilding horizontal infrastructure in the region. We have been appointed as one of four principal design organisations, leading a team of engineers tasked with preliminary design, detailed design and design support during construction.

In Australia, the economy is mixed, with the mining, and oil and gas industries driving growth, while other sectors such as commercial and retail are slow. We continue to target the resource sector and have recently secured contracts for concept design, asset coordination and inspection services as part of the preparation for the proposed $2 billion Southdown Magnetite Iron Ore Mine.

Reconstruction work following the Queensland flooding of 2010 and 2011 continues and we are scoping work to repair additional road damage sustained in the Fraser Coast region after heavy rainfall during February and March 2012. These projects form part of Operation Queenslander, which is the largest programme of reconstruction works in the Department of Transport and Main Road's history with $4.2 billion budgeted for the reconstruction of 6,700km of Queensland's state-controlled roads.

In March of this year, we finalised the purchase of Australian-based rail engineering consultancy, Coffey Rail Pty Ltd (now Opus Rail Pty Ltd) and its related company Asia Pacific Rail Pty Ltd. We are now targeting cross-selling opportunities across the wider business.

Conditions remain variable in Canada. Work has involved asset management contracts for Public Works and Government Services Canada and British Columbia Ministry of Transportation including an involvement in a number of private/public partnerships. Opus DaytonKnight continues to perform well, in spite of being constrained by a shortage of specialist resources in some disciplines, and has secured a number of new contracts in water and wastewater for municipal, provincial and First Nations clients.

RE· SOURCE· FUL·

LA SALLE CAUSEWAY CANADA

Our work for Public Works and Government Services Canada (PWGSC) is an example of our resourcefulness in the growing field of asset management. PWGSC is charged with managing the country's largest portfolio of federally controlled, non-military infrastructure assets, some of which have been in service for over 100 years. Opus has been working in partnership with PricewaterhouseCoopers since August 2009 formulating a series of long-term management plans, strategies and options for PWGSC's individual assets, leading a consortium of engineers from WorleyParsons Canada and RJ Burnside & Associates. The portfolio is unique, complex and highly diverse, including seven bridges, five dams, numerous wharf structures and other specialised assets.

La Salle Causeway, Canada

FUTURE OUTLOOK

The recent string of natural disasters and the continuing changes in the global economy have reinforced the importance of asset security and a more holistic approach to asset management.

Opus has always had strong asset management credentials and has been a leader in the 'whole of life' infrastructure approach for many years. As a result, our key people are in global demand by infrastructure owners as they strive to get the most from their assets. Drawing on our capabilities in this area, earlier this year we successfully launched a mobile Global Asset Management team, headed by Tony Porter, (Director, Global Asset Management) to leverage our strong asset management credentials in a wider range of geographic locations. This allows local businesses to draw on the expertise of our global team, both in securing projects such as the HCC contract, and adding real strategic value to our delivery.

With uncertain global economic conditions constraining growth in some areas, our ability to be astute, nimble and, most importantly, resourceful is crucial to ensure opportunities are maximised.

In the first half of 2012 we rolled out our new five year Strategic Plan, building on the strength of our current business model and expanding our global reach. We are targeting opportunities in the Middle East, North Africa and Asia, and are working in partnership with Opus International Malaysia to offer a strong combination of engineering, architecture and project/construction management skills and capability throughout the region.

Growth is also being achieved through diversification into new markets in our

existing countries of operation. Building on the success in New Zealand, we have partnered with the Australian Water Association to form the Water Industry Training Organisation for the delivery of water training. In New Zealand, we have successfully targeted the dairy industry and wider rural services sector, particularly in irrigation and land management. In Canada, we have gained commissions in new sectors including oil and gas, and in new geographic locations including Halifax and Nova Scotia. We also recently expanded into the Yukon region, setting up an office in March 2012. In addition, we continue to work to supplement growth by acquisitions.

The global marketplace is an exceedingly challenging one. Our strong focus is on delivering excellent services to our existing and new clients, more efficiently and effectively. Organisational change and continuous improvement are vital enablers, building on our key strengths and our very talented staff to further develop our position as a leading infrastructure provider.

Kerry McDonald
Chairman

David Prentice
Chief Executive and Managing Director

FINANCIAL STATEMENTS

Financial Statements for the Period Ended 30 June 2012

CONSOLIDATED INCOME STATEMENT

For The Period Ended 30 June 2012 (Unaudited)

	NOTE	(UNAUDITED) SIX MONTHS ENDED 30 JUNE		(AUDITED) YEAR ENDED 31 DECEMBER
		2012 $000	2011 $000	2011 $000
OPERATING ACTIVITIES				
Operating Revenue		203,549	196,661	393,466
Operating Expenses	1	(187,138)	(180,858)	(358,213)
Operating Surplus		16,411	15,803	35,253
Equity Accounted Share of Surplus of Associates and Joint Ventures		453	274	653
EBITDA		16,864	16,077	35,906
Depreciation and Amortisation		(2,483)	(2,620)	(5,021)
EBIT	2	14,381	13,457	30,885
Interest Revenue		1,681	1,691	3,346
Interest Expense		(1,279)	(1,228)	(2,378)
OPERATING SURPLUS BEFORE TAX		**14,783**	**13,920**	**31,853**
Less Tax Expense	3	(4,028)	(2,617)	(7,323)
NET SURPLUS AFTER TAX		**10,755**	**11,303**	**24,530**
EARNINGS PER SHARE				
Basic Earnings Per Share		0.07	0.08	0.17
Diluted Earnings Per Share		0.07	0.08	0.16

All monetary values in this report are in New Zealand currency unless otherwise indicated.

The accompanying Notes on pages 16 to 23 form part of and should be read in conjunction with this statement.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Period Ended 30 June 2012 (Unaudited)

	NOTE	(UNAUDITED) SIX MONTHS ENDED 30 JUNE		(AUDITED) YEAR ENDED 31 DECEMBER
		2012 $000	2011 $000	2011 $000
Net Surplus After Tax for the Period		10,755	11,303	24,530
OTHER COMPREHENSIVE INCOME:				
Actuarial Gain on Defined Benefit Plan		-	-	336
Exchange Difference on Translation of International Subsidiaries		(682)	(552)	(648)
Net Gain/(Loss) in Hedge of Net Investment		289	317	424
Income Tax Relating to Components of Other Comprehensive Income		(7)	40	(42)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**(400)**	**(195)**	**70**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**10,355**	**11,108**	**24,600**

The accompanying Notes on pages 16 to 23 form part of and should be read in conjunction with this statement.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Period Ended 30 June 2012 (Unaudited)

	NOTE	ORDINARY SHARES	CONVERTIBLE NOTES	EMPLOYEE BENEFITS	FOREIGN CURRENCY TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL EQUITY
		$000	$000	$000	$000	$000	$000
AT 1 JANUARY 2011		**50,655**	**400**	**865**	**244**	**44,352**	**96,516**
Other Comprehensive Income		-	-	-	(195)	-	(195)
Net Surplus for the Period		-	-	-	-	11,303	11,303
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-	-	-	**(195)**	**11,303**	**11,108**
EQUITY TRANSACTIONS:							
Shares Issued (Net of Transaction Costs)		1,892	-	(119)	-	-	1,773
Convertible Notes Converted to Ordinary Shares		42	(42)	-	-	-	-
Share-Based Payment		-	-	56	-	-	56
Dividend Paid	5	-	-	-	-	(6,190)	(6,190)
Tax Credits on Supplementary Dividend	5	-	-	-	-	61	61
AT 30 JUNE 2011		**52,589**	**358**	**802**	**49**	**49,526**	**103,324**
AT 1 JANUARY 2012		**52,607**	**358**	**1,067**	**65**	**57,220**	**111,317**
Other Comprehensive Income		-	-	-	(400)	-	(400)
Net Surplus for the Period		-	-	-	-	10,755	10,755
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-	-	-	**(400)**	**10,755**	**10,355**
EQUITY TRANSACTIONS:							
Share-Based Payment		-	-	75	-	-	75
Dividend Paid	5	-	-	-	-	(6,896)	(6,896)
Tax Credits on Supplementary Dividend	5	-	-	-	-	66	66
AT 30 JUNE 2012		**52,607**	**358**	**1,142**	**(335)**	**61,145**	**114,917**

The accompanying Notes on pages 16 to 23 form part of and should be read in conjunction with this statement.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2012 (Unaudited)

	NOTE	(UNAUDITED) 30 JUNE 2012 $000	(UNAUDITED) 30 JUNE 2011 $000	(AUDITED) 31 DECEMBER 2011 $000
NON-CURRENT ASSETS				
Property, Plant and Equipment		11,979	10,089	9,665
Investments in Associates and Joint Ventures		596	365	339
Intangible Assets		55,684	47,621	47,437
Deferred Tax Asset		12,715	11,799	12,401
TOTAL NON-CURRENT ASSETS		**80,974**	**69,874**	**69,842**
CURRENT ASSETS				
Cash and Cash Equivalents		80,592	80,176	92,813
Receivables and Prepayments		56,209	50,081	44,464
Work in Progress		31,926	30,275	21,829
Tax Receivable		1,027	1,269	774
Derivative Financial Instruments		162	221	245
TOTAL CURRENT ASSETS		**169,916**	**162,022**	**160,125**
TOTAL ASSETS		**250,890**	**231,896**	**229,967**
NON-CURRENT LIABILITIES				
Provisions for Employee Entitlements	8	6,831	6,917	6,919
Defined Benefit Pension Liability	8	703	1,166	835
Long Term Borrowings		4,322	4,434	4,415
Finance Leases (Term Portion)		1,573	1,368	1,324
Long Term Payable		912	6,341	918
TOTAL NON-CURRENT LIABILITIES		**14,341**	**20,226**	**14,411**
CURRENT LIABILITIES				
Short Term Bank Borrowings		50,611	37,124	36,440
Finance Lease (Current Portion)		1,081	1,283	1,083
Creditors, Accruals and Provisions		22,614	22,838	21,955
Tax Payable		346	78	2,215
Revenue in Advance		19,012	19,598	17,455
Provisions for Employee Entitlements	8	27,968	27,425	25,091
TOTAL CURRENT LIABILITIES		**121,632**	**108,346**	**104,239**
NET ASSETS		**114,917**	**103,324**	**111,317**
EQUITY				
Ordinary Share Capital	4	52,607	52,589	52,607
Convertible Notes		358	358	358
Employee Equity Benefits		1,142	802	1,067
Retained Earnings	5	61,145	49,526	57,220
Foreign Currency Translation Reserve		(335)	49	65
TOTAL EQUITY		**114,917**	**103,324**	**111,317**

For and on behalf of the Board, who authorised the issue of these interim financial statements on 13 August 2012.

Chairman Managing Director

The accompanying Notes on pages 16 to 23 form part of and should be read in conjunction with this statement.

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Period Ended 30 June 2012 (Unaudited)

	NOTE	(UNAUDITED) SIX MONTHS ENDED 30 JUNE		(AUDITED) YEAR ENDED 31 DECEMBER
		2012 $000	2011 $000	2011 $000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers		185,403	187,587	395,336
Interest Received		1,548	1,694	3,415
Payments to Suppliers and Employees		(184,470)	(175,890)	(361,213)
Interest Paid		(1,038)	(1,117)	(2,249)
Taxation Paid		(6,148)	(7,415)	(10,189)
NET CASH FLOWS FROM OPERATING ACTIVITIES	10	**(4,705)**	**4,859**	**25,100**
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale of Property, Plant and Equipment		32	720	1,326
Purchase of Property, Plant and Equipment and Intangible Assets		(3,500)	(2,801)	(4,855)
Dividends From Associates		285	200	605
(Purchase of Investments)/Purchase Price Adjustment	6	(11,569)	727	727
Investment in Joint Venture	7	(89)	-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(14,841)**	**(1,154)**	**(2,197)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends Paid	5	(6,896)	(6,190)	(11,777)
Repayment of Finance Lease Obligations		(591)	(953)	(1,795)
Share Capital Issued (Net of Transaction Costs)		-	72	1,790
NET CASH FLOWS FROM FINANCING ACTIVITIES		**(7,487)**	**(7,071)**	**(11,782)**
NET (DECREASE)/INCREASE IN CASH HELD		(27,033)	(3,366)	11,121
Foreign Exchange Adjustment		641	473	(693)
Cash at Beginning of the Period		56,373	45,945	45,945
CASH AT THE END OF THE PERIOD		**29,981**	**43,052**	**56,373**
COMPRISING:				
Cash at Bank		80,592	80,176	92,813
Short Term Bank Borrowings		(50,611)	(37,124)	(36,440)
		29,981	**43,052**	**56,373**

The accompanying Notes on pages 16 to 23 form part of and should be read in conjunction with this statement.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(Unaudited)

PRESENTATION AND ACCOUNTING POLICIES

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

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

The functional and presentational currency of Opus International Consultants Limited and its New Zealand subsidiary is the New Zealand Dollar and the financial statements are expressed in New Zealand Dollars.

The condensed interim financial statements of the Group for the six months ended 30 June 2012 have been prepared using the same accounting policies and methods of computation as, and should be read in conjunction with, the financial statements and related notes included in the Group's Annual Report for the year ended 31 December 2011.

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

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The same methodology or approach to deriving significant judgements, estimates and assumptions included in the notes to the Financial Statements in the Group's Annual Report for the year ended 31 December 2011 have been applied to these interim Financial Statements.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(Unaudited)

1. OPERATING EXPENSES

INCLUDED IN OPERATING EXPENSES ARE THE FOLLOWING ITEMS:	(UNAUDITED) SIX MONTHS ENDED 30 JUNE 2012 $000	(UNAUDITED) SIX MONTHS ENDED 30 JUNE 2011 $000	(AUDITED) YEAR ENDED 31 DECEMBER 2011 $000
Employee Remuneration Costs	113,325	105,256	211,724
Consultant and Sub-Contractor Expenses	28,408	32,605	64,501
Project Materials and Services Costs	7,672	7,723	13,732
Lease/Rental Expenses	9,811	9,274	18,667
Travel Related Expenses	8,355	7,642	16,005
Training and Other Employee Related Expenses	4,219	3,933	8,096
Communication and Office Administration Costs	4,728	4,701	8,590
Insurance	1,127	1,163	2,063
Advertising and Promotion Expenses	827	817	1,714
Group Auditors – Audit Fees	226	200	423
Group Auditors – Taxation Services	123	15	58
Group Auditors – Other Assurance Services	29	-	59
Directors' Fees and Expenses	236	289	582
(Profit)/Loss on Foreign Exchange Transactions – Realised	(10)	(35)	(7)
(Profit)/Loss on Foreign Exchange Transactions – Unrealised	(24)	(20)	(95)
Bad Debts Expense	108	226	522
Change in Provision for Doubtful Debts	910	(156)	(900)
(Gain)/Loss on Sale of Property, Plant and Equipment	(32)	2	(21)
Other Operating Expenses	7,100	7,223	12,950
TOTAL OPERATING EXPENSES	**187,138**	**180,858**	**358,213**

2. SEGMENTAL REPORTING

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

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

2. SEGMENTAL REPORTING CONTINUED

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.

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

Geographic Segment Information

For the six months ended 30 June 2012 (unaudited)

	NEW ZEALAND	UNITED KINGDOM	AUSTRALIA	CANADA	OTHER*	TOTAL
	$000	$000	$000	$000	$000	$000
Segment Revenue:						
External Customers	144,749	10,591	37,429	10,780	-	**203,549**
Inter-Segment Revenue	685	640	88	65	(1,478)	**-**
Segment Result	15,458	(624)	(967)	518	(4)	**14,381**
Segment Total Assets	152,617	23,357	49,059	25,850	7	**250,890**

For the six months ended 30 June 2011 (unaudited)

	NEW ZEALAND	UNITED KINGDOM	AUSTRALIA	CANADA	OTHER*	TOTAL
	$000	$000	$000	$000	$000	$000
Segment Revenue:						
External Customers	142,294	10,723	32,036	11,608	-	**196,661**
Inter Segment Revenue	765	774	86	9	(1,634)	**-**
Segment Result	12,286	(775)	1,357	528	61	**13,457**
Segment Total Assets	148,436	23,596	33,626	26,231	7	**231,896**

For the year ended 31 December 2011 (audited)

	NEW ZEALAND	UNITED KINGDOM	AUSTRALIA	CANADA	OTHER*	TOTAL
	$000	$000	$000	$000	$000	$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)	**-**
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**

*includes inter-company eliminations and consolidation entries

3. TAXATION

The income tax expense in the interim financial statements includes a reduction in the corporate tax rate in the United Kingdom from 26% to 24% effective 1 April 2012 (last year 27% to 26%). As the legislation has been substantively enacted, the Group's United Kingdom deferred tax assets have been adjusted accordingly in the period. This has resulted in a write-down of deferred tax assets and a corresponding charge to tax expense of $0.2 million (30 June 2011: $0.1m).

During 2011 the Group received a one-off tax credit for research and development activity in New Zealand resulting in an amount of $1.38 million credited against tax expense in the period. After a change in legislation R&D tax credits are no longer available in New Zealand.

4. EQUITY – ORDINARY SHARE CAPITAL

During the period ended 30 June 2012, the Company had no movement in ordinary share capital.

	ORDINARY SHARE CAPITAL $000	NO. OF SHARES	ACCUMULATED NO. OF SHARES
AS AT 1 JANUARY AND 30 JUNE 2012	**52,607**	**144,999,881**	**144,999,881**

As at 30 June 2012 the Company holds 39,561 Treasury Shares (30 June 2011: 119,728; 31 December 2011: 9,474) and 3,412,160 shares (30 June 2011: 2,656,433; 31 December 2011: 3,442,247) are held in trust for the Employee Share Ownership Plan.

5. EQUITY – RETAINED EARNINGS

	(UNAUDITED) SIX MONTHS ENDED 30 JUNE		(AUDITED) YEAR ENDED 31 DECEMBER
	2012 $000	2011 $000	2011 $000
Balance at Beginning of Period	57,220	44,352	44,352
Net Surplus for the Period	10,755	11,303	24,530
Dividend on Ordinary Shares	(6,896)	(6,190)	(11,777)
Tax Credit on Supplementary Dividend	66	61	115
BALANCE AT END OF PERIOD	**61,145**	**49,526**	**57,220**

Dividends of $6.9 million were declared and paid during the period ended 30 June 2012 (30 June 2011: $6.2 million; 31 December 2011: $11.8 million) representing 4.7 cents per ordinary share (30 June 2011: 4.3 cents per ordinary share; 31 December 2011: 8.1 cents per ordinary share).

6. BUSINESS COMBINATIONS

On 29 February 2012, the Group acquired 100% of the ordinary share capital of the Australian based rail engineering consultancy, Coffey Rail Pty Ltd (renamed Opus Rail Pty Ltd) and its related company, Asia Pacific Pty Ltd. The goodwill and net assets arising from the acquisition is summarised below:

	COFFEY RAIL PTY LTD
NET ASSETS AT DATE OF ACQUISITION	FAIR VALUE $000
Accounts Receivable	2,134
Provision for Doubtful Debts	(1)
Other Assets	1
Work in Progress	383
Property, Plant and Equipment	311
Deferred Tax Asset	338
TOTAL ASSETS	**3,166**
Revenue in Advance	(67)
Provisions for Employee Entitlements	(895)
TOTAL LIABILITIES	**(962)**
FAIR VALUE OF NET ASSETS ACQUIRED	**2,204**
PURCHASE CONSIDERATION	
Cash	11,569
TOTAL PURCHASE CONSIDERATION	**11,569**
Cash Consideration – funded by Short Term Bank Borrowings	(11,569)
CASH FLOW ON ACQUISITION	**(11,569)**
GOODWILL ARISING ON ACQUISITION	**9,365**
Revenue Since Acquisition	4,317
EBIT Since Acquisition	596
Net Profit After Tax Since Acquisition From Trading Activities	417
Cost After Tax From Acquisition, Financing and Integration Activities	(322)
NET PROFIT AFTER TAX FROM ACQUISITION INCLUDED IN GROUP RESULTS FOR THE HALF YEAR	**95**

The cost after tax from acquisition includes borrowing costs, legal fees and other costs incurred by the Group that were directly attributable to the acquisition.

The principal factor that contributed to a purchase cost that resulted in the recognition of goodwill is the expected future cashflows including benefits from the involvement of Opus personnel. As at 30 June 2012, the final purchase consideration for Coffey Rail Pty Ltd remains subject to certain conditions in the sale and purchase agreement being finalised. The carrying value of the investment and goodwill in these financial statements is subject to these conditions being finalised during the second half of 2012.

If the acquisition date had been effected for this acquisition from 1 January 2012, Coffey Rail Pty Ltd would have contributed revenues of $6.4m and made a net profit after tax of $298k net of borrowing and other acquisition related costs.

7. INVESTMENT IN JOINT VENTURE

Opus International Consultants (NSW) Pty Limited and the Australian Water Association (AWA) formed a joint venture in March 2012 known as the AWA Opus Water Industry Training Institute (WITI) to provide training and assessment in the water industry. The investment contributed by the Group was $89k.

8. PROVISIONS FOR EMPLOYEE ENTITLEMENTS AND DEFINED BENEFIT PENSION LIABILITY

Included under current and term liabilities are accruals for salaries and wages and provisions for annual leave, long service leave, retirement leave and incentive costs. The benefits for retirement leave and long service leave are based on an annual independent actuarial valuation provided by AON Consulting (NZ) Limited. Opus International Consultants (UK) Limited has a Defined Benefits Pension Plan. The Plan is closed to new participants. The assets of the Plan are held in a legally separate fund from the reporting entity and the Plan exists solely to pay or fund employee benefits. The assets are funded by both the employer and employees. The Plan purchases an annuity at the time of an employee being entitled to a pension. The Plan is valued on an annual basis by independent actuary, Clerical Medical Investment Group Limited, taking into account gains and losses. The unfunded liability of the Plan was assessed by the independent actuary as at 31 December 2011 at $0.8 million (£0.4 million) and has been taken up as a liability by the Company and reduced by subsequent offsetting payments.

The next independent actuarial advice is scheduled for 31 December 2012. The Directors consider the 31 December 2011 valuations to be appropriate for the preparation of the financial statements for the period ended 30 June 2012.

9. RELATED PARTY TRANSACTIONS

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

The immediate holding company is Opus International (NZ) Limited. The intermediate holding company is Opus Group Bhd, a company incorporated in Malaysia, and the ultimate holding company and controlling entity is Khazanah Nasional Berhad, a company incorporated in Malaysia. The Parent Company provides consultancy services to Opus Group Bhd and associate companies, NZWETA and Total Bridge Services. Opus International Consultants (NSW) Pty Limited provides consultancy services to the joint venture AWA Opus Water Industry Training Institute (WITI). During the period ended 30 June 2012 the Group entered into the following transactions with related parties.

	(UNAUDITED) SIX MONTHS ENDED 30 JUNE		(AUDITED) YEAR ENDED 31 DECEMBER
	2012 $000	2011 $000	2011 $000
OPERATING REVENUE/(EXPENSE)			
Opus Group Bhd	183	129	174
Consultancy Services to Associates and Joint Ventures	547	279	752
DEBTORS/(CREDITORS)			
Opus Group Bhd	120	133	4
Associates and Joint Ventures	598	399	329

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

	(UNAUDITED) SIX MONTHS ENDED 30 JUNE		(AUDITED) YEAR ENDED 31 DECEMBER
	2012 $000	2011 $000	2011 $000
Reported Net Surplus For The Period	10,755	11,303	24,530
ADD/(LESS) NON-CASH ITEMS AND NON-OPERATING ITEMS:			
Depreciation and Amortisation	2,483	2,620	5,021
Bad Debts Written Off	113	226	522
Fair Value of Employee Equity Benefits	75	56	73
Doubtful Debts	910	(156)	(900)
Accommodation Fit-Out Incentive	(42)	(144)	(168)
Unrealised Foreign Exchange (Gains)/Losses	(24)	(20)	(95)
(Gain)/Loss on Sale of Property, Plant and Equipment	(32)	2	(21)
Share of Surplus of Associates and Joint Ventures	(453)	(274)	(653)
Deferred Taxation	(57)	369	(394)
Defined Benefit Pension Obligation	-	-	285
MOVEMENT IN WORKING CAPITAL:			
(Increase)/Decrease in Receivables and Prepayments	(11,001)	(1,087)	3,894
(Decrease)/Increase in Taxation Payable	(2,122)	(5,201)	(2,569)
(Increase)/Decrease in Work in Progress	(9,714)	(12,021)	(3,575)
Increase/(Decrease) in Creditors, Accruals and Provisions	1,152	3,135	(1,957)
Increase/(Decrease) in Revenue in Advance	1,490	5,683	3,540
Increase/(Decrease) in Provisions for Employee Entitlements	1,762	368	(2,433)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**(4,705)**	**4,859**	**25,100**

11. COMMITMENTS AND CONTINGENCIES

There are various capital expenditure items contracted for at balance date totalling $2,649,866 (30 June 2011: $442,516; 31 December 2011: $1,378,762).

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 (30 June 2011: $100,000; 31 December 2011: $250,000) per claim. Our insurers have been notified of any potential claims against the Group.

Contingent Assets

As at 30 June 2012 the Group has fee claims outstanding for additional services. As negotiations are not in an advanced stage and written evidence of acceptability and amount has not been received, no assets have been recognised in the financial statements (30 June 2011: nil; 31 December 2011: nil).

12. SIGNIFICANT EVENTS AFTER BALANCE DATE

On 13 August 2012 the Board of Directors approved an interim dividend payment of 4.0 cents per share to be paid on 28 September 2012.

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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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