



OPUS INTERNATIONAL CONSULTANTS LIMITED 2008 ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2008

WE SEE POTENTIAL

POTENTIAL IS THE ABILITY TO SEE WHAT CAN BE
AND THEN MAKING IT A REALITY.



SIGNIFICANT BUSINESS HIGHLIGHTS

- We acquired the Joynes Pike Group in the UK and Project Engineering Ltd in Canada.
- We were appointed a partner in the Auckland Motorway Alliance to manage and maintain the motorway networks around greater Auckland (NZ).
- We were selected as one of the preferred consultants for the 5 year Strategic Indigenous Housing and Infrastructure Alliance valued at **A\$672m** (Australia).
- We were appointed to undertake an in-depth safety review of the snow prone Cobequid Pass on the Trans-Canada Highway (Canada).
- We were appointed as a preferred consultant to Logan City Council for the provision of transportation planning, engineering, architecture, water, environmental and other related services for a two-year period (Australia).

	2008 ¹	2008 PROSPECTUS FORECAST
Operating Revenue	\$371.5m	\$314.8m
Net Revenue ²	\$278.0m	\$251.4m
EBITDA	\$30.5m	\$27.9m
EBIT	\$24.1m	\$21.8m
EBIT/Net Revenue	8.7%	8.7%
NET SURPLUS AFTER TAX	\$17.5m	\$15.8m
BASIC EARNINGS PER SHARE	\$0.13	\$0.12
DIVIDEND PER SHARE	\$0.057	\$0.057
TOTAL ASSETS	\$195.7m	\$166.5m
TOTAL EQUITY	\$70.96m	\$69.50m
RETURN ON EQUITY	24.7%	22.8%

- We are providing the designs for several new railway stations and the upgrading of 10 existing stations, including the concept for Kingsland Station which will be a transportation hub for the 2011 Rugby World Cup (NZ).
- We secured **10/11** research projects for the Land Transport New Zealand Research Authority (NZ).

- We undertook a safety performance analysis of Highway-41 to determine the causes of vehicle collisions and developed a strategy to reduce crash risks at ten locations along the highway (USA).
- In conjunction with URS, we prepared the Five Water Activity Management Plan for the Selwyn District Council to amalgamate all their water related services, including the delivery of these services (NZ).
- We provided the civil, structural and geotechnical engineering services for the Environment Centre in Wales (UK).
- We secured three major contracts for the provision of road asset management services for the Auckland City Council (NZ).
- We were appointed sole structural engineering consultants for the conversion of **1500** Boots Alliance Pharmacy stores throughout the UK.

- **AWARDS**
 - » Kevin Thompson was awarded the IPENZ William Pickering Award for exceptional leadership and acting as a role model in the engineering profession. He was also voted the Wellingtonian of the Year in the Business category.
 - » Tony Porter was awarded the IPENZ Supreme Technical Award for Engineering Achievers (Roads and Transport).
 - » Willie Mandeno was awarded the Australasian Corrosion Association's Gold Medal for outstanding work in the field of corrosion.
 - » We were recognised in the category 'Best for Fun at Work' in the UK by New Civil Engineer in their employer review and annual awards.
 - » The Wellington Inner City Bypass was awarded an IPENZ New Zealand Engineering Excellence Award, bringing to nine the number of awards this project has won over the last two years.
 - » Two of the Northern Busway Stations won a NZLA Award for landscaping.
 - » The Northern Busway design won the IPENZ Arthur Mead Environmental Award in recognition of our care for the environment, and the Transit New Zealand Best Project Award.
 - » A NZIA award was received for the Wilson Special Needs School in Auckland and our fit-out of the Department of Labour Workforce offices, also in Auckland, won the Designers Institute of NZ Best Design Award.

1. All \$ figures are in New Zealand dollars, unless otherwise stated, throughout this Report.
2. Net Revenue represents operating revenue less revenue earned for the work of Consultants and Contractors engaged through Opus.

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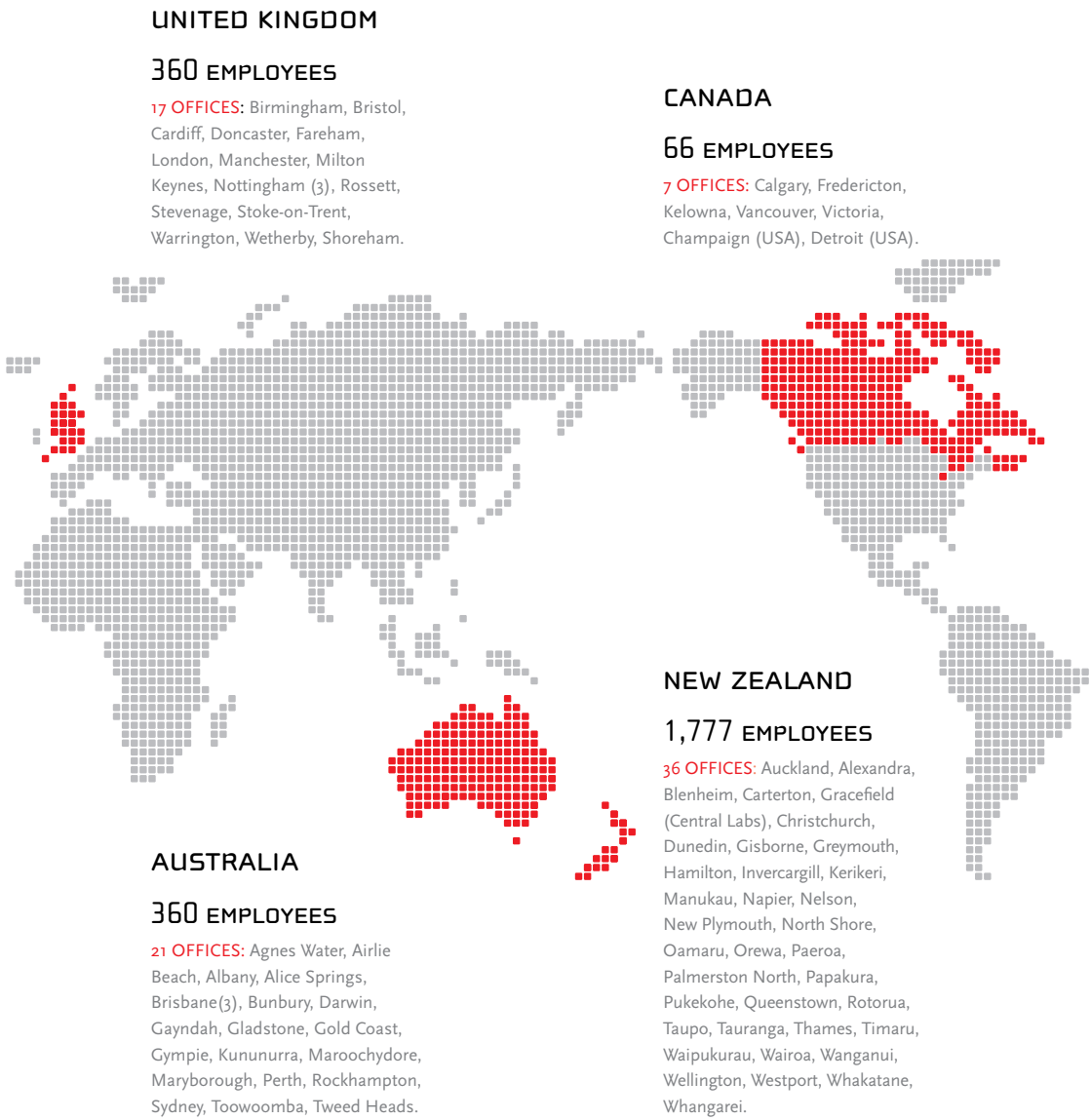
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NOTE: All \$ figures in this Report are in New Zealand dollars, unless otherwise stated.

INTRODUCTION

Opus International Consultants (Opus) is a leading international multidisciplinary consultancy providing asset development and asset management solutions for infrastructure facilities. We employ professionals in a wide range of engineering disciplines. These include not only our civil and structural engineers but others, in for example – environmental, safety, water, research, asset management and valuation. We also have experts in architecture, resource planning, heritage planning and property management. The company brings together more than a century of experience and skills in infrastructure development, having its origins in the former New Zealand Ministry of Works and Development which was established in 1885.

Over the last five years Opus has grown from a New Zealand company with limited international presence to a global consultancy with offices throughout Australia, Canada and the United Kingdom. Opus continues to be the largest infrastructure consultancy in New Zealand.





CHAIRMAN'S REPORT

KERRY MCDONALD
CHAIRMAN

IT WAS A VERY GOOD YEAR FOR OPUS. IT ENJOYED A NUMBER OF IMPORTANT SUCCESSES AND STRENGTHENED ITS POSITION.

The business has a long and proud history but this is only the second Annual Report of Opus International Consultants since it listed on the New Zealand Stock Exchange and my first as Chairman following the retirement of Basil Logan in August 2008.


It was a very good year for Opus. It enjoyed a number of important successes and strengthened its position as a professional services consultancy providing a wide range of services to a large number of clients. Considerable new business was gained across all sectors of operation and a significant number of existing contracts were renewed.

In New Zealand we maintained our position as the leader in the asset management of transportation infrastructure. In Australia, Canada and in the United Kingdom we worked strongly to grow and are seeing the results of this reflected on our bottom line, albeit dampened by the early effects of the global recession and the depressed market in the United Kingdom.

Overall, as a result of increases in revenue from our existing business and acquisitions turnover increased by 25.4 percent on the previous year and our net surplus increased by 23.4 percent. In New Zealand our revenue increased by 11 percent. In the other countries, the growth in revenue has been assisted by the acquisition of companies during 2007 and 2008. In Australia revenue grew by 143 percent from the previous year. In the United Kingdom revenue grew by 46 percent over the previous year and by 32 percent in Canada.

This performance reflects the breadth and depth of the services that Opus provides, its expertise and experience, and its commitment to its clients. It is not a static organisation but a dynamic, learning one which continually seeks to build on its experiences, to blend in the benefits of innovation and to anticipate the needs of its clients. It also reflects the strengths of its excellent people and their continuing development – which the Board puts a high priority on.

Overall, turnover
increased
by over **25%**
on the previous year and
our net surplus
increased
by over **23%**



In Australia we experienced a year of sustained growth. With 21 offices across four states we actively targeted new business opportunities. Notably, this resulted in a greater share of water related projects, in addition to our core business of transport infrastructure. We also successfully bid for a number of projects associated with building design and construction. In Canada we continued to improve our position, particularly in transportation asset management and road and highway safety audits. In the United Kingdom our profile, strength and capability increased significantly through the acquisition of the Joynes Pike Group and, along with our core engineering disciplines, this acquisition enhanced our specialist capabilities in civil, sub-surface and building engineering and surveying.

In 2008 we celebrated a number of highlights and awards, in particular the winning by Kevin Thompson of the Wellingtonian of the Year Award in the Business category and the Institution of Professional Engineers of New Zealand William Pickering Award for engineering leadership. The latter is one of the most prestigious engineering industry awards and is given in recognition of an engineer who has acted as a role model and an exceptional leader. To be recognised in this manner reflects Kevin's excellent technical and business skills, attributes from which Opus benefits greatly.

A year on from listing on the New Zealand Stock Exchange, Opus has fared comparatively well given the global financial turmoil and depressed equity markets. We have out performed the Prospectus forecast,

maintained a steady position in the depressed market environment and were rated 123rd in terms of revenue in the 2008 Engineering News Record top 150 global infrastructure design companies, up from 134th last year.

Looking forward, the outlook for global economies is unusually uncertain and is likely to be challenging. Opus is exposed to this but has the considerable advantage of its established relationships, strong portfolio of capabilities, excellent people and involvement in many attractive market segments. A number of these segments are likely to benefit from increased expenditure in infrastructure and our expertise aligns well with the thinking and economic policy objectives of the governments in both New Zealand and Australia. Both governments have indicated that they intend to bring forward infrastructure development projects to stimulate the economy. In New Zealand the newly elected government has appointed a Minister for Infrastructure and has indicated that work in this sector will not only continue but will increase. Similarly in Australia, the government continues to spend on infrastructure and announced that they are committed to spending on national infrastructure such as roads, rail, telecommunications, education and hospitals. In Canada, we expect our market share to expand as our expertise is recognised by our client base of provincial and state governments, municipalities and agencies. In the United Kingdom we are also moving to widen our circle of clients – although there are some real challenges now in the UK with the sharp contraction in the economy.

As a provider of skill – intensive professional services, it is the people of Opus who are the essence of its success. It is they who provide and deliver sustainable and value adding solutions to our clients' projects and I warmly acknowledge this and thank them.

The immediate future will be undoubtedly challenging, but with our strong organisation and excellent capabilities and market positions we are very well placed to compete and succeed.

KERRY MCDONALD
CHAIRMAN



MANAGING DIRECTOR'S REPORT

KEVIN THOMPSON
MANAGING DIRECTOR AND CHIEF EXECUTIVE

2008 WAS ANOTHER YEAR OF SUSTAINED GROWTH AND INCREASED PROFITABILITY FOR OPUS.

I am pleased to report that 2008 was another year of sustained growth and increased profitability for Opus. Our operating revenue increased by 25.4 percent to \$371.5m compared with 2007. Net surplus after tax grew by 23.4 percent over last year to \$17.5m. This exceeds our forecast for the year in revenue by 18.0 percent and profit by 10.5 percent.

Return on equity for the 2008 year of 24.7 percent is also an improvement on the forecast of 22.8 percent.

Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) grew by 28.4 percent to \$30.5m exceeding our forecast for the year by 9.4 percent.

Opus remains the largest infrastructure consultancy in New Zealand and through our network of 36 offices throughout the country we are able to deliver professional services at a local level. In Australia, Canada and the United Kingdom we are replicating this local office model and offer the same levels of service. During the year we acquired a large consultancy in the

United Kingdom, the Joynes Pike Group Ltd, doubling our staff numbers to 360 and increasing the number of offices by nine to 17. We also acquired a smaller consultancy in Canada, Project Engineering Ltd on the eastern seaboard Province of New Brunswick, and opened an additional project office in Champaign, Illinois, USA.

During the year our total staff numbers increased from 2236 to 2563 and in our countries of operation we now have a total of 81 offices.

OPERATIONAL HIGHLIGHTS

Our asset management in the transportation sector remains core to the business and I was delighted this has continued to grow with contracts being won from both local and national authorities in all our countries of operation.

In New Zealand we again secured around 55 percent of the New Zealand Transport Agency's fees for the management of their state highway networks across the country and secured over 40 percent of the fees paid

Employees
increased to
2563
operating from a total of
81 offices.

by local authorities for the management of roads administered by them. Perhaps the most significant of the projects in this area during the year were the three contracts we secured with the Auckland City Council for the provision of their road asset management services, their southern area pavement structures and drainage design, and their Hauraki Gulf Island pavement structures and drainage design. These contracts which are for a period of three years are worth over \$6.2m in fees. In addition we, as a partner to the Auckland Motorway Alliance, will manage the motorway network around greater Auckland for the New Zealand Transport Agency. We will be responsible under this contract for the operation, repair and maintenance of the pavement, bridges, signs, barriers, drainage and landscaping for a period of ten years.

In Canada and parts of the USA we are undertaking road safety audits. This work, which grew from small beginnings several years ago is now recognised by an increasing number of authorities as crucial and has resulted in a number of extended audits and an emerging niche market. We are currently working for the Wisconsin Department of Transportation, the US Federal Highway Administration and various authorities in Canada including the British Columbia Ministry of Transportation. A recent project saw us completing a safety assessment for the massive Interstate US41 Highway conversion project which covers 131 miles of freeway between Milwaukee and Green Bay. Following a recent severe snow storm and a request by Nova Scotia's Transportation and Infrastructure Renewal Minister, we were also appointed to undertake a safety review of the Cobequid Pass on the Trans-Canada Highway.

We also saw significant growth in the development of new road and rail infrastructure with projects involving the state highways and road networks in Australia and New Zealand, and the rail networks in Australia, New Zealand and the United Kingdom. This work has been supplemented by considerable work associated with bridges, track and stations. We also played an increasing role in the development of multi-modal transportation infrastructure and in influencing local authorities in travel plan processes and transportation management. Our work on the new Newmarket Railway Station in Auckland continued during the year and we are providing the designs for several other stations and the upgrading of ten existing stations as part of Auckland's metropolitan rail network upgrade. Significant work was carried out for the New Zealand Transport Agency in the scheme assessment, geotechnical investigations, costing and preliminary design work for the proposed Transmission Gully highway north of Wellington. A new 'preferred' route was identified with savings of more than \$200m over the original designated route.

In Australia, we have successfully grown our capability through continued work on the Tillegra Dam road project for the Hunter Water Corporation. This is a major project that involves the design of a new 17 km two-lane road with three substantial bridges. The new road will replace the existing one which will be inundated by the creation of the new dam. Another key success for us in Australia was being awarded a place on Perth city's contracts panel for traffic engineering services over the next five years. This puts us in a good position for future work in Western Australia.

In the United Kingdom, our transportation capability continued to grow particularly in the planning, design and asset management areas. As a key provider of services to Network Rail through our two, 10-year frameworks contracts for structure assessments we undertook a number of bridge and bridge load assessments. We also diversified our work for this client through the provision of asset management and development services, expanding our capability in this rail sector. Work was done on the feasibility of widening the bridge at Hounslow Station to accommodate the London Cycle Network; a review of the road and highway network and identification of necessary improvements associated with the new Westfield retail development at White City; and the structural engineering services for a residential development at Shrewsbury.

Our Architecture Division, which is one of the largest practices in Australasia, again experienced a successful year winning several industry awards for buildings they designed. Perhaps the most significant of these was the state-of-the-art Wilson Special Needs School in Auckland, which won a New Zealand Institute of Architects Award. Since it opened in September it has become a showcase school for the Ministry of Education and visiting international educationalists. During the year designs for other schools, commercial premises (including the major extensions to Westfield's Riccarton Mall in Christchurch), a number of police stations, courthouses and extensions for universities (including the design concepts for the extension to Massey University's Albany Campus) were progressed.

Our operating
revenues increased
by **\$75.2m** to
\$371.5m

One of the most significant highlights in Australia was our successful bid for the housing programme in the Northern Territory. In an alliance with several contractors we are working, as part of this five year programme, to improve the standard of housing for indigenous people. This project will involve a large team of Opus people from many different disciplines and will be managed from our Darwin office.

In the United Kingdom we provided the civil, structural and geotechnical services for the newly opened Environment Centre for Wales. This modern research facility was designed and constructed with environmental sustainability in mind and achieved a BREEAM rating of excellence. The Oxley Woods housing project in Milton Keynes, which won the 2008 South East Royal Institute of Chartered Surveyors Award in the sustainability category and a 'highly commended' award in the Evening Standard New Homes Award, was designed to strict cost parameters and balanced the need to use minimal materials while ensuring sufficient robustness and durability over 100 years. We also carried out work for several universities, a number of hospitals and health authorities and continued our work for the Royal National Lifeboat Institution in preparation for the rebuilding of slipway stations in Wales.

In the water sector we have been very active with a number of projects, mainly for local authorities. In New Zealand we have one of the strongest teams working in this area, with a lot of the work driven by sustainability objectives, while in Australia we have further developed our design services for water and waste water and the management of infrastructure. Significant projects worked on in New Zealand during the year included the continuation of the Selwyn Five Waters Management Plan, water reticulation for Bluff, and the provision of capital works infrastructure design for a large number of District Councils. In Australia we continued our work for Western Australia's Water Corporation, providing design construction supervision services for a number of large projects, and provided sewerage planning services for Ipswich Water in Queensland.

In the asset management of buildings and infrastructure we gained a number of contracts in New Zealand for Telecom, TelstraClear, Transpower, Meridian Energy, Fonterra, and the Accident Compensation Corporation. We were also appointed as a provider of property acquisition services for the New Zealand Transport Agency (NZTA), carried out an asset management review for the Museum of New Zealand, and continued to secure additional work from Land Information New Zealand for the review of high country leases.

OUR PEOPLE

Our people are our most valued asset. They bring the creative solutions and expertise to our clients' projects. As a team they are supported by the knowledge held throughout the company and the systems that facilitate the sharing of knowledge and experience.

Our Sector and Technical Leaders further increase the expertise and skills of the company, which along with our centres of excellence located in the main offices, provide support to our regional network of offices. Support is also provided through our practice interest networks or PINS which are electronic internal forums for the transfer of information across all our countries of operation. Through these differing avenues we ensure input from our many specialists is captured and disseminated across all of our office locations.

We also support our people through professional development at all levels with in-house and external training courses. In 2008 we again held a cadet course for school leavers. This is an in-house practical training course and is held prior to them commencing their formal study at university or technical college. It provides them with a learning on the job experience. This is an important investment in our future staff, particularly technicians and it has shown to be beneficial for both the cadets and for the company.

In addition we also invest in our people through funding their external study and actively encourage them to support their local community and where feasible actively engage on a voluntary basis with community projects.

INDUSTRY RECOGNITION

During the year we received many professional, industry and business awards, demonstrating our technical excellence, professionalism and participation in the community. Of particular note were the additional three awards for the Wellington Inner City Bypass, which brings to nine the number of awards this outstanding project has been awarded, and the IPENZ Supreme Technical Award for Engineering Achievers which went to our Transportation Asset Management Sector Leader, Tony Porter, in the category roads and transport. Tony is an acknowledged expert worldwide in the field of road asset management who has presented a number of papers in a number of international forums.

FUTURE GROWTH

Since 2003 we have completed ten acquisitions in three countries.

Our continued focus on growth is supported by an active acquisition programme. Over the last six years we have developed from a New Zealand company to one operating on the international stage, exporting our expertise to our countries of operation and adding new skills to our repertoire of capabilities as we acquire new companies and people.

We are now well established in Australia, Canada and the United Kingdom and currently employ 1777 people in New Zealand, 360 in Australia, 66 in Canada and 360 in the United Kingdom.

The outlook and potential for the future augers well for Opus as governments and local authorities are a major component of our client base. Even with the economic climate indicating a further downturn, I believe we are well positioned to provide services for the infrastructure in the countries where we operate. With prudent management and the skills of our people we are ready to grasp the challenge as we move forward.

KEVIN THOMPSON
MANAGING DIRECTOR

DIRECTORS

OPUS HAS A SUCCESS DRIVEN CULTURE. THE CURRENT MANAGEMENT TEAM HAS DELIVERED CONSISTENTLY STRONG FINANCIAL RESULTS UNDER THE DIRECTION OF A VERY EXPERIENCED BOARD OF DIRECTORS.

Opus' Board of Directors is responsible for setting the strategic objectives of the company and the policy framework within which business is conducted. The Board is also responsible for monitoring the performance of Opus and the enhancement of Shareholder value. The Board comprises nine Directors: an independent Chairman, four further Independent Directors, three representatives of the company's majority shareholder, and a Managing Director. The Directors have an appropriate range of proficiencies, experience and skills.

KERRY MCDONALD

BCOM, MCOM (HONS), DCOM (HC), AFID, FAICD, FNZIM.

**CHAIRMAN AND DIRECTOR
INDEPENDENT**

Kerry McDonald was appointed to the Board on 1 April 2007 and Chairman on 1 September 2008. Kerry is a Commerce graduate of the University of Canterbury, and was previously Director of the NZ Institute of Economic Research before joining Comalco in Melbourne in 1981. He had various senior executive roles with Comalco in Australia and New Zealand, including Managing Director of Comalco New Zealand and Managing Director of Energy, Environment and External Affairs, and was a member of the Comalco Group Executive Committee from 1988 to 2000. Kerry has chaired both the New Zealand-Japan and Australia-New Zealand business councils, was New Zealand Chairman until 2006 of the Australia New Zealand Leadership Forum, and has held directorships of a number of companies, including: Bank of New Zealand (also Chairman), National Australia Bank, GRD Macraes

Limited, OceanaGold Limited (also Chairman), OceanaGold Corporation (Vice Chairman), Carter Holt Harvey, Ports of Auckland Limited, Gough & Hamer and Owens Group. Kerry is currently a Director of Leighton Contractors Pty Ltd and a Director/Chairman of OceanaGold New Zealand Limited and its holding company. Kerry is also Vice-President of the Institute of Directors, a trustee of WWF New Zealand, a Board member of Antarctica New Zealand and the Business-Parliament Trust and has received an Honorary Doctorate in Commerce from the University of Canterbury.



BACK ROW, LEFT TO RIGHT: DON TROW, FRASER WHINERAY, TAN SEE YIN, KEITH WATSON, DAN STEVENSON, ABD RAHIM BIN MD NOH.
FRONT ROW, LEFT TO RIGHT: SUHAIMI HALIM, KERRY MCDONALD (CHAIRMAN), KEVIN THOMPSON.

DAN STEVENSON

MA (LAW).

**DIRECTOR
INDEPENDENT**

Dan Stevenson was appointed to the Board in 1993 and is Chairman of Trustees of the Company's superannuation scheme. Dan graduated in law from Cambridge University (MA) and qualified as a barrister in England in 1963. He returned to New Zealand and joined Wellington-based legal practice Izard Weston in 1964, specialising in commercial and corporate law. Dan is a Barrister and Solicitor of the High Court of New Zealand, has held a number of directorships for private and public sector companies (including NZI Insurance and Southland Frozen Meat), and is interested in sheep and cattle farming.

SUHAIMI HALIM

BSC (HONS) (CIVIL ENGINEERING).

**DIRECTOR
NON-INDEPENDENT
AND NON-EXECUTIVE**

Suhaimi Halim has been Director since 2002. Suhaimi holds a Bachelor of Science in Civil Engineering from the University of Glasgow, and was appointed as the Managing Director of Opus Group Bhd in August 2002, having originally joined predecessors to the current Opus Group Bhd in 1988. He is also on the Boards of Opus Group Bhd, Pengurusan Lintas Bhd, and several other private companies.

TAN SEE YIN

BACC (HONS).

**DIRECTOR
NON-INDEPENDENT
AND NON-EXECUTIVE**

Appointed to the Board on 13 January 2006, Tan See Yin holds a Bachelor of Accounting with Honours from the University of Malaya and is a member of the Malaysian Institute of Accountants. He began his career in 1979 as a management consultant with Kassim Chan Management Consultants and subsequently with Pricewaterhouse Associates. In 1990 he joined the predecessor to the UEM Group, and subsequently held a number of senior executive roles within the pharmaceutical and telecommunications industry. Presently, he sits on the Board of Opus Group Bhd, and is the Senior Director of UEM International Business.

DON TROW
BCOM, FCA.
DIRECTOR
INDEPENDENT

Appointed to the Board on 1 April 2007, Don Trow holds the position of Emeritus Professor of Accountancy at Victoria University of Wellington. Don is a Life Member of the Institute of Chartered Accountants and a Distinguished Fellow of the Institute of Directors. Don's previous directorships include the New Zealand Stock Exchange and the Northland Co-Operative Dairy Company limited. He is currently a Director of Ryman Healthcare Limited.

ABD RAHIM BIN MD NOH
BSC (HONS)
(MECHANICAL ENGINEERING).
DIRECTOR
NON-INDEPENDENT
AND NON-EXECUTIVE

Abd Rahim Bin Md Noh is an engineer and was appointed to the Board on 1 April 2007. A graduate of Brighton Technical College and University of Southampton, United Kingdom, he has served many years in Tenaga Nasional and has held senior positions in GE Power Systems, Kuala Lumpur, as well as EPE Power Corporation Berhad. He is currently the Chairman of Salwana and Rahim Associates Sdn Bhd, a business advisory consultancy. He is an independent Director of Opus Group Bhd.

KEVIN THOMPSON
BE (HONS) (CIVIL), PHD, CPENG, FIPENZ.
MANAGING DIRECTOR
NON-INDEPENDENT AND EXECUTIVE

Dr Kevin Thompson joined Opus in March 1998, was appointed Chief Executive in April 2001 and Managing Director on 1 August 2007. He has been responsible for leading Opus' growth, particularly in offshore markets. Kevin has been instrumental in lifting Opus' market share, brand and profile in New Zealand and in Australia, Canada and the United Kingdom through organic growth and acquisitions. Prior to joining Opus, Kevin was Chief Executive of Works Civil Construction and was responsible for the successful transformation of the physical works resources of the former Ministry of Works and Development into a successful private sector owned contracting company. Kevin holds a Bachelor of Engineering (Civil) with First Class Honours and a PhD in Civil Engineering from the University of Canterbury. In 1993, he attended the Stanford Executive Programme at Stanford University. Kevin is a Fellow of the Institution of Professional Engineers of New Zealand; a Chartered Professional Engineer; a member of the New Zealand National Society for Earthquake Engineering; a member of the New Zealand Concrete Society; a member of the New Zealand Institute of Directors and a member of the New Zealand Business Roundtable. He received the American Society of Civil Engineers T Y Lin Award in 1981, the Institution of Professional Engineers of New Zealand Structural Award in 1988, the award for the Wellingtonian of the year in the business category in 2008 and the IPENZ William Pickering Award for Engineering Leadership in 2008.

KEITH WATSON
DIRECTOR
INDEPENDENT

Keith Watson was appointed to the Board on the 1st September 2008. Keith is currently Managing Director of Hewlett Packard New Zealand (HP) and has held general management roles with HP in Australia, Asia Pacific and at HP Corporate Headquarters where he was Senior Vice-President and General Manager Worldwide Commercial Channels. Before returning to HP New Zealand in 2001 he was Executive Vice President Worldwide Sales and Marketing for Silicon Graphics. Keith has considerable international leadership experience in technology related and professional services business. Keith is a member of the Auckland University Business School Advisory Board.

FRASER WHINERAY
BE CHEM (HONS), MBA (CAMBRIDGE),
GRAD.DIP DY.SCI.TECH. (DISTINCTION)
DIRECTOR
INDEPENDENT

Fraser Whineray was appointed to the Board on the 13th October 2008. Fraser is currently GM Generation for Mighty River Power. Prior to this he held a number of senior positions in Carter Holt Harvey and the dairy industry, including the New Zealand Dairy Board, Fonterra and the Puhoi Valley Cheese Company. Between 1997 and 2002 he was an investment banker with Credit Suisse First Boston, based in Wellington and Sydney. Fraser has considerable international business experience including commodities, professional services, strategy and innovation.

MANAGEMENT TEAM

OPUS' HIGHLY EXPERIENCED MANAGEMENT TEAM HAS BEEN A CRITICAL ELEMENT IN OUR SUCCESSFUL PERFORMANCE AND GROWTH. THE CURRENT MANAGEMENT TEAM HAS LED OUR EXPANSION IN AUSTRALIA, CANADA AND THE UNITED KINGDOM.

KEVIN THOMPSON
MANAGING DIRECTOR AND CHIEF
EXECUTIVE

Dr Kevin Thompson joined Opus in March 1998, was appointed Chief Executive in April 2001 and Managing Director on 1 August 2007. He has been responsible for leading Opus' growth, particularly in offshore markets. Kevin has been instrumental in lifting Opus' market share, brand and profile in New Zealand and in Australia, Canada and the United Kingdom through organic growth and acquisitions. Prior to joining Opus, Kevin was Chief Executive of Works Civil Construction and was responsible for the successful transformation of the physical works resources of the former Ministry of Works and Development into a successful private sector owned contracting company. Kevin holds a Bachelor of Engineering (Civil) with First Class Honours and a PhD in Civil Engineering from the University of Canterbury. In 1993, he attended the Stanford Executive Programme at Stanford University. Kevin is a Fellow of the Institution of Professional

Engineers of New Zealand; a Chartered Professional Engineer; a member of the New Zealand National Society for Earthquake Engineering; a member of the New Zealand Concrete Society; a member of the New Zealand Institute of Directors and a member of the New Zealand Business Roundtable. He received the American Society of Civil Engineers T Y Lin Award in 1981, the Institution of Professional Engineers of New Zealand Structural Award in 1988, the award for the Wellingtonian of the year in the business category in 2008 and the IPENZ William Pickering Award for Engineering Leadership in 2008.

ALEC WEBSTER
GENERAL MANAGER INTERNATIONAL
OPERATIONS

Alec Webster was appointed General Manager International Operations in 2008. Alec joined Opus from the United Kingdom where he was the Director of WSP Development Ltd, part of the WSP Group plc, a large United Kingdom publicly listed multidisciplinary consultancy. His initial appointment was as Opus' Northern Regional Manager,

based in Auckland. After two successful years in this position he was promoted to the position of General Manager New Zealand Operations.

Alec has an Honours Degree in Civil Engineering, is a Chartered Professional Engineer and a Fellow of the Institution of Professional Engineers of New Zealand. He is also a Chartered Engineer in the United Kingdom and a Member of the Institution of Civil Engineers.

JAMES PHILLIS
GENERAL MANAGER NEW ZEALAND
OPERATIONS

James Phillis joined Opus in 2000 as General Manager Business Development and was appointed General Manager, International Operations in April 2004 before moving to the position of General Manager New Zealand Operation in 2008. From 1987 to 1996, James held a number of positions with CMPS&F Pty Ltd, a large Australian-based engineering consultancy, culminating in the position of Commercial Manager, International, based in Kuala Lumpur,



LEFT TO RIGHT: DAVID PRENTICE, MIKE EAGLE, ALISON SWAN, KEVIN THOMPSON, BILL DARNELL, ALEC WEBSTER, JAMES PHILLIS, NEIL KANE, MELVYN MAYLIN, NEIL WANDEN

Malaysia. Joining BHP Engineering in 1996, he held positions of General Manager, Malaysia and China before returning to Australia and taking the position of Vice President International Operations, responsible for BHP Engineering's operations throughout Asia and in Chile, South America.

James holds an Honours Degree in Chemical Engineering from Sydney University and attended the Stanford University Executive Programme in 2006. He is a Member of the Institution of Professional Engineers of New Zealand; the Institution of Engineers Australia; the Institution of Chemical Engineers, United Kingdom and is a Chartered Professional Engineer (Australia).

MELVYN MAYLIN
GENERAL MANAGER AUSTRALIA

Melvyn Maylin has worked with Opus and its predecessors since completing a Bachelor of Engineering degree from the University of Auckland in 1979. In his career with Opus, Melvyn has worked as a professional engineer and manager at many locations throughout New Zealand. From 1992 to 1996 he

was resident in the United Kingdom and was responsible for both delivery of major infrastructure commissions and also for developing and implementing strategies aimed at organically growing Opus' United Kingdom business. From 2000 to 2006 Melvyn was Sector Leader for Transportation Asset Development. Melvyn's technical expertise and leadership has been recognised with a number of prestigious industry awards received for projects which he led. In September 2006, Melvyn took up the position of General Manager Australia with responsibility for leading and managing the Australian operations of Opus.

Melvyn is a Chartered Professional Engineer and a Fellow of the Institution of Professional Engineers of New Zealand. He is also a Chartered Engineer in the United Kingdom and a Member of the Institution of Civil Engineers.

BILL DARNELL
GENERAL MANAGER TECHNICAL

Bill Darnell is the General Manager Technical with a career exceeding 40 years as a professional engineer with Opus and its predecessors. His career has covered many aspects of civil engineering design and construction and a number of New Zealand's notable projects working with overseas specialists. Bill's current role involves the setting of technical standards for project work undertaken by the company, the technical training of staff, the availability of technical tools and guides for undertaking project work, and the development of new systems. Bill chairs the Institution of Professional Engineers New Zealand Engineering Practice Board, is a Chartered Professional Engineer and a Fellow of the Institution of Professional Engineers of New Zealand.

DAVID PRENTICE
GENERAL MANAGER BUSINESS
DEVELOPMENT

David Prentice has been General Manager Business Development since April 2006. He joined Opus in 1997 and initially worked as a structural engineer on a number of major projects. After two years in this role, David left Opus to join Working Knowledge as an information technology project manager and worked on a number of significant software development and rollout projects. After four years in information technology, David returned to Opus and was appointed manager of the Business Solutions team in Wellington which provides management consultancy services on a wide range of infrastructure-based projects for a diverse range of clients.

David has a Bachelor of Engineering (Hons) and a PhD in Engineering from the University of Edinburgh, Scotland. He is a Chartered Professional Engineer and a member of the Institution of Professional Engineers of New Zealand.

ALISON SWAN
COMPANY SECRETARY

Alison Swan was appointed Company Secretary and Legal Advisor in 1992. Alison was previously employed as a District Solicitor for the New Zealand Ministry of Works and Development. On the transformation of the Ministry of Works into a State-Owned Enterprise, she was appointed Legal Advisor to Works Consultancy Services, a subsidiary of Works and Development Services Corporation NZ Ltd. She is also Trustee of the WORKS Superannuation Scheme.

Alison holds a Bachelor of Arts and Bachelor of Law from Otago University and is a member of the New Zealand Law Society.

NEIL WANDEN
CHIEF FINANCIAL OFFICER

Neil Wanden joined the company as Chief Financial Officer in 2005. Since 1980, his career in financial management has spanned a wide range of industries, including banking, consulting, systems, science, and international trade. Prior to joining Opus, Neil was most recently General Manager Corporate Services for the Department for Courts.

Neil holds a Bachelor of Commerce and Administration from Victoria University, Wellington, attended the Advanced Management Program at the Wharton School, University of Pennsylvania in 1999, and is a member of the New Zealand Institute of Chartered Accountants.

MIKE EAGLE
HR AND MANAGEMENT SYSTEMS
MANAGER

Mike Eagle has been the Company's Human Resources Manager since 1992. In his time at Opus, Mike has played a leading role in the transition of Opus from a government agency to a private sector business. This included the development and implementation of employment and human resources strategies during times of significant change in New Zealand's industrial relations, as well as the successful sale of Opus in 1996 to Opus Group Bhd. More recently, Mike was appointed Management Systems Manager (in addition to his Human Resources role) and is responsible for strategic plan actions to ensure Opus' management systems enable the efficient functioning of the business.

NEIL KANE
INFORMATION TECHNOLOGY
MANAGER

Neil Kane was appointed Information Technology Manager in 1991. Neil began his career as an engineer with the former New Zealand Ministry of Works and Development before moving to the Greater London Council, Works Consultancy Services and Opus in engineering computing and IT management roles. As Information Technology Manager for Opus, Neil is responsible for the provision and operation of computing, telecommunications and information services. Neil holds a Masters degree in Civil Engineering from the University of Canterbury.

MARKET SECTOR LEADERS



TONY PORTER

TONY PORTER
SECTOR LEADER – TRANSPORTATION
ASSET MANAGEMENT

Tony is internationally recognised for his contribution to advancing transportation asset management knowledge. He is an ambassador for New Zealand’s leadership of world best practice in this field and related contract procurement mechanisms. He is a member of the NZ Institute of Directors, the Association of Local Government Engineering and the Transport Research Task Force on Roadway Pavement Preservation and is a Fellow of the Institution of Professional Engineers NZ. Tony has a Bachelor of Engineering (Hons).



KERYN KLISKEY

KERYN KLISKEY
SECTOR LEADER – TRANSPORTATION
ASSET DEVELOPMENT

Keryn has responsibility for the growth of the Transport Asset Development Sector. He has considerable leadership experience and has project managed high profile transportation projects in New Zealand and overseas. He is a member of the Institution of Professional Engineers New Zealand and the Institution of Civil Engineers. Keryn has a Bachelor of Engineering and a Masters in Engineering.



TONY SHEARS

TONY SHEARS
SECTOR LEADER – BUILDING DESIGN
AND CONSTRUCTION

Tony has extensive experience with building projects and is responsible for leading the development of the sector. Driving Environmentally Sustainable Design within our integrated design teams is a key focus for Tony. He is a member of the Institution of Professional Engineers New Zealand and has a Bachelor of Engineering (Hons) and a Bachelor of Commerce.



LUKE MEYS

LUKE MEYS
SECTOR LEADER – WATER

Luke plays a significant role in driving our position as a leading edge provider of water and environmentally related infrastructure projects. This has included developing the first large alliance contract in New Zealand. Luke has a Bachelor of Engineering (Hons). He is a Board Member of the Association of Local Government Engineering and a member of the Institution of Professional Engineers New Zealand, the Association of Consulting Engineers New Zealand and the New Zealand Water & Wastes Association.

DAVID MONKMAN
SECTOR LEADER – ASSET MANAGEMENT
OF BUILDINGS AND INFRASTRUCTURE

David leads our market strategy for Asset Management of Buildings and Infrastructure. Our profile in this sector continues to grow and is a reflection of the networks David has developed. David has a Bachelor of Engineering (Hons). He is a member of the Institution of Professional Engineers New Zealand, the Institute of Mechanical Engineers and the Energy Institute.

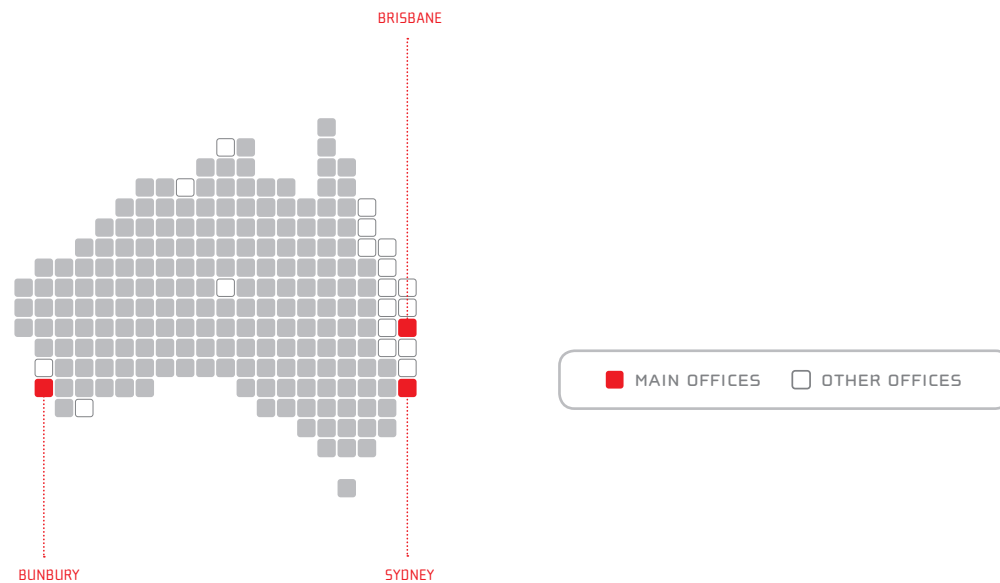


DAVID MONKMAN

OPERATIONAL OVERVIEW

HERE IS A SNAPSHOT OF SOME OF THE MOST SIGNIFICANT PROJECTS, BY COUNTRY, WE WERE INVOLVED WITH OR WON DURING THE YEAR.

AUSTRALIA



In Australia, Opus had a year of sustained growth, following two successful acquisitions in the previous year and organic growth in a number of sectors.

2008 saw government spending on infrastructure continue at a high rate and this should have a positive effect on our continued success in Australia. We have a spread of 21 offices in four states and we have actively targeted opportunities within our range of service capabilities. We have captured a greater share of water related projects and continue to expand our client base in the transportation sectors. In addition, we successfully bid and won a number of projects associated with building design and construction.

One major highlight this year was our successful bid for the Strategic Indigenous Housing and Infrastructure Program (SIHIP). Opus, together with Leighton Contractors, Ngarda Civil &

Mining and Broad Construction, formed the New Future Alliance which was selected as one of the three preferred proponents for SIHIP. The initial five-year programme, valued at A\$672m, aims to improve the standard of housing for indigenous people in the Northern Territory. This project will involve a large team from many different disciplines and will be managed from our Darwin office.

A major success for us in Queensland was the confirmation that we had been appointed as a preferred consultant to Logan City Council. We were selected from over 100 consultancies that registered an interest to become one of two suppliers of broad-based planning, engineering and related services for a two-year period, with a possible one-year extension subject to performance. The scope of potential services to be delivered under the contract is very wide and covers transportation, architecture and buildings, development and planning, environment and community, water, project delivery, facility ownership and earth sciences.

We have a significant capability in building design particularly in Queensland and were pleased to be associated with the APN Print Centre in Rockhampton which was awarded the 2008 Best Industrial Building up to A\$3m by the Queensland Master Builders Association. The building consists of office and printing facilities and was purpose-built to the requirements of APN to maximise work flow, allow for future expansion and to a design that was both modern and strong. The building comprises concrete tilt-up panels and a portal frame construction.

We have been successful with a number of other building design based contracts during the year. These have included:

- A project with Macquarie Leisure for the Stage 2 development at White Water World for further pools and slides at the Dreamworld Theme Park on the Gold Coast.
- Civil and hydraulic design works for Princess Alexandra Hospital in Woolloongabba, Queensland for the Translational Research Institute.

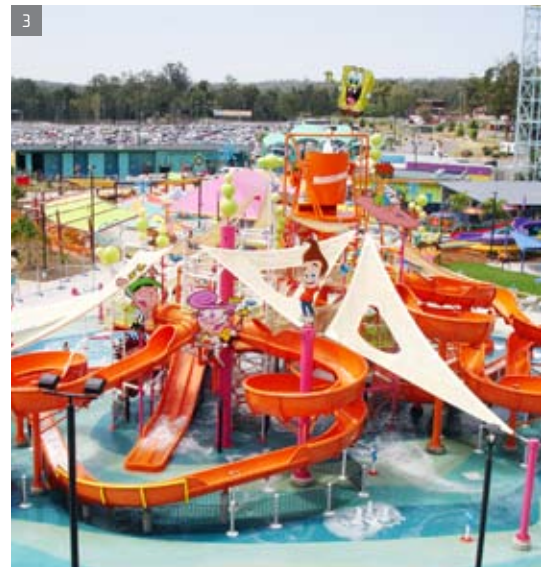
- Consultancy services for the RAAF at the Amberley Rifle Flight Facilities in Queensland.
- Civil and structural design for the A\$405m redevelopment of the Mackay Hospital in Queensland over a three to four year period.
- The continuation of the Great Barrier Reef Yacht Club project on Hamilton Island with additional services being added to the original commission.
- Ongoing design inputs for the new train stations on the Epping to Chatswood railway line in Sydney.
- Design work on several projects for Lindsay Bennelong Developments (LBD). This included the Advanx Project at Rushcutters Bay on the eastern edge of Sydney's CBD. This is a large redevelopment of an old industrial site into high quality residential apartments and prestigious commercial showrooms. It also requires preservation, restoration and refurbishment of heritage buildings.
- Design, documentation and construction services for a multi-storey commercial office development at Norwest Business Park, Baulkham Hills for LBD.
- Structural design projects of multi-storey residential developments for clients including the Panoptic Project Group at Hervey Bay, Mirvac in New South Wales and Queensland, and Housing New South Wales in Sydney.
- Design services for two new police stations and condition assessments of communication towers for the New South Wales Police.

- Extensive development and structural design work for advertising signage for key clients in New South Wales.

A core area of our expertise in Australia is in transportation asset development and management. We have been successful in growing our capability through continued work on the Tillegga Dam Roads project for the Hunter Water Corporation. This major project involves the design of a new road which is being re-routed to allow for the proposed Tillegga Dam storage reservoir. The new reservoir will inundate around 21 square kms on the Upper Williams River. The final route alignment eventually shaved 1km off the original preferred route and will result in 17 kms of new, two-lane rural road with three substantial bridges. We are also completing the design of several other shorter roads as variations to this contract.

Another key success for us was being awarded a place on Perth city's contracts panel for traffic engineering services in Western Australia. This contract is for five years and is a significant achievement and opportunity for our Perth office who will manage the work. We are one of five consultants appointed to the contract.

We have been very successful in winning the majority of work in New South Wales on locating and inspecting culverts and drainage assets along 200 kms of roads for the Roads and Traffic Authority (RTA). We expect this to remain a key area of our work in 2009.



1. NORTH RYDE RAILWAY STATION, SYDNEY, NSW.
2. WESTERN POWER CORRIDOR, WESTERN AUSTRALIA.
3. DREAMWORLD THEME PARK, QUEENSLAND.

Revenue Growth of
143%
in Australia over the previous year



MELVYN MAYLIN
GENERAL MANAGER
AUSTRALIA



DENNIS SHEEHAN
REGIONAL MANAGER
QUEENSLAND AND
NORTHERN TERRITORIES



KELVIN MOODY
REGIONAL MANAGER
NEW SOUTH WALES



TONY BONETTI
REGIONAL MANAGER
WESTERN AUSTRALIA



GRAEME DUNNET
SECTOR LEADER
TRANSPORTATION
ASSET MANAGEMENT

Other work in transportation projects included:

- Inspection and load rating of some 460 bridge and culvert structures in northern New South Wales and the Hunter Valley for the Australian Rail Track Corporation (ARTC).
- Design of eight new road bridges for Eurobodalla Council in New South Wales.
- Preparation of a new generation performance specified road maintenance contract (PSMC) for the RTA.
- Secondment of some staff in New South Wales to the Transport Infrastructure Development Corporation for five months to assist them on the South-West Rail Project.
- Delivery of numerous asset management projects for a number of local authorities in Western Australia, including the cities of Armadale, Belmont, Rockingham, Wanaroo, Bunbury and the Shire of Busselton.
- Specialist traffic engineering advice to a wide variety of clients ranging from private developers to local authorities and the state road controlling authority, MainRoads Western Australia.
- Asset management support and technical advice to Southern Road Services as part of their 10-year road maintenance contract for Mainroads Western Australia.

In the water and related services sector we provided:

- Sewerage planning services for the Ripley Valley Town Centre Development for Ipswich Water. This included a study to determine the infrastructure required to provide sewerage services to the Ripley Valley sub-catchment, on the outskirts of Ipswich. The valley is earmarked as a next major development area within South East Queensland and is expected to provide housing and associated commercial properties for 120,000 people.
- Stormwater catchment assessment and design for the city of Freemantle, to ensure effective management of stormwater in a fast growing part of the city.
- Project management, design and construction supervision services for Western Australia's Water Corporation on a number of projects. This has included: Donny Brook Waste Water Treatment Plant; Bridgetown water main replacement; Hopetoun Waste Water Scheme (construction value A\$12.5m) and the Albany Treefarm Effluent Dam (construction value A\$6.6m).

We provided asset management of building and infrastructure for an increasing client base across a wide spectrum of areas. Some project highlights include:

- Civil engineering services to provide additional housing for the Department of Local Government Housing and Sport at Tennant Creek in the Northern Territory.
- Environmental management strategy involving surveys and detailed investigation of the vegetation, flora, fauna and dieback along a proposed transmission corridor for the Western Power Corporation. The surveys were required to determine the best route corridors for electrical transmission cabling that will have the least impact on the environment.
- Extensive detailed building inspections in the Darling Harbour area of Sydney following construction of the City West Cable Tunnel for Thiess.
- Analysis and preparation of a strategic asset management plan of the Warringah Council's buildings in Sydney.
- Master planning and design for the earthworks, roadworks, stormwater, sewerage and water supply of a proposed residential development, southeast of Tannum Sands in Queensland. The 352 ha site comprises land bound by Wild Cattle Creek to the east, rural residential land holdings to the west and undeveloped rural land to the north and south. The intention is to create up to 2,000 dwelling units, commercial and community services, public park and open space and new roads over a period of up to 15 years.
- Infrastructure works for a proposed new recreation resort at Lake Kepwari near Collie, for the South West Development Corporation. This project involved turning a disused coal pit into a recreational lake surrounded by re-vegetated forest, sporting and recreational facilities.
- Delivery of a number of land development projects for a wide variety of clients in Western Australia ranging from private developers through to government departments, such as Western Australia's Department of Housing and Works.

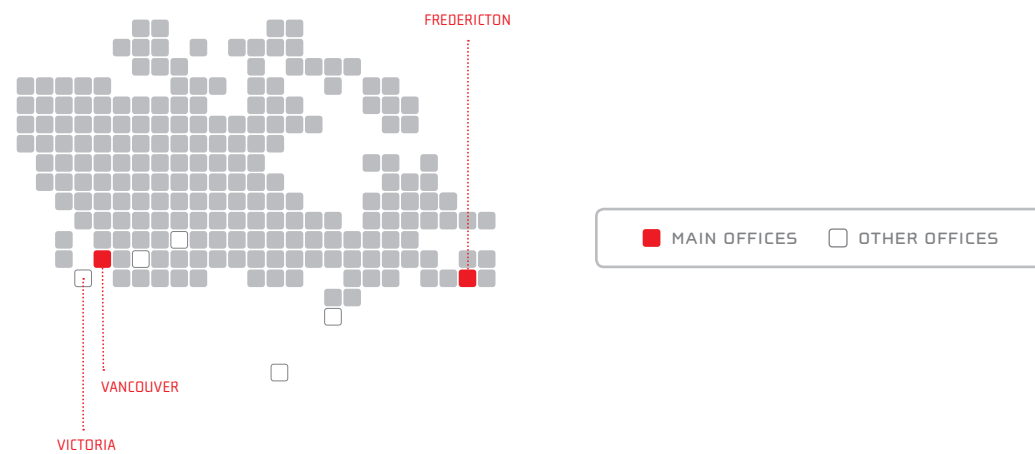


We provide asset management of building and infrastructure for an increasing client base



1. AUDITING BUS STOP FACILITIES, PERTH, WESTERN AUSTRALIA.
2. MANAGEMENT OF WATER LOSS, QUEENSLAND.
3. VIRIDIAN APARTMENTS, NOOSA, QUEENSLAND.

CANADA



Our Canadian operations continued to grow and prosper in 2008.

Key contributing service areas were road safety, advisory services for major P3 projects in western Canada, asset management, transportation planning/design and water/waste water engineering.

With our spread of seven offices, from Vancouver in the west to Fredericton in the east and one in Detroit (USA), which also has a project office in Champaign, Illinois, we are well positioned to serve our clients who largely consist of provincial/state governments, municipalities and agencies. During the year we acquired a smaller consultancy in the Province of New Brunswick, Project Engineering Ltd, which complements our existing office in Fredericton.

An ongoing project that we commenced in 2007 and which has increased our profile as a leader in asset management was our work with

KPMG to develop an Infrastructure Asset Management Framework for the Province of Ontario. The framework, which was completed in June, provides a new approach to management and planning and has since become a standard. It covers assets as diverse as roads, prisons, theme parks, schools, hospitals, court rooms and transport facilities.

Work in the transportation sector has included the following projects:

- We continued to assist the British Columbia (BC) Ministry of Transportation and Infrastructure in their preparations for the upcoming 2010 Winter Olympics. Our work, which is ongoing, is in the development of a Highway Operational Plan for the Sea-to-Sky Highway, the main transportation route between Vancouver and Whistler where the ski events are to be held. We have also assisted in the planning to maintain the highway's capacity throughout the Olympics as it is expected there will be a significant increase in the level of

traffic which will need to be accommodated during harsh winter conditions. This work entailed developing a communications plan to ensure all the agencies are able to respond to incidents efficiently and quickly. Ensuring that the transportation aspects for the Olympics run smoothly is a huge responsibility and reflects our expertise in this area.

- We were commissioned by the City of Prince George (BC) to conduct a study for establishing a network to manage the movement of dangerous goods being transported by truck through the area. The study involved significant stakeholder consultation and options were assessed using a risk framework we developed. It takes into consideration the potential for future growth and the impact of the traffic on both the environment and the community.
- We were appointed to undertake a safety review of the Cobequid Pass on the Trans-Canada Highway in Nova Scotia. The review was requested by Nova Scotia's

Transportation and Infrastructure Renewal Minister, after a severe storm left a large number of vehicles stranded on the highway. In a media statement, the Minister said that he was pleased to have a team of internationally renowned road safety experts conduct this important review.

- We were selected by the British Columbia Ministry of Transportation to conduct a safety review of 22 collision-prone locations in the Province. The study required the detailed analysis of traffic accidents that had taken place on various highway sections, intersections and interchanges.
- Our commission to carry out safety review work on the Deerfoot Trail Highway for Alberta Transportation and the City of Calgary continued this year. This is a major highway corridor and we carried out detailed traffic analysis for ramp terminals and new signage plans.
- We are providing road safety services for a new 23 km section of road which is currently under construction in Alberta. Our role was to review the design of this section of the Edmonton Ring Road which is due to open to traffic in 2011. It will include 15 interchanges and will be a major route for regional and provincial traffic and will also serve as a commuter route for the city.
- In Kelowna we were appointed to undertake a sustainable transportation plan for Okanagan College. We will undertake consultation with staff and a sample of the 4,000 students at the college. This will be supplemented by analysis of parking, traffic and safety

conditions; an assessment on the use of alternative transportation modes and an audit of the campus focusing on crime prevention.

- Alberta Transportation contracted us to undertake a review of collisions that have involved school buses over the past five years. Best practice, including driver training and licensing, school bus safety devices, processes for identifying safe routes and bus stop locations were included in the review. These recommendations have now been adopted with new guidelines developed by the Province.
- The Wisconsin Department of Transportation commissioned us to carry out a road safety audit on the large-scale Zoo Interchange Reconstruction Project. The project includes reconstruction of the interchange including highways, ramps and service roads. For the same client, we are also undertaking a safety performance analysis of the Interstate Highway 41 corridor. We will determine the causes of vehicle collisions and develop a strategy to reduce crash risks at ten locations along the corridor.
- We were appointed by Marine Atlantic Inc. a passenger and vehicle ferry service provider operating between the Island of Newfoundland and Nova Scotia to work with Fellows & Company Limited to produce a master plan for the development of a new ferry terminal in Nova Scotia.



Revenue in Canada
increased
32% ↑
on the previous year



1. COBEQUID PASS TRANS-CANADA HIGHWAY, NOVA SCOTIA.
2. DEERFOOT TRAIL HIGHWAY, ALBERTA.
3. SEA-TO-SKY HIGHWAY AND INTERCHANGE, BRITISH COLUMBIA.



DWIGHT HAWKINS
PRESIDENT
EASTERN CANADA



CHRIS HARRISON
PRESIDENT
WESTERN CANADA

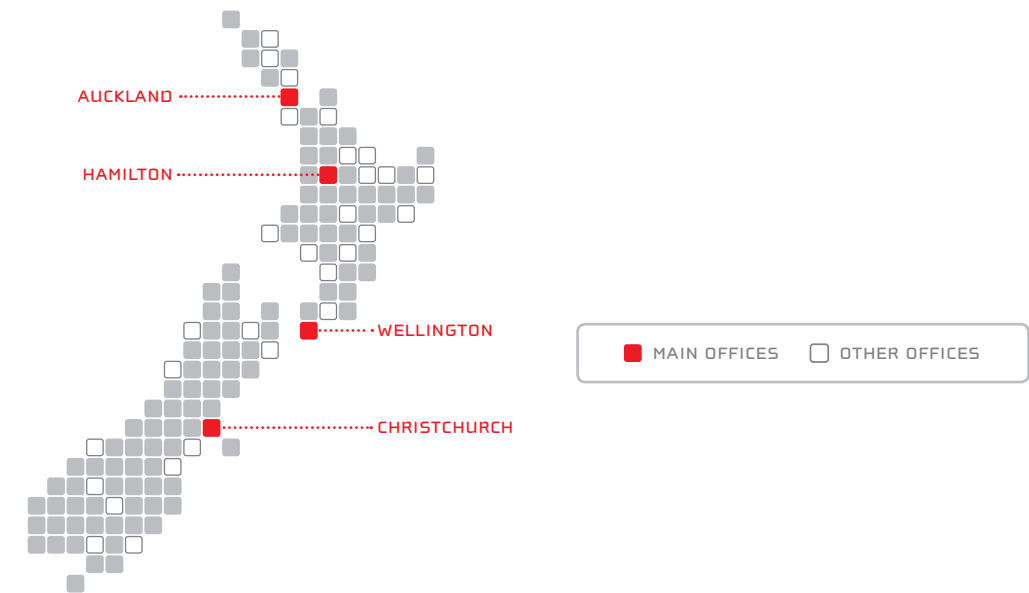
Other transportation projects which we have been involved in during the year include:

- Surveying and design services for 10 kms of the Marysville Bypass in New Brunswick. This is part of a 40 km upgrading of Route 8 which will result in substantial safety and road user benefits.
- An ongoing contract to provide Transportation Planning and Engineering to the City of New Westminster. This generated a significant amount of work and covers safety reviews, functional planning, traffic calming and development of a crosswalk policy.
- Appointment by State Farm Insurance to develop and implement a Local Highway Safety Plan for three counties in the Peoria area of Illinois.
- The provision of on-call traffic safety engineering services to the Wisconsin Department of Transportation for a two-year period.

- Development of a Work Area Traffic Control Manual for the New Brunswick Department of Transportation, including revision of guidelines relating to the use of traffic control devices.
- Location referencing services for the Ontario Ministry of Transportation, including the development of formal standards and maintenance procedures.

We have also provided water-related services to the city of Fredericton. This included replacement of the water and sanitary sewer mains in an upgrade programme for around 60 properties in the city. A temporary, above ground, water supply system was utilised to provide water to the properties during construction. In addition, significant engineering services were provided for major municipalities in the Fredericton area such as Oromocto and the Village of New Maryland.

NEW ZEALAND



In New Zealand, Opus continues to enjoy a leading position in the provision of professional consultancy services across an increasing number of disciplines.

These include civil, structural, mechanical and electrical engineering, surveying, architecture and landscape design, environmental and heritage planning, property and infrastructure asset management, valuation, and the design of water related infrastructure.

The newly elected national government has appointed a Minister for Infrastructure and has indicated that work in this sector will not only continue, but will increase as it moves to support and bolster the New Zealand economy. This augurs well for Opus which is well positioned to meet the demand for professional services in our areas of expertise. With 36 offices

throughout New Zealand and over 1777 full time staff equivalents we are unique in being able to provide flexibility and services to our clients from our network of local offices.

During 2008 we provided winning solutions for our clients, who include government departments, most local authorities, road, highway, rail, port and airport authorities, telecommunications providers, along with education, health and transportation providers.

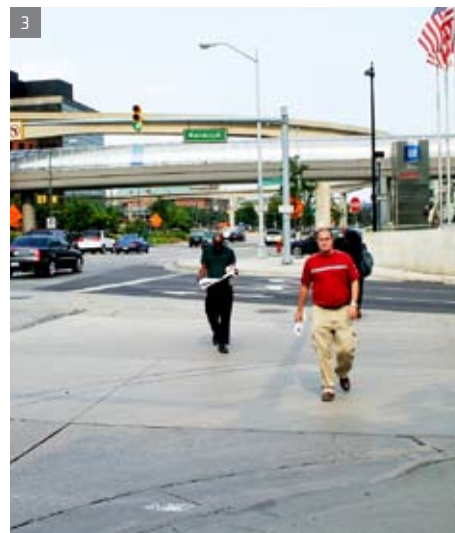
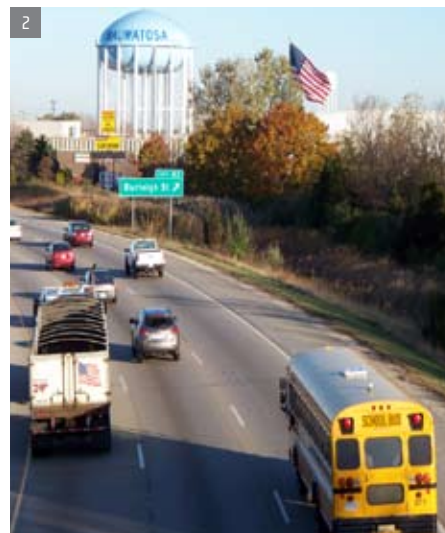
During the year we were recognised by our peers and the industry with a number of industry awards. These included three awards for the Wellington Inner City Bypass – the INGENIUM Excellence Award for projects over \$1m, the IPENZ New Zealand Excellence Award, and an ACENZ Silver Award (bringing to nine the number of awards this project has won). The Albany and Constellation Northern Busway Stations received an award from the New Zealand Institute of Landscape Architects for aesthetic sustainability and the deployment of plants and colour to identify each

station. The Northern Busway itself won the IPENZ Arthur Mead Environmental Award in recognition of our engineering work that demonstrated our exemplary care for and consideration of environmental values, and the Transit New Zealand (now the New Zealand Transport Agency) Best Project Award in the large project category. NZIA Awards were received for the Wilson Special Needs School in Takapuna, and our new architecture studio in Wellington. Our design for the fit-out of the Department of Labour's Workforce offices in Auckland won the Designers Institute of New Zealand 'Best Design Award.' Three of our engineering projects won ACENZ Merit Awards – the Mt Grand Raw Water Reservoir near Dunedin, the prefabricated steel shell Awaroa Overpass at Huntly, and the realignment and bridging of SH1 near Hihitahi in the central North Island.

One of our key strengths and one which gives us a 'leading edge,' is our transport asset management capability for which we have received considerable acclaim worldwide.



1. FERRY TERMINAL, NOVA SCOTIA.
2. INTERSTATE HIGHWAY 41, WISCONSIN.
3. PEDESTRIAN SAFETY, DETROIT.





PETER MATHEWSON
REGIONAL MANAGER
NORTHERN REGION



GARY DELA RUE
REGIONAL MANAGER
CENTRAL REGION



KEN BOAM
REGIONAL MANAGER
WELLINGTON REGION



GLEN HUGHES
REGIONAL MANAGER
SOUTHERN REGION



DAVID QUINLAN
DIVISIONAL MANAGER
ARCHITECTURE



RICHARD CROAD
DIVISIONAL MANAGER
ENVIRONMENTAL

During the year we again secured around 55 percent of the New Zealand Transport Agency's (NZTA) fees for the management of their state highway network and over 40 percent of the fees for the management of local authority networks.

Some of the more significant projects secured in the transportation asset management sector during the year are listed below.

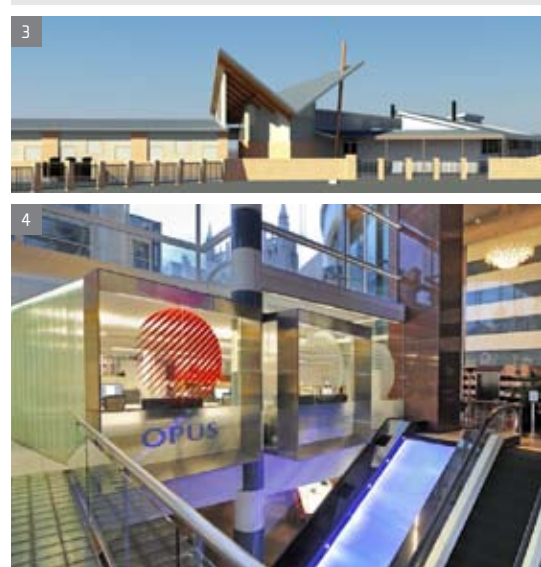
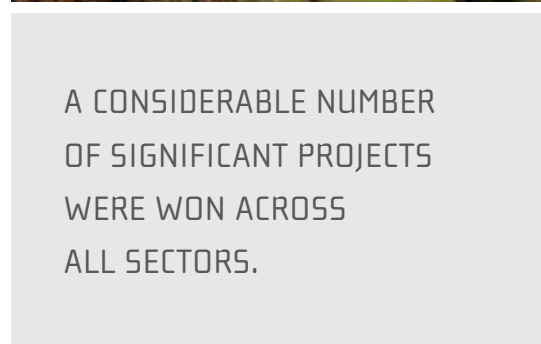
- We were appointed as a partner to the Auckland Motorway Alliance (along with the NZTA, Beca Infrastructure, contractor Fulton Hogan and the Resolve Group) to manage the motorway network around Auckland and the new section of motorway recently completed north of Orewa. This alliance is the first of its kind in New Zealand and we, along with our partners are responsible for the operation, repair and maintenance of the pavement, bridges, signs, barriers, drainage and landscaping for a period of ten years.
- Three Auckland City Council contracts were secured for the provision of their road asset management services, their southern area pavement structures and drainage design, and their Hauraki Gulf Islands pavement structures and drainage design.
- We were successful in renewing three of the state highway network asset management contracts for the Central Otago, South Canterbury and the Rotorua district highway networks.
- Three NZTA key bridge management contracts were successfully renewed. These are for the Marlborough/Nelson, Canterbury/West Coast and Otago/Southland regions – with all three over a term of five years.
- A contract was won to survey 1650 rail level crossings throughout the country for rail track provider ONTRACK, as part of their statutory safety strategy to reduce the number of level crossing accidents. We are delivering this contract by using local staff skilled in network maintenance from ten of our offices around New Zealand. Our local knowledge, safety focus and best team approach are the key factors which allowed us to secure and deliver this three year assessment programme.
- Three local authority contracts for professional services for the management of local road networks were renewed. These are for the Thames Coromandel District Council, the Hauraki District Council, and the Gisborne District Council – each for a period of five years.
- We secured ten of the 11 research proposals submitted by our Central Laboratories at Gracefield to the Land Transport New Zealand Research Authority (now part of NZTA) for research on sustainable communities. This work will extend over 2009.

With our leading edge professionals working throughout New Zealand we continued to provide integrated transportation solutions for the development of multi-modal transportation infrastructure. We have also played a leading role in influencing local government on travel plan processes and transportation management. During the year we were awarded a number of major contracts for the development of new transportation infrastructure. These included the following projects:

- We are working with Leighton Contractors for ONTRACK on the Manukau Bus and Rail Interchange. This work involves the design for the Manukau Railway Station on the new Wiri to Manukau City Centre rail link. We are also providing the concept design for the above ground elements of the interchange for the Auckland Regional Transport Authority (ARTA) and the Manukau City Council.
- We are providing the designs for several new stations and the upgrading of ten existing stations over the next three years as part of Auckland's metropolitan railway station upgrading by the ARTA. Included in this contract is the concept design work for the Kingsland Station, which will provide a vital link for the 2011 Rugby World Cup.
- During the year construction commenced on the Newmarket Station which we designed for ARTA. In addition we are providing the associated civil design work for ONTRACK for phase 1 of Developing Auckland's Rail Transport (DART) project. As part

of the DART phase 2 project we are providing the civil design and geotechnical investigative work for the development of a new Park Road/Kyber Pass Railway Station that will integrate rail, bus and pedestrian routes. This project, which we are doing in conjunction with the contractor, Fulton Hogan, includes the creation of two new road over-bridges and around 400m of double tracking.

- At the end of last year we were commissioned, as part of ONTRACK's plan to improve the Wellington rail network, to design and supervise the construction of 14km of rail duplication between MacKay's Crossing and Waikanae, north of Wellington. This work includes geotechnical engineering, design of the tracks, the drainage system and other infrastructure.
- We completed the scheme assessment, geotechnical investigations, costing and preliminary design work for the proposed new Transmission Gully highway north of Wellington for the NZTA with a new 'preferred route' established with estimated savings of more than \$200m over the original designated route.
- We commenced design of the Western Link between Raumati and Waikanae on the Kapiti Coast, north of Wellington for the Kapiti Coast District Council.
- We completed the preliminary investigative phase for the Auckland Manukau Eastern Transport Initiative (AMETI) – an integrated transport package for Auckland City and Manukau City council's and ARTA.



A CONSIDERABLE NUMBER
OF SIGNIFICANT PROJECTS
WERE WON ACROSS
ALL SECTORS.

1. NORTHERN BUSWAY STATION, AUCKLAND.
2. MT. GRAND RESERVOIR, DUNEDIN.
3. MT. MAUNGANUI COLLEGE, TAURANGA.
4. OPUS ARCHITECTURE'S OFFICE, WELLINGTON.



36 offices
throughout New Zealand
employing 1777



1. NEWMARKET STATION, AUCKLAND.
2. HILLSBOROUGH OVERBRIDGE AND ROUNDABOUT UNDER CONSTRUCTION, SH20, AUCKLAND.
3. WELLINGTON INNER-CITY BYPASS.

- The Whangarei District Council engaged us to provide the design for a new extension to Porowini Avenue including a bridge over the existing railway. When complete the extension will link into the existing road network and provide a shorter route between the western suburbs and the CBD.

- The NZTA engaged us for the next phase of scheme investigations and the design of the SH2 Maramarua deviation and Kopuku realignment in northern Waikato. We were also awarded the contract for the scoping and scheme assessment phases of the Katikati Bypass in the Western Bay of Plenty.

- Following completion of the Meeanee Interchange on the Hawke's Bay Expressway, which we designed for the NZTA, we were appointed to undertake the design and construction management for the extension of the southern section of the expressway.

- We delivered a comprehensive scoping report to the NZTA for the 4.7 km Caversham Bypass improvement project near Dunedin. We are now providing the scheme assessment for this design and build project. Expertise is being provided from six of our offices for this four-year project.

- During the year the final construction phase of the Upper Harbour Corridor in North-West Auckland was commenced with the \$162m, SH18 Hobsonville deviation. This incorporates 10 kms of four-lane motorway connecting the North-Western Motorway with the Northern Motorway. Having managed the design development and tendering process for the

NZTA, we are now working with Maunsell in the construction management of this project. This work will take place over the next three and a half years.

- The Avalon Drive Bypass in Hamilton, which we designed, was opened to traffic in October, several months ahead of schedule.

- Construction was commenced on the East Taupo Arterial Bypass, for which we managed the design development and tendering for the Taupo District Council. We are now undertaking the construction management of this project.

- Construction has also commenced in Nelson on the Ruby Bay Bypass, which we designed for the NZTA.

- In Christchurch we provided design options for a grade separated two-lane interchange to improve the flow of traffic at the intersection of Memorial Avenue and Russley Road at the entrance to Christchurch International Airport. In identifying the preferred option we also looked at providing an interim low-cost option in an endeavour to reduce peak period traffic congestion prior to the interchange being constructed.

- Also in Christchurch, we commenced working on a strategic study for the second extension to the Southern Motorway. The study will make recommendations on a preferred option and alignment for future designation and will identify issues, constraints and opportunities along the route.

- We were also commissioned to undertake the scheme investigations for the Whau Crossing in West Auckland; the

multi-modal investigations in Wellington of the Airport to Ngauranga Transport Study; and completed the design for the improvements of SH1 at Warkworth – all for the NZTA.

In the water sector we have been active with a number of projects, mainly for local authorities. We have one of the strongest teams in New Zealand working in the water and wastewater modelling area. A lot of this work is being driven by sustainability objectives. Of the projects we are working on, the most significant are listed below.

- The Selwyn Five Waters Activity Management Plan for the Selwyn District Council who engaged us in conjunction with URS, to prepare this plan to amalgamate their separately managed water supply, wastewater, storm-water, water races and land drainage services. Driven by the need for sustainable management of the water resource, the plan combines the interdependencies of the five water sub-sectors and the delivery of water services on a sustainable basis to the local community.

- Following our work to identify deficiencies in the reticulation of the water supply for the township of Bluff we were commissioned by the Invercargill City Council to provide a solution for reducing water leakage rates. This is being achieved through splitting pressure supply zones, construction of a new mid-level reservoir, a pump-station and water mains and a number of other initiatives. The design was largely completed during the year, with the majority of the construction scheduled for 2009-2010.

- Together with MWH, we have been appointed to provide the professional services necessary to deliver the Far North District Council's water and wastewater capital works. The contract is over three years, and includes the outline and detailed design, tender management and construction management of water and wastewater treatment plants and associated infrastructure pipelines. The contract is notable for its pioneering use of the New Engineering Contract (NEC3) within New Zealand.

- The Waitakere City Council awarded us the contract to provide a detailed computer model of the entire Waitakere wastewater collection system and a long term investment plan to enhance wastewater service delivery. The model will be used to identify future projects such as emergency storages, pump stations, sewer overflows and the overall performance of the network.

- In Central Otago we were selected to design the Dairy Creek Irrigation Scheme. This will include the pumping stations and pipelines, with the water being taken from Lake Dunstan to irrigate approximately 6,500 hectares of farming and agricultural land. The three stage development, which when complete, will bring significant economic benefit to the region. The pumping of water will be controlled to optimise efficiencies in the best use of power, time of day and capacity.

- The Hutt River Stop Bank reconstruction is now entering its fourth stage of reconstruction and is expected to be completed in mid

2009. When complete, the 1 km long strengthened stop bank will protect the local area from flooding over a 1/440 year flood event. The work will also include a new storm water drain, replacement power cabling, along with new lighting of public pathways and landscaping.

- In partnership with Metrowater, GHD and Downer EDI Works we are providing the design solutions for the Clear Water Alliance project in Auckland. This region-wide \$46.3m sewer separation project, which is the first to be delivered under an alliance project model in the New Zealand water industry, will afford region-wide environmental benefits for the waterways, the Waitemata Harbour and the local community.

- We are continuing, as part of the Eastern Seaboard Wastewater project, to provide consultancy services to the Thames Coromandel District Council. Originally commissioned in 2005 the \$74m project involves the design of new wastewater treatment plants and the associated disposal infrastructure for the resort towns of Coromandel, Pauanui, Tairua, Whangamata and Whitianga. At year end two of the plants were fully operational, with a third plant expected to open in January 2009.

- In Nelson we are providing the detailed design for a new 7.5 km pipeline and booster pump station to convey raw water from intakes on the upper Matai and Roding Rivers to the existing water treatment plant. The new pipeline is required to meet the city's expected water demands post 2012.

- We commenced the concept and detailed design phases for upgrading the wastewater treatment plant at the rural service centre town of Te Kuiti during the year. The upgrade will include civil works and significant improvement of the process and control systems to improve the effluent quality.
- For the Dunedin City Council we are providing, as lead consultant, what is known as the Three Waters Strategy. This is an integrated asset management examination on the performance of the city's entire water networks including the urban catchments. The information will be used in determining priority work, growth and capital expenditure required to meet service improvements.

We were particularly successful in the education and municipal areas of the building design and construction sector. We are one of New Zealand's largest multi discipline building design practices and our architecture division is one of the largest practices in Australasia. We are therefore able to provide a fully integrated design service across a number of disciplines. As an active member of the New Zealand Green Building Council we have assisted in the development of rating tools for building types and have a number of staff accredited in sustainable design. As such we provide our clients throughout New Zealand with a range of sustainable design solutions, a number of which were recognised with industry awards. Notable projects completed or secured over the year in this sector have included the following projects:

- Te Wilson Special Needs School on Auckland's North Shore, which won an NZIA Award, was opened during the latter part of the year. It is a modern, two-storey building and was specifically designed by our architectural team to meet the special functional needs of students with severe disabilities. The school has set a new benchmark for special needs education in New Zealand and is serving as a state-of-the-art showcase school for the Ministry of Education.
- Also in the education sector we are providing the design work for the redevelopment of the Porirua, Naenae and Mt Maunganui Colleges (for the latter we are also providing a concept master plan design for the future development of the entire campus). This work will also encompass design solutions that directly contribute to improving educational outcomes as directed by the Ministry of Education. Our design of new primary schools in Wanaka and Rolleston involves not only the architecture but also the structural, civil works, mechanical, electrical and landscape design services.
- In Christchurch we are providing the design documentation and contract administration for a new performing arts centre at Middleton Grange School and we are working with Mainzeal Construction as the architectural, structural, civil works, mechanical, electrical and landscape design consultant for the Lowes Road School.
- Work for Massey University has continued during the year, with a contract to provide concept design and a feasibility study for the development at their Albany Campus, Stage One, for a new Science Centre and associated

infrastructure (which includes a pedestrian/vehicular bridge) and the concept design for roads and bridges associated with the next 'greenfields' stage of the project. We are also providing concept designs for a new Information Services Centre at the Wellington Campus.

- In Dunedin we have been commissioned to redevelop the Dunedin Town Hall. This work will include upgrading existing facilities and designing a new front entry foyer for the building.
- In Napier we are completing the design documentation for a new wing and the restoration work for the Hawke's Bay Museum and Art Gallery.
- In Wellington we are providing the design for the refurbishment of the Kotuku Flats, one of 13 housing upgrade projects for the Wellington City Council that have been earmarked for redevelopment over the next 10 years. The seismic upgrading and other improvements involve our structural and building services engineers, with the landscaping being provided by our landscape architects.
- Following a successful consultation process with the community and the local district council we developed a concept design for a new Carterton community facility. The detailed design of this project will proceed through 2009 using our multi-disciplined design team.

Our work in the commercial and retail sector has continued to grow in significance. This included the architectural design work for a major extension and redevelopment of the Riccarton Mall in Christchurch for Westfield – which is now in

construction; the ongoing refurbishment of the main retail branches of both the Bank of New Zealand and the ANZ Bank; continuation of the award-winning office fit-out work for the Department of Labour office in Auckland; completion of the new five-star Crown Hotel facilities in Napier including the restaurant; and the completion of the concept design for the redevelopment of the Mangere Refugee Resettlement Centre.

In the health sector we are providing the design and construction documentation for new consulting rooms and operating theatres at Wellington's Bowen Hospital.

Work for Defence included the completion of five new Explosive Ordinance Disposal facilities around New Zealand for the purposes of providing a new capability in rapid response activities. In addition we are developing a museum complex at Torpedo Bay for the Royal New Zealand Navy.

Our architectural design work for New Zealand's Embassies High Commissions and residencies throughout the world has been ongoing for the Ministry of Foreign Affairs and Trade. This contract has another two years to run and we are presently working on projects in a number of countries.

The design and development of a new studio for our architectural team in Wellington was created to make use of surplus 'air-space' within the Majestic Centre atrium area and culminated in an NZIA award for commercial interiors.

In the asset management of buildings and other infrastructure sector we continued to expand our services to both existing and new clients. Some highlights for the year included our asset

management and tele-communications infrastructure work for Telecom. This included the design and project management for the installation of high-density data infrastructure at the Telephone Centre in Hamilton; the upgrading of the Christchurch telephone exchange; providing the design for an air-conditioning system at the Auckland Gen-i Data Centre; completing the concept and detailed design, consents, mechanical, electrical, structural and fire engineering for the Mayoral Drive telephone exchange upgrade in Auckland; developing a new high-voltage electrical DC power system and a technique for distributing power around telecommunications buildings; and assisting them with the installation of specialised equipment at over 1,000 mobile phone sites throughout the country prior to the introduction of a new GSM/UMTS network in mid 2009.

Our Property Services business provided a range of services to a number of clients throughout New Zealand. These included:

- The Site and Grounds Facilities Management Contract with Transpower for a further four years as a result of our continued relationship with this client since the mid 1990s.
- Becoming a certified provider of property acquisition services for the NZTA, for the purposes of them acquiring land and property needed to complete road infrastructure projects.



Revenue Growth of
11.0%
in New Zealand over the previous year



1. WHANGAMATA WATER TREATMENT PLANT.
2. WILSON SPECIAL NEEDS SCHOOL, AUCKLAND.
3. SOUTHERN MOTORWAY EXTENSION, CHRISTCHURCH.



1



2



3



4

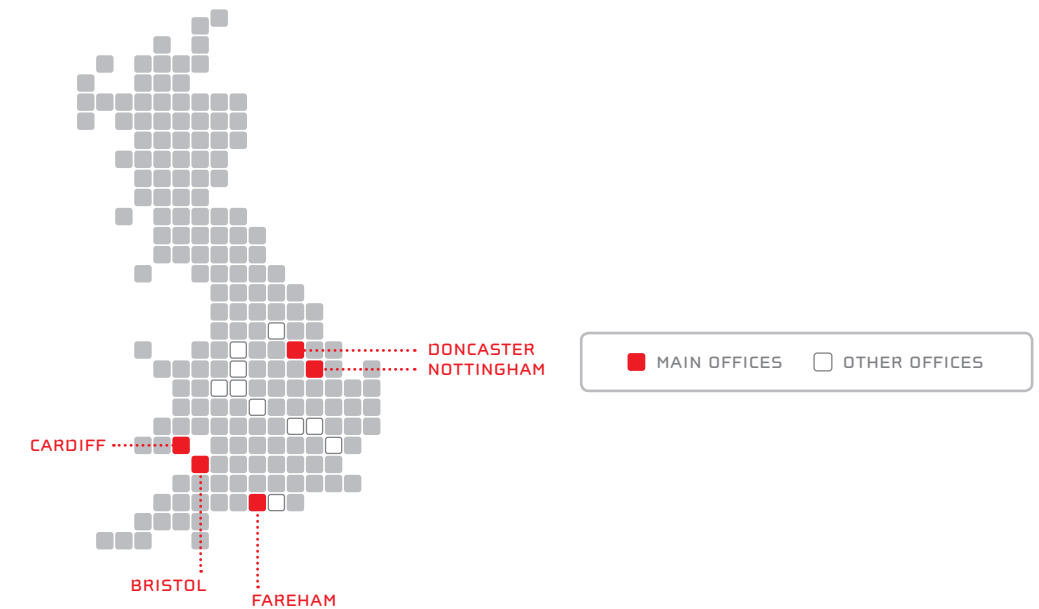
1. DOUBLE RAILWAY TRACKS, WELLINGTON.
2. GEOTECHNICAL INVESTIGATION, TRANSMISSION GULLY, WELLINGTON.
3. DEPARTMENT OF LABOUR OFFICE, AUCKLAND.
4. BUS LANE, MANUKAU, AUCKLAND.

- Managing housing modifications for the Accident Compensation Corporation. This national project is delivered by our Property Services business and our Architecture Division.
- Providing facilities management services for the TelstraClear telephone exchanges in Auckland.
- The development of a strategic asset management plan for the Christchurch Institute of Technology.
- Successfully winning a national contract for the provision of building compliance services for Fonterra.
- Providing asset management assistance to the Museum of New Zealand (Te Papa Tongarewa) for the effective management of its infrastructure. This work was provided by our Strategic Management Services team.
- The continuation of our work for Land Information New Zealand on the review of leases of South Island high country sheep stations.
- Completing the University of Auckland Maintenance Planning project.

Other significant work in this sector included:

- Providing support to the Port of Lyttleton, including the ongoing asset management and development for the 'Coal Expansion Project'.
- Providing feasibility assessments, assessment of construction for resource consents and advice on the Project Hayes Wind Farm development for Meridian Energy. We are also providing geotechnical design, turbine foundation design and construction supervision for the West Wind project near Wellington, along with several other similar projects for the same client.
- Successfully delivering mechanical 'lines' design for the Lines Manual, which is set to be adopted by the various New Zealand lines companies.

UNITED KINGDOM



Our profile, strength and capability in the UK increased significantly in 2008 through the acquisition of the Joynes Pike Group Ltd in March.

In addition to the core engineering disciplines which complemented our existing business, this acquisition also enhanced our specialist capabilities in land, building, and engineering surveying. We now have 360 staff in 17 offices spread throughout England and Wales.

While we are still experiencing growth in the UK, this has been tempered by the global economic downturn. The UK market continued to experience unfavourable economic conditions and this presented a number of challenges during the year that are likely to continue through 2009 and perhaps beyond. We have however taken steps to address these challenges and are actively seeking a wider circle of clients

as we work to remain competitive in this changing environment.

However, 2008 was not without highlights. We were runner-up in New Civil Engineer's Consultants of the Year Awards in the 'medium-sized firm' category. We were also recognised as a best employer in the category "Best for Fun at Work," by New Civil Engineer in their recent employer review. This is particularly pleasing as it supports several of our values and reinforces our commitment to working as a team in a positive and friendly work environment.

We successfully tendered for a large number of new projects during the year. We now have significant capability in building design in the UK and some of the projects we have worked on reflect this expertise.

Following the recent merger of Boots with the Alliance Pharmacy chain we have been appointed as their sole structural engineering consultants for the conversion of an estimated 1500 Boots Alliance stores. These stores are located across the United Kingdom and we are being called on to assist with

structural advice ranging from small scale structural alterations through to refurbishment and the redesign of stores. The contract is anticipated to be completed by early 2010.

We provided the civil, structural and geotechnical engineering services for a new £7m centre of excellence for environmental science which was opened last year by Prime Minister, Gordon Brown. The Environment Centre for Wales (ECW) provides a modern research facility for a mix of scientists from land, freshwater and marine disciplines to deliver integrated science within a green iconic building. The centre was built with environmental sustainability in mind and achieved a BREEAM rating of excellent. Photovoltaic panels have been installed to generate electricity from sunlight, ground-source heat pumps provide air-conditioning using minimal low-cost energy and a rainwater recovery system is used to reduce dependency on mains water supply. These features required careful and innovative structural engineering design and coordination.



TREVOR CRAWLEY
DIRECTOR
UNITED KINGDOM



JONATHAN SAUNDERS
REGIONAL DIRECTOR NORTH



JOHN PIKE
REGIONAL DIRECTOR
MIDLANDS



HUW EDWARDS
REGIONAL DIRECTOR
SOUTH WEST



MIKE GRANT
REGIONAL DIRECTOR
SOUTH EAST



LUKE MEECHAN
SECTOR LEADER
TRANSPORTATION
ASSET MANAGEMENT

The Oxley Woods project in Milton Keynes won the 2008 South-East Royal Institute of Chartered Surveyors Award for Sustainability. The project also received a 'Highly Commended' in the Evening Standard New Homes Awards. This innovative, 145 homes development involved a competition to build high-quality sustainable homes to a construction cost of £60,000. Within the strict cost parameters, homes were required to meet all of the English Partnership's Quality Standards. We carefully balanced the use of minimal materials with ensuring sufficient robustness and durability to ensure a design life of over 100 years.

We had several other commissions in the area of building design during the year. These included:

- A commission to provide consultancy work for the University of Liverpool for a Civil and Structural Consultancy Services Framework.
- A structural engineering project for Interserve Project Services Ltd, at Cardiff University Children's Hospital and Prince Philip Hospital Llanelli, Short Stay Unit. Both these projects are part of the 'Designed for Life: Building for Wales' Framework.
- Three marine site investigations in Wales (Anglesey, Llyn Peninsular and Swansea) for the Royal National Lifeboat Institution. This is in preparation for rebuilding these slipway stations to accommodate the latest class of lifeboat to improve the response

time and rescue service generally in western Wales. The work includes both geotechnical and geo-environmental screening surveys.

- The provision of civil and structural engineering as a supply chain partner to Interserve Health, to deliver expertise for the Cardiff and Vale NHS Trust at Cardiff Children's Hospital (a £43m extension) and design work on the £50m Llandough Hospital Mental Health Unit.

Our transportation capability continues to grow in the UK both in terms of transportation planning and design and transportation asset management. We prepared a detailed travel plan for the new Curve Theatre in Leicester. This state-of-the-art theatre was designed by world renowned architect Rafael Vinoly. The travel plan was designed to encourage users of the theatre to use sustainable modes of transport. This includes key journey planners, travel cost calculators, walking audits, detailed public transport information, bus isochrones and detailed staff surveys.

We continue to be a key provider of consultancy services to Network Rail through our two, 10-year frameworks for Structures Assessment Contracts to undertake bridge inspections and prepare load assessments. We have diversified our market share through the provision of asset management and development services and can now boast wide-ranging capabilities in the rail sector.

Other transportation projects included:

- Investigation into the feasibility of widening an existing arch bridge at Hounslow Station. The scheme forms part of the London Cycle Network project promoted by the London Borough of Hounslow for Transport for London. The principle aim of the widening scheme was to accommodate cycle ways either side of the existing road as well as to improve the pedestrian and vehicular access over the bridge. Several options were submitted to the client and the chosen scheme involved the construction of a completely new structure.
- Our subsidiary, Sub-Surface Engineering was commissioned by Associated British Ports to undertake an investigation of a sunken pontoon in the port of Southampton. This involved modifying and fabricating of the majority of the pontoon hatch covers. The pontoon was then refloated by filling the chambers with compressed air under controlled conditions.
- Provision of consultancy advice to the London Borough of Hammersmith and Fulham for the transportation aspects of the new Westfield's retail development at White City. Our main role was to review the transport assessment to confirm the development's impact on the surrounding network and identify any necessary improvements to the highway infrastructure.

- Provision of civil and structural engineering services for Lovell Partnerships for a proposed new residential development in Shrewsbury. The development will comprise 156 residential properties incorporating two bedroom apartments and two, three and four bedroom houses all with associated car parking.

Our capability in the provision of asset management for buildings and other infrastructure was enhanced during the year through several framework agreements that we won including the provision of:

- Surveys for St Leger Homes for the government's 'Decent Homes' programme. The surveys are to enable the local authorities to upgrade their housing stock in line with this legislation which aims to provide a minimum standard for all public sector housing by 2010.
- Multi-disciplinary engineering services for Quantum Consortium's four year framework agreement. This comprises a number of housing associations and forthcoming projects and will include asset management of existing housing stock as well as 'new build' social housing.
- Structural engineering services for Midland Heart Housing Association's framework agreement. This will involve assisting the client to maintain existing housing stock as well as 'new build' social housing.



Revenue in the United Kingdom
increased 46%
on the previous year



1. A BOOTS ALLIANCE PHARMACY, NOTTINGHAM.
2. ENVIRONMENT CENTRE FOR WALES, BANGOR.
3. SUB-SURFACE ENGINEERING DIVER ON REFLOATED PONTON, SOUTHAMPTON.
4. NEW HOMES, OXLEY WOOD, MILTON KEYNES.



GARETH EVANS
DIRECTOR SUB-SURFACE
ENGINEERING



PAUL OGDEN
DIRECTOR STRUCTURAL
SURVEYS DIRECT



JAMES HULME
REGIONAL DIRECTOR
TOWER SURVEYS

We also provided a number of water-related consultancy services in the UK. A key project was for St Leger Homes. This involved the assessment of flood mechanisms following the flooding of the Toll Bar area in Doncaster during the summer of June 2007. The Toll Bar area was inundated with nearly 140 homes flooded. We provided an assessment of the flood mechanisms on a regional level and identified the specific unit features that compromised the flood performance of each housing unit. We also evaluated the various flood protection systems and recommended a remediation strategy.



1. RNLI SLIPWAY UNDER REPAIR, PORTHDINLLAEN.
2. UNIVERSITY OF WALES, NEWPORT.
3. WESTFIELDS DEVELOPMENT, WHITE CITY, LONDON.

SUSTAINABILITY

WE RECOGNISE THE IMPORTANCE OF OUR ENVIRONMENTAL, SOCIAL, CULTURAL AND ECONOMIC RESPONSIBILITIES.

OTHER INTERNATIONAL PROJECTS

During the year we also worked closely with and assisted our major shareholder, Opus Group Bhd with a number of significant projects. This included providing a team of water asset management specialists to assist them prepare three and 30 year business plans for the local water services supplier, SATU, to supply the water for the entire State of Terengganu in Malaysia, which has a population of over one million. The plans will incorporate best practice principles to

ascertain future expenditure programmes in relation to the operation, maintenance and capital expenditure. It will also involve the valuation and condition assessment of all the assets associated with the treatment plants, pumping stations, reservoirs and pipelines, and the review of the water tariff options.

We also assisted in India, with a project in the Punjab region to establish performance-based road maintenance

contracts in nominated areas of the road network. This assistance, which is ongoing, involves the development of a strategy for the introduction of performance-based road maintenance. The work also involves the collection and reviewing of road asset management data along with the training of local Indian asset managers and contractors.

SUSTAINABILITY

IN LATE 2007, WE ADOPTED A SUSTAINABILITY POLICY TO ACT AS A GUIDING DOCUMENT FOR IMPLEMENTING AND DELIVERING ON A NUMBER OF SUSTAINABILITY PRINCIPLES.

The policy sets out a framework to define our obligations as a company in the years ahead and spells out what sustainability means to Opus.

We recognise the importance of our environmental, social, cultural and economic responsibilities to our people and the local and national communities in which we operate. We are committed to acting in an environmentally, socially, culturally and economically responsible manner.

We will:

- Continue to provide sound corporate governance ensuring the financial and economic sustainability of the business.
- 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.
- Integrate environmental and social considerations into our delivery of professional services and achieve best-practice sustainable solutions that meet or exceed environmental standards.
- Manage and reduce the negative impacts our internal operations may have on the environment and encourage the positive impacts we can have on the communities in which we are based.
- Measure and continually improve our performance and report that performance to our stakeholders.
- Continue to recognise the cultural diversity of our people, clients and stakeholders, and respect and value their different cultural practices and beliefs.

Our guiding principles, policies and systems for the management of the company are available to our staff. These systems are reviewed and audited to ensure we can deal with and resolve any issues with urgency.

Financial audits provide assurance that our internal financial controls and systems are appropriate, robust and are being applied consistently. We have continued to invest in Vision, our financial and project management system.

Our Health and Safety performance is regularly reviewed in all our operations. In New Zealand, we are part of the Workplace Safety Management Practices scheme operated by the Accident Compensation Corporation. Our rehabilitation programme is developed in conjunction with the individual employee to support their timely and safe return to work.

We place significant value in maintaining a culture within Opus that aims to exceed the expectations of all our people. In doing so, we consider and make allowance for the cultural diversity of our staff and the different beliefs and practices associated with this.

Our culture is driven by the active promotion of our six company values. Four of these values deal directly with the importance of fostering an environment where staff feel valued and take pride in working for a successful company. These are:

- Respect for and Sharing of Knowledge
- Developing our People to their Full Potential
- Urgency through Empowerment
- Sharing and Enjoying Success

We have a number of initiatives to support these values, many of which have been in place for many years. Some examples of these are included below:

- We celebrate the achievements of our staff through our internal awards scheme. The scheme recognises staff that have excelled in various areas of their work. We also invest in our people by providing funding for further study and other training opportunities to assist with career development.
- We have been running Orientation Courses in New Zealand for 14 years. Last year, we ran three courses in New Zealand where we had around 100 staff at each. In 2008 we also held our first course in Australia for 100 staff from throughout our offices in Australia and New Zealand. The two-day course introduces new staff to the vision, structure, core values and culture of Opus.
- Opus' Cadet Training Scheme continues successfully. It provides school leavers with the opportunity to gain practical experience in civil engineering whilst they work towards gaining national qualifications. 40 cadets were taken on in 2008 and are progressing well.
- Opus PINS (Practice Interest Network) continues to be an important knowledge base for the company. We now have over 50 PIN groups, providing a network for staff with similar interests in different parts of the world. Our Information Centre also maintains a centralised information centre and library which responds to technical enquiries and carries out searches.



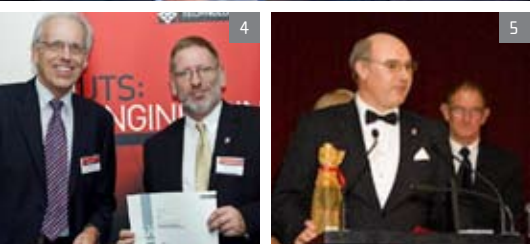
We aim to exceed
the **expectations**
of all our people.



1. ORIENTATION COURSE, AUSTRALIA.
2. OUR WORK-BASE CULTURE ENCOURAGES A FRIENDLY TEAM APPROACH.
3. CADETS LEARN THE RUDIMENTS OF SURVEYING.
4. VEHICLE EMISSIONS RESEARCH.



There is increasing demand for
Environmentally Sustainable Design



- 1. WE ENCOURAGE YOUNG PEOPLE AND CULTURAL DIVERSITY.
- 2. WILSON SPECIAL NEEDS SCHOOL, AUCKLAND.
- 3. TONY PORTER (LEFT) RECEIVES THE DOBSON AWARD, WELLINGTON.
- 4. PRESENTATION OF CERTIFICATE, UNIVERSITY OF TECHNOLOGY, SYDNEY.
- 5. PRESENTATION OF BEST SERVICE AWARD, NEW PLYMOUTH.

- We were officially acknowledged for our ongoing support of the internship programme at the University of Technology in Sydney. The programme assists young engineers in their career, providing them with work experience at Opus and opportunities for employment following the completion of their studies.
- The Chief Executive's Road Show encompasses all our offices worldwide and enables Kevin Thompson (Managing Director) to present the company's strategic plan and celebrate achievements with staff.
- Special training courses and internal workshops continue to allow specialist groups to come together to share ideas.
- Opus' Emeritus ensures that we retain and benefit from the experience of retired staff. Members of this community are invited to attend workshops and provide valuable input, passing on their knowledge to others in the company.
- For the second year running, Opus Alumni enjoyed a reunion held at New Zealand House in London. Employees originally from New Zealand who are now part of the UK business shared the benefits of experiences gained working for Opus overseas with former colleagues.

Our work on flagship projects has provided scope for creativity and has allowed staff to offer new and innovative solutions for our clients.

Sustainable building design is inherent in our work and we also provide leading-edge research in sustainable transportation. We have also been influential in local government thinking on the travel plan process and the promotion of transport solutions.

There is increasing demand for Environmentally Sustainable Design (ESD). We have appointed an ESD Design Leader and Steering Committee and more than fifty staff have undergone Green Star (the environmental rating system) training. In addition, we are represented on the New Zealand Green Building Council technical and working groups.

Examples of work that reflect the provision of sustainability in the services that we provide are outlined below:

- The Environment Centre for Wales, which achieved the BREEAM (environmental assessment measure) rating of excellence, was recognised by the UK Prime Minister, Gordon Brown, for its commitment to sustainability. Photovoltaic panels were installed to generate electricity from sunlight and ground-source heat pumps air-condition the building using minimal energy and at low cost.
- The award-winning Wilson Special Needs School on Auckland's North Shore encompasses many sustainable principles. The building is placed to make the best use of sunlight and the rooms are oriented towards the views. It also makes use of natural ventilation through the careful placement and alignment of windows and open areas.

- The work that we are carrying out on the Selwyn District Council 5 Waters Activity Management planning has a sustainability focus. Levels of service are being determined through adopting principals that are linked to areas of well-being (social, cultural, economic and environmental).
- We are currently underway with a travel plan for Botany Town Centre, near Auckland. It involves encouraging alternative modes of transport and improving services to better link people between their home and work.
- We have recently been preparing a greenhouse gas emission inventory for operations and maintenance activities for the recently formed Auckland Motorway Alliance (which Opus is part of). The inventory enables us to pinpoint the biggest polluters and enables us to draw up a realistic plan that focuses on the areas where emission reductions will have the biggest and most immediate impact.
- As part of a formal agreement between Opus, the Electricity Commission and an external refrigeration technologies consultant, we are managing a Refrigeration Electricity Efficiency Programme which we provide to New Zealand manufacturing industries. The aim of the programme is to identify large industrial refrigeration equipment that will lead to a reduction in electricity consumption and maintenance costs for the client.
- Our Environmental Training Centre in a joint venture with the New Zealand Water & Wastes

Association has built a unique organisation, the New Zealand Water and Environment Training Academy (NZWETA) for the delivery of water training in New Zealand.

- Our Central Laboratories is one of New Zealand's leading research institutes and is at the forefront of research on sustainable communities. The specialised research relates to land-use and urban environments, vehicle use and emissions, energy supply and demand, new materials and natural resources.
- We are supporting the Sustainable Habitat Challenge (ShaC 09). This is a national competition for New Zealand university students to design, develop, and build a sustainable house in their local community. We have a team of technical experts available to assist students, offer advice on sustainable technologies and to review their designs.

Our business model is based on having local offices serve local clients. As a result, we have always been very aware of the importance of supporting the communities in which we are based. We seek to build and foster strong relationships in both the professional industries as well as the communities in which we live and work.

Around fifty papers were presented by Opus people in 2008 and the profile of the company has continued to be raised through our participation in a wealth of industry events, conferences and magazine articles. Our position as world leaders in asset management was increased further at an International Conference on Managing Pavement Assets. At the conference, which was held in Canada, we hosted a workshop attended by delegates from countries as far afield as Namibia, South Africa and Japan.

Our people are actively involved with professional bodies, either as members or as serving board members. We are proud of the recognition that our staff have received from the industry and some examples are included below:

- Tony Porter, Transportation Asset Management Sector Leader, was the recipient of the Dobson Award, the 2008 IPENZ Supreme Technical Award for Engineering Achievers in the category Roads and Transport.
- Willie Mandeno, Principal – Materials and Corrosion Engineering, was awarded the Australasian Corrosion Association's Gold Medal which is the premier award for "Outstanding scientific or technological work in the field of corrosion in Australasia".

There have been many opportunities where we have been able to have a positive impact on the environment and in our communities and some of these are included below:

- A Humanitarian Award from the New Zealand Red Cross was awarded to Opus in recognition of the support we have provided to this voluntary organisation. This support has been provided largely by Auckland Environmental Engineer, Victoria Fray, who has on several occasions provided voluntary assistance to survivors of natural disasters in the Pacific Islands.
- Our office in New Plymouth won a 2008 Westpac / Taranaki Chamber of Commerce Business Award in the category Best Service. The judges said that the business was clearly built around developing and nurturing client relationships, and that the processes and systems in place were supportive and

enhanced the work we do, that our investment in staff training was significant and had a positive profile in the market place.

- Our Christchurch Environmental team has committed to three years of funding and replanting at Horseshoe Lake (an important wetland area) in Christchurch.
- In Wellington, staff were involved in a tree planting programme with staff and their families planting over 1,000 native trees on the Kapiti Coast, north of Wellington.
- We continue our sponsorship of the Society of Local Government Managers Business School. It provides training and development programmes to local authority staff in New Zealand and is known as the Opus SOLGM Business School.
- In the UK, we are supporting the Royal National Lifeboat Institute. Opus staff are assisting the charity, (a client of Opus), whose lifeguards patrol more than 70 beaches in the UK, by promoting sea safety with school children across the country.
- In Brisbane, our staff were active in raising funds for Breast Cancer Research and took part in the Gold Coast Bike Challenge to raise funds for Diabetes Australia and the National Heart Foundation.
- Staff in Wellington are involved with 'Volunteer Wellington'. A team of 17 successfully undertook the design and build of a monkey enclosure at the Huha Animal Sanctuary near Upper Hutt, Wellington.

- Our Wanganui office raised funds for the Wanganui-Rangitikei-Waimarino Cancer Society during its Relay for Life fundraiser.
 - We sponsor the North Shore Life Education Trust. This is a charitable trust that delivers health-based education programmes to school children providing them with a preventative approach to disease and substance/alcohol abuse.
 - Mark Hunter, from our Rotorua Office, was awarded a certificate by the Ministry of Health in recognition of his work in relation to their Drinking Water Technical Assistance Programme.
- We aim to make Opus a great place to work to help ensure the long term sustainability of our staff. We recognise that work/life balance is important and actively seek to meet the needs of our people with respect to this. We also recognise that social activity is important and put a lot of emphasis on social events. In 2008, our UK business was recognised as the best employer in the category "Best for Fun at Work" by New Civil Engineer in their annual employer review.
- Other examples of our social activities include:
- Three crews from the Wellington Region competed in the Wellington Rowing Club's Corporate Rowing Challenge. They won the trophies for best mixed crew and overall winner.
 - Four teams from our Brisbane and Gold Coast offices took part in a Corporate Triathlon, which was staged on Queensland's Gold Coast.

- Staff and families of the Nottingham offices raised money for local charities in the 18-mile Great Nottinghamshire Bike Ride.
 - Teams from the Wellington Region and Company Management offices competed to see who could achieve the most energy efficient travel record over a two-week period. The aim was to see which team could sacrifice their cars and travel on foot, by bicycle or passenger transport.
- We have adopted the G3 (Sustainability Reporting Guidelines)¹ to measure our performance around sustainability. We will use a set of performance indicators, (based around economic, environmental, labour practices, human rights, society and product responsibility) that we think are most relevant to Opus and its stakeholders. The advantage of the G3 framework is that it is internationally accepted and is used by many industries and sectors.
- We will monitor and measure the impacts our internal operations have on the environment. These will allow each of our offices to develop, manage and monitor a "sustainable office plan" for:
- Managing and reducing consumption of resources.
 - Managing and reducing waste production.
 - Sustainable purchasing (including vehicle purchasing, building lease agreements and purchasing agreements).
 - Vehicle emissions (including developing sustainable travel plans).
 - Community Involvement.

¹ The G3 (Sustainability Reporting Guidelines) is published by the Global Reporting Initiative (www.globalreporting.org).

The following preliminary assessment of emissions and consumption of our New Zealand operation is detailed below and demonstrates our position compared to other consultancies:

COMPONENT	CO2E EMISSIONS (TONNE/FTE)			
	AUSTRALIA	UK	NZ	OPUS NZ
Sample number of companies	2	2	2	
Transport	2.67 – 4.35	1.14 – 2.54	2.24 – 2.35	1.45
Energy	1.37 – 1.92	0.81 – 1.45	0.44 – 0.55	0.80
Solid waste	0.08 – 0.11	0.07 – 0.11	0.02	0.04
Paper	0.05	0.05	0.10	0.05
TOTAL	4.20 – 6.40	2.75 – 3.47	2.91	2.34

Transport emissions covers 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)². Travel relating to personal use of vehicles and commuting is excluded. Vehicle emissions were determined based on distance travelled after deducting the private use component, and the CO2e conversion rate for each type of vehicle according to manufacturer's data or data from www.rightcar.co.nz. Air travel emissions were based on great circle distances travelled calculated from origin and destination data for every flight supplied by our travel agents. CO2e conversions rates for air travel were based on the GHG Protocol according to haul distance. Indirect emissions from energy purchased were calculated according to leased floor area assuming an annual use of 140 kWh/m2 for the North Island, 160 kWh/m2 for the South Island, and a CO2e conversion rate for purchased energy in New Zealand from the GHG Protocol (Version 3). 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. Comparisons have been made with professional service companies similar to Opus based on sustainability reports lodged with CorporateRegister.com.

² The GHG Protocol is published by the World Resources Institute and the World Business Council for Sustainable Development (www.ghgprotocol.org)



We recognise that
work/life
balance is important



1. TRIATHLON, BRISBANE.
2. ROWING CHALLENGE, WELLINGTON.
3. UK STAFF REUNION, LONDON.
4. INTERNATIONAL CONFERENCE ON PAVEMENT MANAGEMENT, CALGARY.



We have been able to have a positive impact on the environment

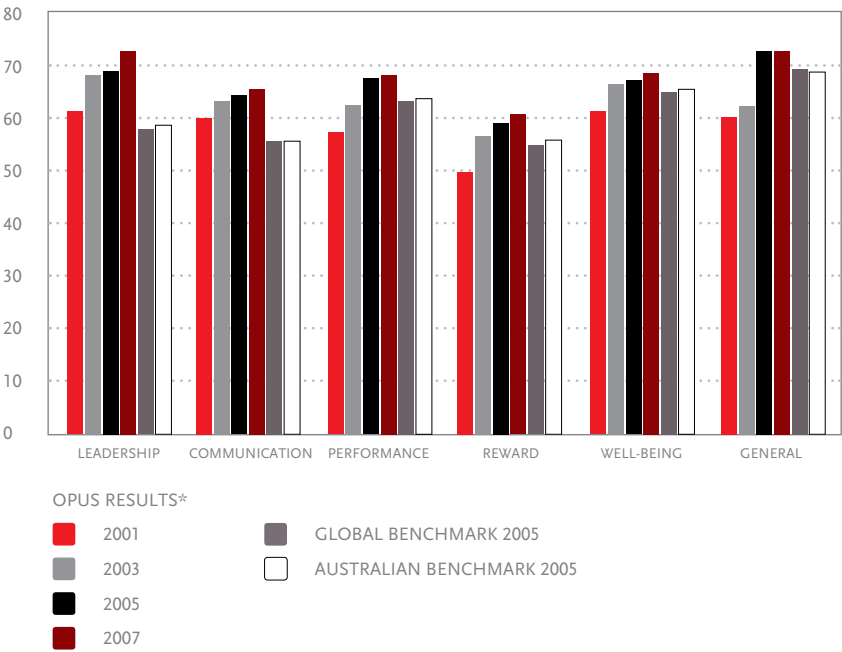


1. WIND FARM, NEW ZEALAND.
2. TREE PLANTING, KAPITI COAST, WELLINGTON.
3. HORSESHOE LAKE RESERVE, CHRISTCHURCH.

As part of our commitment to reporting within the G3 framework, we are implementing measurement and reduction programmes. Our highest priorities are managing omissions arising from our operations. These are transport and energy which account for 62 percent and 34 percent respectively. Once we have fully established this reporting model within New Zealand, this framework will be applied to our other countries of operations.

We also use our management systems, such as our staff and client survey to gauge feedback on how well we are doing and to provide a measure of our success with respect to these sustainability components.

The last staff survey was carried out in 2007 and shows continuous improvement since the survey began in 2001. The chart below demonstrates we are ahead of global benchmarks that are set in this area:



We put great emphasis on obtaining feedback from our clients, reflecting our commitment to our company values of Excellent Service Delivery and Strong Client Relationships. The last client survey was conducted in 2006 and we were rated very highly across all areas of performance with the majority of our clients confirming that they would recommend Opus to others. The next client survey is due to be completed in 2010.

**Opus' survey items are mapped to a global benchmark database.*

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

		YEAR ENDED 31 DECEMBER		(UNAUDITED) PROSPECTIVE YEAR ENDED 31 DECEMBER
	NOTE	2008 \$000	2007 \$000	2008 \$000
OPERATING ACTIVITIES				
Operating Revenue	2	371,540	296,332	314,792
Operating Expenses	3	(342,085)	(273,119)	(287,141)
Operating Surplus		29,455	23,213	27,651
Other (Expense)/Income	4	(6)	183	-
Equity Accounted Share of Surplus of Associates	14	1,082	374	250
EBITDA		30,531	23,770	27,901
Depreciation and Amortisation	5	(6,462)	(4,888)	(6,128)
EBIT		24,069	18,882	21,773
Interest Revenue	6	3,806	2,863	3,298
Interest Expense	6	(3,531)	(1,763)	(1,851)
OPERATING SURPLUS BEFORE TAX		24,344	19,982	23,220
Less Tax Expense	7	(6,848)	(5,808)	(7,380)
NET SURPLUS AFTER TAX FROM CONTINUING ACTIVITIES		17,496	14,174	15,840
EARNINGS PER SHARE				
Basic Earnings Per Share	8	0.13	0.11	
Diluted Earnings Per Share	8	0.12	0.10	

The accompanying Statement of Significant Accounting Policies and Notes on pages 52 to 87 form part of and should be read in conjunction with this statement.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2008

	NOTE	ORDINARY SHARES \$000	CONVERTIBLE NOTES \$000	EMPLOYEE EQUITY BENEFITS \$000	FOREIGN CURRENCY TRANSLATION RESERVE \$000	RETAINED EARNINGS \$000	TOTAL EQUITY \$000
AT 1 JANUARY 2007		7,400	-	325	349	39,033	47,107
Foreign Currency Translation		-	-	-	(734)	-	(734)
TOTAL INCOME AND EXPENSE FOR THE YEAR RECOGNISED DIRECTLY IN EQUITY		-	-	-	(734)	-	(734)
Net Surplus for the Year		-	-	-	-	14,174	14,174
TOTAL INCOME AND EXPENSE FOR THE YEAR		-	-	-	(734)	14,174	13,440
Equity Transactions:							
Shares Issued net of Transaction Costs		10,216	-	(277)	-	-	9,939
Share-Based Payment		-	-	54	-	-	54
Dividend Paid		-	-	-	-	(8,243)	(8,243)
Tax Credits on Supplementary Dividend		-	-	-	-	756	756
Convertible Notes issued		-	642	-	-	-	642
Bonus Issue		30,000	-	-	-	(30,000)	-
AT 1 JANUARY 2008		47,616	642	102	(385)	15,720	63,695
Foreign Currency Translation	11	-	-	-	525	-	525
TOTAL INCOME AND EXPENSE FOR THE YEAR RECOGNISED DIRECTLY IN EQUITY		-	-	-	525	-	525
Net Surplus for the Year		-	-	-	-	17,496	17,496
TOTAL INCOME AND EXPENSE FOR THE YEAR		-	-	-	525	17,496	18,021
Equity Transactions:							
Shares Issued	8	660	-	(29)	-	-	631
Share Buy-Back including Transaction Costs	8	(1,790)	-	-	-	-	(1,790)
Share-Based Payment	9	-	-	69	-	-	69
Dividend Paid	12	-	-	-	-	(9,747)	(9,747)
Tax Credits on Supplementary Dividend		-	-	-	-	79	79
AT 31 DECEMBER 2008		46,486	642	142	140	23,548	70,958
(UNAUDITED) PROSPECTIVE AT 31 DECEMBER 2008		47,371	642	143	57	21,290	69,503

The accompanying Statement of Significant Accounting Policies and Notes on pages 52 to 87 form part of and should be read in conjunction with this statement.

CONSOLIDATED BALANCE SHEET

A\$ AT 31 DECEMBER 2008

		31 DECEMBER		(UNAUDITED) PROSPECTIVE 31 DECEMBER
	NOTE	2008 \$000	2007 \$000	2008 \$000
NON-CURRENT ASSETS				
Property, Plant and Equipment	13	14,626	10,988	14,595
Investments in Associates	14	408	203	92
Intangible Assets	16	33,881	23,652	24,539
Deferred Tax Asset	7	10,791	7,721	8,267
TOTAL NON-CURRENT ASSETS		59,706	42,564	47,493
CURRENT ASSETS				
Bank Balance and Short Term Deposits	22	60,509	53,359	50,261
Receivables and Prepayments	17	46,695	39,979	50,251
Work in Progress		28,773	20,911	18,492
TOTAL CURRENT ASSETS		135,977	114,249	119,004
TOTAL ASSETS		195,683	156,813	166,497
NON-CURRENT LIABILITIES				
Provisions for Employee Entitlements	18	3,421	3,125	3,679
Defined Benefit Pension Liability	19	398	475	596
Long Term Payable	16	-	1,558	1,525
Finance Leases (Term Portion)	20	1,996	2,053	4,312
TOTAL NON-CURRENT LIABILITIES		5,815	7,211	10,112
CURRENT LIABILITIES				
Bank Overdraft	22	46,856	30,314	28,765
Creditors, Accruals and Provisions	21	21,424	15,845	18,251
Tax Payable		3,159	457	1,470
Revenue in Advance		20,304	16,843	15,397
Provisions for Employee Entitlements	18	27,167	22,448	22,999
TOTAL CURRENT LIABILITIES		118,910	85,907	86,882
NET ASSETS		70,958	63,695	69,503
EQUITY				
Ordinary Share Capital	8	46,486	47,616	47,371
Convertible Notes	9	642	642	642
Employee Equity Benefits	9	142	102	143
Retained Earnings	10	23,548	15,720	21,290
Foreign Currency Translation Reserve	11	140	(385)	57
TOTAL EQUITY		70,958	63,695	69,503

For and on behalf of the Board, who authorised the issue of these financial statements on 17 February 2009.

Chairman 

Managing Director 

The accompanying Statement of Significant Accounting Policies and Notes on pages 52 to 87 form part of and should be read in conjunction with this statement.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2008

		31 DECEMBER		(UNAUDITED) PROSPECTIVE YEAR ENDED 31 DECEMBER
	NOTE	2008 \$000	2007 \$000	2008 \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers		371,868	287,523	310,659
Interest Received		3,608	2,671	3,298
Payments to Suppliers and Employees		(340,304)	(266,142)	(283,889)
Interest Paid		(3,472)	(1,534)	(1,869)
Taxation Paid		(7,017)	(5,572)	(7,879)
NET CASH FLOWS FROM OPERATING ACTIVITIES	25	24,683	16,946	20,320
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale of Property, Plant and Equipment		2,020	1,587	3,394
Purchase of Property, Plant and Equipment and Intangible Assets		(7,872)	(5,654)	(10,871)
Dividends from Associates		877	319	-
Purchase of Investments		(13,607)	(9,030)	-
(Overdraft)/Cash Acquired on Acquisition of Subsidiary		(1,798)	1,539	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		(20,380)	(11,239)	(7,477)
CASH FLOWS FROM FINANCING ACTIVITIES				
Loan Repaid from Opus International NZ Limited		-	5,527	-
Dividends Paid		(9,747)	(8,243)	(9,628)
Repayment of Finance Lease Obligations		(2,148)	(1,727)	(1,752)
Share Capital Issued (Net of Transaction Costs)		631	11,988	631
Share Capital Repurchased		(1,790)	(4,233)	-
Convertible Notes Issued		-	642	-
Other Loan Repaid		(466)	(2,260)	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		(13,520)	1,694	(10,749)
Net Increase/(Decrease) in Cash Held		(9,217)	7,401	2,094
Foreign Exchange Adjustment		(175)	851	-
Cash at Beginning of the Year		23,045	14,793	19,402
CASH AT THE END OF THE YEAR		13,653	23,045	21,496
COMPRISING:				
Cash at Bank		60,509	53,359	50,261
Bank Overdraft		(46,856)	(30,314)	(28,765)
		13,653	23,045	21,496

The accompanying Statement of Significant Accounting Policies and Notes on pages 52 to 87 form part of and should be read in conjunction with this statement.

PARENT COMPANY INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

		YEAR ENDED 31 DECEMBER	
	NOTE	2008 \$000	2007 \$000
OPERATING ACTIVITIES			
Operating Revenue	2	258,729	232,630
Operating Expenses	3	(227,759)	(211,388)
EBITDA		30,970	21,242
Depreciation and Amortisation	5	(4,432)	(3,866)
EBIT		26,538	17,376
Interest Revenue	6	5,023	3,647
Interest Expense	6	(1,948)	(1,487)
OPERATING SURPLUS BEFORE TAX		29,613	19,536
Less Tax Expense	7	(7,407)	(5,643)
NET SURPLUS AFTER TAX FROM CONTINUING ACTIVITIES		22,206	13,893

The accompanying Statement of Significant Accounting Policies and Notes on pages 52 to 87 form part of and should be read in conjunction with this statement.

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2008

	NOTE	ORDINARY SHARES \$000	CONVERTIBLE NOTES \$000	EMPLOYEE EQUITY BENEFITS \$000	RETAINED EARNINGS \$000	TOTAL EQUITY \$000
AT 1 JANUARY 2007		7,400	-	325	39,393	47,118
Net Surplus for the Year		-	-	-	13,893	13,893
TOTAL INCOME AND EXPENSE FOR THE YEAR		-	-	-	13,893	13,893
EQUITY TRANSACTIONS:						
Shares Issued		10,216	-	(277)	-	9,939
Share-Based Payment		-	-	54	-	54
Dividend Paid		-	-	-	(8,243)	(8,243)
Tax Credits on Supplementary Dividend		-	-	-	756	756
Convertible Notes issued		-	642	-	-	642
Bonus Issue		30,000	-	-	(30,000)	-
AT 1 JANUARY 2008		47,616	642	102	15,799	64,159
Net Surplus for the Year		-	-	-	22,206	22,206
TOTAL INCOME AND EXPENSE FOR THE YEAR		-	-	-	22,206	22,206
EQUITY TRANSACTIONS:						
Shares Issued	8	660	-	(29)	-	631
Share Buy-Back including Transaction Costs	8	(1,790)	-	-	-	(1,790)
Share-Based Payment	9	-	-	69	-	69
Dividend Paid	12	-	-	-	(9,747)	(9,747)
Tax Credits on Supplementary Dividend		-	-	-	79	79
AT 31 DECEMBER 2008		46,486	642	142	28,337	75,607


The accompanying Statement of Significant Accounting Policies and Notes on pages 52 to 87 form part of and should be read in conjunction with this statement.

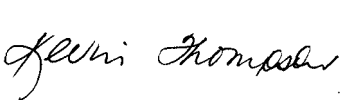
PARENT COMPANY BALANCE SHEET

A\$ AT 31 DECEMBER 2008

		31 DECEMBER	
	NOTE	2008 \$000	2007 \$000
NON-CURRENT ASSETS			
Property, Plant and Equipment	13	8,075	7,706
Investment in Subsidiaries	26	11,543	11,543
Intangible Assets	16	1,183	1,296
Deferred Tax Asset	7	7,423	6,629
TOTAL NON-CURRENT ASSETS		28,224	27,174
CURRENT ASSETS			
Bank Balance and Short Term Deposits	22	56,838	46,642
Receivables and Prepayments	17	26,867	24,878
Tax Receivable		-	149
Work in Progress		16,424	13,824
Advance to Subsidiaries		31,553	23,507
TOTAL CURRENT ASSETS		131,682	109,000
TOTAL ASSETS		159,906	136,174
NON-CURRENT LIABILITIES			
Provisions for Employee Entitlements	18	3,341	3,030
Finance Leases (Term Portion)	20	1,829	1,734
TOTAL NON-CURRENT LIABILITIES		5,170	4,764
CURRENT LIABILITIES			
Bank Overdraft	22	25,977	22,029
Creditors, Accruals and Provisions	21	11,713	11,901
Tax Payable		3,056	-
Revenue in Advance		16,870	14,781
Provisions for Employee Entitlements	18	21,513	18,540
TOTAL CURRENT LIABILITIES		79,129	67,251
NET ASSETS		75,607	64,159
EQUITY			
Ordinary Share Capital	8	46,486	47,616
Convertible Notes	9	642	642
Employee Equity Benefits	9	142	102
Retained Earnings	10	28,337	15,799
TOTAL EQUITY		75,607	64,159

For and on behalf of the Board, who authorised the issue of these financial statements on 17 February 2009.

Chairman 

Managing Director 

PARENT COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2008

		YEAR ENDED 31 DECEMBER	
	NOTE	2008 \$000	2007 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers		256,470	231,660
Interest Received		3,464	2,548
Payments to Suppliers and Employees		(227,593)	(210,499)
Interest Paid		(1,940)	(1,495)
Taxation Paid		(4,831)	(4,778)
NET CASH FLOWS FROM OPERATING ACTIVITIES	25	25,570	17,436
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of Property, Plant and Equipment		1,904	1,587
Purchase of Property, Plant and Equipment and Intangible Assets		(4,701)	(4,433)
Dividends from Associates		877	319
Advances to Subsidiaries		(4,116)	(7,502)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(6,036)	(10,029)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan Repaid from Opus International NZ Limited		-	5,527
Dividends Paid		(9,747)	(8,243)
Repayment of Finance Lease Obligations		(2,004)	(1,727)
Share Capital Issued (Net of Transaction Costs)		631	11,988
Share Capital Repurchased		(1,790)	(4,233)
Convertible Notes Issued		-	642
NET CASH FLOWS FROM FINANCING ACTIVITIES		(12,910)	3,954
NET INCREASE/(DECREASE) IN CASH HELD		6,624	11,361
Foreign Exchange Adjustment		(376)	858
Cash at Beginning of the Year		24,613	12,394
CASH AT THE END OF THE YEAR		30,861	24,613
COMPRISING:			
Cash at Bank		56,838	46,642
Bank Overdraft		(25,977)	(22,029)
		30,861	24,613

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, its subsidiaries and associates.

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 2008 were authorised for issue in accordance with a resolution of the directors on 17 February 2009.

The principal activities of the Group are described in note 23.

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 we operate.

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

Prior year comparatives have been reclassified where appropriate to comply with current year’s presentation. Specifically, a proportion of the Retirement Leave liability was reclassified from long term to short term liabilities, to better reflect the nature of the liability.

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 2008. The financial statements of subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

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.

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

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 sheet 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

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that these will reverse in the foreseeable future.

Deferred income tax liabilities are recognised when tax deductions have exceeded accounting expenditure for temporary differences and depreciation.

The carrying amount of deferred income tax assets is reviewed at each balance sheet 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.

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.

GST

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 include GST invoiced.

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

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, are classified as operating cash flows.

FOREIGN CURRENCY TRANSLATION

The functional and presentational currency of Opus International Consultants Limited and its New Zealand subsidiaries is the New Zealand Dollar.

Transactions denominated in foreign currencies are recorded at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the balance date closing rate. Exchange variations arising from these translations are recognised in the income statement, except when they relate to investments in foreign operations. Exchange variations on monetary assets and liabilities that relate to investments in foreign operations are recognised in the Foreign Currency Translation Reserve in the Group Financial Statements.

The functional currency of overseas subsidiaries is the currency used in the country in which they are based. The assets and liabilities of overseas foreign operations are translated at the 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 are recognised in the Foreign Currency Translation Reserve.

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.

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	55
Leasehold Improvements	Earlier of lease term or economic life
Plant and Vehicles	5-20
Computer Equipment	3-5
Furniture and Equipment	5-20
Finance Leases – Computer Equipment	3-5

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 Balance Sheet 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 acquisition over the Group’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination’s synergies.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

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 circumstance 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 useful lives of these intangible assets are assessed to be either finite (3 to 4 years) or indefinite. Where amortisation is charged on assets with finite lives, this expense is taken to 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.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank, in hand and short-term deposits with banks. 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 are stated at their estimated realisable values after writing off bad debts and 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. Bad debts are written off when identified.

WORK IN PROGRESS

Consultancy contracts are valued on a percentage of completion basis after due allowance for any irrecoverable amounts.

REVENUE IN ADVANCE

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

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 are recognised in the Income Statement at the time of valuation.

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.

INTEREST-BEARING LOANS AND BORROWINGS

All loans and borrowings are initially recognised at fair value of the considerations received plus 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.

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 excluding interest. 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.

ACCOUNTING FOR DERIVATIVE FINANCIAL INSTRUMENTS

The Group enters 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. The contracts relate to international trade transactions.

Forward exchange rate contracts are recognised at fair value as determined by quoted market prices from the date they are entered into. Hedge accounting is not applied. Any gains or losses arising from changes in fair value of derivative financial instruments are included in the Income Statement for the year. Forward exchange rate contracts are recognised at the date the contract is entered into. Exchange gains and losses 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.

SEGMENT INFORMATION

The Group measures and evaluates the reporting segments based on adjusted earnings from operations (defined as earnings before tax, excluding abnormal items).

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. 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 using the Black-Scholes-Merton model, further details of which are given in note 9. The fair value cost of equity settled options at issue date is amortised to the income statement over the vesting period.

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.

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 on the Balance Sheet.

(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 22.

(3) Defined Benefit Plan

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 19.

(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 18.

(5) Impairment of Goodwill with Indefinite Useful Life

The Group determines whether goodwill with an indefinite useful life is impaired on an annual basis. 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 16. The details of acquisitions during the year are disclosed in Note 15.

(6) Recovery of Deferred Tax Assets

Deferred tax assets are recognised for deductible temporary differences and tax losses as 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 7.

STANDARDS OR INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

NZ IFRS 8 Operating Segments was approved by the Accounting Standards Review Board in December 2006 and is applicable for accounting periods beginning on or after 1 January 2009. The standard requires additional disclosures about the Group's operating segments and is not expected to have a material impact on the Group's financial statements. The Group will adopt this Standard in 2009 and these financial statements do not include any adjustments for this standard.

NZ IAS 1 amendments require certain additional disclosures, including a Statement of Comprehensive Income. This will result in revised disclosure.

NZ IFRS 3 Business Combinations (revised) is applicable to the Group for accounting periods beginning on or after 1 January 2010. The revised standard introduces a number of changes to the accounting for business combinations which will result in revised disclosure.

NOTES TO THE FINANCIAL STATEMENTS

1. COMPARISON WITH PROSPECTIVE FINANCIAL INFORMATION

These financial statements contain prospective financial information for the year ended 31 December 2008 as published in the Group’s prospectus document registered on 26 September 2007. Both NZIAS 1 “Presentation of Financial Statements” and FRS 42 “Prospective Financial Information” require entities to disclose the reasons for material variances between actual results and prospective financial information. The following summarises the reasons for material variances between actual results and prospective financial information for the year ended 31 December 2008.

INCOME STATEMENT

Actual Net Surplus After Tax was approximately \$1.7 million (10.5%) ahead of the prospective Net Surplus After Tax. Earnings Before Interest and Tax (“EBIT”) were approximately \$2.3 million (10.5%) ahead of the prospective figure, primarily due to a strong domestic workload in New Zealand. Revenues and operating expenses were \$56.8 million (18%) and \$54.9 million (19%) ahead of their respective prospective figures. The 2008 year includes revenues and expenses of \$18.7 million and \$20.4 million respectively from acquisitions, which were not forecast in the prospectus. The prospective financial information excluded any acquisitions as there was no certainty any acquisitions would be completed at the time the prospective financial information was prepared. The remaining increase is primarily due to higher than forecast growth in trading activities.

Increased earnings from our associates also contributed an increase to EBIT, being \$0.8 million (330%) over the prospective earnings from associates for 2008 due to better than forecast profitability on a major contract. Partially offsetting the higher EBIT, was a \$1.2 million (81%) reduction in net interest revenue, primarily due to higher than forecast interest costs. The Group made two acquisitions during 2008, which were not forecast in the prospective financial results for the year. These acquisitions resulted in higher than forecast bank borrowings and therefore higher interest costs.

Tax expense was \$0.5 million (7%) less than the prospective tax expense for the year, primarily due to the availability of tax losses from subsidiaries, which were uncertain at the time of preparing the prospective financial information and the impact of acquisitions.

BALANCE SHEET

Intangible assets were \$9.3 million higher than the prospectus amount principally due to the acquisitions of Joynes Pike Group and Project Engineering Limited during 2008, which were not forecast. These acquisitions contributed an increase to goodwill of \$8.8 million during the year. We also made additional payments relating to 2007 acquisitions and the overall increase in goodwill due to acquisitions in 2008 was \$9.8 million. The remaining movement is due to changes in foreign exchange rates and lower than forecast software assets.

Deferred tax assets were \$2.5 million higher than the prospectus amount, principally due to the recognition of \$1.4 million of tax losses, which were not forecast. Changes in other balance sheet accounts, namely the Provisions for Employee Entitlements discussed below, resulted in the remaining \$1.1 million variance.

Net cash of \$13.7 million was \$7.8 million (36%) below the prospectus cash amount and this movement is detailed below in the analysis on the Statement of Cashflows.

Receivables, prepayments and work in progress were \$6.7 million (9%) higher the prospectus amount, primarily due to the impact of acquisitions and the growth in trading activity discussed above. Partially offsetting this growth was a \$2.3 million increase in the provision for doubtful debts, reflecting the current global economic crisis and the impact of 2008 acquisitions.

Provisions for employee entitlements were \$3.9 million (13%) higher than the prospectus amount as a result of higher than forecast staff numbers due to the two acquisitions and organic growth activity.

Revenue in advance was \$4.9 million (34%) higher than the prospectus amount reflecting the growth in revenues.

Creditors and accruals, including tax payable, were \$4.9 million (31%) higher than the prospectus amount, reflecting higher trading activity, acquisitions and a change in the payment dates for New Zealand corporation tax from December to January.

Share capital was \$0.9 million (2%) lower than the prospectus amount due to the initial capital raised in the IPO being higher than forecast, offset by the buy back of shares under the Employee Share Ownership Plan, which was new in 2008.

STATEMENT OF CASH FLOWS

Net cash was \$7.8 million (36%) lower than the prospectus amount. This was principally due to acquisition related activities and the trading related variances to the Income Statement and Balance Sheet noted above. Approximately \$13.6 million was paid in relation to acquisitions and an overdraft of \$1.8 million acquired in 2008, which were not forecast in the prospective amounts.

The Group made a net cash saving of \$1.6 million from lower capital expenditure (\$3 million), partially offset by lower than forecast leasing activity (\$1.4 million), which reflects the lower capital spend.

The Group cash position also benefited from a \$3.6 million higher opening cash balance at December 2007 from that forecast and \$4 million higher than forecast operating cashflows reflecting the higher than forecast trading activity in 2008.

2. OPERATING REVENUE

	GROUP		PARENT COMPANY	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Consultancy Fees	371,540	296,332	257,852	232,311
Dividend from Associates	-	-	877	319
TOTAL OPERATING REVENUE	371,540	296,332	258,729	232,630

There were no discontinued activities in the above figures.

3. OPERATING EXPENSES

	GROUP		PARENT COMPANY	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
INCLUDED IN OPERATING EXPENSES ARE THE FOLLOWING ITEMS:				
Employee Remuneration Costs	190,047	150,246	120,940	111,674
Consultant and Sub-Contractor Expenses	57,255	54,085	48,089	48,927
Project Materials and Services Costs	16,813	11,154	10,752	8,018
Lease/Rental Expenses	16,136	12,485	10,340	9,636
Travel Related Expenses	14,447	12,121	10,786	10,044
Training and Other Employee Related Expenses	12,297	8,593	7,536	6,153
Communication and Office Administration Costs	8,202	7,817	6,117	6,821
Insurance	2,128	1,384	1,393	1,075
Advertising and Promotion Expenses	1,982	1,524	1,361	1,274
Group Auditors – Audit Fees	412	384	193	215
Group Auditors –Taxation Services	176	197	156	193
Group Auditors – Other Assurance Services	157	62	56	9
Directors’ Fees and Expenses	582	411	582	411
(Profit)/Loss on Foreign Exchange Transactions – Realised	(31)	181	(7)	(52)
Loss/(Profit) on Foreign Exchange Transactions – Unrealised	25	(237)	(705)	(269)
Bad Debts Expense	158	115	119	94
Change in Provision for Doubtful Debts	1,747	987	45	923
(Gain)/Loss on Sale of Property, Plant & Equipment	(4)	(37)	(3)	(25)
Other Operating Expenses	19,556	11,647	10,009	6,267
TOTAL OPERATING EXPENSES	342,085	273,119	227,759	211,388

4. OTHER (EXPENSE)/INCOME

	GROUP		PARENT COMPANY	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Actuarial (Loss)/Gain on Defined Benefit Pension Liability – Refer Note 19	(6)	183	-	-
OTHER INCOME	(6)	183	-	-

5. DEPRECIATION AND AMORTISATION

	GROUP		PARENT COMPANY	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Buildings	22	6	6	6
Plant and Vehicles	898	664	516	488
Computer Equipment	743	444	192	169
Furniture and Equipment	1,141	842	672	596
Leasehold Improvements	1,152	705	724	528
Finance Leases – Computer Equipment	1,642	1,447	1,642	1,447
TOTAL DEPRECIATION	5,598	4,108	3,752	3,234
Amortisation Expense – Software Assets	864	780	680	632
TOTAL DEPRECIATION AND AMORTISATION	6,462	4,888	4,432	3,866

6. INTEREST

	GROUP		PARENT COMPANY	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
INTEREST REVENUE				
Bank Deposits	3,806	2,717	3,662	2,593
Loan to Related Party *	-	146	-	146
Loan to Subsidiaries	-	-	1,361	908
TOTAL INTEREST REVENUE	3,806	2,863	5,023	3,647
INTEREST EXPENSE				
Bank Borrowings	(3,245)	(1,511)	(1,662)	(1,235)
Finance Leases	(233)	(217)	(233)	(217)
Convertible Notes	(53)	(35)	(53)	(35)
TOTAL INTEREST EXPENSE	(3,531)	(1,763)	(1,948)	(1,487)

* This loan to Opus International (NZ) Limited was repaid in full in May 2007 and as at 31 December 2008 there is no outstanding loan balance (31 December 2007: \$Nil).

7. TAXATION

	GROUP		PARENT COMPANY	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
(A) INCOME TAX				
SURPLUS BEFORE TAXATION	24,344	19,982	29,613	19,536
Prima Facie Income Tax at 30% (2007: 33%)	7,303	6,594	8,884	6,447
(Less)/Add Taxation Effect of Differences between Tax and Accounting:	678	554	244	191
Utilisation of Tax Losses	(93)	(155)	-	-
Adjustment in Respect of Prior Periods	(575)	(582)	(507)	(426)
Different Overseas Statutory Tax Rates	134	(34)	-	-
Effect of Change in Corporation Tax Rate	5	662	-	662
Tax Group Offset	(604)	(1,231)	(1,214)	(1,231)
TAXATION EXPENSE	6,848	5,808	7,407	5,643
The Taxation Charge is Represented by:				
Current Taxation	9,700	6,551	8,201	6,003
Deferred Taxation	(2,852)	(743)	(794)	(360)
	6,848	5,808	7,407	5,643

The effect of the change in corporation tax rate reflects the impact on the deferred tax asset from the legislative change in the tax rate from 30% to 28% in the United Kingdom, which applies from 1 April 2008 (2007: change from 33% to 30% in New Zealand).

(B) UNRECOGNISED TAX LOSSES

The Group has unrecognised overseas income tax losses available to carry forward of \$1,987,723 (2007: \$1,492,663). No deferred tax asset has been recognised for these losses, as the utilisation of these losses is subject to the requirements of the income tax legislation being met in the various overseas jurisdictions and it is not considered probable that these requirements will be met in the foreseeable future.

	GROUP		PARENT COMPANY	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
(C) DEFERRED TAX ASSET				
Employee Entitlements	6,375	5,561	5,461	4,849
Property, Plant and Equipment	1,450	1,012	1,178	930
Defined Benefit Pension Obligation	112	143	-	-
Provisions	1,447	1,005	784	850
Tax Losses Recognised	1,407	-	-	-
TOTAL DEFERRED TAX ASSET	10,791	7,721	7,423	6,629
Balance at Beginning of Year	7,721	6,406	6,629	6,269
Foreign Exchange Adjustment	(39)	(54)	-	-
Acquisition of Subsidiaries	257	626	-	-
Amount Charged to Income Statement	2,857	1,405	794	1,022
Effect of Change in Tax Rate to 30%	(5)	(662)	-	(662)
BALANCE AT END OF YEAR	10,791	7,721	7,423	6,629

7. TAXATION CONTINUED

(D) IMPUTATION CREDIT ACCOUNT	PARENT COMPANY	
	2008 \$000	2007 \$000
Opening Balance	5,939	16,886
Income Tax or RWT Payments/(Refunds) During the Year	4,773	5,184
Dividend and Bonus Issue	(4,466)	(16,131)
Loss of Continuity Adjustments	(1,919)	-
CLOSING BALANCE	4,327	5,939

8. EQUITY

All 136,846,852 (\$46,485,470) 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 2008, the Company has undertaken the following equity transactions:

- 1) The exercise of share options under the Employee Share Option Plan; and
- 2) The repurchase of shares for the Employee Share Ownership Plan.

The following table summarises the movements in ordinary share capital during the year ended 31 December 2008.

	ORDINARY SHARE CAPITAL \$000	NO. OF SHARES	ACCUMULATED NO. OF SHARES
Opening Balance	47,616	135,774,190	135,774,190
Exercise of Share Options	660	2,023,305	137,797,495
Share Buy-Back for Employee Share Ownership Plan	(1,776)	(950,643)	136,846,852
Transaction Costs	(14)	-	-
CLOSING BALANCE	46,486	136,846,852	136,846,852

TREASURY SHARES

The Company reacquired a certain number of its own equity instruments in an on-market buy-back for later use in the Employee Share Ownership Plan (details of which are disclosed in note 9). 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 2008, the Group and Parent Company through an Employee Trust held 950,643 Treasury Shares (31 December 2007: Nil).

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 ensures the lowest cost of capital available to the Company. The major shareholder and the Directors have no current plans to issue further shares on the share market but remain open to doing so. This may occur should the major shareholder seek to reduce its ownership stake or as a means for the Group to fund an acquisition.

The Employee Share Ownership Plan requires the company to repurchase shares on-market and the Directors expect this to occur in each financial year for the foreseeable future.

Management monitor the return on equity (defined as Net Profit After Tax/Total Shareholders Equity) and the debt and net debt to equity ratios. These measures during 2008 and 2007 were as follows:

	GROUP		PARENT COMPANY	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Bank Overdraft	46,856	30,314	25,977	22,029
Finance Lease Liabilities	3,586	3,659	3,263	3,163
TOTAL DEBT	50,442	33,973	29,420	25,192
TOTAL EQUITY	70,958	63,695	75,607	64,159
NET PROFIT AFTER TAX	17,496	14,174	22,206	13,893
Debt to Equity Ratio	0.71	0.53	0.39	0.39
Net Debt to Equity Ratio	0.05	0.06	0.04	0.05
Return on Equity	24.7%	22.3%	29.4%	21.7%

The net debt to equity ratio is calculated by offsetting our bank deposits with the bank overdrafts, which leaves a net debt balance equivalent to finance lease liabilities.

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 2008 the weighted average number of shares on issue are 136,275,916 (2007: 124,650,014).

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, 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 outstanding used to calculate diluted earnings per share for the year ended 31 December 2008 are 147,289,765 (2007: 144,390,538).

Prior period ordinary shares and options outstanding have been restated to adjust for the bonus issue and share split in 2007 for basic and diluted earnings per share.

9. EMPLOYEE EQUITY-SETTLED BENEFITS

Employee equity benefits comprise the fair value 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 Class A shares in the company (but without attached voting rights) with an exercise date of 21 May 2007. Additional issues of options were made in 2003, 2004, 2005, 2006 and 2007. The purpose of the employee share ownership 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 may 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.

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.

To date the 2002 and 2003 tranches have been exercised in May 2007 and July 2008 respectively. The remaining options outstanding are detailed in the table below.

	OPTIONS ISSUED	OPTION PRICE	EXERCISE PRICE	FAIR VALUE	EXERCISE DATE
2004	2,417,910	Nil	\$0.343	\$0.017	June 2009
2005	2,777,115	Nil	\$0.495	\$0.038	March 2010
2006	3,376,155	Nil	\$0.588	\$0.035	June 2011
2007	2,369,040	Nil	\$0.741	\$0.042	May 2012

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 using the Black-Scholes-Merton model.

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 will operate with the Company acquiring its own shares on-market for immediate resale to participants. The buy-back of shares may occur over a period of time and the price at which the shares are resold to participants will be the average price paid by the Company to acquire the shares.

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 for the 2008 tranche 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 x EBIT (for the preceding year), net of tax, plus (A – (5 x B) x 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 2008, the Company acquired the first tranche of shares under this plan. The following table summarises the shares bought back during 2008:

	SHARES ACQUIRED	EXERCISE PRICE	FAIR VALUE	EXERCISE DATE
2008	950,643	\$1.87	\$0.21	August 2013

ESOP EQUITY ACCOUNT

The movement in the ESOP reserve account within shareholders equity for the year ended 31 December 2008 is shown in the table below:

	31 DECEMBER			
ESOP	2008 \$000	2007 \$000	2008 NOS.	2007 NOS.
Opening Balance	102	325	11,515,575	2,237,650
Bonus Issue & Share Split	-	-	-	31,327,100
Options Granted During Year	-	-	950,643	2,369,040
Options Forfeited	-	(3)	-	(277,740)
Options Exercised	(29)	(274)	(2,023,305)	(24,140,475)
Share-Based Payment Expense	69	54	-	-
TOTAL OPTIONS ON ISSUE	142	102	10,442,913	11,515,575

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 8.24% (2007: 8.23%). The notes are convertible into ordinary shares at any time at the option of either the Company or the holder. The convertible notes are classified as equity instruments and as at 31 December 2008 there were 866,285 convertible notes on issue (2007: 866,285).

10. RETAINED EARNINGS

	GROUP		PARENT COMPANY	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Balance at Beginning of Year	15,720	39,033	15,799	39,393
Net Surplus for the Year	17,496	14,174	22,206	13,893
Bonus Share Issue	-	(30,000)	-	(30,000)
Dividend Declared	(9,747)	(8,243)	(9,747)	(8,243)
Tax Credit on Supplementary Dividend	79	756	79	756
BALANCE AT END OF YEAR	23,548	15,720	28,337	15,799

11. FOREIGN CURRENCY TRANSLATION RESERVE

	GROUP		PARENT COMPANY	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Balance at Beginning of Year	(385)	349	-	-
Net exchange difference on translation of international subsidiaries and related borrowings	525	(734)	-	-
BALANCE AT END OF YEAR	140	(385)	-	-

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.

12. DISTRIBUTION TO EQUITY HOLDERS OF THE COMPANY

	GROUP		PARENT COMPANY	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Dividend on Ordinary Shares	9,668	7,487	9,668	7,487
Supplementary Dividend Paid	79	756	79	756
TOTAL DISTRIBUTION	9,747	8,243	9,747	8,243

Dividends of \$9.75 million were declared and paid during the year ended 31 December 2008 representing 7.1 cents per ordinary share (2007: 6 cents per share).

13. PROPERTY, PLANT AND EQUIPMENT

2008	GROUP							
	LAND	BUILDINGS	LEASEHOLD IMPROVEMENTS	PLANT & VEHICLES	COMPUTER EQUIPMENT	FURNITURE & EQUIPMENT	FINANCE LEASES (COMPUTER EQUIPMENT)	TOTAL
Balance at 1 January 2008 (net of accumulated depreciation and impairment)	135	257	2,636	1,616	983	2,723	2,638	10,988
Additions	-	-	1,507	679	3,115	1,758	1,764	8,823
Acquisitions	-	1,091	140	530	652	45	-	2,458
Disposals	-	-	-	3	(2,186)	(21)	-	(2,204)
Depreciation charge for the year	-	(22)	(1,152)	(898)	(743)	(1,141)	(1,642)	(5,598)
Foreign Exchange Adjustment	-	7	51	(3)	36	68	-	159
BALANCE AT 31 DECEMBER 2008	135	1,333	3,182	1,927	1,857	3,432	2,760	14,626
AT 31 DECEMBER 2008								
Cost	135	1,477	9,607	11,970	8,904	12,471	6,608	51,172
Accumulated Depreciation and Impairment	-	(144)	(6,425)	(10,043)	(7,047)	(9,039)	(3,848)	(36,546)
NET CARRYING AMOUNT	135	1,333	3,182	1,927	1,857	3,432	2,760	14,626

2007	GROUP							
	LAND	BUILDINGS	LEASEHOLD IMPROVEMENTS	PLANT & VEHICLES	COMPUTER EQUIPMENT	FURNITURE & EQUIPMENT	FINANCE LEASES (COMPUTER EQUIPMENT)	TOTAL
Balance at 1 January 2007 (net of accumulated depreciation and impairment)	135	263	1,335	1,678	957	1,912	2,450	8,730
Additions	-	-	1,268	676	2,150	1,109	1,636	6,839
Acquisitions	-	-	760	-	8	562	-	1,330
Disposals	-	-	-	(44)	(1,636)	(1)	(1)	(1,682)
Reclassification	-	-	-	-	(43)	-	-	(43)
Depreciation charge for the year	-	(6)	(705)	(664)	(444)	(842)	(1,447)	(4,108)
Foreign Exchange Adjustment	-	-	(22)	(30)	(9)	(17)	-	(78)
BALANCE AT 31 DECEMBER 2007	135	257	2,636	1,616	983	2,723	2,638	10,988
At 31 December 2007								
Cost	135	280	7,890	8,309	7,488	10,620	4,702	39,424
Accumulated Depreciation and Impairment	-	(23)	(5,254)	(6,693)	(6,505)	(7,897)	(2,064)	(28,436)
NET CARRYING AMOUNT	135	257	2,636	1,616	983	2,723	2,638	10,988

13. PROPERTY, PLANT AND EQUIPMENT CONTINUED

	PARENT COMPANY							
2008	LAND	BUILDINGS	LEASEHOLD IMPROVEMENTS	PLANT & VEHICLES	COMPUTER EQUIPMENT	FURNITURE & EQUIPMENT	FINANCE LEASES (COMPUTER EQUIPMENT)	TOTAL
Balance at 1 January 2008 (net of accumulated depreciation and impairment)	135	257	1,575	1,155	419	1,527	2,638	7,706
Additions	-	-	805	462	1,972	885	1,764	5,888
Acquisitions	-	-	-	-	-	-	-	-
Disposals	-	-	-	(4)	(1,764)	1	-	(1,767)
Depreciation charge for the year	-	(6)	(724)	(516)	(192)	(672)	(1,642)	(3,752)
BALANCE AT 31 DECEMBER 2008	135	251	1,656	1,097	435	1,741	2,760	8,075
AT 31 DECEMBER 2008								
Cost	135	280	7,164	7,254	4,522	8,351	6,608	34,314
Accumulated Depreciation and Impairment	-	(29)	(5,508)	(6,157)	(4,087)	(6,610)	(3,848)	(26,239)
NET CARRYING AMOUNT	135	251	1,656	1,097	435	1,741	2,760	8,075

	PARENT COMPANY							
2007	LAND	BUILDINGS	LEASEHOLD IMPROVEMENTS	PLANT & VEHICLES	COMPUTER EQUIPMENT	FURNITURE & EQUIPMENT	FINANCE LEASES (COMPUTER EQUIPMENT)	TOTAL
Balance at 1 January 2007 (net of accumulated depreciation and impairment)	135	263	1,023	1,096	393	1,387	2,450	6,747
Additions	-	-	1,080	575	1,831	737	1,636	5,859
Acquisitions	-	-	-	-	-	-	-	-
Disposals	-	-	-	(28)	(1,636)	(1)	(1)	(1,666)
Depreciation charge for the year	-	(6)	(528)	(488)	(169)	(596)	(1,447)	(3,234)
BALANCE AT 31 DECEMBER 2007	135	257	1,575	1,155	419	1,527	2,638	7,706
AT 31 DECEMBER 2007								
Cost	135	280	6,359	6,871	4,599	7,544	4,702	30,490
Accumulated Depreciation and Impairment	-	(23)	(4,784)	(5,716)	(4,180)	(6,017)	(2,064)	(22,784)
NET CARRYING AMOUNT	135	257	1,575	1,155	419	1,527	2,638	7,706

14. INVESTMENTS IN ASSOCIATES

	GROUP		PARENT COMPANY	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Carrying Amount at Start of Year	203	148	-	-
Share of Surplus/(Deficit)	1,082	374	-	-
Dividends Received	(877)	(319)	-	-
CARRYING AMOUNT AT END OF YEAR	408	203	-	-

The Parent Company owns interests in the following entities:

INTEREST IN ASSOCIATES	% INTEREST	BALANCE DATE	PRINCIPAL ACTIVITY
NZWETA	50%	31 December	Providing Water Services Training
Total Bridge Services	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 so these entities are not consolidated into the Group.

The unaudited financial position of the Associate Companies as at 31 December 2008 is summarised below:

	2008 \$000	2007 \$000
Current Assets	4,953	1,982
Non-Current Assets	477	103
Total Assets	5,430	2,085
Current Liabilities	(3,929)	(1,409)
Non-Current Liabilities	-	-
Total Liabilities	(3,929)	(1,409)
NET ASSETS	1,501	676

Revenue Earned	16,512	4,671
Profit for the Year	2,913	880

15. ACQUISITIONS

During the period ended 31 December 2008, the Group acquired 100% of the ordinary share capital of the following companies:

- Joynes Pike Group Limited and Subsidiaries, an engineering consulting business operating in the Midlands and Southern regions in the United Kingdom, effective 17 March 2008; and
- Project Engineering Limited (“PEL”), an engineering consultancy business operating in Fredericton, Canada, effective from 14 May 2008.

The goodwill and net assets arising from these acquisitions is summarised below:

NET ASSETS AT DATE OF ACQUISITION	JOYNES PIKE GROUP	PEL	TOTAL
	FAIR VALUE NZ \$000	FAIR VALUE NZ \$000	FAIR VALUE NZ \$000
Cash	-	45	45
Accounts Receivable	7,700	541	8,241
Other Assets	1,044	118	1,162
Deferred Tax	257	(4)	253
Property, Plant & Equipment	2,368	89	2,457
TOTAL ASSETS	11,369	789	12,158
Overdraft	(1,843)	-	(1,843)
Creditors and Accruals	(5,512)	(660)	(6,172)
Provision for Taxation	(75)	7	(68)
TOTAL LIABILITIES	(7,430)	(653)	(8,083)
Fair Value of Net Assets Acquired	3,939	136	4,075
PURCHASE CONSIDERATION			
Cash	11,326	1,120	12,446
Deferred Payment Accrued	423	-	423
TOTAL PURCHASE CONSIDERATION	11,749	1,120	12,869
GOODWILL ARISING ON ACQUISITION	7,810	984	8,794
PROFIT/(LOSS) SINCE ACQUISITION INCLUDED IN GROUP RESULTS FOR THE YEAR	(1,686)	(23)	(1,709)

The principal factor that contributed to a purchase cost that resulted in the recognition of goodwill is the expected growth in future cashflows including synergies and benefits from the involvement of Opus personnel. As at 31 December 2008, the final purchase consideration for both entities 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 in 2009.

If the acquisition date had been effected for all acquisitions from 1 January 2008, these acquisitions would have contributed revenues of \$23.1 million and made losses totalling \$3.2 million (excluding associated borrowing costs borne by other members of the Group).

16. INTANGIBLE ASSETS

INTANGIBLE ASSETS COMPRISE:	GROUP		PARENT COMPANY	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Software Assets	1,100	1,145	768	881
Goodwill	32,781	22,507	415	415
CARRYING AMOUNT AT END OF YEAR	33,881	23,652	1,183	1,296

SOFTWARE ASSETS	GROUP		PARENT COMPANY	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Carrying Amount at Start of Year	1,145	1,349	881	1,165
Additions During the Year	818	522	567	348
Arising on Acquisition of Investments	-	24	-	-
Reclassification from/(to) Property, Plant and Equipment	-	43	-	-
Amount Amortised During Year	(864)	(780)	(680)	(632)
Foreign Exchange Adjustment	1	(13)	-	-
CARRYING AMOUNT AT END OF YEAR	1,100	1,145	768	881
Cost	5,867	4,982	4,387	3,871
Accumulated Amortisation	(4,767)	(3,837)	(3,619)	(2,990)
	1,100	1,145	768	881

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.

GOODWILL	GROUP		PARENT COMPANY	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Carrying Amount at Start of Year	22,507	11,945	415	415
Additions During the Year (Refer Note 15)	8,794	11,347	-	-
Goodwill Arising From Previous Acquisitions	763	-	-	-
Foreign Exchange Adjustment	717	(785)	-	-
CARRYING AMOUNT AT END OF YEAR	32,781	22,507	415	415
Cost	33,325	23,015	415	415
Accumulated Impairment	(544)	(508)	-	-
	32,781	22,507	415	415

16. INTANGIBLE ASSETS CONTINUED

During 2008, an amount of \$256,212 (CAD \$180,209) was agreed as the full and final settlement obligation for the 2006 acquisition of GD Hamilton Associates Consulting Limited, of which \$126,975 (CAD \$89,309) was paid on 1 January 2009. This was less than the amount which could have been paid and resulted in a reduction to the carrying value of goodwill of \$123,762 (CAD \$87,049). The remaining amount due of \$129,237 (CAD \$90,900) has been reclassified to current liabilities as payment is scheduled for 2009.

During 2008, amounts totalling \$926,425 (AUD \$799,688) were paid to the vendors of Qantec McWilliam Pty Limited following completion of certain conditions in the sale and purchase agreement. Together with adjustments to the fair value of net assets acquired, the carrying value of goodwill increased by \$940,347 (AUD \$811,839). There remains an accrual for a payment of \$1,396,000 (AUD \$1,166,000), which is due for payment, subject to the conditions in the sale and purchase agreement being met. This liability has been reclassified from long term to short term liabilities as payment is due to occur in 2009.

During 2008, an amount of \$96,118 (AUD \$85,000) was agreed as the full and final settlement obligation for the 2007 acquisition of Group 42 Pty Limited. In addition the fair value of net assets acquired was also revised. These adjustments resulted in a net reduction to the carrying value of goodwill of \$53,764 (AUD \$48,477).

During 2008, the Group acquired Joynes Pike Group in the United Kingdom, details of which are disclosed in Note 15. As part of the consideration for this acquisition, an amount of \$425,000 (£170,000) (2007: Nil) has been accrued for a payment due to the vendors of the Joynes Pike Group as a result of their acquisition by the Group during 2008. This liability has been recognised at its amortised cost value based on market interest rates at the time of acquisition. The liability will be amortised to its face value of \$460,000 (£184,000) over the period to its due date, which is September 2009.

GOODWILL RECOVERABLE AMOUNT

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

	UNITED KINGDOM \$000	NORTH AMERICA \$000	AUSTRALIA \$000	NEW ZEALAND \$000	TOTAL \$000
As at 31 December 2008	15,870	3,295	13,201	415	32,781
As at 31 December 2007	8,311	2,176	11,605	415	22,507

Goodwill has been tested for impairment on an annual basis by comparing the carrying amount of the cash-generating unit (inclusive of goodwill) with the recoverable amount, which is based on value in use. The value in use is determined by discounting future cashflows over a five-year period. The future cashflows are based on a range of scenarios starting with management's five-year business plan, which is the best estimate of future performance. The ability to achieve actual results that are within the range of expected future cashflows is a key assumption in determining the recoverable amount for each cash-generating unit. The current forecasts cover a range of scenarios which management consider realistic and prudent.

However, there remains a risk that economic conditions or other factors that cannot be foreseen, will adversely affect the ability of cash-generating units to achieve the cashflow forecasts. The Directors and Management are fully aware that the economic environment in the United Kingdom has been very difficult for the Group's United Kingdom business in 2008. The future cashflows of the cash-generating unit in the United Kingdom have been estimated on the expectation that the economic decline will not have a prolonged effect on our United Kingdom business.

In calculating the value in use for each cash-generating unit, management has applied a pre-tax discount rate, which is based on the Company's post-tax WACC of 12% and a terminal value at the end of five years. The terminal value calculation applies a growth rate of 5%, which reflects the long term expected average growth rate. The pre-tax rate in each country varies based on the tax rate and was 16.4% in the United Kingdom, 17.1% in Australia and New Zealand and 18.5% in North America. This represents a change from the previous years where the discount rate applied was 20%. Management consider that the Company's WACC is a more appropriate basis for discounting the future cashflows of cash generating units as this is more reflective of an industry norm. No impairment was identified for the year ended 31 December 2008 (2007: \$nil).

17. RECEIVABLES AND PREPAYMENTS

	NOTE	GROUP		PARENT COMPANY	
		2008 \$000	2007 \$000	2008 \$000	2007 \$000
Trade Receivables		46,645	40,185	25,726	24,946
Less Provision for Doubtful Debts	22	(4,613)	(2,317)	(1,752)	(1,707)
Prepayments		3,584	1,467	2,575	1,290
Interest Receivable		261	63	261	63
Other Receivables		548	581	57	286
TOTAL RECEIVABLES AND PREPAYMENTS		46,695	39,979	26,867	24,878

Included within other receivables are retentions receivable of \$29,563 for the Group and Parent Company (2007: \$165,461) and amounts receivable from Opus Group BHD to the Group of \$353,030 (2007: \$171,200).

18. 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 2008 and 2007 have been based on an independent actuarial valuation provided by AON Consulting (NZ) Limited and are summarised in the tables below.

	GROUP		PARENT COMPANY	
PROVISION FOR EMPLOYEE ENTITLEMENTS – RETIREMENT LEAVE	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Opening Balance	6,250	5,805	6,060	5,698
Paid Relating to Prior Year	(164)	(417)	(164)	(417)
Increase during the year in the discounted amount arising from the passage of time and the effect of any change in the discount rate	147	19	147	19
Foreign Exchange Adjustment	(13)	-	-	-
Provision Current Year	621	843	638	760
CLOSING BALANCE	6,841	6,250	6,681	6,060
Current – Less than One Year	3,420	3,125	3,340	3,030
Term – Greater than One Year	3,421	3,125	3,341	3,030

	GROUP		PARENT COMPANY	
PROVISION FOR EMPLOYEE ENTITLEMENTS – LONG SERVICE LEAVE	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Opening Balance	2,566	1,668	1,293	1,326
Paid Relating to Prior Year	(161)	(192)	(85)	(118)
Increase during the year in the discounted amount arising from the passage of time and the effect of any change in the discount rate	(33)	(63)	(33)	(63)
Amount Arising from Acquisition	-	846	-	-
Foreign Exchange Adjustment	(74)	-	-	-
Provision Current Year	467	307	192	148
CLOSING BALANCE	2,765	2,566	1,367	1,293

19. 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 being entitled to a pension. The Fund is valued on an annual basis by independent actuary, Clerical Medical Investment Group Limited, taking into account gains and losses. The unfunded liability to the Fund was assessed by the independent actuary as at 31 December 2008 at \$398,423 (£159,500) (2007: \$474,582, £184,000) and has been taken up as a liability by the Company. The assets and liabilities of the Fund are outlined below:

	2008 \$000	2007 \$000	2006 \$000	2005 \$000	2004 \$000
Present Value of Defined Benefit Liabilities	(10,659)	(15,184)	(15,888)	(14,692)	(14,714)
Fair Value of Fund Assets	10,261	14,709	15,254	12,451	12,250
NET FUND LIABILITIES	(398)	(475)	(634)	(2,241)	(2,464)
Current Service Cost	(308)	(333)	(361)	(348)	-
Interest Cost	(839)	(732)	(840)	(686)	-
Expected Return on Fund Assets	836	727	801	591	-
Employer Contributions	370	273	445	482	-
Actuarial (Losses)/Gains	(6)	183	1,932	-	-
NET BENEFIT CREDIT/(EXPENSE)	53	118	1,977	39	-
Net Fund Liabilities at 1 January	475	634	2,241	2,464	-
Net Benefit (Credit)/Expense	(53)	(118)	(1,977)	(39)	-
Foreign Exchange Movement	(24)	(41)	370	(184)	-
Arising on Acquisition of Subsidiary	-	-	-	-	2,464
NET FUND LIABILITIES AT 31 DECEMBER	398	475	634	2,241	2,464

The Group expects to make contributions to the Fund of approximately \$0.4 million in 2009.

The principal actuarial assumptions used as at 31 December were:

	2008	2007	2006	2005	2004
Discount Rate	6.9%	5.8%	5.0%	4.8%	4.8%
Salary Escalation	5.0%	4.7%	4.2%	4.3%	4.3%
Expected Gross Return on Cash and Other Assets	4.7%	4.8%	4.4%	4.4%	4.4%
Expected Return on Group Pension Contract	6.3%	5.9%	5.2%	5.4%	5.4%

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

The benefits paid during the year ended 31 December 2008 totalled \$1.8 million (2007: \$0.8 million, 2006: \$0.7 million).

20. FINANCE LEASE LIABILITIES

	GROUP		PARENT COMPANY	
PRESENT VALUE OF MINIMUM LEASE PAYMENTS	2008 \$000	2007 \$000	2008 \$000	2007 \$000
LEASE LIABILITY UNDER FINANCE LEASES				
Current – Less Than One Year	1,590	1,606	1,434	1,429
Between One & Two Years	1,150	1,418	1,067	1,099
Between Two & Five Years	846	635	762	635
Greater Than Five Years	-	-	-	-
PRESENT VALUE OF MINIMUM LEASE PAYMENTS	3,586	3,659	3,263	3,163

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

	GROUP		PARENT COMPANY	
MINIMUM LEASE PAYMENTS	2008 \$000	2007 \$000	2008 \$000	2007 \$000
LEASE LIABILITY UNDER FINANCE LEASES				
Current – Less Than One Year	1,787	1,797	1,611	1,586
Between One & Two Years	1,249	1,518	1,155	1,167
Between Two & Five Years	874	653	791	653
MINIMUM LEASE PAYMENTS	3,910	3,968	3,557	3,406
Less Interest Attributable to Future Years	(324)	(309)	(294)	(243)
PRESENT VALUE OF MINIMUM LEASE PAYMENTS	3,586	3,659	3,263	3,163

The average interest on the Finance Leases was 7.25% (2007: 6.97%) per annum.

21. CREDITORS, ACCRUALS AND PROVISIONS

		GROUP		PARENT COMPANY	
	NOTE	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Trade & Sundry Creditors		3,115	1,207	2,020	1,045
Accruals		15,163	11,750	7,613	8,443
Provisions		1,557	1,282	646	984
Current Portion of Finance Leases	20	1,589	1,606	1,434	1,429
		21,424	15,845	11,713	11,901

Included in accruals are amounts totalling \$1.97 million that are due to be paid in 2009 to settle outstanding acquisition obligations. In 2007 \$1.6 million was included within long term liabilities. Refer to note 16 for further details.

21. CREDITORS, ACCRUALS AND PROVISIONS CONTINUED

PROVISIONS

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

	GROUP		PARENT COMPANY	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
PROFESSIONAL INDEMNITY CLAIMS				
Opening Balance	562	417	264	417
Paid Relating to Prior Year	(177)	(250)	(7)	(250)
Amount Released	(182)	(25)	(140)	(25)
Foreign Exchange Adjustment	17	-	-	-
Amount Arising From Acquisition	600	-	-	-
Provision Current Year	327	420	130	122
CLOSING BALANCE	1,147	562	247	264

	GROUP		PARENT COMPANY	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
PROVISION FOR PROJECT COSTS				
Opening Balance	720	485	720	485
Paid Relating to Prior Year	-	(120)	-	(120)
Amount Released	(662)	-	(662)	-
Provision Current Year	352	355	342	355
CLOSING BALANCE	410	720	400	720

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.

22. FINANCIAL INSTRUMENTS

Financial instruments recognised in the Balance Sheet include cash balances, bank overdrafts, receivables, payables, investments, loans and borrowings and convertible notes. 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 financial liabilities at amortised cost. The following table summarises the categories of the Group and Parent Company's financial instruments:

	GROUP		PARENT COMPANY	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
LOANS AND RECEIVABLES				
Cash	60,509	53,359	56,838	46,642
Trade Receivables	46,645	40,185	25,726	24,946
FINANCIAL LIABILITIES AT AMORTISED COST				
Bank Overdraft	46,856	30,314	25,977	22,029
Trade Creditors	3,115	1,207	2,020	1,045
Finance Leases	3,910	3,968	3,557	3,406

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

To the extent that the Group has a receivable from another party, there is a credit risk in the event of non-performance by that counter party. Financial instruments which potentially subject the Group to credit risk principally consist of bank balances 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	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
MAXIMUM EXPOSURES TO CREDIT RISK AT BALANCE DATE ARE:				
Bank Balances	60,509	53,359	56,838	46,642
Advances to Subsidiaries	-	-	31,553	23,507
Receivables	42,032	37,868	23,974	23,239

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 50% (2007: 58%) of total debtors. The majority of these customers are government and quasi-government organisations.

Credit Facilities

The Group has a multi-currency bank overdraft and loan facility of \$54,661,049 as at 31 December 2008 at an average interest rate of 6.93% (2007: \$39,915,653 at interest rate of 7.51%).

Assets as Security

The bank overdrafts and borrowings are secured by a first debenture over the Parent Company's assets.

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 2008 the Group and Parent Company's ageing profile of receivables was as follows:

	GROUP		PARENT COMPANY	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Receivables < 60 days old	34,765	31,467	21,723	18,139
Receivables > 60 days old not impaired	7,267	6,400	2,251	5,100
Receivables > 60 days impaired	4,613	2,317	1,752	1,707
TOTAL ACCOUNTS RECEIVABLE	46,645	40,185	25,726	24,946
PROVISION FOR DOUBTFUL DEBTS	4,613	2,317	1,752	1,707

22. FINANCIAL INSTRUMENTS CONTINUED

Included within impaired receivables and provisions for doubtful debts is \$0.5 million acquired through acquisitions in 2008. These receivables were fully provided for at the date of acquisition and hence were not a charge to the Group Income Statement during the year.

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. There are no receivables where terms have been renegotiated.

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

	GROUP		PARENT COMPANY	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
PROVISION FOR DOUBTFUL DEBTS				
Opening Balance	2,317	1,330	1,707	784
Paid Relating to Prior Year	(715)	(965)	(408)	(628)
Amount Released	(396)	(195)	(141)	(162)
Provision Current Year	2,858	2,147	594	1,713
Acquired on Acquisition of Subsidiary	549	-	-	-
CLOSING BALANCE	4,613	2,317	1,752	1,707

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 2008, the Group wrote-off debts totalling \$158,040 (2007: \$114,536). The Parent Company wrote-off debts of \$118,792 (2007: \$94,261).

FOREIGN CURRENCY RISK

A risk that the Group faces is 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 balance sheet 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. The share of net profit before tax attributable to each country provides a fair indication of the overall exposure the Group has to foreign currency fluctuations. The following table summarises the share of Group net profit before tax by country:

SHARE OF OPERATING NET PROFIT BEFORE TAX BY COUNTRY	GROUP	
	2008 %	2007 %
New Zealand	119	97
United Kingdom	(22)	5
Australia	(2)	(2)
Canada and the United States	5	0
TOTAL	100	100

Contracted current and future foreign currency income flows from third parties are hedged where appropriate and net exposures minimised in those currencies that cannot be hedged.

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 transact business, other than New Zealand dollars, are: Australian dollars, US dollars, UK pounds and Canadian dollars. Offsetting exposures and forward rate contracts are used to mitigate this risk. Exposures in currencies that cannot be offset may be partially managed by undertaking a US dollar forward contract. As at 31 December 2008 there were no forward exchange contracts.

The international revenues, profits, assets and liabilities are exposed to exchange rate fluctuations in the value of the New Zealand Dollar relative to the Group's three major trading currencies (being the GBP, AUD and CAD). The following table summarises the potential effect on the Group's Net Surplus after Tax, if the New Zealand Dollar had strengthened or weakened by 10% against the Group's three major trading currencies with all other variables held constant. The calculation effectively changes the actual average exchange rate in each currency for the year by 10% and restates the foreign currency results of subsidiaries using the adjusted rate.

	GROUP			
	+10%		-10%	
EFFECT OF MOVEMENTS IN FOREIGN EXCHANGE RATES:	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Reported Net Surplus after Tax	17,496	14,174	17,496	14,174
Potential Effect of Change in Exchange Rates	370	(44)	(452)	54
POSSIBLE NET SURPLUS AFTER TAX	17,866	14,130	17,044	14,228

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 and finance leases. The Group does not enter into forward rate agreements or any 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:

AS AT 31 DECEMBER 2008	EFFECTIVE INTEREST RATE	GROUP			
		12 MONTHS \$000	24 MONTHS \$000	> 24 MONTHS \$000	TOTAL \$000
FINANCIAL ASSETS					
Cash at Bank	7.27%	60,509	-	-	60,509
TOTAL		60,509	-	-	60,509
FINANCIAL LIABILITIES					
Bank Overdraft	6.93%	46,856	-	-	46,856
Finance Lease Creditors	7.25%	1,787	1,249	874	3,910
TOTAL		48,643	1,249	874	50,766
Convertible Notes	8.24%	642	-	-	642

AS AT 31 DECEMBER 2007	EFFECTIVE INTEREST RATE	GROUP			
		12 MONTHS \$000	24 MONTHS \$000	> 24 MONTHS \$000	TOTAL \$000
FINANCIAL ASSETS					
Cash at Bank	7.17%	53,359	-	-	53,359
TOTAL		53,359	-	-	53,359
FINANCIAL LIABILITIES					
Bank Overdraft	7.51%	30,314	-	-	30,314
Finance Lease Creditors	6.97%	1,797	1,518	653	3,968
TOTAL		32,111	1,518	653	34,282
Convertible Notes	8.23%	642	-	-	642

22. FINANCIAL INSTRUMENTS CONTINUED

AS AT 31 DECEMBER 2008	EFFECTIVE INTEREST RATE	PARENT COMPANY			TOTAL \$000
		12 MONTHS \$000	24 MONTHS \$000	> 24 MONTHS \$000	
FINANCIAL ASSETS					
Cash at Bank	7.58%	56,834	-	-	56,834
TOTAL		56,834	-	-	56,834
FINANCIAL LIABILITIES					
Bank Overdraft	6.55%	25,977	-	-	25,977
Finance Lease Creditors	7.25%	1,611	1,155	791	3,557
TOTAL		27,588	1,155	791	29,534
Convertible Notes	8.24%	642	-	-	642

AS AT 31 DECEMBER 2007	EFFECTIVE INTEREST RATE	PARENT COMPANY			TOTAL \$000
		12 MONTHS \$000	24 MONTHS \$000	> 24 MONTHS \$000	
FINANCIAL ASSETS					
Cash at Bank	7.88%	46,642	-	-	46,642
TOTAL		46,642	-	-	46,642
FINANCIAL LIABILITIES					
Bank Overdraft	7.25%	22,029	-	-	22,029
Finance Lease Creditors	6.97%	1,586	1,167	653	3,406
TOTAL		23,615	1,167	653	25,435
Convertible Notes	8.23%	642	-	-	642

The financial assets and liabilities shown above are subject to floating rate interest risk except for finance lease creditors 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 2.0% 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%	
EFFECT OF MOVEMENTS IN INTEREST RATES:	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Reported Net Surplus after Tax	17,496	14,174	17,496	14,174
Potential Effect of 2% Change in Interest Rates	47	349	(47)	(349)
POSSIBLE NET SURPLUS AFTER TAX	17,543	14,523	17,449	13,825

	PARENT COMPANY			
	+2%		-2%	
EFFECT OF MOVEMENTS IN INTEREST RATES:	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Reported Net Surplus after Tax	22,206	13,893	22,206	13,893
Potential Effect of 2% Change in Interest Rates	967	690	(967)	(690)
POSSIBLE NET SURPLUS AFTER TAX	23,173	14,583	21,239	13,203

LIQUIDITY RISK

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.

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. The interest rate on these 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. In total, the maturity profile of finance lease liabilities is disclosed in Note 20.

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.

23. SEGMENTAL REPORTING

The majority of the Group's clients are in the government and quasi-government sector, providing assurance of regular income flows. 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.

GEOGRAPHICAL SEGMENT INFORMATION

The Group measures and evaluates the reporting segments results based on adjusted earnings from continuing operations (defined as operating surplus before tax, excluding abnormal items). The majority of Group operations are performed in four geographical locations, being New Zealand, United Kingdom, Australia and North America (predominantly Canada).

FOR THE YEAR ENDED 31 DECEMBER 2008	NEW ZEALAND \$000	UNITED KINGDOM \$000	AUSTRALIA \$000	NORTH AMERICA \$000	OTHER* \$000	TOTAL \$000
Segment Revenue:						
External Customers	257,647	48,165	53,555	11,730	443	371,540
Associate Earnings	1,082	-	-	-	-	1,082
Segment Result	29,613	(5,420)	(382)	1,188	(649)	24,350
Segment Assets	117,157	38,112	32,018	8,387	9	195,683
Segment Liabilities	83,907	19,648	19,721	1,431	18	124,725
Capital Expenditure	4,417	685	1,391	279	-	6,772
Depreciation & Amortisation	4,432	962	936	132	-	6,462

*includes inter-company eliminations and consolidation entries

FOR THE YEAR ENDED 31 DECEMBER 2007	NEW ZEALAND \$000	UNITED KINGDOM \$000	AUSTRALIA \$000	NORTH AMERICA \$000	OTHER* \$000	TOTAL \$000
Segment Revenue:						
External Customers	232,073	33,055	22,067	8,889	248	296,332
Associate Earnings	374	-	-	-	-	374
Segment Result	19,536	773	(281)	(22)	(207)	19,799
Segment Assets	100,664	21,457	29,120	5,565	7	156,813
Segment Liabilities	78,818	3,862	9,191	1,228	19	93,118
Capital Expenditure	4,223	338	435	207	-	5,203
Depreciation & Amortisation	3,866	492	390	140	-	4,888

*includes inter-company eliminations and consolidation entries

23. SEGMENTAL REPORTING CONTINUED

BUSINESS SEGMENT INFORMATION

The Group is a supplier of multidisciplinary consultancy and project management services supporting asset development and asset management activities of our clients. 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 2008	ASSET DEVELOPMENT \$000	ASSET MANAGEMENT \$000	TOTAL \$000
External Revenue	208,124	163,416	371,540
FOR THE YEAR ENDED 31 DECEMBER 2007	ASSET DEVELOPMENT \$000	ASSET MANAGEMENT \$000	TOTAL \$000
External Revenue	154,891	141,441	296,332

SEGMENT ASSETS

Due to the close working relationship of the business segments at Opus International Consultants Limited, assets are utilised on a seamless basis between segments and hence no monitoring of assets is maintained for each business segment.

24. RELATED PARTY TRANSACTIONS

Opus International Consultants Limited is a company incorporated in New Zealand. The immediate holding company of the majority shareholder 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. Related companies in the table below are all related parties of Khazanah Nasional Berhad. During the year ended 31 December 2008 the Group entered into the following arms-length transactions with related parties.

	GROUP		PARENT COMPANY	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
OPERATING REVENUE/(EXPENSE)				
Opus Group Bhd	413	391	413	391
INTEREST INCOME				
Opus International (NZ) Limited	-	146	-	146
Advances to Subsidiaries	-	-	1,361	908
DEBTORS/(CREDITORS)				
Opus Group Bhd	353	171	353	171
Advances to Subsidiaries	-	-	31,553	23,507

OPUS INTERNATIONAL (NZ) LIMITED

During the year ended 31 December 2007, Opus International (NZ) Limited repaid its loan from the Group of \$5.4 million, including interest charged of \$146,000. As at 31 December 2008 and 2007 the loan was fully repaid. The Group paid dividends of \$6.3 million to Opus International (NZ) Limited during 2008 (2007: \$8.2 million).

ADVANCES TO SUBSIDIARIES

Advances to Subsidiaries are on call and are subject to interest at market rates.

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	
	2008 \$000	2007 \$000
Short-term Employee Benefits	3,315	2,879
Post-Employment Benefits	139	131
Share-based Payment	9	7
TOTAL	3,463	3,017

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

	GROUP YEAR ENDED 31 DECEMBER		PARENT COMPANY YEAR ENDED 31 DECEMBER	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Reported Net Surplus for the Year	17,496	14,174	22,206	13,893
ADD/(LESS) NON-CASH ITEMS AND NON-OPERATING ITEMS:				
Depreciation and Amortisation	6,462	4,888	4,432	3,866
Bad Debts Written Off	158	115	119	94
Fair Value of Employee Equity Benefits	69	54	69	54
Doubtful Debts	1,747	987	45	923
Accommodation Fit-Out Incentive	(263)	(113)	-	-
Unrealised Foreign Exchange (Gains)/Losses	25	(237)	(705)	(269)
(Gain)/Loss on Sale of Property, Plant and Equipment	(4)	(37)	(3)	(25)
Share of Surplus of Associate	(1,082)	(374)	-	-
Dividend from Associate	-	-	(877)	(319)
Deferred Taxation	(2,817)	(689)	(794)	(360)
Defined Benefit Pension Obligation	(53)	(118)	-	-
Management Charge to Subsidiaries	-	-	(2,911)	(2,173)
MOVEMENT IN WORKING CAPITAL:				
(Increase)/Decrease in Receivables and Prepayments	(336)	(5,420)	(1,870)	636
(Decrease)/Increase in Taxation Receivable/Payable	2,808	(614)	3,205	(181)
(Increase)/Decrease in Work in Progress	(7,146)	(4,415)	(2,600)	(194)
Increase/(Decrease) in Advance to Subsidiaries	-	-	-	(1,642)
Increase/(Decrease) in Creditors and Accruals	(1,175)	2,442	(119)	866
Increase/(Decrease) in Revenue in Advance	3,818	1,165	2,089	(406)
Increase/(Decrease) in Provisions for Employee Entitlements	4,976	5,138	3,284	2,673
NET CASH FLOWS FROM OPERATING ACTIVITIES	24,683	16,946	25,570	17,436

26. SUBSIDIARIES

All the subsidiaries of Opus International Consultants Limited listed below are wholly owned (2007: 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
- Sub Surface Engineering Limited
- Joynes Pike Group Limited (Acquired 17 March 2008)
 - Opus Joynes Pike Limited
 - Tower Surveys Limited
 - Structural Surveys Direct Limited
 - 3DI Imagery to Mapping Limited (Not currently trading)
 - 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.

OPUS HAMILTON CONSULTANTS LIMITED (Amalgamated with OIC (Canada) Limited effective 1 January 2009)

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

HAMILTON FINN ROAD SAFETY CONSULTANTS LIMITED (Amalgamated with OIC (Canada)

Limited effective 1 January 2009)

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

OPUS INTERNATIONAL CONSULTANTS INC

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

OPUS INTERNATIONAL CONSULTANTS (PCA) LIMITED

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

OPUS INTERNATIONAL CONSULTANTS (NSW) PTY LIMITED

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

OPUS INTERNATIONAL CONSULTANTS PTY LIMITED

Holding company registered in Australia.

OPUS INTERNATIONAL CONSULTANTS A LIMITED PARTNERSHIP

Holding entity registered in Australia.

OPUS QANTEC MCWILLIAM PTY LIMITED

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

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.

27. OPERATING LEASE COMMITMENTS

	GROUP		PARENT COMPANY	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Lease Commitments Under Operating Leases				
Current – Less Than One Year	16,760	9,831	11,555	5,843
Between One & Two Years	13,631	8,478	10,015	5,185
Between Two & Five Years	20,538	16,416	14,923	11,465
Greater Than Five Years	5,005	12,396	4,894	11,597
	55,934	47,121	41,387	34,090

28. CAPITAL COMMITMENTS

There are various capital expenditure items contracted for at balance date totalling \$857,000 (2007: \$1,138,000).

29. CONTINGENCIES

	GROUP		PARENT COMPANY	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Bank Performance Bonds and Letters of Credit	3,916	6,305	3,916	6,635

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 an excess of \$100,000 (2007: \$100,000) per claim. Our insurers have been notified of any potential claims against the Group.

CONTINGENT ASSETS

As at 31 December 2008 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 (2007: no change).

30. SIGNIFICANT EVENTS AFTER BALANCE DATE

On 17 February 2009 the Board of Directors approved a final dividend payments of 3.1 cents per share to be paid on 1 April 2009.



Chartered Accountants

Auditor's Report

To the Shareholders of Opus International Consultants Limited

We have audited the financial statements on pages 44 to 87. The financial statements provide information about the past financial performance of the company and group and their financial position as at 31 December 2008. This information is stated in accordance with the accounting policies set out on pages 52 to 57.

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' Responsibilities

The directors are responsible for the preparation of financial statements which comply with generally accepted accounting practice in New Zealand and give a true and fair view of the financial position of the company and group as at 31 December 2008 and of their financial performance and cash flows for the year ended on that date.

Auditor's Responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the directors and report our opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the directors in the preparation of the financial statements; and
- whether the accounting policies are appropriate to the circumstances of the company and group, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Ernst & Young provides taxation and assurance related advice to the company and its subsidiaries.

Unqualified Opinion

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

In our opinion:

- proper accounting records have been kept by the company as far as appears from our examination of those records; and
- the financial statements on pages 44 to 87:
 - 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 the company and group as at 31 December 2008 and their financial performance and cash flows for the year ended on that date.

Our audit was completed on 17 February 2009 and our unqualified opinion is expressed as at that date.

Wellington

CORPORATE GOVERNANCE

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 Directors take this responsibility seriously and, to this end, 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, compliances with laws, regulations and policies and Directors obligations. To assist in fulfilling the Board's obligations, two committees (Audit and Risk Management Committee and Nomination and Remuneration Committee) have been established.

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

BOARD MEETINGS

The Board plans to meet not less than six times during any financial year, including 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 2008 there were six meetings held and a one day strategic workshop with senior managers in June 2008.

1 JANUARY 2008 TO 31 DECEMBER 2008		
DIRECTOR	MEETINGS	MEETINGS ATTENDED
Basil Logan*	4	4
Dan Stevenson	6	6
Suhaimi Halim	6	6
Tan See Yin	6	6
Kerry McDonald	6	6
Don Trow	6	6
Abd Rahim Bin Md Noh	6	6
Kevin Thompson	6	6
Keith Watson**	2	2
Fraser Whineray***	2	2

* Resigned 31/08/08
** Appointed 01/09/08
*** Appointed 13/10/08

BOARD COMMITTEES

The Board has two formally constituted committees of Directors. 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.

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 overseeing Opus' remuneration policies. The members of the Remuneration and Nomination Committee are Kerry McDonald (Chairman), Suhaimi Halim and Don Trow.

AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee is responsible for overseeing the risk management, 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 and Risk Management Committee are Don Trow (Chairman), Tan See Yin, Kerry McDonald, Keith Watson and Fraser Whineray.

SHAREHOLDER INFORMATION

SHAREHOLDER INFORMATION

DIRECTORS

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

The current directors fees were set in 2007 and no change to the level of fees is proposed. The fees will be reviewed in 2009.

Kevin Thompson is employed by Opus as Managing Director and receives salary and other remuneration benefits in respect of this employment.

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

NAME	REMUNERATION	
	FEES	SALARY & BENEFITS
Basil Logan ¹	\$67,495	-
Dan Stevenson	\$63,000	-
Kerry McDonald ²	\$83,333	-
Don Trow	\$63,000	-
Kevin Thompson	-	\$635,000
Suhaimi Halim ³	-	-
Tan See Yin ³	-	-
Abd Rahim Bin Md Noh ³	-	-
Keith Watson ⁴	\$18,333	-
Fraser Whineray ⁵	\$12,029	-
TOTAL	\$307,190	\$635,000

1 Resigned 31/08/08
2 Appointed Chairman 01/09/08
3 In line with the policy of the Parent Company, Opus Group Bhd, fees were not paid to the directors appointed from Opus Group Bhd.
4 Appointed 01/09/08
5 Appointed 13/10/08

DIRECTORS INTERESTS

In association with Opus' initial public offering of shares, Directors hold the following interests in shares:

NAME	BENEFICIAL INTEREST		NON-BENEFICIAL INTEREST
	DIRECT	INDIRECT	
Kerry McDonald ¹	-	19,000	-
Dan Stevenson	6,000	-	-
Suhaimi Halim ²	-	-	90,511,615
Tan See Yin ²	-	-	90,511,615
Don Trow ¹	-	25,000	-
Abd Rahim Bin Md Noh ²	-	-	90,511,615
Kevin Thompson ²	1,226,630	-	90,511,615
Keith Watson ³	-	3,000	-
Fraser Whineray	20,000	-	-

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.

DEEDS OF EMBARGO

Opus NZ, Directors, and certain senior executives of Opus, were subject to restrictions upon their ability to freely transfer Shares for a set period of time, through entering deeds of embargo with the Company.

The restriction on Opus NZ applied during the period ending on the later of the date upon which Opus announced its financial results for the year ended 31 December 2008 and the end of February 2009.

The restriction on the Directors and certain senior executives of Opus applied during the period ending on the date upon which Opus announced its financial results for the year ended 31 December 2008.

These are described in the prospectus. These Deeds of Embargo have now expired.

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 as noted above
- Director/Chairman, OceanaGold New Zealand Ltd and OceanaGold Holdings (New Zealand) Ltd
- Director, Leighton Contractors Pty Ltd
- Deputy Chairman, NZ Institute of Economic Research
- Board of Trustees WWF New Zealand
- National Council/Vice President Institute of Directors
- Principal Strategic Value Ltd
- Governing Board member Antarctica New Zealand
- Life Member Australia New Zealand Business Council
- Patron NZ Universities Rugby Council
- Trustee and Board of Management member NZ Business & Parliament Trust
- Patrons Group member University of Canterbury Foundation

Dan Stevenson

- Beneficial interest in shares as noted above
- Partner, Izard Weston, lawyers Wellington

Suhaimi Halim

- Non beneficial interest in shares as noted above
- Managing Director, Opus Group Bhd
- Director, Opus International (NZ) Ltd
- Director, Askeff Investment Ltd

Tan See Yin

- Non beneficial interest in shares as noted above
- Senior Director, UEM International Business
- Director, Opus Group Bhd
- Director, Opus International (NZ) Ltd
- Director, Askeff Investment Ltd

Don Trow

- Beneficial interest in shares as noted above
- Director, Ryman Healthcare Ltd
- Chairman, Advisory Committee to the statutory managers of Equiticorp Ltd
- Chairman, Audit and Investment Committee of the Royal Society of NZ
- Chairman of the Wellington Presbyterian/Methodist Halls of Residence Trust (Everton Hall)
- Emeritus Professor of Accountancy Victoria University of Wellington

Abd Rahim Bin Md Noh

- Non beneficial interest in shares as noted above
- Director, Opus Group Bhd

Kevin Thompson

- Non beneficial interest in shares as noted above
- Beneficial interest in shares as noted above
- Director, Opus International (NZ) Ltd
- Director, Askeff Investment Ltd

Keith Watson

- Beneficial interest in shares as noted above
- Managing Director Hewlett Packard
- Member, Auckland University Business School Advisory Board

Fraser Whineray

- Beneficial interest in shares as noted above
- General Manager Generation, Mighty River Power 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:

2008		
REMUNERATION NZ\$000	NO. OF EMPLOYEES	NO. OF EMPLOYEES AS DIRECTORS OF SUBSIDIARIES
100-110	124	-
110-120	85	1
120-130	58	-
130-140	55	-
140-150	48	-
150-160	22	-
160-170	16	-
170-180	14	1
180-190	6	-
190-200	9	2
200-210	8	-
210-220	5	-
220-230	3	-
310-320	1	-
330-340	1	1
370-380	1	-
630-640	1	1
TOTAL	457	6

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.

NEW INCENTIVE PLAN

- Opus introduced a new employee incentive scheme during 2008 to provide continuing incentive for key employees. The Managing Director does not participate in the plan. 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 7% of total employee numbers, which on current employee numbers is around 150;
 - the annual allocation of shares being limited to 3% of the shares issued, 3% currently being around 4,099,214 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 25 February 2009 as a substantial security holder in the company.

Opus International (NZ) Ltd 90,511,615 shares (66.14%).

SPREAD OF SECURITY HOLDERS AS AT 25 FEBRUARY 2009				
SIZE OF SHAREHOLDING	NUMBER OF SHAREHOLDERS		NUMBER OF SHARES	
	NUMBER	%	NUMBER	%
100 to 199	2	0.1	230	0
200 to 499	33	1.6	10,011	0.01
500 to 999	203	9.85	143,769	0.1
1,000 to 1,999	319	15.49	422,678	0.31
2,000 to 4,999	638	30.97	1,944,050	1.41
5,000 to 9,999	407	19.76	2,485,975	1.8
10,000 to 49,999	327	15.87	5,504,159	3.99
50,000 to 99,999	45	2.18	3,367,129	2.44
100,000 to 499,999	78	3.79	17,184,925	12.47
500,000 to 999,999	5	0.24	3,579,295	2.6
1,000,000 and OVER	3	0.15	103,155,274	74.86
TOTAL	2060	100	137,797,495	100

LOCATION OF SECURITY HOLDERS AS AT 25 FEBRUARY 2009				
COUNTRY	NUMBER OF SHAREHOLDERS		NUMBER OF SHARES	
	NUMBER	%	NUMBER	%
New Zealand	1,900	92.26	134,854,776	97.89
Australia	90	4.37	2,037,029	1.48
Canada	23	1.12	651,531	0.47
Chile	1	0.05	4,665	0
China	1	0.05	7,291	0.01
Hong Kong	1	0.05	5,000	0
Italy	1	0.05	18,000	0.01
Singapore	2	0.10	6,246	0
South Africa	1	0.05	1,874	0
USA	1	0.05	25,000	0.02
United Kingdom	39	1.89	186,083	0.14
TOTAL	2,060	100	137,797,495	100

LARGEST SECURITY HOLDERS AS AT 25 FEBRUARY 2009		
NAME	ORDINARY SHARES	% OF ORDINARY SHARES
OPUS INTERNATIONAL (NZ) LTD	90,511,615	65.68
NEW ZEALAND CENTRAL SECURITIES DEPOSITORY LIMITED	11,377,029	8.26
KEVIN JOSEPH THOMPSON	1,266,630	0.91
INVESTMENT CUSTODIAL SERVICES LIMITED	881,521	0.63
OPUS PARTNERS TRUST LTD	801,880	0.58
FNZ CUSTODIANS LIMITED	720,444	0.52
CUSTODIAL SERVICES LIMITED	644,450	0.46
HUBBARD CHURCHER TRUST MANAGEMENT LIMITED	531,000	0.38
JAMES FLETCHER PHILLIS	492,930	0.35
FORSYTH BARR CUSTODIANS LIMITED	454,400	0.32
WILLIAM JOHN DARNELL	406,545	0.29
ALEC WEBSTER	401,000	0.29
DAVID FREDERICK QUINLAN	395,175	0.28
GARY KENNETH DELA RUE	390,000	0.28
KENNETH JOHN BOAM	350,000	0.25
ALISON ELIZABETH SWAN	341,760	0.24
PETER IAN MATHEWSON	327,380	0.23
KERYN EDWARD KLISKEY	306,525	0.22
DAVID JOHN BONIFACE	299,415	0.21
JUSTINE ANNE BRAY	299,415	0.21
	111,199,114	80.59
TOTAL	137,797,495	

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

SHAREHOLDINGS HELD THROUGH NZCSD AS AT 25 FEBRUARY 2009		
NAME	ORDINARY SHARES	% OF ORDINARY SHARES
TEA CUSTODIANS LIMITED	6,455,645	4.68%
CITIBANK NOMINEES (NEW ZEALAND) LIMITED	1,500,000	1.09%
NEW ZEALAND SUPERANNUATION FUND NOMINEES LIMITED	1,316,993	0.96%
HSBC NOMINEES (NEW ZEALAND) LIMITED A/C STATE STREET	800,150	0.58%
ACCIDENT COMPENSATION CORPORATION	372,975	0.27%
ANZ NOMINEES LIMITED	286,260	0.21%
COGENT NOMINEES LIMITED	227,519	0.17%
NEW ZEALAND EQUITY NOMINEE POOL	196,700	0.14%
NATIONAL NOMINEES NEW ZEALAND LIMITED	123,487	0.09%
NZ GUARDIAN TRUST INVESTMENT NOMINEES LIMITED	50,000	0.04%
ASTERON LIFE LIMITED	22,375	0.02%
HSBC NOMINEES (NEW ZEALAND) LIMITED	15,000	0.01%
NEW SCOTLAND NOMINEES LIMITED - LOW RISK GROWTH FUND	5,000	0.00%
GUARDIAN TRUST INVESTMENT NOMINEES (RWT) LIMITED	4,925	0.00%
	11,377,029	8.26%
TOTAL	137,797,495	

CALENDAR

EVENT	MONTH
End of year results	February
Annual General Meeting	April
Half year results	August
Dividend payment	April* and September

* Dividend payment is payable to shareholders whose names appear on the Register of Members of the Company on 13 March 2009.

SUBSIDIARY COMPANIES

Opus International Consultants (OPC) Ltd

Basil Logan (a), Dan Stevenson (a), Muhinder Singh, Kevin Thompson (b), Alison Swan (b)

Opus International Consultants (PCA) Ltd

Basil Logan (a), Dan Stevenson (a), Kevin Thompson, Alison Swan

Opus International Consultants (NSW) Pty Ltd

Basil Logan (a), Dan Stevenson (a), Ross Speers (a), Kevin Thompson (b), Melvyn Maylin (b)

Opus International Consultants Pty Ltd

James Phillis, Melvyn Maylin

Opus Qantec McWilliam Pty Ltd

Basil Logan (a), Dan Stevenson (a), Melvyn Maylin, Kevin Thompson (b)

Martin Findlater & Associates Ltd

Dennis Sheehan, Michael Gould

Opus International Consultants Pte Ltd

Basil Logan (a), Dan Stevenson (a), Woo May Poh, Kevin Thompson (b), Alison Swan (b)

Opus International Consultants (Canada) Ltd

Kevin Thompson (d), Alec Webster (d)

Opus Hamilton Consultants Ltd (c)

Kevin Thompson (a), Alec Webster (a)

Opus International Consultants Inc

Jeff Bagdade

Opus Hamilton Consultants Ltd (c)

James Phillis (a), Sany Zein (a), Kevin Thompson (a), Alec Webster (a)

Opus International Consultants Sdn Bhd

Basil Logan (a), Suhaimi Halim, Muhinder Singh

Kejuruteraan Opus Sdn Bhd

Suhaimi Halim, Kevin Thompson, Neo Chal Ying

Opus International Consultants Holdings (UK) Ltd

Basil Logan (a), Suhaimi Halim (a), Kevin Thompson (b), Alison Swan (b), Alec Webster (b)

Opus International Consultants (UK) Ltd

Basil Logan (a), Dan Stevenson (a), Kevin Thompson (b), Alec Webster (b)

Sub Surface Engineering Ltd

Basil Logan (a), Dan Stevenson (a) Kevin Thompson (b), Alec Webster (b)

- a. Resigned during 2008
- b. Appointed during 2008
- c. Amalgamated with Opus International Consultants (Canada) Limited on 1 January 2009
- d. Appointed 1 January 2009

Veryards Holdings Ltd

Basil Logan (a), Dan Stevenson (a), Kevin Thompson (b), Alison Swan (b)

Evans Grant Group Ltd

Basil Logan (a), Dan Stevenson (a), Kevin Thompson (b), Alison Swan (b)

Evans Grant Opus Ltd

Basil Logan (a), Dan Stevenson (a), Kevin Thompson (b), Alison Swan (b)

Evans Grant (Alton) Ltd

Basil Logan (a), Dan Stevenson (a), Kevin Thompson (b), Alison Swan (b)

Evans Grant (Fareham) Ltd

Basil Logan (a), Dan Stevenson (a) Kevin Thompson (b), Alison Swan (b)

Office Network Engineering Ltd

Basil Logan (a), Dan Stevenson (a) Kevin Thompson (b), Alison Swan (b)

Opus HCL Ltd

Basil Logan (a), Dan Stevenson (a) Kevin Thompson (b), Alison Swan (b)

The Joynes Pike Group Ltd

John Pike (a), Paul Ogden (a), Richard Pickup (a), James Hulme (a), G Marsh (a), D Heathcote (a), Peter Newbold (a), Kevin Thompson (b), Alec Webster (b)

Opus Joynes Pike Ltd

Paul Eastwood (a), Paul Ogden (a), John Pike (a), Jonathan Saunders (a) D H Torrance (a), K Wilcock (a), Kevin Thompson (b), Alec Webster (b)

Tower Surveys Ltd

Nick Downes, James Hulme, Kevin Thompson (b), Alec Webster (b)

3Di Imagery to Mapping Ltd

James Hulme (a), Kevin Thompson (b), Alec Webster (b)

Structural Surveys Direct Ltd

John Pike (a), Paul Ogden (a), Kevin Thompson (b), Alec Webster (b)

Reach UK Ltd

R William (a), John Pike (a) Kevin Thompson (b), Alison Swan (b)

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.
FTE	Full-time equivalent employee.
Independent Directors	Kerry McDonald, Dan Stevenson, Don Trow, Keith Watson and Fraser Whineray.
NZ IFRS	the New Zealand equivalent to International Financial Reporting Standards.
Opus	Opus International Consultants Limited.
Opus NZ	Opus International (NZ) Limited.
PPP	Public Private Partnership.
Prospectus	the prospectus issued by Opus and dated 26 September, 2007.
Securities Act	the Securities Act 1978.
Share Registry	Computershare Investor Services Limited.
Shareholder	a holder of Shares.
Shares	fully paid ordinary shares in Opus.

DIRECTORY

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OF OPUS**
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New Zealand

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Fax: 04 473 3017

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New Zealand

DIRECTORS OF OPUS
Kerry McDonald (Chair)
Dan Stevenson
Suhaimi Halim
Tan See Yin
Don Trow
Abd Rahim Bin Md Noh
Kevin Thompson
Fraser Whineray
Keith Watson

CHIEF EXECUTIVE
Kevin Thompson

SHARE REGISTRAR
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Archaeology	Heritage Planning	Seismic Engineering
Architecture Design	Hydro Dam Design	Site Investigations
Asset Management	Infrastructure Asset Management	Strategic Asset Management
Bridge Engineering	Interior Design	Strategic Management Services
Building Services	Land Surveying	Streetscape
Civil Engineering	Landscape Architecture	Structural Engineering
Compliance Services	Lifeline Engineering	Traffic Engineering
Construction Management	Maritime Engineering	Traffic Modelling
Data Management	Materials Testing	Transportation Asset Management
Development Planning	Mechanical & Electrical Engineering	Transportation Infrastructure Design
Economics	Network Management	Transportation Planning
Engineering Geology	Pavement Engineering	Travel Demand Planning and Management
Environmental & Social Impact Assessment	Performance Modelling	Urban Planning
Environmental Business Management	Pipe Network Reticulation	Valuation of Infrastructure
Environmental Planning	Project Management	Wastewater Treatment
Environmental Training	Property Management	Water Asset Management
Estimating & Cost Management	Property and Portfolio Management	Water Reservoirs
Facilities Management	Public Health Risk Management	Water Resource Management
Feasibility Studies	Research, Science & Technology	Water Reticulation
Fire Engineering	Risk Management	Water Treatment
Geotechnical Engineering	Road Safety Audits	Wind Engineering
Health & Safety Auditing		
Heritage Management		



www.opus.co.nz

www.opus.com.au

www.opusinternational.ca

www.opusinternational.co.uk