



Press release - October 29, 2015

The proposal of the Swedish Transport Agency entails changes in the industry but is estimated to have less economic impact for Opus

Today, the Swedish Transport Agency has published its review of how Sweden should adapt to the new EU directive for technical inspection of vehicles (Directive 2014/45/EU).

The Swedish Transport Agency has been commissioned by the Ministry of Industry to explore how Sweden will be able to fulfill a variety of requirements in a number of EU directives. The Transport Agency now provides recommendations to the Swedish Government on the constitutional changes that Sweden needs to implement in order to meet the EU requirements.

The Transport Agency proposes that the current inspection interval for the inspection of passenger cars and light trucks is changed from 3-2-1 to 4-2-2, which is the minimum EU level of inspection intervals. Furthermore, they propose an abolition of the requirement of inspection of trailers over 750 kg. They further propose that A-tractors will start to be inspected. The Transport Agency proposes a requirement that 5 percent of the heavy vehicles shall be checked each year by flying inspections by the police and car inspectors and that vehicles that are 40 or 50 years old or older should not be required to undergo periodic roadworthiness tests.

As a result of the new inspection intervals Sweden will also cancel the current system that decides when a car shall be inspected and the inspection period, meaning that the final digit in the registration number has decided when the car must be inspected. The current Swedish system of five-month appearance period means that the EU inspection intervals are exceeded.

The Transport Agency proposes that most of the constitutional amendments in the Swedish law shall come into force on February 4, 2018. For the revised inspection intervals the Transport Agency suggest a rolling transition where newer vehicles will change to the new inspection periods earlier, i.e. inspections every second year. The group of older vehicles will be inspected another year before they change to the new regulation. This implies that the new inspection intervals will start on February 4, 2018, and end in 2022.

The proposal from the Swedish Transport Agency has less financial impact on Opus but is a downside to the society economically

Opus Group estimates that the proposal change in the inspection interval for the inspection of passenger cars to 4-2-2 will impact revenues in Opus Group's subsidiary Opus Bilprovning negative with approximately 23 percent when the new rules take effect, provided that the vehicle inspection prices remain completely unchanged. With cost savings of around 100 MSEK, Opus Bilprovning's EBITDA would be reduced by approximately 30 MSEK from the current level, also calculated using unchanged prices. It is likely that the industry will compensate for the negative effects of the proposal by a higher price level, which could lead to the negative effect on EBITDA being eliminated for Opus' part.

"Economically, the proposal has a major negative impact where there are no winners. To Opus, this implies large changes as it affects the revenues and personnel. In terms of profitability, the impact is estimated to be smaller," says Magnus Greko, CEO and President of Opus Group. Economically, the proposal leads to fewer jobs and weaker environment and road safety. Most likely it will also be more expensive to conduct an inspection and the level of service in the industry will decrease since the number of stations will be fewer when the stations that do not reach profitability will be forced to close. The whole vehicle inspection industry has invested several hundreds of million SEK in new stations.

OPUS GROUP AB (publ)



If the Transport Agency's proposal becomes reality, the industry will probably have to increase vehicle inspection prices in order to recoup the investments. By comparison, the inspection price in Germany is nowadays around 100 EUR after the inspection interval was changed to take place every second year.

EU's minimum level has been criticized by researchers and experts around Europe. Dr. Thomas Aubel, Vice President of the organization CITA, has concluded that there are many benefits of raising the minimum level, so that older vehicles are inspected every year instead of every second year. Older cars are considerably more exposed to traffic accidents and fatal errors, compared to the newer model years. At the same time, we know that every sixth car (16%) which is three years old fail. According to Aubel's calculations, a tightening of the rules would result in about 1,100 fewer deaths and 50,000 fewer traffic accidents every year on European roads.

Another risk with decreasing the number of inspections is that it becomes more difficult to bring down road transport's negative environmental impact. Exhaust gas measurement carried out at an inspection station verifies that emissions are within proper limits. Already today, 250,000 cars fail every year because of pollution-related errors and the statistics clearly show that the older a car is, the greater the likelihood that it fails the inspection.

Is it time to scrap the zero vision and stop the development?

"All forward-looking studies indicate that as cars are equipped with more advanced electronic control systems, which contribute to improved road safety, the vehicle's significance for road safety will increase going forward and not to reduce as the Swedish Transport Agency suggests. The question is ultimately whether the Swedish parliament would abandon the zero vision adopted in 1997. Sweden has among the best road traffic safety in the world. The conclusion of the Transport Agency's proposal may be that we can be satisfied with what we have today, but the day we make decisions that reduce requirements the society will stop developing. One might ask if this is a decision that the Swedish parliament is willing to make," concludes Magnus Greko.

Mölnadal, October 29, 2015
Opus Group AB (publ)

This press info is available in Swedish at www.opus.se

For additional information, please contact
Magnus Greko, VD and President
Tel: +46 31 748 34 00
E-mail: magnus.greko@opus.se

Peter Stenström, Investor Relations
Tel: +46 765 25 84 93
E-mail: peter.stenstrom@opus.se

About Opus Group

Opus Group is a leading vehicle inspection company with a strong focus on customer service and innovative technology. Opus Group is one of the market leaders in vehicle inspection operations in the US and Sweden. Opus Bilprovning has 76 vehicle inspection stations in Sweden. Opus Inspection operates vehicle inspection programs in the U.S., Bermuda, Chile, Peru and Pakistan and is active in sales and service of emission control equipment in North America and Mexico. Opus Group's revenues amounted to approximately SEK 1,458 million in 2014. Opus Group's shares are listed on Nasdaq Stockholm.

FFFS 2007:17 (10 kap 11§) (SFSA rules) - The information in this press release is published in accordance with the rules in the law (2007:528) under the Securities Market Act (2007:528). The information was given for publication on October 29, 2015 at 11:30 CET.