

Opus Group AB (publ)

Interim Report (January – June 2014)

New contract wins and good volume growth with increased margins

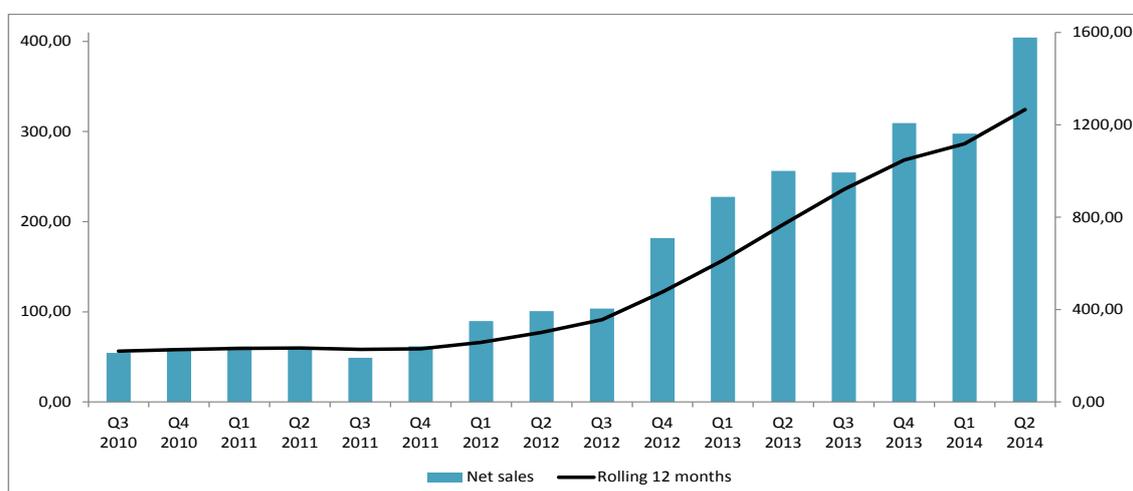
January – June 2014

- Sales amounted to SEK 701.7 million (483.7), a sales growth of 45.1 percent
- Operating profit before depreciation (EBITDA) amounted to SEK 134.2 million (70.4), corresponding to an EBITDA margin of 19.1 percent (14.4)
- Cash flow from operating activities amounted to SEK 58.9 million (38.5)
- Profit after tax amounted to SEK 65.8 million (27.6)
- Earnings per share after dilution amounted to SEK 0.25 (0.11)

April – June 2014

- Sales amounted to SEK 404.3 million (256.3), a sales growth of 57.7 percent
- Operating profit before depreciation (EBITDA) amounted to SEK 88.8 million (46.2), corresponding to an EBITDA margin of 21.9 percent (17.7)
- Cash flow from operating activities amounted to SEK 78.1 million (27.9)
- Profit after tax amounted to SEK 49.1 million (21.4)
- Earnings per share after dilution amounted to SEK 0.19 (0.09)

NET SALES, MSEK





New contract wins and good volume growth with increased margins

The second quarter is characterized by good volume and margin growth. The organic growth is approx. 4% compared to the previous year and consists primarily of the new vehicle inspection contracts in New York State and the State of Virginia. In addition, the acquisition of Envirotest, which was completed on February 28, contributes with acquisition-driven growth. In total, the revenues increased by approx. 58% while profitability has strengthened to an EBITDA margin of 22%.

In the international vehicle inspection segment, we are pleased that the recently acquired Envirotest is currently negotiating a vehicle inspection contract with the state of Indiana. In addition, the state of Illinois has issued a notice of award to Opus Inspection. The award is being protested by a third party. During the second quarter, the focus has been on the New York, North Carolina and Virginia contracts while the integration of Envirotest continues as planned. The organization has been strengthened with Jim Sands who has been appointed as President of Envirotest and Opus Inspection. Jim has extensive experience from the vehicle inspection industry. In August, after the reporting period, the State of Virginia issued a notice of award for a Remote Sensing contract to Opus Inspection. This notice of award is very important and shows Opus Inspection's strength in remote emission testing and that the market for this kind of measurement may increase. Furthermore Systech Chile has signed its first vehicle inspection contract in Chile. This contract is a milestone for Opus Inspection, as it provides the foundation to expand our business in Chile, and elsewhere in South America.

In the segment Vehicle Inspection Sweden, the second quarter is seasonally the strongest. The segment delivers a sales growth of approx. 4% with retained margin. Vehicle Inspection Sweden's revenue growth is mainly related to product mix and price adjustments. In the second half of 2014, the market has been adversely affected by the inspection of tow bars no longer being a legal requirement since the end of 2013. Additionally, new inspection stations have been opened by competitors, which affect our market share negatively. In one year, Vehicle Inspection Sweden has nearly maintained its market share despite many new competitors' stations, which is the result of hard work by our staff and a positive response from our customers. In 2014, Vehicle Inspection Sweden will open some more inspection stations, e.g. in Karlstad. The work with switching to the new proprietary IT-system is in progress.

Sales in the Equipment division continues to recover and sales increased by approximately 10% compared with the same period 2013. The EBITDA margin, amounting to approx. 7 % in the second quarter, has improved compared to the first quarter, which included extraordinary expenses.

This year will be a year of growth thanks to the acquisition of Envirotest and new contracts in New York State and the State of Virginia. In April, the Board of Directors revised the financial goal for the EBITDA margin to at least 15%, from previously at least 10%. The focus this year will be to consolidate the operations and strengthen the organization to prepare the company for continued growth.

Möln dal in August 2014
Magnus Greko
CEO and Group President

Notable Events during the second quarter

Opus Inspection awarded US patent for OBD fraud detection system

Opus Inspection, Inc. has been awarded US Patent 8,666,588 FRAUD DETECTION IN AN OBD INSPECTION SYSTEM. The innovative technology, marketed under the trademark "Tamper Terminator™," addresses a problem that has been increasingly challenging to government agencies relying on On-Board Diagnostic (OBD) testing for emission inspection since the early 2000's.

Opus Group's Board of Directors increases financial targets and updates the vision in connection with publication of the annual report 2013

Opus Group's Board of Directors has increased the company's financial targets with regards to the EBITDA margin. The yearly target for the company's EBITDA margin was previously at least 10 percent and has now been increased to at least 15 percent from the year 2014 and onwards. The Board of Directors has also adopted an updated vision for the company. Opus Group's vision is "to be a global leader in vehicle inspection through customer focus, operational excellence and innovative technologies".

Opus Inspection's subsidiary Envirotest selected by the State of Indiana to negotiate a vehicle inspection contract

The State of Indiana has selected Opus Inspection's subsidiary, Envirotest Corp., to begin contract negotiations to provide Vehicle Emissions Testing services for the Indiana Department of Environmental Management (IDEM).

Jim Sands becomes President of Envirotest

Envirotest, an Opus Inspection, Inc. subsidiary, welcomes Mr. Jim Sands as President. Mr. Sands is a leading business executive with more than twenty years of vehicle inspection industry experience in various positions, who brings global experience and proven leadership to Envirotest. Mr. Sands has a strong customer relations orientation and will be instrumental in continuing the company's focus on our customers' needs in the U.S. centralized vehicle inspection programs and remote sensing operations.

State of Illinois intends to award a vehicle inspection contract to Opus Inspection

Opus Inspection, Inc. has received a notice of intent to award a contract to provide Vehicle Emissions Testing services from the Illinois Environmental Protection Agency (IEPA). Negotiations were expected to last 45 days or more before official contract signing. The term of the contract was expected to be for 9 years.

AGM 2014

Opus Group convened to an AGM that took place at 6 pm on May 22, 2014, at Elite Park Avenue Hotel in Gothenburg. All members of the Board of Directors were reelected with no changes.

Notable Events after the second quarter

Commonwealth of Virginia awards Remote Sensing Contract to Envirotest

Envirotest, subsidiary of Opus Inspection, Inc., has been awarded a contract to provide enhanced "Remote Sensing (RS) Services," to include "Clean Screen" (CS) and "High Emitter" (HE) identification as an integral part of the Virginia Department of Environmental Quality (DEQ) Air Check Virginia emissions inspection program. The initial contract term is three (3) years from the start of operation, with two (2) successive, two (2) year renewal options.

Systech Chile signed a first contract to build and operate vehicle inspection stations in Chile

Systech Chile Ltda., a subsidiary of Opus Inspection, Inc., has been awarded a contract, through competitive bidding, to design, build, equip, and operate three centralized vehicle inspection stations in the Maule Region, south of Santiago, Chile. The contract with

the Maule Regional Ministry of Transportation and Telecommunication is for an 8-year concession to provide vehicle emission and road worthiness inspections in the cities of Curicó, Parral, and Constitución.

Opus Inspection consolidated its management team and appointed Jim Sands as President

Opus Inspection, Inc. announced that Mr. Jim Sands has been appointed as President. Mr. Sands, already President of Envirotest, a subsidiary of Opus Inspection, brings more than twenty years of vehicle inspection industry experience in various senior management positions.

Financial Information, Group

Sales and result

January – June 2014

Net sales for the period amounted to SEK 701.7 million (483.7). The turnover has increased by 45.1 percent for the Group compared to the same period for the previous year. The acquisition of Envirotest Corp. as well as the new vehicle inspection contracts in New York State and Virginia State have contributed to the increase in sales.

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to 134.2 million (70.4), corresponding to an EBITDA margin of 19.1 percent (14.4). Depreciation and amortization amounted to SEK -39.0 million (-17.1) and comprises depreciation on tangible assets of SEK -23.0 million (-9.9) and amortization of intangible assets of SEK -16.0 million (-9.2). The increase is mainly due to the acquisition of Envirotest Corp. (see note 2). Net financial items include positive foreign exchange effects of SEK 13.0 million. Net earnings amounted to SEK 65.8 million (27.8).

Sales and result

April – June 2014

Net sales for the period amounted to SEK 404.3 million (256.3). The turnover has increased by 57.7 percent for the Group compared to the same period for the previous year.

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to 88.8 million (46.2), corresponding to an EBITDA margin of 21.9 percent (17.7). Depreciation and amortization amounted to SEK -25.9 million (-7.4) and comprises depreciation on tangible assets of SEK -14.9 million (-4.0) and amortization of intangible assets of SEK -11.0 million (-3.4). Net financial items include positive foreign exchange effects of SEK 13.0 million. Net earnings amounted to SEK 49.1 million (21.4).

Financial Position and Liquidity

Cash and cash equivalents

Available cash and cash equivalents at end of period amounted to SEK 123.8 million (86.4) including an unutilised overdraft facility of SEK 11.2 million (25.0).

Equity

Shareholders' equity at the end of the period amounted to SEK 524.1 million (291.5), equivalent to SEK 2.08 (1.26) per share outstanding at the end of the period.

Solvency

The equity ratio at the end of the period amounted to approx. 26.3 percent (31.2).

Cash Flow

Cash flow from operating activities

Cash flow from operations for the period January - June 2014 amounted to SEK 58.9 million (38.5) including a change of working capital of -48,6 MSEK. The negative change in working capital is primarily due to larger vendor payments in January 2014 related to equipment that was delivered to the New York State contract in the second half of 2013.

Investments

Investing activities for the period January - June 2014 exhibited a cash flow of SEK -631.6 million compared with SEK -71.0 million for the corresponding period last year. The increase primarily relates to the acquisition of Envirotec Corp amounting to SEK -530.6 million. Investments in tangible fixed assets consisted primarily of construction in progress, amounting to SEK -68.9 million. The increase is amongst other items, due to the company's new business model with contract rentals of equipment in California. Investments in Capitalised Development Expenditure amounted to SEK -21.8 million (-5.7) and is mainly related to the development of the company's new proprietary IT-system for the Swedish market.

Financing

The Group's interest bearing liabilities at the end of the period amounted to SEK 790.4 million (350.7). Cash flows from financing activities during the period January - June 2014 amounted to SEK 230.0 million (-69.5). The change is due to a new long-term credit facility of USD 45,4 million (approx. SEK 295,7 million) used to finance the acquisition of Envirotec Corp., as well as the amortization of bank loans. The Group amortized SEK 66.9 million during the first half year of 2014. During the remainder of 2014, the Group will amortize about SEK 93 million. The Group's net debt at the end of the period amounted to SEK 677.8 million (289.3).

Opus Group's ability to borrow is limited by the financial obligations of the loan agreement in the form of covenants. These consist of the financial key ratios net debt, interest coverage ratio, equity ratio and Opus Group's liquidity.

Dividend policy

Opus Group's Board has adopted the following dividend policy: Opus Group's dividend policy is to distribute 10-20% of profit at the EBITDA level, provided that the company meets the financial target for net indebtedness. For 2013, the Board proposed that a dividend of SEK 0.06 (SEK 0.02) per share be paid. This decision was taken at the 2014 annual general meeting.

Financial Targets

Opus Group's financial targets, over a business cycle, are:

- Compounded annual growth (CAGR) of at least 10% during a five year period
- EBITDA margin of at least 15% (prior 2014: 10%)
- Interest-bearing net debt relative to EBITDA shall not exceed 3.0 times

Quarterly development of financial targets			
	2014	2013	2013
SEK thousands	Q2	Q2	Full year
Revenue growth:			
Annual growth in revenues of at least 10%	57,7%	155,6%	123,4
EBITDA-margin*:			
EBITDA-margin of at least 15% (prior 2014: 10%)	21,9%	18,0%	14,3%
Net debt:			
Interest net debt relative to EBITDA** should not exceed 3,0 times	2,2x	2,2x	0,5x

* EBITDA margin has been adjusted for acquisition related adjustments and costs.

** EBITDA has been calculated based on 12 months rolling result adjusted for acquisition related adjustments and costs and includes proforma accounts for Envirotec Corp.



Business Areas

Opus Group's business consists of two divisions and three segments. The divisions are Vehicle Inspection and Equipment. The Vehicle Inspection division consists of two segments: Vehicle Inspection Sweden and Vehicle Inspection International.

Vehicle Inspection

Vehicle Inspection International (Vehicle Inspection operations outside Sweden)					
	April - June		Jan - June		Jan - Dec
SEK thousands	2014	2013	2014	2013	2013
Segment's net sales	213,753	72,424	336,450	140,884	387,193
EBITDA	54,232	16,888	80,736	29,533	58,184
Insurance compensation	-	-4,806	-	-4,806	-4,818
EBITDA före försäkringsersättning	54,232	12,082	80,736	24,727	53,366
EBITDA margin	25.4%	16.7%	24.0%	17.6%	13.8%

Sales for the second quarter amounted to SEK 213.8 million (72.4). EBITDA amounted to SEK 54.2 million (12.1), corresponding to an EBITDA margin of 25.4 percent (16.7). The number of employees at end of the reporting period amounted to 1 208 people (258).

The table below shows external revenue and EBITDA in local currency (USD).

	April - June		Jan - June		Jan - Dec
Local currency (USD thousands)	2014	2013	2014	2013	2013
External net sales*	32,552	11,047	51,532	21,688	59,440
EBITDA	8,119	2,586	12,061	4,552	8,932

* External net sales, for comparable units and in local currencies. Also see page 8 "Translation of Foreign Operations".

Vehicle Inspection Sweden					
	April - June		Jan - June		Jan - Dec
SEK thousands	2014	2013	2014	2013	2013
Segment's net sales	162,217	155,921	305,383	282,130	551,254
EBITDA	33,494	32,371	52,019	41,102	82,501
Acquisition and start up costs	-	-	-	2,578	2,578
EBITDA before acquisition and start-up costs	33,494	32,371	52,019	43,680	85,079
EBITDA margin	20.6%	20.8%	17.0%	15.5%	15.4%

Sales for the second quarter amounted to SEK 162.2 million (155.9). EBITDA amounted to SEK 33.5 million (32.4), corresponding to an EBITDA margin of 20.6 percent (20.8). The number of employees at end of the reporting period amounted to 558 persons (552).

Equipment

Equipment					
	April - June		Jan - June		Jan - Dec
SEK thousands	2014	2013	2014	2013	2013
Segments net sales	33,903	30,904	69,624	66,115	124,118
EBITDA	2,271	-283	3,340	3,347	484
Bad debt	-	1,724	-	1,724	-
EBITDA before bad debt provision	2,271	1,441	3,340	5,071	484
EBITDA margin	6.7%	4.7%	4.8%	7.7%	0.5%

Sales for the second quarter amounted to SEK 33.9 million (30.9). EBITDA amounted to SEK 2.3 million (1.4). The number of employees at end of the reporting period amounted to 72 people (66).

Customers

Opus Group's customers on the international market are primarily government agencies (counties, states etc.), the automotive industry, vehicle garages, and vehicle inspection companies (state and privately owned). The customers of Vehicle Inspection Sweden include individuals, businesses and governments who are the owners of Swedish registered vehicles or foreign-registered vehicles to be inspected.

Taxes

The tax expense for the first quarter is calculated using the current tax rate for the Parent company and each subsidiary. Temporary differences and existing fiscal loss carry-forwards have been taken into account.

Employees

The number of FTEs (full-time equivalents) in the Group was 1 843 (881) at end of the reporting period. The increase in number of employees is mainly related to the acquisition of Envirotest Corp.

Parent Company

The Parent company's sales during the third quarter amounted to SEK 3.5 million (3.2) and loss after financial items to SEK 13,9 million (-8.4).

Related Parties

A provision for earnout for the acquisition of Systech 2008 has been accounted for to Lothar Geilen in his role as the former owner. More information on the terms of the agreement for the earnout is described in Opus Group's annual report of 2013.

Accounting and Valuation Policies

This report has been prepared in accordance with IAS 34, Interim Financial Reporting. The group accounting has been prepared in accordance with International Financial Reporting Standards, IFRS, as approved by EU, and the Swedish Annual Accounts Act. The interim report for the Parent company has been prepared in accordance with the Swedish Annual Accounts Act and recommendation RFR 2. The same accounting and valuation policies were applied as in the 2013 Annual Report. No new or revised IFRS standards or interpretations from IFRIC have been applied or have had any essential effect on the financial position, result or information for the group or parent company.

Accounting Estimates and Assumptions

The preparation of financial reports in accordance with IFRS requires the Board of Directors and Management to make estimates and assumptions that affect the application of accounting principles and the carrying amounts of assets, liabilities, revenue and expenses. Actual outcomes may deviate from these estimates.

Translation of Foreign Operations

Assets and liabilities in foreign entities, including goodwill and other corporate fair value adjustments, are translated to Swedish crowns at the rate prevailing on the balance sheet date, meanwhile all items in the income statement are translated using an average rate for the period. On translation of foreign operations, the following exchange rates have been used:

Country	Currency	Average rate			Closing rate		
		Jan - June 2014	Jan - June 2013	Jan - Dec 2013	June 30 2014	June 30 2013	Dec 31 2013
USA, Peru, Chile and Cyprus	USD	6.53	6.50	6.51	6.74	6.71	6.51
Hong Kong	HKD	0.84	0.84	0.84	0.87	0.87	0.84
China	CNY	1.06	1.05	1.06	1.09	1.09	1.07

Essential Risks and Uncertainty Factors

Opus Group AB (publ) and the Opus Group companies are through their activities at risk of both financial and operational nature, which the companies themselves may affect to a greater or lesser extent. Within the companies, continuous processes are ongoing to identify possible risks and assess how these should be handled.

The companies' operations, profitability and financial conditions are directly related to investments within the automotive industry and regulations within environmental and safety testing of vehicles. In the business area Vehicle Inspection International, the Group runs vehicle inspection programs through long-term contracts with government agencies. There is a risk of early contract termination, which would affect the Group's financial position negatively. The business area Equipment is depending on garages and vehicle inspection stations making new investments in equipment, which is affected by the general economic climate. Furthermore, the Group has a currency risk through its translation exposure of the operations in the United States. A detailed description of the Parent company and subsidiaries' risks and risk management are given in Opus Group's Annual Report 2013.

Outlook

During 2014 Opus Group will have a strong growth, which will be both organic and acquisition driven. This year the focus is aimed at consolidation of operations with the implementation of a new proprietary IT-system developed for Opus Bilprovning and the integration of the acquisition of Envirotest. The company sees continued organic growth opportunities through more vehicle inspection contracts and new markets. Through its Vehicle Inspection division, Opus Group has a well-established position as number two in the Swedish vehicle inspection market and market leader in the U.S.

In the long term, Opus Group aims to expand the vehicle inspection business in several markets internationally. This can be achieved in established vehicle inspection markets as well as in emerging and developing countries where vehicle inspection is planned to be introduced in the future. Within the Equipment division the focus in 2014 will be to maintain turnover with improved profitability.

Opus Group does not provide financial forecasts.

Next financial report

November 21, 2014, Interim Report (January - September 2014)

This report has not been subject to auditors' review.

Möln dal, Sweden, August 21, 2014
Magnus Greko
President and CEO

Contact Information

Opus Group AB (publ), (org no 556390-6063)
Bäckstensgatan 11D
SE-431 49 Mölndal, Sweden
Phone: +46 31 748 34 00
E-mail: info@opus.se
www.opus.se

For any questions regarding the interim report, please contact Magnus Greko, President and CEO, +46 31 748 34 91.

Opus Group AB (publ) in Brief

Opus Group is a leading company in vehicle inspection technology and vehicle inspection program operations. The Group has two main business areas which consist of vehicle inspection and equipment. Opus Group is one of the market leaders in vehicle inspection operations in the US and Sweden. Opus Bilprovning has 74 vehicle inspection stations in Sweden. Opus Inspection operates vehicle inspection programs in the U.S., Bermuda and Peru and is active in sales and service of emission control equipment in North America and Mexico. Through the subsidiaries, Opus Equipment and J&B Maskinteknik, Opus Group conduct production, sales and service of vehicle inspection equipment for vehicle inspection companies and vehicle workshops. Opus Group's revenues amounted to approx. SEK 1 047 million in 2013. Opus Group's shares are listed on Nasdaq OMX Stockholm.

GROUP INCOME STATEMENT IN SUMMARY

SEK thousands	14-04-01 14-06-30	13-04-01 13-06-30	14-01-01 14-06-30	13-01-01 13-06-30	13-01-01 13-12-31
Operating income					
Net sales	404,322	256,299	701,676	483,688	1,047,493
Other operating income	1,636	4,914	2,042	6,004	7,193
Total operating income	405,958	261,213	703,718	489,692	1,054,686
Operating expenses	-317,156	-214,967	-569,565	-419,275	-912,832
Earnings before interest, taxes, depreciation and amortization (EBITDA)	88,802	46,246	134,153	70,417	141,854
Depreciation and amortization	-25,884	-7,377	-39,012	-17,079	-29,937
Operating profit (EBIT)	62,918	38,869	95,141	53,338	111,917
Results from financial items					
Interest income and similar items	29,705	2,193	38,626	3,473	3,209
Interest expense and similar charges	-27,346	-7,129	-44,883	-13,854	-25,410
Financial items	2,359	-4,936	-6,257	-10,381	-22,201
Profit after financial items	65,277	33,933	88,884	42,957	89,716
Current tax/Deferred tax	-16,133	-12,575	-23,047	-15,360	-28,419
Net profit	49,144	21,358	65,837	27,597	61,297
Attributable to:					
Equity holders of the Parent Company	49,144	21,358	65,837	27,597	61,297
Earnings per share					
Average number of shares, before dilution, thousands	251,430	231,674	251,430	236,853	252,302
Average number of shares, after dilution, thousands	260,985	237,381	260,985	246,409	261,857
Number of shares at period end, before dilution, thousands	251,430	231,674	251,430	231,674	251,430
Number of shares at period end, after dilution, thousands	260,985	237,381	260,985	241,230	260,985
Earnings per share before dilution (SEK)	0.20	0.09	0.26	0.12	0.24
Earnings per share after dilution (SEK)	0.19	0.09	0.25	0.11	0.23

GROUP STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

SEK thousands	14-04-01 14-06-30	13-04-01 13-06-30	14-01-01 14-06-30	13-01-01 13-06-30	13-01-01 13-12-31
Net profit	49,144	21,358	65,837	27,597	61,297
Items that may be reclassified to profit for the year					
Translation differences on foreign operations	8,417	5,913	8,342	6,319	306
Cash flow hedge	-1,340	-	-1,961	-	-1,824
Tax effect on cash flow hedge	295	-	595	-	238
Other comprehensive income	7,372	5,913	6,976	6,319	-1,280
Total comprehensive income	56,516	27,271	72,813	33,916	60,017
Attributable to:					
Equity holders of the Parent Company	56,516	27,271	72,813	33,916	60,017

GROUP STATEMENT OF FINANCIAL POSITION IN SUMMARY

SEK thousands	14-06-30	13-06-30	13-12-31
ASSETS			
Non-current assets			
Intangible assets			
Capitalized development costs	24,902	7,254	9,473
Other intangible assets	239,236	52,618	47,912
Goodwill	722,760	460,191	469,668
Total intangible assets	986,898	520,063	527,053
Tangible assets			
Land and buildings	347,673	29,692	28,567
Furnishings, machinery and other technical equipment	238,122	104,171	101,737
Total tangible assets	585,795	133,863	130,304
Financial assets			
Financial assets	7,627	3,727	6,129
Total financial assets	7 627	3,727	6,129
Deferred tax assets	30,552	34,036	21,283
Total non-current assets	1,610,872	691,689	684,769
Current assets			
Inventory	89,383	75,768	85,866
Trade receivables	93,401	49,547	58,321
Other current assets	84,002	54,608	76,183
Cash and cash equivalent	112,599	61,368	452,923
Total current assets	379,385	241,291	673,293
TOTAL ASSETS	1,990,257	932,980	1,358,062
EQUITY AND LIABILITIES			
Shareholders' equity	524,069	291,458	465,630
Non-current liabilities			
Deferred tax liabilities	304,700	25,822	40,352
Other non-current liabilities	4,176	160,749	1,316
Corporate bonds	391,591	-	390,471
Loans from financial institutions	226,389	102,528	63,266
Provisions	76,102	62,358	74,463
Total non-current liabilities	1,002,958	351,187	569,868
Current liabilities			
Loans from financial institutions	172,468	87,388	80,791
Trade payables	42,149	33,555	59,668
Other current liabilities	240,568	159,756	172,005
Provisions	8,045	9,366	9,873
Total current liabilities	463,230	290,065	322,564
TOTAL EQUITY AND LIABILITIES	1,990,257	932,980	1,358,062
Pledged assets	699,910	711,755	699,199
Contingent liabilities	96,921	140,479	107,346

GROUP STATEMENT OF CHANGES IN EQUITY IN SUMMARY

SEK thousands	Number of shares outstanding	Share capital	Other capital contributions	Reserves	Retained earnings	Total equity
Equity 2013-01-01	231,674,455	4,633	269,435	16,970	-28,903	262,135
Total comprehensive income	-	-	-	6,319	27,597	33,916
Rights Issue	-	-	-	-	40	40
Dividend	-	-	-	-	-4,633	-4,633
Equity 2013-06-30	231,674,455	4,633	269,435	23,289	-5,899	291,458
Total comprehensive income	-	-	-	-7,599	33,660	26,061
Rights Issue	-	-	143,705	-	-	143,705
Stock options	-	-	1,927	-	-	1,927
Redemption stock options	1,796,053	36	2,443	-	-	2,479
Equity 2013-12-31	233,470,508	4,669	417,510	15,690	27,761	465,630
Total comprehensive income	-	-	-	6,976	65,837	72,813
Rights Issue	17,959,269	359	337	-	-	696
Redemption stock options	-	-	-	-	16	16
Dividend	-	-	-	-	-15,086	-15,086
Equity 2014-06-30	251,429,777	5,028	417,847	22,666	78,512	524,069

GROUP STATEMENT OF CASH FLOWS IN SUMMARY

SEK thousands	14-01-01 14-06-30	13-01-01 13-06-30	13-01-01 13-12-31
Operating profit (EBIT)	95,141	53,338	111,917
Adjustment for non-cashflow items	27,918	17,079	30,407
Financial items	-6,257	-10,381	-20,631
Income tax paid	-9,303	-13,102	-19,697
Cash flow from operating activities before changes in working capital	107,499	46,934	101,996
Change in net working capital	-48,605	-8,400	12,483
Cash flow from operating activities	58,894	38,534	114,479
Investing activities			
Acquisition of subsidiaries, net of acquired cash	-530,620	-	-
Paid additional consideration	-9,950	-385	-2,106
Capitalized development costs	-21,838	-4,721	-4,943
Acquisition of tangible assets	-72,858	-	-11,649
Acquisition of intangible assets	-193	-	-
Proceeds from sale of tangible assets	-	-	25
Other	3,579	-	-2,322
Cash flow from investment activities	-631,880	-5,106	-20,995
Financing activities			
Payment stock options	16	40	1 927
Dividends paid	-15,086	-4,633	- 4 633
Redemption stock options	-	-	2 479
Rights issue	696	-	143 705
New debt	297,486	-	390 250
Net change in bank overdraft	13,775	-20,937	-20 937
Amortization of loans from financial institutions	-66,888	-43,958	-250 203
Cash flow from financing activities	229,999	-69,488	262 588
Change in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period	452,923	96,964	96,964
Foreign currency translation differences	2,663	464	-113
Net cash flow for the period	-342,987	-36,060	356,072
Cash and cash equivalents at the end of the period	112,599	61,368	452,923



SEGMENTAL REPORTING

Opus Group's business consists of two divisions and three segments. The divisions are Vehicle Inspection and Equipment. The Vehicle Inspection division consists of two segments: Vehicle Inspection Sweden and Vehicle Inspection International.

April - June, 2014 SEK thousands	Vehicle Inspection			Group & eliminations	Group
	Equipment	Sweden	International		
External sales	28,352	162,217	213,753	-	404,322
Internal sales (to other segments)	5,551	-	-	-5,551	-
Net sales	33,903	162,217	213,753	-5,551	404,322
Other external operating income	261	124	1,003	248	1,636
Total income	34,164	162,341	214,756	-5,303	405,958
EBITDA	2,271	33,494	54,232	-1,195	88,802
EBITDA margin	6.7%	20.6%	25.4%		22.0%
Depreciation and amortization					-25,884
Results from financial items					2,359
Profit after financial items					65,277
Current tax/Deferred tax					-16,133
Net profit					49,144

April - June, 2013 SEK thousands	Vehicle Inspection			Group & eliminations	Group
	Equipment	Sweden	International		
External sales	28,030	155,921	72,348	-	256,299
Internal sales (to other segments)	2,874	-	76	-2,950	-
Net sales	30,904	155,921	72,424	-2,950	256,299
Other external operating income	321	146	4,271	176	4,914
Total income	31,225	156,067	76,695	-2,774	261,213
EBITDA	-283	32,371	16,888	-2,730	46,246
EBITDA margin	neg.	20.8%	23.3%		18.0%
Depreciation and amortization					-7,377
Results from financial items					-4,936
Profit after financial items					33,933
Current tax/Deferred tax					-12,575
Net profit					21,358

January - June, 2014 SEK thousands	Vehicle Inspection			Group & eliminations	Group
	Equipment	Sweden	International		
External sales	59,843	305,383	336,450	-	701,676
Internal sales (to other segments)	9,780	-	-	-9,780	-
Net sales	69,623	305,383	336,450	-9,780	701,676
Other external operating income	354	290	1,073	325	2,042
Total income	69,977	305,673	337,523	-9,455	703,718
EBITDA	3,340	52,019	80,736	-1,942	134,153
EBITDA margin	4.8%	17.0%	24.0%		19.1%
Depreciation and amortization					-39,012
Results from financial items					-6,257
Profit after financial items					88,884
Current tax/Deferred tax					-23,047
Net profit					65,837

January - June, 2013 SEK thousands	Vehicle Inspection				Group
	Equipment	Sweden	International	Group & eliminations	
External sales	60,750	282,130	140,808	-	483,688
Internal sales (to other segments)	5,365	-	76	-5,441	-
Net sales	66,115	282,130	140,884	-5,441	483,688
Other external operating income	687	323	4,803	191	6,004
Total income	66,802	282,453	145,687	-5,280	489,692
EBITDA	3,347	41,102	29,533	-3,565	70,417
EBITDA margin	5.1%	14.6%	21.0%		14.6%
Depreciation and amortization					-17,079
Results from financial items					-10,381
Profit after financial items					42,957
Current tax/Deferred tax					-15,360
Net profit					27,597

January - December, 2013 SEK thousands	Vehicle Inspection				Group
	Equipment	Sweden	International	Group & eliminations	
External sales	109,206	551,254	387,033	-	1,047,493
Internal sales (to other segments)	13,743	-	160	-13,903	-
Net sales	122,949	551,254	387,193	-13,903	1,047,493
Other external operating income	1,182	1,015	4,818	178	7,193
Total income	124,131	552,269	392,011	-13,725	1,054,686
EBITDA	4,831	82,501	58,184	-3,662	141,854
EBITDA margin	3.9%	15.0%	15.0%		13.5%
Depreciation and amortization					-29,937
Results from financial items					-22,201
Profit after financial items					89,716
Current tax/Deferred tax					-28,419
Net profit					61,297

KEY RATIOS

	14-01-01 14-06-30	13-01-01 13-06-30	13-01-01 13-12-31
Return on capital employed, percent	10.2	8.8	11.5
Return on total assets, percent	6.7	6.1	8.5
Return on equity, percent	25.5	19.5	24.7
EBITDA margin, percent	19.1	14.6	13.5
Operating profit margin (EBIT), percent	13.5	11.0	10.7
Net profit margin, percent	12.6	5.7	5.9
Sales growth, percent	45.1	156.1	123.4
Net debt, SEK thousands	677,849	289,297	81,605
Net debt / equity ratio, times	1.3	1.0	0.2
Interest coverage ratio, times	3.0	4.1	0.2
Equity ratio, percent	26.3	31.2	34.3
Cash liquidity ratio, percent	60.6	56.2	174.5
Number of employees at period end	1,843	881	868
Data Per Share			
Number of shares at period end, before dilution, thousands	251,430	231,674	251,430
Number of shares at period end, after dilution, thousands	260,985	241,230	260,985
Average number of shares, before dilution, thousands	251,430	236,853	252,302
Average number of shares, after dilution, thousands	260,985	246,409	261,857
Equity per share, before dilution, SEK	2.08	1.26	1.85
Equity per share, after dilution, SEK	2.01	1.23	1.78
Earnings per share before dilution, SEK	0.26	0.12	0.24
Earnings per share after dilution, SEK	0.25	0.11	0.23
Dividend per share, before dilution, SEK	0.06	0.02	0.06
Dividend per share, after dilution, SEK	0.06	0.02	0.06
Cash flow per share, before dilution, SEK	0.23	-0.15	0.45
Cash flow per share, after dilution, SEK	0.23	-0.15	0.44

Outstanding stock options result in a dilution effect since the average market price of ordinary shares during the period exceeded the discounted exercise price for the stock options.

For definitions of key ratios, see Opus Group's annual report 2013.

QUARTERLY DEVELOPMENT FOR THE GROUP

Income Statement SEK thousands	2014		2013			
	Q1	Q2	Q1	Q2	Q3	Q4
Net sales	297,353	404,322	227,389	256,299	254,504	309,300
Total income	297,760	405,958	228,479	261,213	254,968	310,025
Operating expenses	-252,409	-317,158	-204,310	-214,967	-211,268	-282,286
Earnings before interest, taxes, depreciation and amortization (EBITDA)	45,351	88,802	24,169	46,246	43,700	27,739
% margin	15.2%	21.9%	10.6%	17.7%	17.2%	8.9%
Depreciation and amortization	-13,128	-25,884	-9,703	-7,377	-6,700	-6,157
Operating profit/loss (EBIT)	32,223	62,918	14,466	38,869	37,000	21,582
Results from financial invest- ments	-8,616	2,359	-5,443	-4,936	-5,164	-6,658
Profit/loss after financial items	23,607	65,277	9,023	33,933	31,836	14,924
Current tax/Deferred tax	-6,914	-16,133	-2,785	-12,575	-7,621	-5,438
Net profit/loss	16,693	49,144	6,238	21,358	24,215	9,486

Balance Sheet SEK thousand	2014		2013			
	Q1	Q2	Q1	Q2	Q3	Q4
ASSETS						
Intangible assets	959,224	986,898	517,677	520,063	520,445	527,053
Tangible assets	528,736	585,795	134,421	133,863	129,485	130,304
Financial assets	7,960	7,627	3,750	3,727	3,569	6,129
Deferred tax assets	14,693	30,552	36,341	34,037	36,336	21,283
Total non-current assets	1,510,613	1,610,872	692,189	691,689	689,835	684,769
Inventory	100,599	89,383	70,980	75,768	86,902	85,866
Current assets	174,198	177,403	111,902	104,155	130,404	134,504
Cash and cash equivalents	149,900	112,599	59,269	61,368	105,293	452,923
Total current assets	411,655	379,385	242,152	241,291	322,599	673,293
Total assets	1,922,268	1,990,257	934,340	932,980	1,012,434	1,358,062
EQUITY AND LIABILITIES						
Shareholders' equity	482,623	524,069	268,007	291,458	310,473	465,630
Interest bearing liabilities	810,559	790,448	371,314	350,664	326,680	534,528
Non-interest bearing liabilities and provisions	629,086	675,740	295,019	290,858	375,281	357,904
Total equity and liabilities	1,922,268	1,990,257	934,340	932,980	1,012,434	1,358,062

Cash Flow Analysis SEK thousands	2014		2013			
	Q1	Q2	Q1	Q2	Q3	Q4
Cash flow from operating activi- ties	-19,253	78,146	10,631	27,903	68,710	7,235
Cash flow from investing activities	-561,693	-70,186	-5,048	-58	-4,795	-11,094
Cash flow from financing activi- ties	275,922	-45,923	-42,872	-26,616	-19,300	351,376
Net cash flow for the period	-305,024	-37,963	-37,289	1,229	44,615	347,517
Cash and cash equivalents at the beginning of the period	452,923	149,900	96,964	59,269	61,368	105,293
Foreign currency translation differences	2,001	662	-406	870	-690	113
Cash and cash equivalents at the end of the period	149,900	112,599	59,269	61,368	105,293	452,293



QUARTERLY DEVELOPMENT PER SEGMENT

Income Statement SEK thousands	2014		2013			
	Q1	Q2	Q1	Q2	Q3	Q4
Total income						
Equipment	35,815	34,163	35,816	31,225	22,450	34,903
Vehicle Inspection Sweden	143,330	162,342	126,386	156,067	120,728	149,087
Vehicle Inspection International	122,767	214,756	68,992	76,695	115,423	130,901
Vehicle Inspection International in local currency USD thousands	18,991	32,705	10,641	11,704	17,643	19,452
Group	297,760	405,958	228,479	261,213	254,968	310,025
EBITDA						
Equipment	1,070	2,271	2,793	-283	-64	1,548
Vehicle inspection Sweden	18,525	33,494	8,731	32,371	19,422	21,977
Vehicle Inspection International	26,504	54,232	12,645	16,888	23,714	4,937
Vehicle Inspection International in local currency USD thousands	3,942	8,119	1,966	2,581	3,625	760
Group	45,351	88,802	24,169	46,246	43,698	27,739
EBITDA margin						
Equipment	3.0%	6.6%	7.9%	neg.	neg.	4.5%
Vehicle Inspection Sweden	12.9%	20.6%	6.9%	20.8%	16.1%	14.8%
Vehicle Inspection International	21.6%	25.3%	18.5%	23.3%	20.5%	3.8%
Group	15.2%	21.9%	10.6%	18.0%	17.2%	9.0%

Note 1. Earnout

In connection with the acquisition of Systech in 2008, a contract was signed concerning earnout for new contracts of larger vehicle inspection programs. As the Wisconsin, North Carolina, New York State and Virginia programs qualify for earnout payments to the sellers of Systech, Opus has accounted for a total provision of 77.9 MSEK (long-term SEK 69.8 million and short-term SEK 8.1 million) for the contractual periods (five year, two year and seven year). This earnout affects the company's goodwill with the same amount. More information on the terms of the agreement for the earnout is described in Opus Group's annual report of 2013.

Note 2. Acquisitions

Acquisition of Envirotest Systems Holdings Corp.

On February 28, 2014, Opus Group AB acquired Envirotest Systems Holdings Corp. and received access to all shares in the company. After the acquisition the company is now called Envirotest Corp. Envirotest, headquartered in Windsor, Connecticut, USA, is the market leader in the centralized vehicle inspection business in the United States. Program management and operations are conducted in North America, and Remote Sensing Device (RSD) services are offered globally. Envirotest has exclusive rights to certain RSD patented technology and proprietary vehicle inspection database systems (VIDs). The acquired business had revenues of USD 81 million and an EBITDA of USD 23 million during 2013. At the date of acquisition, the company had approx. 1,060 employees.

The total purchase price was paid cash and amounted to USD 89.96 million (approx. SEK 585 million) on a debt free basis. The acquisition includes real estate properties, skilled personnel, intellectual properties, 60 vehicle inspection stations, inspection equipment, leases of the real estate and miscellaneous assets. The acquisition also includes processes, procedures and knowhow.

After the acquisition, Opus Inspection will become the market leader in the U.S. vehicle inspection market. Opus Inspection is already the market leader in the U.S. decentralized vehicle inspection market segment and now also becomes the market leader in the U.S. centralized vehicle inspection market segment. The acquisition increases the Opus Group's contract base of long-term vehicle inspection contracts in the U.S. All conditions for the completion of the acquisition were satisfied: Envirotest executed a contract for the continuation of the vehicle inspection program in Colorado which is expected to start in January 2015 and has a contract period of five years and can be extended by the Colorado Department of Public Health and Environment for an additional six years (2 + 4 years); and Opus Group received funding for the purchase price.

The acquisition was financed through a long-term credit facility of USD 46 million (approx. SEK 300 million) from Swedbank, a corporate bond of SEK 200 million and a rights issue of SEK 152.7 million. Direct acquisition costs amounted to approx. SEK 4,6 million and are included under "other external costs" in the group's income statement during 2013.

MSEK	Fair value
<i>Acquired net assets</i>	
Customer contracts	103,405
Brands	12,647
Other intangible assets	86,200
Land and buildings	306,658
Other tangible assets	81,363
Current assets	85,831
Non-current liabilities	-4,469
Deferred tax liability	-246,728
Current liabilities	-73,223
Total acquired net assets	351,684
Goodwill	235,348
Purchase price	587,032
<i>Deduct:</i>	
Acquired cash and bank	56,412
Effect on Group cash and bank from acquisition	530,620

Surplus values of tangible fixed assets are amortized over the useful life of 2-11 years. Customer contracts are amortized over a useful life of 5 years while the Group has considered brands to have a useful life of 3 years. Identified goodwill, which is tax deductible, is attributable to future synergies arising from the combination.

PARENT COMPANY'S INCOME STATEMENT IN SUMMARY

SEK thousands	14-04-01 14-06-30	13-04-01 13-06-30	14-01-01 14-06-30	13-01-01 13-06-30	13-01-01 13-12-31
Operating income					
Net sales	3,454	3,157	6,057	6,309	12,640
Other operating income	212	176	244	191	213
Total operating income	3,666	3,333	6,301	6,500	12,853
Operating expenses	-4,949	-6,288	-8,385	-10,277	-17,258
Earnings before interest, taxes, depreciation and amortization (EBITDA)	-1,283	-2,955	-2,084	-3,777	-4,405
Depreciation and amortization	-45	-26	-86	-40	-105
Operating loss (EBIT)	-1,328	-2,981	-2,170	-3,817	-4,510
Results from financial items	15,180	-5,231	10,446	-10,619	62,650
Net loss/profit after financial items	13,852	-8,212	8,276	-14,436	58,140
Appropriations	-	-	-	-	- 6,742
Net loss/profit before taxes	13,852	-8,212	8,276	-14,436	51,398
Current tax/Deferred tax	-3,048	1,850	-1,821	3,176	-6,850
Net loss/profit	10,804	-6,362	6,455	-11,260	44,548

PARENT COMPANY'S STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

SEK thousands	14-04-01 14-06-30	13-04-01 13-06-30	14-01-01 14-06-30	13-01-01 13-06-30	13-01-01 13-12-31
Net loss/profit	10,804	-6,362	6,455	-11,260	44,548
Items that may be reclassified to profit for the year					
Cash flow hedges	-1,340	-	-1,961	-	-1,824
Tax effect on cash flow hedges	295	-	595	-	238
Translation of net investment	570	488	566	487	-17
Other comprehensive income	-475	488	-800	487	-1,603
Total comprehensive income	10,329	-5,874	5,655	-10,773	42,945

PARENT COMPANY'S BALANCE SHEET IN SUMMARY

SEK thousands	14-06-30	13-06-30	13-12-31
ASSETS			
Non-current assets			
Intangible assets	551	-	130
Tangible assets	287	555	587
Financial assets			
Shares in Group companies	606,220	624,116	606,220
Receivables from Group companies	717,911	86,655	98,636
Deferred tax asset	833	5,574	238
Total financial assets	1,324,964	716,345	705,094
Total non-current assets	1,325,802	716,900	705,811
Current assets			
Trade receivables	18	1,900	25
Receivables from Group companies	80,745	22,171	19,720
Current tax receivable	-	171	-
Other current assets	525	483	695
Cash and cash equivalent	-	13,802	371,154
Total current assets	81,288	38,527	391,594
TOTAL ASSETS	1,407,090	755,427	1,097,405
EQUITY AND LIABILITIES			
Shareholders' equity			
Restricted equity	5,878	5,483	5,519
Non-restricted equity	441,143	250,356	450,221
Total shareholder's equity	447,021	255,839	455,740
Untaxed reserves	6,742	-	6,742
Non-current liabilities			
Liabilities to Group companies	-	33,606	-
Other long term liabilities	3,785	160,711	1,080
Corporate bonds	391,591	-	390,471
Loans from financial institutions	221,334	84,290	57,409
Provisions	69,805	60,914	72,890
Total non-current liabilities	686,515	339,521	521,850
Current liabilities			
Loans from financial institutions	159,207	58,833	57,143
Trade payables	752	1,906	3,998
Liabilities to Group companies	84,935	78,431	24,114
Other current liabilities	13,873	11,531	17,945
Provisions	8,045	9,366	9,873
Total current liabilities	266,812	160,067	113,073
TOTAL EQUITY AND LIABILITIES	1,407,090	755,427	1,097,405
Items within the line			
Pledged assets	606,220	634,901	606,220
Contingent liabilities	96,921	140,502	107,346

PARENT COMPANY'S STATEMENT OF CHANGES IN EQUITY IN SUMMARY

SEK thousands	Restricted equity			Non-restricted equity		Total equity
	Share capital	Statutory reserve	Share premium reserve	Fair value reserve	Retained earnings	
Equity 2013-01-01	4,633	850	269,436	1,245	-4,920	271,245
Net profit/loss	-	-	-	487	-11,260	-10,773
Dividend	-	-	-	-	-4,633	-4,633
Equity 2013-06-30	4,633	850	269,436	1,732	-20,813	255,839
Net profit/loss	-	-	-	-2,090	55,808	53,718
Redemption stock options	-	-	143,705	-	-	143,705
Dividend	36	-	2,443	-	-	2,479
Equity 2013-12-31	4,669	850	415,584	-358	34,995	455,740
Net profit/loss	-	-	-	-800	6,455	5,655
Rights issue	359	-	337	-	-	696
Stock options	-	-	16	-	-	16
Dividend	-	-	-	-	-15,086	-15,086
Equity 2014-06-30	5,028	850	415,937	-1,158	26,364	447,021

The Board of Directors and the President have ensured that the six-month report provides an accurate overview of the Parent Company's and the Group's operations, financial position and results, and that it describes the significant risks and uncertainties faced by the Parent Company and the companies in the Group.

Mölnadal, August 21, 2014

Göran Nordlund
Chairman

Lothar Geilen
Board member

Eva-Lotta Kraft
Board member

Jan Åke Jonsson
Board member

Magnus Greko
CEO and Group President

Anders Lönnqvist
Board member

Opus Group AB (publ)

Bäckstensgatan 11D
SE-431 49 Mölndal
Sweden
Tel. +46 31 748 34 00
Fax. +46 31 28 86 55