



PRESS RELEASE
21 February 2014
STOCKHOLM

Opcon: Group cost reduction programme and European coordination of bioenergy activities will deliver annual cost savings of SEK 30 million

An overall cost reduction programme throughout the Opcon Group focusing on bioenergy. Reduction in personnel cost, external consulting, IT, administration and financing are expected to render savings of approximately SEK 30 m annually, of which SEK 19 m are expected during 2014.

Saxlund will be the umbrella organization for the Group's bioenergy operations with activities in Sweden, Germany and the UK and with around 80 employees.

A streamlining of the number of subsidiaries and further cost savings including the closure of offices in France and southern Sweden.

Opcon, the energy and environmental technology Group, continues to cut costs and is now implementing further measures to increase coordination and efficiency in its European structure by sharpening its focus on markets outside Sweden. These measures include additional cost savings which will help the Group achieve its target of a positive operating profit in 2014.

"In 2013 Opcon reported a strong improvement in earnings but still lost money. We continue to adapt our organization and strengthen our focus on markets outside Sweden where we can see better opportunities and higher growth. This applies to Waste Heat Recovery and Bioenergy. Within Waste Heat Recovery we have seen how our efforts in China have already given a large boost to our business. We are now taking further steps to benefit from the international structure we have established based on Swedish bioenergy technology. Saxlund is a distinct, competitive and experienced player with 80 employees, most of whom are outside Sweden," says Rolf Hasselström, President and CEO of Opcon AB.

As part of the programme, Opcon's European bioenergy structure is also being reorganised to strengthen synergies, sharpen coordination and boost sales. Resources are being concentrated more on the UK market and on a series of focus product areas and customer groups, with key account managers working across boundaries.

In Sweden, where the bioenergy business has been weak even though there has been gradual improvement, additional measures are being taken that include reducing the focus on Sweden in favour of increased internationalisation.

The number of subsidiaries in the bioenergy area is being reduced, with Opcon Bioenergy AB being closed down after Saxlund Bioenergy AB has taken over the personnel and business operations. Opti Energi's office and workshop in southern Sweden are being closed. Administration in Sweden is being coordinated with Opcon's other Swedish business to achieve further efficiency. The focus will increase on SRE's and Saxlund's core skills in flue gas condensation and material handling. With a further focus on more of smaller projects with lower risk and higher margins. The licensing business will also be developed further. Saxlund will become comprehensively the core of the Group's focus on bioenergy both in Sweden and abroad.

The special sales office that Opcon Bioenergy established in France is being closed and instead the French market will be dealt with in terms of product areas and key account managers from Saxlund in Sweden, the UK and Germany, and via partners.

Further savings are being made regarding the management structure with, among other measures, the reduction in the number of CEOs at Saxlund International GmbH from two to one.

Meanwhile the entire bioenergy business is being organised under one shared umbrella in Saxlund with subsidiaries and operations in Sweden, Germany and the UK with over 80 employees and over 50 years of experience in the industry.

The efficiency measures impacted Q4 results 2013 with around SEK 13 m in non-recurring costs. These measures are expected to generate annual cost savings of around SEK 30 million per year, of which SEK 19 million in 2014. Three quarters of the programme is already being implemented.

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The Opcon Group

Opcon is an energy and environmental technology Group that develops, produces and markets systems and products for eco-friendly, efficient and resource-effective use of energy.

Opcon has activities in Sweden, Germany and the UK. There are around 150 employees. The company's shares are listed on Nasdaq OMX Stockholm. The Group comprises one business area:

Renewable Energy focuses on the following areas: electricity generation based on waste heat, bioenergy-powered heating and CHP plants, pellets plants, handling systems for biomass, sludge and natural gas, industrial cooling, flue gas condensation, treatment of flue gases and air systems for fuel cells.

Opcon AB (publ) is obliged to disclose the information in this press release in accordance with the Swedish law governing the securities markets and/or trading in financial instruments.

The information was submitted for publication at 08.35 (CET) on Friday 21 February 2014.