



**OPCON AB (PUBL), THE ENERGY AND ENVIRONMENTAL TECHNOLOGY GROUP
INTERIM REPORT JANUARY-JUNE 2014**

China is the key as Opcon looks to the future

- Efforts now initiated to develop the Chinese market and parts of South East Asia and create an industrialised manufacturing base for Opcon Powerbox together with Snowman
- Hong Kong Snowman Technology Ltd. second largest owner of Opcon following directed placement of shares
- Savings programme now being implemented that will cut annual costs by around SEK 30 million
- Reduced loss despite lower sales, loss after tax of SEK –4.8 million (–15.1 m)
- Underlying operating loss for Q2 of SEK –1.0 million (–7.4 m) before non-recurring costs

First half of 2014, January-June, remaining business

- Net sales amounted to SEK 122.3 million (136.7 m)
- Operating loss (EBIT) was SEK –10.5 million (–21.8 m)
- Loss after tax of SEK –11.0 million (–29.3 m)
- Earnings per share SEK –0.03 (–0.09)

Q2, April-June, remaining business

- Net sales amounted to SEK 54.9 million (62.7 m)
- Operating loss (EBIT) was SEK –4.6 million (–12.3 m)
- Loss after tax of SEK –4.8 million (–15.1 m)
- Underlying operating loss for Q2 of SEK –1.0 million (–7.4 m) before non-recurring costs
- Earnings per share SEK –0.01 (–0.05)

Significant events after the end of the period

- Swedish order for delivery of bioenergy plant worth around SEK 28 million
- Declaration of Intent signed with Snowman concerning formation of joint company to develop the Chinese market and create an industrialised manufacturing base for Opcon Powerbox
- Order for one Opcon Powerbox ORC and one Opcon Powerbox WST from Snowman as reference equipment for the Chinese market

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GROUP, JANUARY-JUNE

Sales for remaining business for the January-June period were SEK 122.3 million (136.7 m). Operating earnings (EBIT) were SEK -10.5 million (-21.8 m). The loss after tax improved significantly to reach SEK -11.0 million (-29.3 m). Earnings per share attributable to parent company shareholders were SEK -0.03 (-0.09).

GROUP, APRIL-JUNE

Sales for remaining business for the April-June period were SEK 54.9 million (62.7 m). Operating earnings (EBIT) were SEK -4.6 million (-12.3 m). The loss after tax was SEK -4.8 million (-15.1 m). Earnings per share attributable to parent company shareholders were SEK -0.01 (-0.05).

Although the market situation has improved over the last year, the European market has continued at a lower level than before the financial crisis and new orders have remained weak within certain segments of the Group, with Germany especially progressing worse during the start of the year. Together with weak liquidity and faltering financing, this contributed to lower capacity utilisation that held back sales and earnings during the start of the year. In Q2 sales fell to SEK 54.9 million (62.7 m) and the loss after tax was SEK -4.8 million (-15.1 m). Some of the change is explained by strategic efforts that have taken place to guide the business towards smaller, shorter projects with lower risk, where margins are easier to maintain, which can also be seen in higher gross margins.

It is clear that the savings programme, which includes reduced financing costs, the closure in Åmål and the cutbacks in bioenergy, with the decommissioning of Opti Energi AB., Opti Energy Group AB and Opcon Bioenergy AB, has started to bear fruit. Total annual savings of over SEK 30 million are expected, with an effect in 2014 of around SEK 20 million. Employee costs in Q2 fell by around SEK 3.1 million compared with the same quarter last year, while financing costs were reduced by around SEK 2.4 million.

Despite reduced sales the loss for remaining business after tax has been significantly reduced compared with last year, to reach SEK -4.8 million (-15.1 m). Meanwhile, a mistaken accrual in a previous quarter impeded earnings with approximately SEK 3,6 million, which means that the underlying operating loss amounted to SEK -1,0 million (-7,4 m) in Q2.

Within Compressor Technology/Waste Heat Recovery, sales of compressor development continue for Snowman. The development, industrialization and internationalization of Opcon Powerbox continues, with major efforts now being made to form a joint venture with Snowman to develop the Chinese market and parts of South East Asia and create an industrialised manufacturing base for Opcon Powerbox. Costs totalling SEK 2.3 million were activated for work on the joint venture in Q2. Work during the summer has progressed well and Opcon expects that it could be possible to sign a final agreement for the formation of the joint venture during September 2014.

Within bioenergy, clear improvements in earnings have been achieved, not least in Sweden, but also in the UK, while the situation in Germany has been more disappointing.

During the period and after the end of the period the order situation has improved with, among others, large orders received within bioenergy and for Opcon Powerbox from China.

Significant events after the end of the period

After the end of the period, Opcon has received an order for Saxlund's fuel handling equipment and incineration technology from the privately owned sawmill, Hilmer Andersson, HAL, Korterud, Sweden. The order is worth around SEK 28 million, with commissioning set for 2015. The plant will supply hot water to the timber driers based on incineration of waste products such as wood dust, wood chips and bark.

Opcon has also signed a Declaration of Intent with its strategic partner, Fujian Snowman Co. Ltd., Fuzhou, Fujian, China, concerning the formation of a joint venture for the marketing, manufacturing and sales in China and parts of South East Asia of Opcon's Waste Heat Recovery technology, Opcon Powerbox.

The purpose is to develop the Chinese market and create an industrialised manufacturing base for Opcon Powerbox that can also be used by Opcon on other markets. The aim is that the joint venture will be 51% owned by Snowman and 49% owned by Opcon. Preparations are fully underway and Opcon expects to sign a final agreement for the formation of the joint venture during September 2014.

As part of this agreement, Opcon will provide the joint venture with a licence for manufacturing, marketing and sales of its proprietary technology for Opcon Powerbox ORC and WST (Wet Steam Turbine). The joint venture will also work to develop Snowman's existing manufacturing structure to enable cost-efficient and high quality manufacturing of Opcon Powerbox ORC and WST in China. The company will also be given exclusive manufacturing and sales rights to Opcon Powerbox in China plus a mix of both exclusive and non-exclusive rights for certain other parts of South East Asia.

The value of manufacturing and sales rights transferred to the joint venture should constitute Opcon's capital share in the joint venture, with the amount not used as the capital share to be paid as a royalty to Opcon.

To reduce the time-to-market for the joint venture, Snowman has placed an order for one Opcon Powerbox ORC and one Opcon Powerbox WST for production in Sweden and delivery to China.

Order stock

• The order stock for the coming 12 months amounted to SEK 127 million on 30 June

The order stock for the coming 12 months for remaining business amounted to SEK 127 million (154 m) on 30 June. The reduced order stock was mainly a result of a low level of received orders at the start of the year and the strategic efforts that have been made to achieve more aftermarket business and fewer projects with shorter execution periods.

A positive note is that the order stock during the quarter grew by around 15% compared with the previous quarter and continued to grow after the end of the period, with among other things a large bioenergy order in Sweden and an order for Opcon Powerbox from China.

Financial position

The Group's liquid assets at the end of the period were SEK 15.0 million (12.8 m). In addition there was unutilised credit at foreign subsidiaries of SEK 8.3 million.

Interest-bearing assets in addition to liquid assets were SEK 20.1 million (41.4 m).

Interest bearing debt was SEK 6.9 million (14.4 m).

At the end of the period the Group had net receivables of SEK 28.1 million (39.8 m).

Net financial items continued to improve strongly and amounted in Q2 to SEK –0.2 million (–2.8 m). For January-June net financial items were SEK –0.5 million (–7.5 m). The equity/assets ratio on 30 June was 74.9% (75.8%).

During Q1, Opcon performed a directed placement of shares to Snowman that raised SEK 17.1 million for the company. In addition a directed placement of new shares was made with GEM Global Yield Fund Ltd., with SEK 2.5 million set-off against debt, which has reduced the amount of interest-bearing liabilities. The issue to GEM was within the framework of the equity line financing facility of up to SEK 250 million over 36 months signed with GEM in 2011. In connection with the new issue an agreement was signed with GEM to extend this framework by two years up to 2016, with the remaining volume of the facility now amounting to around SEK 227 million. An extensive savings programme is meanwhile being implemented in parallel that includes decommissioning and closure of certain companies.

These measures have strengthened the financial position. However the Board continues to consider that the liquidity level in combination with the credit and guarantee frameworks available today are inadequate to ensure full and smooth operation with growth and therefore the Board will continue its efforts to find more permanent financing of the Group's operations, including a review of the company's long-term financing structure. It may include the signing of a loan or overdraft agreement also for the Swedish companies.

Fair value of financial instruments

The reported value, less any assessed credit, for accounts receivables and payables is assumed to approximate fair value. The same applies to the fair value of short-term financial liabilities.

The securities reported in the balance sheet at SEK 226,000 relate to listed shares where fair value is equivalent to the market price on the balance sheet date.

Among financial assets is an investment in Air Power Group Ltd. (APG) of SEK 20.3 million. APG is a privately held company incorporated in California, USA. As a quoted market value is not available and no reliable fair value can be established, the shareholding is valued at cost in accordance with IAS 39.46.

Opcon's shares

The total number of shares at the end of the period was 378,800,110 (344,414,145).

Investments

Investments in fixed assets during January-June totalled SEK 0.3 million (0.3 m).

In addition, SEK 2.7 million (8.0 m) in development costs were capitalized. For the April-June period, capitalized development costs amounted to SEK 1.9 million (6.5 m). This mainly relates to the development and adaptation for marine applications of Opcon Powerbox.

Employees

At the end of the period the Group had 141 employees (149).

Parent company

The parent company had sales of SEK 8.3 million (20.4 m) in the January-June period. Sales primarily relate to invoicing for rents and internal administration services but also includes some assignments for customers, which have decreased since last year. For the April-June period sales were SEK 2.0 million (1.8 m).

The parent company's earnings before tax for the January-June period were SEK –5.0 million (–9.1 m). For the April-June period earnings before tax were SEK –1.7 million (–3.8 m).

At the end of the period, liquid assets in the parent company totalled SEK 1.4 million (3.4 m). Interest-bearing liabilities at the end of the period amounted to SEK 0.0 million (2.4 m).

Transactions with related parties

Purchases of goods and services

Essarem AB received rent of SEK 2.0 million for the January-June 2014 period concerning the property at Nacka.

Mind Finance AB received net interest and fees for factoring for the January-June 2014 period amounting to SEK 0.5 million (0.0 m).

Receivables/Liabilities

At the end of the period, Mind Finance AB and Essarem AB had total receivables from Opcon amounting to SEK 6.1 million (2.5 m).

Mind Finance AB is owned by Salamino AB. Salamino AB and Essarem AB are owned by Gabrielsson Invest AB, which is owned by Mats Gabrielsson, a member of the Opcon Board and its largest shareholder.

Risks and uncertainties

The significant risk and uncertainty factors for the Group and parent company include business risks in the form of high exposure to a specific sector, customer or project.

An economic downturn and disruptions on world financial markets can have a negative effect on demand for the Group's products and also affect the Group's customers and suppliers. Given the global financial instability the company's customers may experience financial problems that could cause losses or disruptions for Opcon. Similarly, Opcon is involved in a number of large bioenergy projects for which disruptions could affect profit margins, profitability and liquidity.

Changes in energy and electricity prices can also affect demand, with lower prices having a negative impact. In addition there are financial risks that are considered to have increased during the European debt crisis, principally involving liquidity, price, currency and interest risks. The Group's ability to receive long-term loans and short-term credit are also significantly affected by the current situation on capital markets, which can affect the company's liquidity and growth opportunities in future. The Group is exposed to a short-term liquidity risk in the form of customers paying invoices after the agreed date.

In general, the re-organizations that Opcon is now implementing mean an increase in risk.

Opcon has previously had not insignificant sales of new technology with good prospects for the Russian oil and gas industry, although not in 2013. New significant business has also been discussed and planned for 2014. The company sees a risk that international relations with Russia can influence Opcon's sales and growth opportunities.

For a more detailed description of risk, see Opcon's annual report for 2013 that is available on the company's website, www.opcon.se.

THE GROUP IN 2014 AND BEYOND

Over the past decade, concerns about energy prices, energy supplies and emissions have emerged as key issues globally and locally. Meanwhile energy and electricity prices are affected by a series of factors and vary across markets. In 2013 and at the start of 2014, electricity prices in Sweden have been very low, which has not favoured sales of parts of Opcon's product portfolio. Meanwhile, energy prices on other markets are considerably higher.

Irrespective of short-term price fluctuations, up or down, due to weather, the business cycle or other cause, Opcon expects energy prices to increase over time.

Against this background Opcon sees good opportunities for growth for the Group's product portfolio over a longer period.

After major losses in recent years and an intensive and comprehensive phase of development, Opcon is now implementing a fundamental financial and operational turn-around with the purpose of concentrating business on Waste Heat Recovery and the compressor technology at the heart of Opcon Powerbox, alongside a sharper focus within bioenergy. Major efforts are also being made to grow the business internationally on markets, and these efforts are starting to bear fruit.

Significant progress has been made in recent years in China as the strategic collaboration between Opcon and Snowman of China has grown much closer. In the spring of 2014 Snowman has boosted its ownership in Opcon through a directed placement of shares.

In Fuzhou Snowman has built a completely new factory for production of compressors developed by Opcon. It is estimated that future licensing income from Snowman's production for the period 2014-2024 could exceed SEK 100 million. In 2013 alone, sales of compressor development to Snowman almost tripled to exceed SEK 30 million. In 2014 Snowman has placed further major development assignments with Opcon. For Opcon, Snowman's investment and the collaboration that has begun mean that Opcon looks forward to receiving further development assignments from Snowman over a long period within industrial refrigeration compressors, an area in which Opcon is strengthening its capabilities.

Furthermore, the trust earned through collaboration means that the companies are now expanding collaboration to include Opcon Powerbox. The purpose is to create a joint venture to develop the Chinese market and create an industrialised manufacturing base for Opcon Powerbox that can also be used by Opcon on other markets. Opcon considers the extension of the collaboration to have great importance and considerable potential. It can have decisive significance for Opcon's future profitability.

Another important part of the current restructuring of Opcon is the extensive changes being made within the bioenergy operation that in recent years has suffered significant losses. In recent years strong measures have been implemented, including cutting the workforce, closing development projects and achieving a new, outsourced production structure. Some of the technology has been licensed with good results.

For some time now a large programme of measures has been implemented in Sweden and abroad with the main emphasis on the bioenergy sector. As a result, Opti Energi AB, Opti Energy Group AB and Opcon Bioenergy AB are being decommissioned and wound up in Sweden. Bioenergy activities are being focused on Saxlund and an increased international focus. The parent company's operations in Åmål are being closed down completely. The savings programme, which includes reduced personnel costs, reduced cost of external consultants, IT and administration and reduced financing costs, is expected after enlargement to yield annual savings in excess of SEK 30 million compared to 2013, with effects in 2014 expected to exceed SEK 20 million. Over the past one and a half years, major interest-bearing debts have been paid off.

The Board notes that although major challenges remain, significant steps have already been taken to reduce costs, and these efforts have begun to show in financial results. In Q2 costs for remuneration to employees were around SEK 3 million lower than last year, while financing costs for the first six months of 2014 were around SEK 7 million lower than the previous year.

With an expanding order book, the existing cost savings programme and the plans for the formation of a JV together with Snowman in China together with other activities in China, capacity utilisation is expected to increase, and the Board expects Opcon to report positive earnings for 2014.

FORWARD-LOOKING INFORMATION

This report contains forward-looking information and statements about the future outlook of Opcon's business. This information is based on the management team's current expectations, estimates and forecasts. Actual future outcomes may vary significantly compared with information included in this report that looks to the future due to changed conditions in the economy, market and competition environment.

ACCOUNTING PRINCIPLES

Opcon AB applies International Financial Reporting Standards (IFRS) as adopted by the European Union. The key accounting and assessment principles are the same as those used for the annual report for the financial year ending 31 December 2013. This interim report has been drawn up in accordance with IAS 34 (Interim Financial Reporting) and the Swedish annual accounts act. The financial statement for the parent company has been drawn up in accordance with RFR 2 (Reporting for legal entities) of the Swedish Financial Accounting Standards Council and the Swedish annual accounts act. The Interim report has not been verified by the company's auditors.

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Opcon AB (publ) corp. organization. No. 556274-8623

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FUTURE REPORTS

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CONSOLIDATED INCOME STATEMENT

(SEK '000)	Q2 2014	Q2 2013	Q1-2 2014	Q1-2 2013	Last 12 months	Full year 2013
Net sales	54,942	62,677	122,280	136,693	260,613	275,026
Expenses for sold goods	-36,782	-52,865	-89,691	-110,658	-196,568	-217,535
Gross profit	18,160	9,812	32,589	26,035	64,045	57,491
Sales expenses	-7,555	-6,029	-14,942	-15,136	-30,191	-30,385
Administration expenses	-11,643	-11,711	-21,021	-23,998	-60,422	-63,399
Development expenses	-3,589	-4,180	-6,821	-7,832	-13,490	-14,501
Other costs	38	-224	-314	-820	-767	-1,273
Operating profit/loss	-4,589	-12,332	-10,509	-21,751	-40,825	-52,067
Financial income	602	470	613	492	971	850
Financial expenses	-849	-3,254	-1,081	-7,991	-3,680	-10,590
Profit/loss before tax	-4,836	-15,116	-10,977	-29,250	-43,534	-61,807
Tax	-	-	-	-	-	-
Profit/loss from remaining business	-4,836	-15,116	-10,977	-29,250	-43,534	-61,807
Income (loss) from discontinued operations	-857	-778	-4,510	-729	-4,466	-685
Profit/loss from divested business	-	-	-	-	-1,600	-1,600
Profit/loss for the period	-5,693	-15,894	-15,487	-29,979	-49,600	-64,092
Profit/loss attributable to parent company shareholders	-5,693	-15,894	-15,487	-29,979	-49,600	-64,092
Earnings per share before dilution (SEK)						
Profit/loss from remaining business	-0.01	-0.05	-0.03	-0.09	-0.13	-0.19
Profit/loss from divested business	0.00	0.00	-0.01	0.00	-0.01	0.00
Profit/loss for the period	-0.01	-0.05	-0.04	-0.09	-0.14	-0.19
Earnings per share after dilution (SEK)						
Profit/loss from remaining business	-0.01	-0.05	-0.03	-0.09	-0.11	-0.18
Profit/loss from divested business	0.00	0.00	-0.01	0.00	-0.01	0.00
Profit/loss for the period	-0.01	-0.05	-0.04	-0.09	-0.12	-0.18
Total no. of shares ('000)	378,800	344,414	378,800	344,414	378,800	344,414
Average no. of shares ('000)	378,800	324,132	353,679	317,756	353,679	331,085
Break-down of costs						
Depreciation and write-downs	2,511	3,229	5,334	6,008	11,069	11,743
Remuneration to employees	26,500	29,606	53,046	55,330	107,622	109,906
Materials and other costs	30,520	42,174	74,409	97,106	182,747	205,444
Total costs	59,531	75,009	132,789	158,444	301,438	327,093

STATEMENT OF COMPREHENSIVE INCOME

(SEK '000)	Q2 2014	Q2 2013	Q1-2 2014	Q1-2 2013	Last 12 months	Full year 2013
Profit/loss for the period	-5 693	-15 894	-15 487	-29 979	-49 600	-64 092
Other comprehensive income						
Translation differences, parent company shareholders	713	3 009	713	365	1 654	1 306
Translation differences, minority interests	-	-	-	-	-	-
Other comprehensive income for the period	713	3 009	713	365	1 654	1 306
Total comprehensive income for the period	-4 980	-12 885	-14 774	-29 614	-47 946	-62 786
Total comprehensive income for the period attributable to parent company shareholders	-4 980	-12 885	-14 774	-29 614	-47 946	-62 786

CONSOLIDATED BALANCE SHEET (SEK '000)

	30 June 2014	31 Dec 2013
Fixed assets		
Tangible fixed assets	12,150	13,308
Goodwill	146,431	144,156
Other intangible fixed assets	155,527	156,432
Financial fixed assets	42,433	44,143
Deferred tax receivable	39,392	39,392
Total fixed assets	395,933	397,431
Current assets		
Stock	68,708	69,895
Securities holding	226	512
Current receivables	92,205	85,031
Work in progress, un-invoiced income, contracted	43,193	35,346
Liquid funds	14,967	17,853
Total current assets	219,299	208,637
Total assets	615,232	606,068
Shareholders' equity	461,033	456,207
Long-term liabilities		
Interest-bearing provisions and liabilities	1,262	543
Non-interest-bearing provisions and liabilities	17,506	16,963
Total long-term liabilities	18,768	17,506
Current liabilities		
Interest-bearing liabilities	5,628	3,129
Non-interest-bearing liabilities	98,879	96,717
Work in progress, un-invoiced income, contracted	30,924	32,509
Total current liabilities	135,431	132,355
Total shareholders' equity and liabilities	615,232	606,068
Pledged securities		
Chattel mortgages	19,047	17,951
Contingent liabilities	44,969	52,810

KEY FIGURES	Q2 2014	Q2 2013	Q1-2 2014	Q1-2 2013	Last 12 months	Full year 2013
Operating margin, %	-8.4	-19.7	-8.6	-15.9	-15.7	-18.9
Return on operating capital, %	-	-	Neg	-	Neg	Neg
Return on equity, %	-	-	Neg	-	Neg	Neg
Profit/loss per share before dilution, SEK	-0.02	-0.05	-0.05	-0.09	-0.15	-0.19
Profit/loss per share after dilution, SEK	-0.02	-0.05	-0.04	-0.09	-0.13	-0.18
Equity per share, SEK	1.22	1.42	1.22	1.42	1.22	1.32
Equity/assets ratio, %	74.9	75.8	74.9	75.8	74.9	75.3
No. of shares, thousands	378,800	344,414	378,800	344,414	378,800	344,414
Average no. of shares, thousands	378,800	324,132	353,679	317,756	353,679	331,085

STATEMENT OF CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY (SEK '000)

	Share capital	Other capital contribution	Reserves	Profit/loss brought forward	Minority interests	Total shareholders equity
Opening balance, 1 January 2013	372,357	403,381	-9,053	-281,667	-	485,018
Comprehensive income						
Profit/loss for the period	0	0	0	-14,085	0	-14,085
Övrigt totalresultat						
Currency differences when translating foreign business	-	-	-2,644	-	-	-2,644
Total comprehensive income	0	0	-2,644	-14,085	0	-16,729
Transactions with shareholders						
New share issue ¹	15,109	-7,978	-	-	-	7,131
Closing balance per 30 June 2013	387,466	395,403	-11,697	-295,752	0	475,420
Comprehensive income						
Profit/loss for the period	0	0	0	-50,007	0	-50,007
Övrigt totalresultat						
Currency differences when translating foreign business	-	-	3,929	-	-	3,929
Total comprehensive income	0	0	3,929	-50,007	0	-46,078
Transactions with shareholders						
New share issue ¹	43,052	-16,187	-	-	-	26,865
Closing balance per 31 December 2013	430,518	379,216	-7,768	-345,759	0	456,207
Comprehensive income						
Profit/loss for the period	0	0	0	-15,487	0	-15,487
Övrigt totalresultat						
Currency differences when translating foreign business	-	-	713	-	-	713
Total comprehensive income	0	0	713	-15,487	0	-14,774
Transactions with shareholders						
New share issue ¹	42,982	-23,382	-	-	-	19,600
Closing balance per 30 June 2014	473,500	355,834	-7,055	-361,246	0	461,033

1) The premium on implemented new share issues is reported as other capital contributions.

STATEMENT OF CONSOLIDATED CASH FLOW (SEK '000)

	Q2 2014	Q2 2013	Q1-2 2014	Q1-2 2013	Last 12 months	Full year 2013
Operating profit/loss	-5,404	-13,089	-14,906	-22,396	-46,836	-54,326
Financial items	-289	-2,805	-581	-7,583	-2,764	-9,766
Depreciation, write-downs	2,561	3,229	5,384	6,008	11,118	11,742
Taxes paid	-612	-1,250	-634	-1,170	1,313	777
Other items not affecting liquidity	-3,880	6,145	-1,276	-962	1,084	1,398
Cash flow from current activities	-7,624	-7,770	-12,013	-26,103	-36,085	-50,175
Cash flow from change in working capital	3,251	-22,424	-12,615	-40,956	10,706	-17,635
Total cash flow from the business	-4,373	-30,194	-24,628	-67,059	-25,379	-67,810
Cash flow from investing activities	-629	-7,427	-929	29,747	16,508	47,184
Cash flow from financing activities	3,560	33,947	22,818	33,131	11,083	21,396
Total cash flow	-1,442	-3,674	-2,739	-4,181	2,212	770
Liquid assets, opening balance	16,658	16,201	17,853	17,113	12,785	17,113
Total cash flow	-1,442	-3,674	-2,739	-4,181	2,212	770
Exchange rate differences in liquid funds	-249	258	-147	-147	-30	-30
Liquid assets, closing balance	14,967	12,785	14,967	12,785	14,967	17,853

CONSOLIDATED INCOME STATEMENT

PER QUARTER (SEK '000)	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Net sales	54,942	67,338	68,760	69,573	62,677	74,016
Operating profit/loss	-4,589	-5,920	-26,198	-4,118	-12,332	-9,419
Financial items	-247	-221	-826	-1,415	-2,784	-4,715
Profit/loss after financial items	-4,836	-6,141	-27,024	-5,533	-15,116	-14,134
Tax	-	-	-	-	-	-
Profit/loss from remaining business	-4,836	-6,141	-27,024	-5,533	-15,116	-14,134
Income (loss) from discontinued operations	0	0	0	-1,600	0	0
Profit/loss from divested business	-857	-3,653	583	-539	-778	49
Profit/loss for the period	-5,693	-9,794	-26,441	-7,672	-15,894	-14,085
Profit/loss for the period attributable to parent company shareholders	-5,693	-9,794	-26,441	-7,672	-15,894	-14,085

PARENT COMPANY'S INCOME STATEMENT (SEK '000)

	Q2 2014	Q2 2013	Q1-2 2014	Q1-2 2013	Last 12 months	Full year 2013
Net sales	1,950	1,823	8,335	20,387	21,122	33,174
Cost of sold services	-1,752	-1,933	-5,294	-20,497	-17,833	-33,036
Gross profit	198	-110	3,041	-110	3,289	138
Administration expenses	-3,680	-4,823	-11,701	-8,223	-19,556	-16,078
Operating profit/loss	-3,482	-4,933	-8,660	-8,333	-16,267	-15,940
Profit/loss from other securities and receivables that are fixed assets	0	0	0	0	-1,600	-1,600
Received/paid Group contribution	-	-	-	-	-2,894	-2,894
Financial income	2,160	2,098	4,168	3,748	8,233	7,813
Financial expenses	-336	-916	-492	-4,537	-1,819	-5,864
Profit/loss from financial income and expenses	-1,658	-3,751	-4,984	-9,122	-14,347	-18,485
Tax	-	-	-	-	-	-
Profit/loss for the period	-1,658	-3,751	-4,984	-9,122	-14,347	-18,485

PARENT COMPANY'S BALANCE SHEET (SEK '000)

	30 June 2014	31 Dec 2013
Fixed assets		
Tangible fixed assets	216	271
Participations in Group companies	245,624	245,624
Deferred tax	35,969	35,969
Long-term receivables	40,320	40,674
Total fixed assets	322,129	322,538
Current assets		
Accounts receivables	751	815
Receivables from Group companies	240,543	225,778
Tax receivables	805	521
Other receivables	407	2,226
Liquid funds including current investments	1,376	4
Total current assets	243,882	229,344
Total assets	566,011	551,882
Shareholders' equity		
Share capital	473,500	430,518
Statutory reserve	12,372	35,756
Total tied-up capital	485,872	466,274
Non-restricted equity/ profit/loss for the year	21,873	28,626
Total shareholders' equity	507,745	494,900
Current liabilities		
Interest-bearing liabilities to credit institutions	-	3,102
Accounts payable	6,737	5,463
Liabilities to Group companies	44,964	43,303
Other non-interest-bearing liabilities	6,565	5,114
Total current liabilities	58,266	56,982
Total shareholders' equity and liabilities	566,011	551,882
Contingent liabilities	46,693	53,745
Equity/assets ratio (%)	89.7	89.7
No. of shares at end of period ('000)	378,800	344,414

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 140 employees.

The company's shares are listed on Nasdaq OMX Stockholm.

The Group's 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.



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