

PSI Group ASA

Q2 and 1st half 2014

Financial report and status



HIGHLIGHTS 2ND QUARTER 2014

Operating revenues: MNOK 196.8 (MNOK 198.6).

- 32.0 per cent increase for PSI Technology to MNOK 119.1 (MNOK 90.2). CashGuard has increased the revenues with 18.9 per cent and SQS Security has increased the revenues with 10.3 per cent.
- 56.5 per cent decrease for PSI Retail to MNOK 38.8 (MNOK 89.1). The decline is related to the roll out of electronic shelf labels to Rema 1000 which was completed in summer 2013.
- 108.2 per cent increase for PSI Labels to MNOK 43.5 (MNOK 20.9). The increase comes from both the acquisition of businesses and organic growth.

EBITDA: MNOK 10.1 (MNOK 15.5)

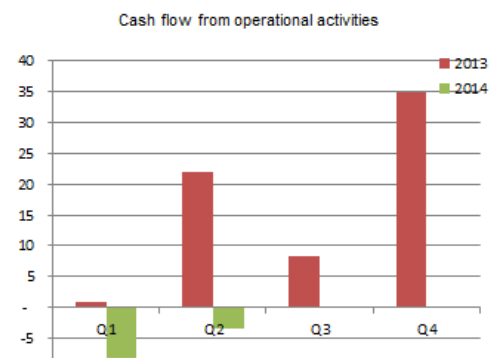
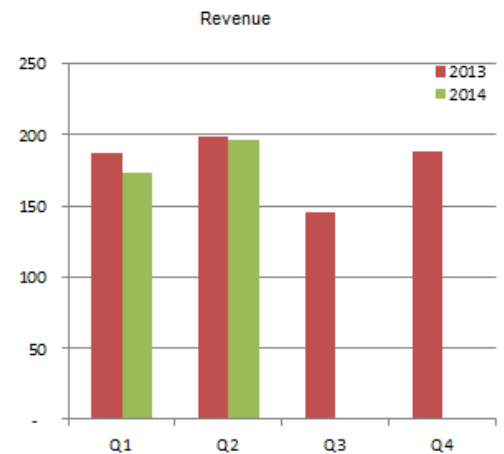
- MNOK 2.8 increased EBITDA for PSI Technology to MNOK 9.0 (MNOK 6.2). EBITDA includes MNOK – 0.3 from Vensafe.
- MNOK 10.6 decreased EBITDA for PSI Retail to MNOK 1.1 (MNOK 11.7).
- MNOK 2.2 increased EBITDA for PSI Labels to MNOK 2.4 (MNOK 0.2). EBITDA includes non-recurring expenses of MNOK 1.4 related to the merger in Sweden.

Cash flow from operational activities: MNOK -3.5 (MNOK 21.9)

- Strong sales in May-June has resulted in increase of working capital

Two strategically important acquisitions:

- Vensafe: PSI Technology gets yet another world-leading retail technology in its portfolio of owned technologies.
- New Vision: Provides PSI a new geographic market in the Baltic, as well as a newly started business in Russia and Finland. This strengthens PSI Technology's distribution network, and gives PSI Retail important IT - and solution expertise within retail.



Acquisitions of companies

PSI Group ASA has an ambitious strategy to develop the Group into a leading European retail group. This goal will be reached by offering customers an attractive product range in retail solutions, software solutions, services and service in more and more markets.

As a step towards this goal we have in the last quarter acquired two new businesses:

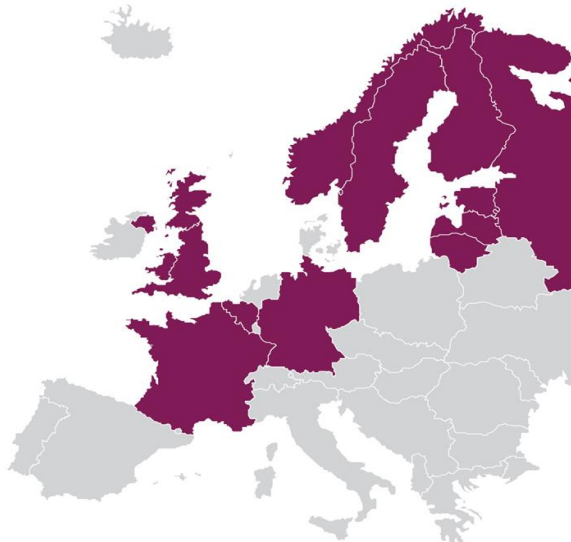
- **Vensafe's** solutions fit well into PSI Group, both as a product in our company-owned distribution network (in Norway, Sweden, the Baltic, Finland and Russia), in addition it will be marketed together with CashGuard and SQS Security to dealers outside of our own distribution network .

Vensafe AS, a wholly owned subsidiary of PSI Group ASA through a private placement 8th April 2014 and is included in the business area PSI Technology as of April 2014. Vensafe is a Norwegian technology company, which develops and sells automated sales solutions goods exposed for theft in retail. Vensafe streamline store operations, reduce shrinkage and theft and help reduce working capital on a number of high value products. The most important markets as of today are Germany, Norway, Sweden and Belgium.

See www.vensafe.com for more information.



- **New Vision** adds new markets to PSI Group for sale of our own technology, which today consist of CashGuard, Vensafe and SQS Security. In addition, PSI Group will get important expertise in solutions and software aimed at retail, which we can use in our home markets in Norway and Sweden.



New Vision Baltija UAB, with its subsidiaries in the Baltic countries as well as Finland and Russia, became a wholly owned subsidiary of PSI Group ASA on 2 July 2014. The company is included in the business area PSI Retail as of July 2014. The company is an ambitious Baltic technology - and service company that specializes in delivering IT and business solutions to the retail industry. The company represents world leading suppliers of retail technology to the retail sector. The company also has strong expertise in software development, productivity increasing consulting expertise, as well as 24/7 service and support center for its customers.

See www.new-vision.com for more information.

In addition to the acquisitions, essentially resources are used on sales and marketing of CashGuard, Vensafe and SQS Security in increasing number of markets. CashGuard has in recent years strengthened its workforce in sales and marketing with 4 FTE, and SQS Security will in August get a new sales director and director of new markets.

GROUP STRUCTURE

The Group has three business areas:

PSI Technology: Technology as the group itself develops under the brand names CashGuard, Vensafe and SQS Security. The figures in the business area show sales and profit generated by the technology products throughout the value chain within PSI Group.

PSI Retail: Sales and marketing of retail solutions and supplies, beyond the solutions reported in the PSI Technology. Besides sales of equipment, service and support, systems integration and consulting are major income elements.

PSI Labels: Design, production, sale and marketing of adhesive labels and corresponding printer / applicators.

MNOK	Q2 2014	Q2 2013	YTD 2014	YTD 2013	2013
Revenue	196,8	198,6	370,0	385,4	718,9
EBITDA	10,1	15,5	20,1	28,6	54,2
Operating profit (EBIT)	2,9	10,1	5,6	17,5	28,3
Ordinary profit before tax (EBT) ¹⁾	2,4	9,1	4,5	14,2	56,4
Net cash flow operations	-3,5	21,9	-11,8	22,9	66,2
Disposable funds	22,6	19,2	22,6	19,2	65,0
Earnings per share (NOK)	0,04	0,15	0,08	0,23	1,16
EBITDA margin	5 %	8 %	5 %	7 %	8 %

¹⁾ Year 2013: Included a profit of MNOK 33 related to the sale of InStore IT companies.

THE GROUP

Results

The Group generated operating revenues of MNOK 196.8 in the second quarter 2014, compared with MNOK 198.6 in the corresponding period in 2013. In the first half 2014 operating revenue was MNOK 370.0 compared with MNOK 385.4 in the first half 2013.

Revenue	Q2 2014				Q2 2013			
	Norway	Sweden	Other markets	Total	Norway	Sweden	Other markets	Total
MNOK								
PSI Technology	27,8	58,0	33,3	119,1	35,1	29,5	25,5	90,2
PSI Retail	15,7	23,3	-0,2	38,8	57,1	31,9	0,1	89,1
PSI Label	14,4	28,4	0,7	43,5	8,8	12,1	0,0	20,9
Group	0,1	0,0	0,0	0,1	0,1	0,0	0,0	0,1
Elimineringer	1,1	-5,9	0,2	-4,6	-1,8	0,1	0,1	-1,7
Total	59,1	103,8	33,9	196,8	99,3	73,6	25,7	198,6

Operating profit before depreciation (EBITDA) was MNOK 10.1 (MNOK 15.5) in the second quarter. The second quarter includes MNOK 1.4 in non-recurring expenses related to the merger of Labels in Sweden and MNOK - 0.3 in EBITDA from Vensafe. In the first half 2014 EBITDA were MNOK 20.1 compared with MNOK 28.6 in the first half 2013.

Profit before tax (EBT) show a profit of MNOK 2.4 in the second quarter compared with MNOK 9.1 in 2013. In the first half 2014 EBT were MNOK 4.5 compared with MNOK 14.2 in the first half 2013.



PSI TECHNOLOGY

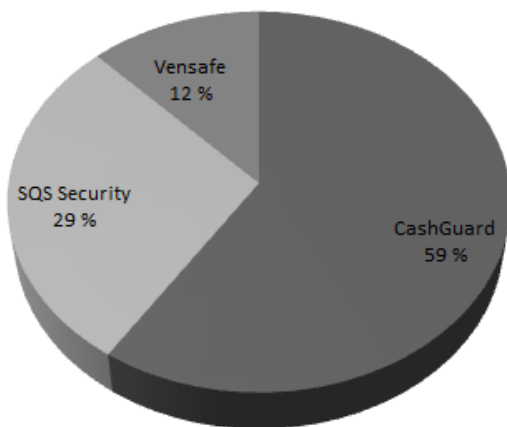
PSI Technology comprises PSI Groups self-owned technologies and brands: CashGuard, SQS Security and Vensafe.

PSI Group ASA acquired 100 per cent of Vensafe AS 8 April 2014. The acquisition added the business area yet another world-leading technology within retail solutions. Vensafe produces machines for securing valuable products in retail. See www.vensafe.com for more information.

The figures in the business area show sales and profit generated by the technology products throughout the value chain within PSI Group.

MNOK	Q2		YTD		
	2014	2013	2014	2013	2013
Product Sales	75,4	58,2	134,9	123,1	235,3
Service	43,6	32,0	74,0	58,0	120,5
Revenue	119,1	90,2	208,9	181,1	355,7
EBITDA	9,0	6,2	15,1	12,7	22,4
EBITDA-margin	7,5 %	6,9 %	7,2 %	7,0 %	6,3 %
EBT	4,7	1,5	7,0	0,5	-1,3

Revenue per technology Q2



CashGuard is the market's most reliable cash handling systems. CashGuard's goal is to make cash payments effective and competitive for retailers through its leading expertise and longest experience in cash handling concepts.

MNOK	Q2		YTD		
	2014	2013	2014	2013	2013
Product Sales	36,8	34,8	84,7	65,3	133,7
Service	27,6	24,7	49,3	43,1	88,2
Revenue	64,3	59,4	134,0	108,3	221,8
EBITDA	6,3	8,3	16,2	15,2	29,4
EBITDA-margin	9,8 %	14,0 %	12,1 %	14,0 %	13,2 %
EBT	4,8	6,1	13,4	8,6	17,2

The operating revenue increased by 8.3 per cent to MNOK 64.3 (MNOK 59.4) in the second quarter. In the first half 2014 the business area showed an increase in operating revenue of 23.7 per cent to MNOK 134.0 (MNOK 108.3). Increased sales in Sweden are the main reason for the increase. The business area experiencing a high demand for new machines ahead of the new notes and coins which the Swedish Riksbanken will introduce in the coming years.

EBITDA was MNOK 6.3 (MNOK 8.3) in the second quarter. The decrease in EBITDA in the period is due to enhanced investment in sales and marketing, as well as product development. In the first half EBITDA was MNOK 16.2 (MNOK 15.2).

Number of sold systems	Q2		YTD			Total sold
	2014	2013	2014	2013	2013	
Norway	80	179	248	351	565	8 489
Sweden	229	107	513	265	700	10 779
Total domestic	309	286	761	616	1 265	19 268
International	250	179	440	396	785	3 990
Total	559	465	1 201	1 012	2 050	23 258

CashGuard had a strong growth in revenue in Q2 compared to the same period in 2013. A successful replacement campaign of CashGuard, to deal with new Swedish notes and coins, has contributed significantly to this growth. PSI Antonson has also started roll out of 65 CashGuard systems to Sweden's largest private pharmacy

chain Apotek Hjärtat. The catering chain Kost has become a customer during Q2.

The new G-MAX at Slependen in Oslo has installed CashGuard and MultiPOS from PSI Systems. This is the 9th store in the series since the start up at Storo in 2011. G-MAX plan to install the concept in all its stores.

In Denmark the deliveries to Copenhagen municipality continued in the second quarter. There have also been a number of smaller individual sales in the period, especially to the convenience market.

In Spain, there was a marked increase in sales of CashGuard to the pharmacy industry in the second quarter. There was also initiated several pilots of CashGuard Presidio to several major restaurant chains in the same quarter. In the 1st quarter, CashGuard got a major new order from supermarket chain Grupo Jesuman the Canary Islands.

In France the deliveries to Monoprix continued as planned. On the French market, sales increased both to bakeries and pharmacies. A pharmacy at the airport Charles De Gaulle also has installed CashGuard; a strategically important exhibition space for the product on an international arena.

The good development in Germany in the first quarter has continued in the second quarter, although the total still represents a smaller amount of systems.

Go to www.cashguard.com to subscribe to news or to www.youtube.com/user/CasGuard to watch videos.



PSI Group ASA acquired Vensafe 8 April 2014. From the second quarter Vensafe is a part of PSI Technology.

	Q2 2014
MNOK	
Product Sales	12,7
Service	8,0
Revenue	20,8
EBITDA	-0,3
EBITDA-margin	-1,5 %
EBT	-1,0

It is in the first three months made significant cuts in costs, focusing on realizing synergies with other companies in PSI Group. From the third quarter the organization is changed, new work processes and

procedures have been implemented so that Vensafe is focused on sales and profitability.

The effect of synergies with PSI Group is expected to provide Vensafe a reduction in operating costs with an annual effect of MNOK 8.3. The effect of synergies is reflected from the 2nd quarter. The work on defining cost-reducing effects in the production and coordination of suppliers for the whole group continues. It is still expected a time consuming turnaround to achieve satisfactory profitability in the business.

In Norway the tobacco legislation is tightened for the sale of tobacco product. This means that the previous legal tobacco product refrigerator must move behind the checkout, so it can't be offered self-service. A result of this legislation is that the Meny chain has upgraded all of its stores to offer tobacco products through Vensafe machines with cooling, the tobacco product refrigerator will therefore be removed from Meny within July 1. The deliveries were completed in June.

The operating revenue was MNOK 20.8 in the second quarter. EBITDA was MNOK - 0.3 in the second quarter.



SQS Security delivers cash security solutions for ATM and cash in transit (CIT) operators based on patented destruction and tracking technologies.

	Q2		YTD		
	2014	2013	2014	2013	2013
MNOK					
Product Sales	25,9	23,5	37,5	57,8	101,6
Service	8,1	7,3	16,6	14,9	32,3
Revenue	34,0	30,8	54,1	72,8	133,9
EBITDA	2,9	-2,1	-0,8	-2,5	-7,0
EBITDA-margin	8,7 %	-6,8 %	-1,4 %	-3,4 %	-5,2 %
EBT	0,9	-4,6	-5,4	-8,1	-18,5

The operating revenue increased by 10.3 per cent to MNOK 34.0 (MNOK 30.8) in the second quarter. In the first half 2014 SQS Security showed a decrease in operating revenue of 25.6 per cent to MNOK 54.1 (MNOK 72.8). This is mainly due to a large delivery to Croatia in Q1 2013.

EBITDA was MNOK 2.9 (MNOK - 2.1) in the second quarter. In the first half EBITDA was MNOK - 0.8 (MNOK - 2.5). EBITDA in the first quarter 2013 included non-recurring expenses of MNOK 2.4 related to management changes in SQS Security.

The new SMP product line and the upgrade of Q400 have resulted in significant reductions in warranty costs. At the same time, SQS Security will in 2014 increase its focus on sales and marketing. It is employed a new sales manager as well as a business expansion manager for new geographical markets. Both will start in August.

SQS Security has during the 2nd quarter completed a delivery of 484 Q-Case SMP Mini relating to the framework agreement signed in March 2014.

In France, SQS Security Qube System received in the first quarter an order from Brinks on 165 Q-Case 400. 53 cases are delivered in the second quarter and the rest of the delivery will be completed in the third quarter.

We have received an additional order for 150 cases to a CIT company in Europe.

In Germany SparBank has outfitted several of its ATMs with ASP (ATM Stationary Protection). The company has totally installed approx. 20 ATMs with ASP in Germany.

New products within the SMP family will be launched consecutively in 2014. These products will be based on the same main components, which would result in a significant simplification of the logistics and reduce production costs.



PSI RETAIL

The business area's goal is to enhance retailers' profitability by making store employees' working environment more efficient and streamlining consumers' shopping experience. PSI Retail is a distributor of retail technology and supplies from the world's leading producers, as well as supplier of software solutions, consulting, service and support. Sales and profit from self-owned technology, such as SQS Security, CashGuard and Vensafe, are reported under PSI Technology.

New Vision will be included in the business area as of July 2014. The acquisition will give the group a new position as market leader in the Baltic countries, at the same time the

offices in Finland and Russia are relatively young, but can be important contributors to the business area's organic growth in the years to come. New Vision has approx. 200 employees and the total turnover in 2013 was MNOK 73.6.

MNOK	Q2		YTD		
	2014	2013	2014	2013	2013
Product Sales	30,4	71,6	65,4	125,4	195,4
Service	8,4	17,5	23,6	39,9	67,6
Revenue	38,8	89,1	89,1	165,3	263,0
EBITDA	1,1	11,7	5,7	21,0	33,4
EBITDA-margin	2,9 %	13,1 %	6,4 %	12,7 %	12,7 %
EBT	0,9	10,9	5,0	19,0	30,9

The business area PSI Retail's operating revenue has decreased by 56.5 per cent to MNOK 38.8 (MNOK 89.1) in the second quarter. In the first half 2014 the business area showed a decrease in operating revenue of 46.1 per cent to MNOK 89.1 (MNOK 165.3). The corresponding period for 2013 was characterized by roll-out of ESL to Rema1000.

EBITDA was MNOK 1.1 (MNOK 11.7) in the second quarter. In the first half EBITDA was MNOK 5.7 (MNOK 21.0). The decrease in EBITDA of 72.8 per cent is due to lower revenue compared with the same period last year.

ICA is upgrading all their fresh food scales. PSI Systems was preferred as supplier because of its total solution consisting of PC-scales combined with our own developed software, Scale Manager.

PSI Systems signed in the first quarter a framework agreement for the delivery, installation and service of Pricer's electronic shelf labels to a retail chain in Norway.

During the second quarter, PSI Antonson has been chosen as a supplier of Repant reverse vending machines to ICA in Sweden and received approval for the product at Coop. PSI Antonson has also a Repant pilot at the low price chain and Axfood-owned Willys.



PSI LABELS

PSI Labels offers a wide range of adhesive labels and corresponding printer / applicators. The business area is one of Scandinavia's largest producers of label solutions.

The business area is a result of the focus on the label business in PSI Retail. As of Q1 2014 label business will be reported in this new business area.

MNOK	Q2		YTD		
	2014	2013	2014	2013	2013
Product Sales	43,5	20,9	85,4	38,9	101,8
Service	-	-	-	-	-
Revenue	43,5	20,9	85,4	38,9	101,8
EBITDA	2,4	0,2	5,0	0,0	4,5
EBITDA-margin	5,4 %	0,8 %	5,8 %	0,1 %	4,4 %
EBT	-0,6	-0,7	-0,8	-1,8	-3,2

The business area PSI Labels operating revenue has increased by 108.2 per cent to MNOK 43.5 (MNOK 20.9) in the second quarter. In the first half 2014 the business area showed an increase in operating revenue of 119.6 per cent to MNOK 85.4 (MNOK 38.9). The acquisition of two digital printing facilities in 2013 was consolidated, respectively, in July and September 2013, which resulted in a growth in the quarter of MNOK 18.8. In addition, the business area organic growth in the quarter was MNOK 3.8.

EBITDA was MNOK 2.4 (MNOK 0.2) in the second quarter. In the first half EBITDA was MNOK 5.0 (MNOK 0.0).

In Sweden, Sydetikett AB and PSI Retail's Swedish label business has been integrated into one common company - Antonson Etikett AB. The second quarter includes non-

recurring expenses of MNOK 1.4 related to staff reductions as a result of this merger.

Antonson Label has during the second quarter received orders on preprinted labels to the food producer Hilton Food Group and the health food supplier Bringwell.

Coop has renewed its agreement with PSI Systems and PSI Antonson, which means that the companies will continue to deliver all of the scale labels to their stores in Norway and Sweden.

CASH FLOW AND EQUITY

Cash flow from operating activities decreased by MNOK 25.4 in the second quarter, and ended at MNOK - 3.5 compared with MNOK 21.9 in the same period last year.

Working capital increased by MNOK 13.7 in the quarter compared with the end of the first quarter of 2014.

Net interest-bearing debt has increased by MNOK 24.5 compared with the end of the previous quarter and totalled MNOK 82.5.

Disposable funds was MNOK 22.6 per 30 June 2014.

The Board wants the members of the executive management to have shares in the company. It was therefore in the first quarter 2013 introduced a share program for the executive management where members have the opportunity to buy shares for up to NOK 500 000 per year with 20 per cent discount. In addition, the first employee share program was conducted, in which all employees in the Norwegian companies were allowed to buy shares for up to NOK 25 000 with 20 per cent discount. In 2013 employees subscribed 102 649 shares through these programs.

The Groups holding of own shares amounts to 660,253, which represents 1.5 per cent of outstanding shares.

A dividend of NOK 0.30 per share was paid in May.

The Board of Directors of PSI Group ASA,
Rælingen, 10 July 2014

Svein S. Jacobsen
Chairman

Erik Pinnås
Director

Selma Kveim
Director

Camilla Tepfers
Director

Klaus de Vibe
Director

Jørgen Waaler
CEO

STATEMENT FROM THE BOARD

The board and group CEO have today considered and approved PSI Group's financial statements for the second quarter and first half 2014, including comparative consolidated figures for the second quarter and first half 2013. This report has been prepared in accordance with IAS 34 on interim financial reporting as determined by the European Union, and with supplementary requirements pursuant to the Norwegian Securities Trading Act.

The board and CEO hereby declare, to the best of their knowledge, that the financial statements for the second quarter and first half 2014 have been prepared in accordance with prevailing accounting principles and that the information in the financial statements gives a true and fair view of the assets, liabilities, financial position and profit of the group taken as a whole at 30 June 2014 and 30 June 2013. To the best of their knowledge, the report gives a true and fair overview of important events during the accounting period and the impact of these events on the financial statements.

The Board of Directors of PSI Group ASA,
Rælingen, 10 July 2014

Svein S. Jacobsen
Chairman

Erik Pinnås
Director

Selma Kveim
Director

Camilla Tepfers
Director

Klaus de Vibe
Director

Jørgen Waaler
CEO

CONSOLIDATED INCOME STATEMENT

KNOK	Q2 2014	Q2 2013	Chg. %	YTD 2014	YTD 2013	Chg. %	2013
Sales revenues	196 847	196 809	0,0 %	370 036	383 023	-3,4 %	716 506
Profit from AC, Service companies	-	1 804	-	-	2 367	-	2 367
Cost of goods sold	97 234	110 498	-12,0 %	180 231	210 418	-14,3 %	378 473
Payroll	63 188	49 338	28,1 %	119 707	101 462	18,0 %	196 806
Other operating expenses	26 359	23 279	13,2 %	49 993	44 931	11,3 %	89 438
Total operating expenses	186 781	183 115	2,0 %	349 931	356 811	-1,9 %	664 718
EBITDA	10 066	15 499	-35,1 %	20 104	28 579	-29,7 %	54 155
Depreciation tangible assets	2 898	2 064	40,4 %	5 812	4 495	29,3 %	10 573
Depreciation intangible assets	4 294	3 321	29,3 %	8 661	6 590	31,4 %	15 299
EBIT	2 874	10 114	-71,6 %	5 631	17 494	-67,8 %	28 283
Interest	-925	-1 436	35,6 %	-1 723	-2 898	40,5 %	-4 314
Other financial income	491	376	30,6 %	624	-427	246,2 %	32 414
EBT¹⁾	2 440	9 054	-73,1 %	4 531	14 169	-68,0 %	56 383
Taxes	502	2 173	-76,9 %	1 086	3 675	-70,4 %	5 214
Profit/loss after tax	1 938	6 881	-71,8 %	3 445	10 494	-67,2 %	51 169
Of which							
Majority interest	1 938	6 706	-71,1 %	3 445	10 172	-66,1 %	50 937
Minority interest	-	175	0,0 %	-	323	0,0 %	232
	1 938	6 881	-71,8 %	3 445	10 494	-67,2 %	51 169
Earnings per share							
Number of shares outstanding	44 376 040	44 376 040	0,0 %	44 376 040	44 376 040	0,0 %	44 376 040
Av. Number of shares - own shares	43 715 787	43 786 928	0,0 %	43 715 787	43 765 010	0,0 %	43 757 742
Earnings per share	0,04	0,15	0,0 %	0,08	0,23	0,0 %	1,16
Diluted earnings per share	0,04	0,15	0,0 %	0,08	0,23	0,0 %	1,16
EBITDA per share	0,23	0,35	0,0 %	0,46	0,65	0,0 %	1,24
Diluted EBITDA per share	0,23	0,35	0,0 %	0,46	0,65	0,0 %	1,24

Total earnings	Q2 2014	Q2 2013	Chg. %	YTD 2014	YTD 2013	Chg. %	2013
Profit/loss after tax	1 938	6 881	-71,8 %	3 445	10 494	-67,2 %	51 169
Exchange differences on foreign operations	-4 190	517	-909,8 %	-9 723	9 951	-197,7 %	22 628
Total earnings	-2 252	7 399	-130,4 %	-6 278	20 445	-130,7 %	73 797
Of which							
Majority interest	-2 252	7 224	-131,2 %	-6 278	20 123	-131,2 %	73 565
Minority interest	-	175	0,0 %	-	323	0,0 %	232

¹⁾ Year 2013 includes a profit of MNOK 33 related to the sale of InStore IT companies.

CONSOLIDATED BALANCE SHEET

KNOK	30.06.2014	30.06.2013	31.03.2014	31.12.2013
ASSETS				
Intangible assets	100 418	102 093	106 674	113 747
Goodwill	107 295	84 488	108 038	110 779
Tangible assets	42 174	23 866	41 265	36 445
Long term investments	481	13 133	481	481
Deferred tax	34 578	26 483	17 082	18 084
Non-current assets	284 946	250 064	273 539	279 535
Financial investments	51	24	25	26
Goods	92 421	74 035	76 596	85 787
Accounts receivable	140 007	127 831	111 688	98 156
Prepaid expenses	13 190	8 322	12 084	13 899
Other receivables	7 092	9 972	6 880	8 285
Bank deposits	14 874	7 621	11 211	8 554
Current assets	267 635	227 805	218 486	214 706
TOTAL ASSETS	552 581	477 869	492 025	494 241
EQUITY AND LIABILITIES				
Share capital	27 513	27 513	27 513	27 513
Holding of own shares	-409	-365	-409	-409
Other equity	204 053	170 999	219 418	223 694
Total equity	231 157	198 147	246 522	250 798
Long term interest bearing liabilities	37 230	39 240	40 072	43 603
Other long term liabilities	-	6 209	-	9 764
Total long term liabilities	37 230	45 449	40 072	53 367
Short term interest bearing liabilities	60 179	59 561	29 129	9 271
Accounts payable	90 835	68 958	60 437	71 163
Taxes payable	-	210	-	207
Other short term liabilities	133 179	105 544	115 865	109 435
Total short term liabilities	284 194	234 273	205 431	190 076
TOTAL EQUITY AND LIABILITIES	552 581	477 869	492 025	494 241

STATEMENT OF EQUITY

KNOK	Share capital	Treasury shares	Other paid-in equity	Translation variances	Other equity	Total	Minority interest	Total equity
Equity 31.12.2012	13 757	-185	108 879	10 152	-112 310	203 213	49	203 261
Dividend to minority interest	-	-	-	-	-	-	-120	-120
Sale of own shares	-	51	-	-	338	389	-	389
Purchase of own shares / Compulsory	-	-44	-	-	-636	-680	-	-680
Dividend 2012	-	-	-	-	-10 947	-10 947	-	-10 947
Profit this year after tax	-	-	-	-	51 403	51 403	-234	51 169
Other comprehensive income and expenses	-	-	-	22 628	-	22 628	-	22 628
Equity 31.12.2013	27 513	-409	351 262	29 108	-156 675	250 800	-	250 798
Dividend 2013	-	-	-	-	-13 115	-13 115	-	-13 115
Adapting K3 Sweden	-	-	-	-	-248	-248	-	-248
Profit this year after tax	-	-	-	-	3 445	3 445	-	3 445
Other comprehensive income and expenses	-	-	-	-9 723	-	-9 723	-	-9 723
Equity 30.06.2014	27 513	-409	351 262	19 386	-166 593	231 159	-	231 157

STATEMENT OF CASH FLOW

KNOK	Q2 2014	Q2 2013	YTD 2014	YTD 2013	2013
Ordinary profit before tax	2 440	9 054	4 531	14 169	56 383
Net interest	925	1 436	1 723	2 898	4 314
Tax paid	-	-	-	-433	667
Share of profit, associated companies	-	-1 804	-	-2 367	-2 367
Ordinary depreciation	7 192	5 385	14 473	11 085	25 872
Profit/loss on sale of fixed assets	-	-	-	-	-169
Realised profit on financial instruments	-	-	-	-	-32 969
Change in inventories	-13 949	2 216	-6 295	12 094	4 712
Change in receivables	-14 285	-10 155	-29 790	-30 860	9 422
Change in accounts payable	17 161	3 412	7 671	-3 930	-6 480
Change in other accrued items	-2 980	12 399	-4 093	20 272	6 774
Net cash flow from operational activities	-3 496	21 943	-11 780	22 928	66 159
Net payments for fixed assets	-2 386	-1 010	-8 255	-1 875	-4 550
Capitalisation of development costs	1	-	-97	-	-
Net payments for long term shares	-0	-0	-	-476	-476
Net effect acquisition Vensafe AS	843	-	843	-	-
Net effect acquisition Etikett-Produsenten AS	-	-7 031	-	-7 031	-2 578
Net effect acquisition Sydetikett AB	-	-	-	-	-24 732
Payment from sale of fixed assets	-	-	-	-	325
Net effect sale InStore IT companies	-	-	-	-	46 398
Interest income	40	27	138	60	199
Dividend received from associated companies	-	1 000	-	2 300	2 300
Net cash flow from investment activities	-1 502	-7 014	-7 371	-7 022	16 887
Buying of treasury shares / compulsory acquisition	-	-	-	-	-680
Selling of treasury shares	-	-	-	389	389
Change in long-term debt	-5 671	-2 851	-8 881	-5 017	-13 435
Change in overdraft	28 446	3 434	49 572	6 177	-49 114
Interest expenses	-966	-1 463	-1 861	-2 958	-4 513
Dividend paid	-13 115	-10 547	-13 115	-10 547	-10 943
Dividend paid to minorities	-	-	-	-120	-120
Net cash flow from financing activities	8 695	-11 428	25 715	-12 076	-78 416
Net change in liquid assets	3 696	3 501	6 564	3 830	4 630
Cash and cash equivalents at the start of the period	11 211	4 110	8 554	3 670	3 670
Effect of foreign exchange rate fluctuations on foreign currency deposits	-33	10	-244	120	254
Cash and cash equivalents at the end of the period	14 874	7 621	14 874	7 621	8 554

KEY FIGURES

KNOK	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	YTD 2014	YTD 2013
Income statement							
Operating revenue	196 847	173 188	188 546	144 937	198 614	370 036	385 390
EBITDA	10 066	10 038	15 506	10 071	15 499	20 104	28 579
Operating revenue EBIT	2 874	2 757	7 296	3 493	10 114	5 631	17 494
Ordinary profit before tax (EBT) ¹⁾	2 440	2 091	7 077	35 137	9 054	4 531	14 169
Profit for the year	1 938	1 507	6 783	33 892	6 881	3 445	10 494
EBITDA-margin	5,1 %	5,8 %	8,2 %	6,9 %	7,8 %	5,4 %	7,4 %
EBT-margin	1,2 %	1,2 %	3,8 %	24,2 %	4,6 %	1,2 %	3,7 %
Balance sheet							
Non-current assets	284 946	273 539	279 535	281 564	250 064	284 946	250 064
Current assets	267 635	218 486	214 706	235 206	227 805	267 635	227 805
Total assets	552 581	492 025	494 241	516 769	477 869	552 581	477 869
Equity	231 157	246 522	250 798	241 218	198 147	231 157	198 147
Long-term debt	37 230	40 072	53 367	61 071	45 449	37 230	45 449
Short-term debt	284 193	205 431	190 076	214 481	234 273	284 193	234 273
Working capital	141 593	127 847	112 780	118 478	132 907	141 593	132 907
Equity ratio	41,8 %	50,1 %	50,7 %	46,7 %	41,5 %	41,8 %	41,5 %
Liquidity ratio	94,2 %	106,4 %	113,0 %	109,7 %	97,2 %	94,2 %	97,2 %
Cash Flow							
Net cash flow from operation	-3 496	-8 284	34 907	8 323	21 943	-11 780	22 928
Net cash flow	3 696	2 868	-1 473	2 273	3 501	6 564	3 830
Share information							
Number of shares	44 376 040	44 376 040	44 376 040	44 376 040	44 376 040	44 376 040	44 376 040
Weighted average shares outstanding	43 715 787	43 715 787	43 715 787	43 785 398	43 786 928	43 715 787	43 765 010
EBT per shares	0,06	0,05	0,16	0,80	0,21	0,10	0,32
Earnings per share	0,04	0,03	0,16	0,77	0,16	0,08	0,24
Equity per share	5,3	5,6	5,7	5,5	4,5	5,3	4,5
Dividend per share	0,30	-	-	-	0,25	0,30	0,25
Employees							
Number of employees (end of period)	360	326	314	326	297	360	297
Average number of employees	353	324	321	307	303	339	304
Operating revenue per employee	547	531	600	445	669	1 028	1 298
Operating cost per employee	519	500	551	414	617	972	1 201
EBT per employee	7	6	23	108	30	13	48

¹⁾ Q3 2013 includes a profit of MNOK 33 related to the sale of InStore IT companies.

DEFINITIONS

Number of shares	Number of issued shares year and
Working capital	Inventories + accounts receivables – accounts payable
Equity per share	Book value equity / number of shares
Operating revenue	Sales revenues and profit from AC, Service companies
Operating revenue per employee	Operating revenue / average number of employees
Operating cost	Operating cost / average number of employees
EBT	Profit before tax
EBIT	Operating profit
EBIT pr. ansatt	EBIT / average number of employees
EBIT pr. utestående aksje	EBIT / average number of shares outstanding
EBIT-margin	EBIT / operatin revenue
EBITDA	Operating profit + depreciation fixed asstets amd tangible assets
EBITDA-margin	EBITDA / operating revenue
Egenkapitalandel	Book value equity / total assets
Weighted average basic shares outstanding	Issued shares adjusted for own shares on average for the year
Cash Flow margin	Net cash flow operations / operating revenue
Liquidity ratio	Current assets / short term debt
Earnings per share	Profit after tax / weighted average basic shares outstanding
Dividend per share	Paid dividend per share throughout the year

NOTE 1 CONFIRMATION OF REPORTING FRAMEWORK

The condensed and consolidated quarterly financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. The quarterly financial statements do not contain all the information required in an annual financial statement and should be read in connection with the Group financial statements for 2013.

NOTE 2 KEY ACCOUNTING PRINCIPLES

The accounting principles for 2013 are described in the annual financial statements for 2013. The Group financial statements for 2013 were prepared in accordance with the IFRS principals and interpretations thereof, as defined by the EU, as well as other disclosure requirements pursuant to the Norwegian Accounting Act and the Oslo Stock Exchange regulations and rules applicable as at 31.12.2013. The quarterly report and the interim financial statements have not been revised by auditor.

NOTE 3 SEGMENT INFORMATION

SEGMENT: BUSINESS AREAS

MNOK	Q2 2014			Q2 2013			YTD 2014			YTD 2013			Year 2013		
	Revenues	EBITDA	EBT	Revenues	EBITDA	EBT	Revenues	EBITDA	EBT	Revenues	EBITDA	EBT	Revenues	EBITDA	EBT
PSI Technology	119,1	9,0	4,7	90,2	6,2	1,5	208,9	15,1	7,0	181,1	12,7	0,5	355,7	22,4	-1,3
PSI Retail ¹⁾	38,8	1,1	0,9	89,1	11,7	10,9	89,1	5,7	5,0	165,3	21,0	19,0	263,0	33,4	30,9
PSI Label	43,5	2,4	-0,6	20,9	0,2	-0,7	85,4	5,0	-0,8	38,9	0,0	-1,8	101,8	4,5	-3,2
Group	0,1	-2,6	-2,8	0,1	-2,6	-1,7	0,2	-5,7	-6,7	0,2	-5,1	-1,2	5,1	-6,6	78,2
Eliminations	-4,6	0,2	0,2	-1,7	0,0	-1,0	-13,6	0,0	0,0	-0,2	-0,0	-2,3	-6,8	0,4	-48,2
Total	196,8	10,1	2,4	198,6	15,5	9,1	370,0	20,1	4,5	385,4	28,6	14,2	718,9	54,2	56,4

¹⁾ Year 2013 includes a profit of MNOK 33 related to the sale of InStore IT companies.

SEGMENT: SALES REVENUES BY GEOGRAPHICAL MARKET

MNOK	Q2 2014			Q2 2013			YTD 2014			YTD 2013			Year 2013		
	Norway	Sweden	Other markets	Norway	Sweden	Other markets	Norway	Sweden	Other markets	Norway	Sweden	Other markets	Norway	Sweden	Other markets
PSI Technology	27,8	58,0	33,3	35,1	29,5	25,5	58,0	97,1	53,8	60,3	61,3	59,5	125,1	129,5	101,1
PSI Retail	15,7	23,3	-0,2	57,1	31,9	0,1	36,5	52,5	0,0	106,4	58,7	0,2	153,3	108,9	0,7
PSI Label	14,4	28,4	0,7	8,8	12,1	0,0	30,4	53,8	1,2	17,0	21,9	0,0	39,1	62,5	0,3
Group	0,1	0,0	0,0	0,1	0,0	0,0	0,2	0,0	0,0	0,2	0,0	0,0	1,6	3,5	0,0
Eliminations	1,1	-5,9	0,2	-1,8	0,1	0,1	-0,1	-12,6	-0,9	-0,1	0,0	-0,1	-1,3	-5,6	0,1
Total	59,1	103,8	33,9	99,3	73,6	25,7	125,0	190,8	54,2	183,9	141,9	59,6	317,8	298,8	102,3

SEGMENT: SALES REVENUES BY PRODUCT AND SERVICE

MNOK	Q2 2014		Q2 2013		YTD 2014		YTD 2013		Year 2013	
	New sales	Service	New sales	Service	New sales	Service	New sales	Service	New sales	Service
PSI Technology	75,4	43,6	58,2	32,0	134,9	74,0	123,1	58,0	235,3	120,5
PSI Retail	30,4	8,4	71,6	17,5	65,4	23,6	125,4	39,9	195,4	67,6
PSI Label	43,5	0,0	20,9	0,0	85,4	0,0	38,9	0,0	101,8	0,0
Group	0,1	0,0	0,1	0,0	0,2	0,0	0,2	0,0	5,1	0,0
Eliminations	-4,6	0,0	-1,7	0,0	-13,6	0,0	-0,2	0,0	-6,8	0,0
Total	144,8	52,1	149,1	49,5	272,4	97,6	287,4	97,9	530,8	188,0

NOTE 4 RELATED PARTIES

No significant transactions between the Group and related parties had taken place as at 30 June 2014.

NOTE 5 TOP 20 SHAREHOLDERS PER 30 JUNE 2014

No.	Name	No. of shares	%
1	PINNÅS, ERIK (incl. fully owned companies) ¹	4 932 276	11,1 %
2	GLAAMENE INDUSTRIER AS	4 131 077	9,3 %
3	STRØMSTANGEN AS	3 933 092	8,9 %
4	SKAGEN VEKST	3 796 612	8,6 %
5	HOLMEN SPESIALFOND	2 500 000	5,6 %
6	AVANZA BANK AB	1 895 225	4,3 %
7	NORDNET BANK AB	1 680 130	3,8 %
8	ZETTERBERG, GEORG (incl. fully owned companies)	1 530 404	3,4 %
9	SKANDINAVISKA ENSKILDA BANKEN	1 379 002	3,1 %
10	WAALER, JØRGEN (incl. fully owned companies) ¹	1 030 000	2,3 %
11	GRESSLIEN, ODD ROAR	955 000	2,2 %
12	V. EIENDOM AS	860 000	1,9 %
13	MP PENSJON PK	699 806	1,6 %
14	RING, JAN	676 322	1,5 %
15	PSI GROUP ASA	660 253	1,5 %
16	JACOBSEN, SVEIN (incl. fully owned companies) ¹	450 000	1,0 %
17	SAXO PRIVATBANK A/S	416 650	0,9 %
18	SWEDBANK AB (PUBL)	363 376	0,8 %
19	NISTAD GRUPPEN AS	338 300	0,8 %
20	DELTA INVEST AS	326 386	0,7 %
	Sum 20 largest shareholders	32 553 911	73,4 %
	Sum 1 659 other shareholders	11 822 129	26,6 %
	Sum all 1 679 shareholders	44 376 040	100 %

¹ Primary insiders

NOTE 6 UNAUDITED PRO FORMA FIGURES

New Vision was acquired 2 July 2014 and will be consolidated from the third quarter 2014.

in KNOK	Q1 2014			Q1 2013		
	PSI GROUP ASA consolidated	New Vision	PSI GROUP ASA consolidated incl. Vision	PSI GROUP ASA consolidated	New Vision	PSI GROUP ASA consolidated incl. Vision
P&L						
Revenue	173 188	23 596	196 784	186 776	13 463	200 239
EBITDA	10 038	-200	9 838	13 080	-684	12 396
Depreciation and amortizations of intang	-7 281	-993	-8 274	-5 700	-594	-6 294
EBIT	2 757	-1 194	1 563	7 380	-1 278	6 102
Net financial items	-665	-92	-757	-2 264	-74	-2 338
Profit before tax	2 091	-1 285	806	5 115	-1 352	3 763
Tax	-584	-	-584	-1 502	-	-1 502
Net Profit	1 507	-1 285	222	3 613	-1 352	2 261

Balance sheet	31.03.14	31.03.14	31.03.14	31.03.13	31.03.13	31.03.13
Intangible assets	231 794	7 314	239 108	212 814	4 768	217 582
Tangible assets	41 265	3 203	44 468	24 519	2 818	27 337
Financial assets	481	-	481	12 329	5 269	17 598
Total non-current assets	273 539	10 517	284 056	249 661	12 855	262 516
Inventory	76 596	11 037	87 633	76 121	9 193	85 314
Receivables	130 677	29 008	159 685	136 174	16 084	152 258
Bank deposits	11 211	446	11 657	4 110	90	4 200
Total current assets	218 486	40 491	258 977	216 404	25 367	241 771
Total assets	492 025	51 008	543 033	466 065	38 222	504 287
Paid-in equity	336 392	1 222	336 392	336 392	1 106	336 392
Own shares	-409	-	-409	-365	-1 203	-365
Other equity	-89 461	7 017	-81 223	-134 734	9 866	-124 965
Minority interests	-	-	-	382	-	382
Total equity	246 522	8 238	254 760	201 674	9 769	211 443
Provision for liabilities	-	-	-	6 199	-	6 199
Long term interest bearing liabilities	40 072	6 909	46 981	41 919	6 846	48 765
Total long term liabilities	40 072	6 909	46 981	48 117	6 846	54 963
Short term interest bearing liabilities	29 129	10 831	39 960	56 213	7 907	64 120
Short term liabilities	176 302	25 029	201 331	160 060	13 700	173 760
Total short term liabilities	205 431	35 860	241 291	216 274	21 607	237 881
Total liabilities	245 503	42 769	288 272	264 391	28 454	292 845
Total equity and liabilities	492 025	51 008	543 033	466 065	38 222	504 287

