

Studsvik

Interim Report
January–June 2013



- Sales for the second quarter amounted to SEK 319.2 million (330.3), in local currencies, however, sales increased by 2.3 per cent.
- The operating result for the second quarter increased to SEK 7.2 million (–3.0).
- Improved performance in Sweden, UK and USA.
- The order for treatment of steam generators for Bruce Power in Canada, signed in 2009, was annulled. The agreement had a positive effect on second quarter earnings of SEK 11.2 million.
- Cash flow after investments amounted to SEK 18.5 million (31.2).

	April–June 2013	April–June 2012	January– June 2013	January– June 2012	Full year 2012
Sales, SEK million	319.2	330.3	616.9	653.0	1,254.9
Operating profit, SEK million	7.2	–3.0	3.3	–12.7	–19.4
Profit after tax, SEK million	–3.5	–18.0	–14.8	–32.4	–47.8
Cash flow from operating activities, SEK million	25.0	40.0	–2.7	68.6	–7.3
Cash flow after investments, SEK million	18.5	31.2	–14.1	42.9	–56.2
Profit per share after tax, SEK	–0.43	–2.19	–1.81	–3.94	–5.82
Net debt, SEK million	135.3	85.4	135.3	85.4	114.5
Equity per share, SEK	56.84	61.97	56.84	61.97	58.19
Net debt/equity ratio, %	28.9	16.7	28.9	16.7	23.9



Sales

Sales in the second quarter amounted to SEK 319.2 million (330.3), an increase of 2.3 per cent in local currencies. Sales in local currencies increased in Sweden and the United Kingdom, while they decreased in Global Services, the USA and Germany. Sales in January–June amounted to SEK 616.9 million (653.0).

Profit

The operating result for the second quarter increased to SEK 7.2 million (–3.0) and for January–June to SEK 3.3 million (–12.7). The operating result improved in Sweden, the United Kingdom and the USA but deteriorated in Germany and Global Services. The second quarter result includes compensation of SEK 11.2 million received for an annulled agreement.

The operating margin for the second quarter was 2.3 (–0.9) per cent and 0.5 (–1.9) per cent for the period January–June. Net financial income for the second quarter was SEK –9.5 million (–3.2) and SEK –14.4 million (–6.2) for January–June. The deterioration in net financial income is mainly an effect of the bond loan of SEK 200 million issued in the first quarter.

The Group's tax expense for the second quarter was SEK 1.2 million (11.8) and SEK 3.7 million (13.5) for January–June. The loss for the period after tax for the second quarter was SEK –3.5 million (–18.0) and SEK –14.8 million (–32.4) for January–June.

Sweden

Sales in the second quarter amounted to SEK 58.7 million (51.9) and in January–June to SEK 101.4 million (92.8). The operating profit in the second quarter increased to SEK 14.9 million (7.5) and in January–June to SEK 20.2 million (9.9). The profit includes compensation for a cancelled contract with Bruce Power of SEK 11.2 million. The operating margin for January–June was 19.9 (10.7) per cent.

The capacity of the incineration facility has been increased by 10 per cent and ongoing measures in the metal treatment operations will eliminate a number of bottlenecks during the year, thus increasing capacity.

During the quarter Studsvik and Bruce Power jointly decided to cancel the contract for recycling of 32 steam generators from the Bruce Power site signed May 6, 2009. A special arrangement licence was issued by the Canadian Nuclear Safety Commission but it expired in 2012. Since the sound science behind the plan has been proven, Bruce Power will consider various recycling options, including re-applying for a transport licence at an appropriate time. Studsvik and Bruce Power will continue to have an open dialogue regarding the potential steam generator recycling which is recognized internationally as an environmental best practice. The parties have agreed that the pre-payments received by Studsvik since the contract was signed will accrue to Studsvik.

The agreement with Bruce Power reduced the order book by SEK 216 million. However, all in all, the order book is sound, which allows high capacity utilization in 2013.

United Kingdom

Sales in the second quarter amounted to SEK 72.7 million (63.9) and in January–June to SEK 153.6 million (120.6). The operating profit for the second quarter increased to SEK 10.5 million (4.4) and for January–June to SEK 15.1 million (7.1). The operating margin for January–June amounted to 9.8 (5.9) per cent.

The positive trend in the United Kingdom continued, with increased sales in all operational areas and improved results compared with the previous year. After a somewhat weak start to the year, deliveries of material to the metal recycling facility increased in the second quarter. Consulting operations were well utilized. UK Nuclear Waste Management, in which Studsvik has a 15 per cent stake, improved its performance. Studsvik's profit share increased to SEK 3.4 million in the second quarter and to SEK 4.5 million in the period January–June.

The order book is sound, which allows high capacity utilization for 2013.

Germany

Sales in the second quarter amounted to SEK 77.7 million (93.3) and in January–June to SEK 138.4 million (170.0). The operating result for the second quarter amounted to SEK –0.9 million (–0.9) and for January–June to SEK –1.8 million (–3.8). The operating margin for January–June was –1.3 (–2.3) per cent.

During the quarter maintenance work was in progress in the German nuclear power industry, which gave good capacity utilization. The organization has gradually adapted to the changed conditions in Germany, which have meant a substantially reduced service and maintenance market. Apart from power producers, the segment's customers include research and development facilities that are usually government financed. During the quarter the largest customer in this market segment announced that their funding had been considerably reduced, and consequently purchases from subcontractors would be reduced. The decision had a negative impact on Studsvik's sales already in the second quarter and is the main reason for the negative sales trend in relation to the previous year. Negotiations on the future volume of business are in progress and will lead to further adjustment in the organization in 2013.

The order book is sound and resources well-utilized as regards the power industry's maintenance work, as well as decommissioning projects in Belgium and elsewhere.

USA

Sales in the second quarter amounted to SEK 54.1 million (58.5) and in January–June to SEK 102.0 million (130.2). The operating result for the second quarter improved to SEK –7.8 million (–15.8) and for January–June to SEK –21.4 million (–27.3). The operating margin for January–June amounted to –21.0 (–21.0) per cent.

Sales in local currencies were by and large at the same level as previous year, but earnings improved. The reduced loss is mainly an effect of a better product mix, but also to some extent an effect of the action program initiated in the first quarter aimed at restoring profitability. Sales volumes in waste operations continued to be low. Capacity utilization in the consulting operations improved but has not stabilized at a desirable level.

The order book is short-term in all operational areas.

Global Services

Sales in the second quarter amounted to SEK 67.4 million (77.0) and were in January–June SEK 131.5 million (148.1). Operating profit for the second quarter amounted to SEK –2.1 million (7.5) and SEK 4.2 million (12.2) for January–June. The operating margin was 3.2 (8.3) per cent for January–June.

Sales decreased compared with the previous year in software operations. The decrease is primarily related to variations in new sales, which have a direct impact on earnings, as the cost structure is by and large fixed. Sales in materials technology were at the previous year's level, but profitability deteriorated due to low capacity utilization in the segment's most qualified laboratory. The dip in capacity utilization, which is temporary, is due to deliveries planned for the beginning of the year being postponed by customers. Consulting operations developed in parity with the previous year, with a good inflow of orders, satisfactory capacity utilization and profitability.

The order book is sound, though somewhat lower than the previous year. Planned deliveries and the existing order book make improved capacity utilization possible in materials technology in the second half of the year.

Investments

The Group's investments in the second quarter amounted to SEK 6.5 million (8.8) and to SEK 11.4 million (25.7) in January–June.

Cash flow

Cash flow from operating activities before working capital changes in the second quarter amounted to SEK 13.7 million (14.0) and SEK 9.9 million (12.5) for January–June. Working capital decreased in the second quarter by SEK 11.3 million (decreased by 26.0) but increased in January–June by SEK 12.6 million (decreased by 56.1). The decrease in tied up working capital in the second quarter is mainly explained by advances received related to the ten heat exchangers from Berkeley in the United Kingdom.

Cash flow from operating activities after investments in the second quarter was SEK 18.5 million (31.2) and SEK –14.1 million (42.9) in January–June.

Financial position and liquidity

Cash and cash equivalents, including current investments, amounted to SEK 205.9 million (105.4). The improved liquidity situation is due to the bond program issued in the first quarter. During the quarter amortization amounted to SEK 14.5 million (23.2) was amortized during the quarter. Interest-bearing liabilities at the end of the quarter were SEK 366.1 million (190.8). Net interest-bearing debt was SEK 135.3 million (85.4), which means that the net debt/equity ratio increased to 28.9 (16.7) per cent.

Equity amounted to SEK 467.4 million (509.6).

Personnel

The average number of employees was 1,072 (1,109). The decrease refers to Germany.

Transactions with related parties

During the quarter a dividend of SEK 0.8 million was received from UK Nuclear Waste Management Ltd.

Parent company

Parent company operations comprise the co-ordination of tasks for the Group and assets mainly consist of shares in subsidiaries. Parent company sales in the second quarter amounted to SEK 3.3 million (3.0) and during January–June to SEK 6.5 million (6.0). The operating loss for the second quarter amounted to SEK –7.3 million (–6.6) and for January–June to SEK –14.8 million (–12.7). The profit after financial items in the second quarter amounted to SEK –13.8 million (–5.5) and for January–June to SEK –22.1 million (–11.3).

Cash and cash equivalents, including current investments, amounted to SEK 145.2 million (32.3) and interest-bearing debt to SEK 269.7 million (76.7).

Risks and uncertainties

Studsvik operates in an international, competitive market and is thereby exposed to both business and financial risks and uncertainties.

The business uncertainties include the fact that Studsvik and Studsvik's customers handle radioactive material and waste, which requires legal or regulatory licensing. Licensing is required for production facilities, but also for separate activities such as transport and transfer of material. This means that the operations of Studsvik and Studsvik's customers are exposed to delays in these licensing processes, or the withdrawal of licenses, which may result in shifts in delivery and production plans.

In all countries storage and final disposal of nuclear waste are also subject to a strict regulatory framework, which for example stipulates criteria that the waste must meet in physical and chemical terms when it is sent for final disposal. Changes in this regulatory framework could mean that the business competitiveness of some of Studsvik's services would be changed.

Issues concerning nuclear technology may be subject to various expressions of opinion and debate. In such a context it cannot be ruled out that opinion may emerge on matters that directly or indirectly alter Studsvik's scope of business action.

The financial risks and uncertainties mainly include fluctuations in exchange rates and interest rates, and the company's ability to uphold contracts for withdrawable lines of credit.

An overall analysis of the Group's risks and how they are dealt with is given in the Annual Report, which is available on the company's website. Apart from these risks, no further material risks are considered to have arisen.

Outlook

The need for electricity is increasing globally and electricity production from nuclear power will increase. New nuclear power capacity is being planned and built in many countries, in parallel with the modernization and output increase of nuclear power plants in several of the countries where Studsvik operates. The German decision to phase out nuclear power by 2022 has reduced demand for service and maintenance. Studsvik has adapted its organization to this, but the new market situation in research and development will require further adjustment. The German nuclear power reactors already taken out of operation as well as those to be taken out of operation by 2022 will be subject to decommissioning. When this process will start is as yet not clear. Decommissioning and demolition of nuclear facilities in other markets is expected to expand in the long term. Studsvik has a strong product portfolio for decommissioning and an established market position.

Accounting policies

Studsvik AB applies International Financial Reporting Standards as adopted by the European Union. Material accounting policies and valuation principles are in accordance with those of the annual accounts for the financial year ended December 31, 2012. The new and revised standards and interpretations IAS 1 "Presentation of financial statements", IAS 19 "Employee benefits" and IFRS 13 "Fair value measurement" applicable from January 1, 2013 have not had any material effects on Studsvik's financial statements. This interim report was prepared in accordance with IAS 34 and the Annual Accounts Act. The interim report for the parent company was prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board recommendation RFR 2 Accounting for legal entities.

The interim report provides a fair review of the Group's and the Parent Company's operations, financial position and performance and describes significant risks and uncertainties faced by the Parent Company and the companies that are part of the Group.

Stockholm, July 19, 2013

Anders Ullberg
Chairman

Anna Karinen
Vice Chairman

Jan Barchan
Board Member

Lars Engström
Board Member

Peter Gossas
Board Member

Alf Lindfors
Board Member

Agneta Nestenborg
Board Member

Maria Lindberg
Board Member
Employee Representative

Roger Lundström
Board Member
Employee Representative

Michael Mononen
President

Report of Review of Interim Financial Information

Introduction

We have reviewed this report for the period January 1, 2013 to June 30, 2013 for Studsvik AB (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, July 19, 2013

PricewaterhouseCoopers AB

Lennart Danielsson
Authorized Public Accountant

Time schedule for financial information

Interim Report January–September 2013	October 23, 2013
Year-end Report January–December 2013	February 2014

For further information please contact

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Jerry Ericsson, Chief Financial Officer, +46 155 22 10 32.

The interim report will be presented at a conference call to be held in English on July 19, at 14:00 CET. Further information for those interested in participating is available at www.studsvik.se.

Consolidated statement of profit or loss and other comprehensive income

Amounts in SEK million

	April–June 2013	April–June 2012	January–June 2013	January–June 2012	Full year 2012
Net sales	319.2	330.3	616.9	653.0	1,254.9
Cost of services sold	–255.3	–266.7	–498.6	–536.7	–1,007.7
Gross profit	63.9	63.6	118.3	116.3	247.2
Other operating income	1.7	1.1	7.0	3.4	8.6
Selling and marketing expenses	–13.4	–13.7	–26.2	–26.2	–51.8
Administrative expenses	–43.1	–49.5	–85.6	–94.9	–180.1
Research and development costs	–6.7	–6.3	–13.0	–12.4	–25.4
Share in non-controlling interest	3.4	1.7	4.4	2.6	5.4
Other operating expenses	1.4	0.1	–1.6	–1.5	–23.3
Operating profit	7.2	–3.0	3.3	–12.7	–19.4
Financial income	6.1	–1.5	6.7	2.3	5.0
Financial expenses	–15.6	–1.7	–21.1	–8.5	–18.8
Profit after financial items	–2.3	–6.2	–11.1	–18.9	–33.2
Income tax	–1.2	–11.8	–3.7	–13.5	–14.6
Profit for the period	–3.5	–18.0	–14.8	–32.4	–47.8
Other comprehensive income					
Items that may later be reversed in the income statement					
Translation differences on foreign subsidiaries	12.7	13.8	3.2	1.6	–17.7
Cash flow hedges	–6.8	–3.7	1.0	–0.2	4.1
Income tax on items recognized in other comprehensive income	1.5	0.9	–0.2	0.0	–0.9
Other comprehensive income for the period, net after tax	7.4	11.0	4.0	1.4	–14.5
Total profit or loss and other comprehensive income for the period	3.9	–7.0	–10.8	–31.0	–62.3
Income for the period attributable to					
Parent company's shareholders	–3.5	–18.0	–14.8	–32.4	–47.8
Non-controlling interest	–	–	–	–	–
Total comprehensive income attributable to					
Parent company's shareholders	3.9	–7.0	–10.8	–31.0	–62.3
Non-controlling interest	0.0	0.0	0.0	0.0	0.0
Earnings per share calculated on income attributable to the parent company's shareholders during the period, SEK					
Before dilution	–0.43	–2.19	–1.81	–3.94	–5.82
After dilution	–0.43	–2.19	–1.81	–3.94	–5.82

Group statement of financial position

Amounts in SEK million

	June 2013	June 2012	December 2012
Assets			
Goodwill	307.1	315.3	300.9
Other intangible non-current assets	27.0	32.5	28.5
Property, plant and equipment	443.7	483.5	459.6
Financial non-current assets	130.1	188.2	119.9
Total non-current assets	907.9	1,019.5	908.9
Inventories	7.0	21.9	7.0
Trade receivables	196.3	167.3	169.1
Other current receivables	127.3	94.8	115.6
Other current investments	24.8	–	–
Liquid assets	205.9	105.4	115.8
Total current assets	561.3	389.4	407.5
Total assets	1,469.2	1,408.9	1,316.4
Equity and liabilities			
Equity attributable to parent company's shareholders	467.1	509.3	477.9
Non-controlling interest	0.3	0.3	0.3
Borrowings	315.6	70.6	131.0
Provisions	229.8	297.9	221.8
Other non-current liabilities	40.5	40.2	42.1
Total non-current liabilities	585.9	408.7	394.9
Trade payables	83.9	79.8	68.5
Borrowings	50.5	120.2	99.3
Other current liabilities	281.5	290.6	275.5
Total current liabilities	415.9	490.6	443.3
Total equity and liabilities	1,469.2	1,408.9	1,316.4
Pledged assets	155.2	160.1	142.4
Contingent liabilities	93.9	166.6	83.6

Changes in equity

Amounts in SEK million

	Share capital	Other contributed capital	Reserves	Retained earnings	Equity attributable to the parent company's shareholders	Non- controlling interest	Total equity
Equity at December 31, 2011	8.2	225.3	3.7	311.3	548.5	0.3	548.8
Changes January 1 – June 30, 2012							
Dividend	–	–	–	–8.2	–8.2	–	–8.2
Comprehensive income for the period	–	–	1.4	–32.4	–31.0	0.0	–31.0
Equity at June 30, 2012	8.2	225.3	5.1	270.7	509.3	0.3	509.6
Changes July 1 – December 31, 2012							
Comprehensive income for the period	–	–	–15.9	–15.5	–31.4	0.0	–31.4
Equity at December 31, 2012	8.2	225.3	–10.8	255.2	477.9	0.3	478.2
Changes January 1 – June 30, 2013							
Comprehensive income for the period	–	–	4.0	–14.8	–10.8	0.0	–10.8
Equity at June 30, 2013	8.2	225.3	–6.8	240.4	467.1	0.3	467.4

Statement of cash flow

Amounts in SEK million

	April–June 2013	April–June 2012	January–June 2013	January–June 2012	Full year 2012
Operating activities					
Operating profit	7.2	–3.0	3.3	–12.7	–19.4
Depreciation	15.7	16.2	31.5	31.7	64.0
Adjustment for non-cash items etc	2.7	16.4	–4.1	21.5	–72.8
	25.6	29.6	30.7	40.5	–28.2
Financial items, net	–7.8	–3.6	–11.4	–6.9	–13.4
Income tax paid	–4.1	–12.0	–9.4	–21.1	–27.5
Cash flow from operating activities before changes in working capital	13.7	14.0	9.9	12.5	–69.1
Changes in working capital	11.3	26.0	–12.6	56.1	61.8
Cash flow from operating activities	25.0	40.0	–2.7	68.6	–7.3
Investing activities					
Investments	–6.5	–8.8	–11.4	–25.7	–48.9
Other changes from investing activities	10.9	–11.6	–29.7	–23.6	39.8
Cash flow from investing activities	4.4	–20.4	–41.1	–49.3	–9.1
Cash flow from operating activities after investments and other changes from investing activities	29.4	19.6	–43.8	19.3	–16.4
Financing activities					
Change in borrowings	–13.5	–23.2	133.9	–27.1	22.0
Dividend to shareholders	–	–8.2	–	–8.2	–8.2
Cash flow from investing activities	–13.5	–31.4	133.9	–35.3	13.8
Changes in liquid assets	15.9	–11.8	90.1	–16.0	–2.6
Liquid assets at the beginning of the year	187.8	115.9	115.8	122.1	122.1
Translation difference in liquid assets	2.2	1.3	0.0	–0.7	–3.7
Liquid assets at the end of the period	205.9	105.4	205.9	105.4	115.8
Cash flow specification					
Adjustment for non-cash items etc.					
Utilization of provisions for waste in the USA	–	–	–	–	–118.7
Other changes in provisions	7.5	18.0	1.5	23.8	48.5
Share in earnings from associated companies	–3.4	–1.7	–4.4	–2.6	–5.4
Other	–1.4	0.1	–1.2	0.3	2.8
Total	2.7	16.4	–4.1	21.5	–72.8
Other changes from investing activities					
Investment in associated companies	–	–0.5	–	–3.3	–3.3
Dividend from associated companies	0.8	–	0.8	–	8.8
Utilization of deposited funds	–	–	–	–	54.3
Deposit of funds	–	–10.9	–4.4	–20.3	–19.9
Sale of non-current assets	0.1	0.0	0.4	0.1	0.0
Current investments in commercial paper	9.9	–	–24.8	–	–
Other	0.1	–0.2	–1.7	–0.1	–0.1
Total	10.9	–11.6	–29.7	–23.6	39.8
Change in borrowings					
Loans raised	3.0	–0.2	203.9	–0.3	63.3
Repayments of loans	–16.5	–23.0	–70.0	–26.8	–41.3
Total	–13.5	–23.2	133.9	–27.1	22.0

Financial ratios for the Group

Amounts in SEK million

	January–June 2013	January–June 2012	Full year 2012
Operating profit			
EBITDA, operating profit before depreciation	34.8	19.0	44.6
Margins			
Operating margin before depreciation, %	5.6	2.9	3.6
Operating margin, %	0.5	–1.9	–1.5
Profit margin, %	–1.8	–2.9	–2.6
Profitability			
Return on operating capital, %	1.1	–4.1	–3.1
Return on capital employed, %	2.6	–2.8	–1.9
Return on equity, %	–6.3	–12.2	–9.5
Capital structure			
Operating capital	602.7	595.3	592.7
Capital employed	833.4	700.8	708.5
Equity	467.4	509.6	478.2
Interest-bearing net debt	135.3	85.4	114.5
Net debt/equity ratio, %	28.9	16.7	23.9
Interest cover ratio	0.5	–1.2	–0.8
Equity/assets ratio, %	31.8	36.2	36.3
Cash flow			
Self financing ratio	–0.2	1.4	–0.1
Investments	11.4	25.7	48.9
EBITDA/Net financial items, rolling 12 months	2.7	7.9	3.2
Employees			
Average number of employees	1,072	1,109	1,104
Net sales per employee	1.2	1.2	1.1

Data per share

	April–June 2013	April–June 2012	January–June 2013	January–June 2012	Full year 2012
Number of shares at the end of the period	8,218,611	8,218,611	8,218,611	8,218,611	8,218,611
Average number of shares	8,218,611	8,218,611	8,218,611	8,218,611	8,218,611
Earnings per share before dilution, SEK	–0.43	–2.19	–1.81	–3.94	–5.82
Earnings per share after dilution, SEK	–0.43	–2.19	–1.81	–3.94	–5.82
Equity per share, SEK	56.84	61.97	56.84	61.97	58.19

Net sales per geographical segment

Amounts in SEK million

	April–June 2013	April–June 2012	January–June 2013	January–June 2012	Full year 2012
Sweden	44.5	39.1	81.9	76.6	161.3
Europe, excluding Sweden	189.0	202.6	374.3	378.8	738.4
North America	80.5	78.2	151.1	165.4	318.5
Asia	5.2	10.4	9.6	32.2	36.7
Total	319.2	330.3	616.9	653.0	1,254.9

Quarterly review

Amounts in SEK million

	2011				2012				2013	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
ales	297.2	290.0	252.8	360.7	322.7	330.3	261.7	340.2	297.7	319.2
Operating expenses	–288.5	–287.6	–262.9	–308.1	–332.4	–333.3	–289.6	–319.0	–301.6	–312.0
Operating profit	8.7	2.4	–10.1	52.6	–9.7	–3.0	–27.9	21.2	–3.9	7.2
Financial items, net	–5.2	–2.1	–3.2	–2.4	–3.0	–3.2	–3.7	–3.9	–4.9	–9.5
Profit after financial items	3.5	0.3	–13.3	50.2	–12.7	–6.2	–31.6	17.3	–8.8	–2.3

Financial data per segment

Amounts in SEK million

April–June 2013	Sweden	United Kingdom	Germany	USA	Global Services	Other	Eliminations	Group
External sales revenue	41.6	72.7	77.4	54.1	66.8	6.6	–	319.2
Revenue from segment	17.1	–	0.3	–	0.6	5.0	–23.0	0.0
Operating profit	14.9	10.5	–0.9	–7.8	–2.1	–7.4	–	7.2
Assets	131.3	240.9	191.3	468.1	199.9	484.0	–246.3	1,469.2
Liabilities	179.0	129.3	149.1	330.1	94.4	366.2	–246.3	1,001.8
Investments	3.8	0.9	0.1	0.0	1.0	0.7	–	6.5
Depreciation/amortization	2.1	1.3	0.5	7.6	2.2	1.9	–	15.6
Average number of employees	103	88	551	102	164	76	–	1,084

April–June 2012	Sweden	United Kingdom	Germany	USA	Global Services	Other	Eliminations	Group
External sales revenue	30.5	63.9	92.9	58.5	77.0	7.5	–	330.3
Revenue from segment	21.4	–	0.4	–	0.0	3.2	–25.0	0.0
Operating profit	7.5	4.4	–0.9	–15.8	7.5	–5.7	–	–3.0
Assets	123.0	221.1	209.1	588.0	194.9	283.5	–210.7	1,408.9
Liabilities	150.1	115.0	159.6	396.5	115.5	173.3	–210.7	899.3
Investments	1.8	0.4	2.3	0.9	1.8	1.6	–	8.8
Depreciation/amortization	2.0	1.4	0.8	8.6	1.7	1.7	–	16.2
Average number of employees	97	77	600	103	161	75	–	1,113

January–June 2013	Sweden	United Kingdom	Germany	USA	Global Services	Other	Eliminations	Group
External sales revenue	76.9	153.6	137.9	102.0	130.9	15.6	–	616.9
Revenue from segment	24.5	–	0.5	–	0.6	10.0	–35.6	0.0
Operating profit	20.2	15.1	–1.8	–21.4	4.2	–13.0	–	3.3
Assets	131.3	240.9	191.3	468.1	199.9	484.0	–246.3	1,469.2
Liabilities	179.0	129.3	149.1	330.1	94.4	366.2	–246.3	1,001.8
Investments	5.4	2.2	0.8	0.2	1.5	1.3	–	11.4
Depreciation/amortization	4.2	2.6	1.1	15.5	4.3	3.8	–	31.5
Average number of employees	101	87	538	106	164	76	–	1,072

January–June 2012	Sweden	United Kingdom	Germany	USA	Global Services	Other	Eliminations	Group
External sales revenue	67.9	120.6	169.3	130.2	148.0	17.0	–	653.0
Revenue from segment	24.9	–	0.7	–	0.1	6.3	–32.0	0.0
Operating profit	9.9	7.1	–3.8	–27.3	12.2	–10.8	–	–12.7
Assets	123.0	221.1	209.1	588.0	194.9	283.5	–210.7	1,408.9
Liabilities	150.1	115.0	159.6	396.5	115.5	173.3	–210.7	899.3
Investments	12.5	0.8	2.5	1.0	6.9	2.0	–	25.7
Depreciation/amortization	4.0	2.7	1.4	16.9	3.2	3.5	–	31.7
Average number of employees	96	80	596	106	158	73	–	1,109

Full year 2012	Sweden	United Kingdom	Germany	USA	Global Services	Other	Eliminations	Group
External sales revenue	132.9	219.3	330.0	255.0	284.4	33.3	–	1,254.9
Revenue from segment	58.7	–	1.3	–	0.1	13.5	–73.6	0.0
Operating profit	20.2	8.5	–6.7	–43.5	26.1	–24.0	–	–19.4
Assets	135.3	222.4	195.6	456.0	192.4	357.2	–242.5	1,316.4
Liabilities	160.0	119.6	150.9	296.3	124.2	229.7	–242.5	838.2
Investments	19.2	2.0	3.6	3.1	11.0	10.0	–	48.9
Depreciation/amortization	8.2	5.3	2.8	33.2	7.2	7.3	–	64.0
Average number of employees	97	82	584	106	160	75	–	1,104

Parent company income statement

Amounts in SEK million

	April–June 2013	April–June 2012	January–June 2013	January–June 2012	Full year 2012
Net sales	3.3	3.0	6.5	6.0	12.8
Cost of services sold	–0.7	–0.8	–1.4	–1.5	–2.6
Gross profit	2.6	2.2	5.1	4.5	10.2
Other operating costs	–9.9	–8.8	–19.9	–17.2	–33.9
Operating profit	–7.3	–6.6	–14.8	–12.7	–23.7
Dividends from subsidiaries	–	–	–	–	–248.6
Financial net	–6.5	1.1	–7.3	1.4	0.7
Profit before tax	–13.8	–5.5	–22.1	–11.3	–271.6
Income tax	3.4	1.5	5.1	3.0	–1.3
Profit for the period	–10.4	–4.0	–17.0	–8.3	–272.9

Parent company balance sheet

Amounts in SEK million

	June 2013	June 2012	December 2012
Assets			
Property plant and equipment	–	0.0	0.0
Financial non-current assets	794.7	1,030.2	763.3
Total non-current assets	794.7	1,030.2	763.3
Current assets	41.3	9.7	33.7
Liquid assets	145.2	32.3	62.9
Total current assets	186.5	42.0	96.6
Total assets	981.2	1,072.2	859.9
Equity and liabilities			
Equity	550.3	831.9	567.3
Provisions	–	–	0.4
Non-current liabilities	309.3	52.3	169.2
Current liabilities	121.6	188.0	123.0
Total liabilities	430.9	240.3	292.2
Total equity and liabilities	981.2	1,072.2	859.9

Fair value estimation

The tables below show financial instruments at fair value on the basis of their classification in the fair value hierarchy. The different levels are defined as follows:

Level 1 – Quoted prices (unadjusted) on active markets for identical assets or liabilities.

Level 2 – Other observable market data for the asset or liability other than quoted prices included in level 1, either direct (i.e. as quoted prices) or indirect (i.e. derived from quoted prices).

Level 3 – Data on the asset or liability not based on observable market data (i.e. unobservable inputs).

The Group's assets and liabilities measured at fair value as at June 30, 2013

Assets	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
– Unlisted shareholdings	–	–	9,429
– Capital insurance	–	12,015	–
– Commercial paper	–	34,804	–
– Non-current bank deposits	–	7,110	–
Derivatives used for hedging	–	3,829	–
Total assets	–	57,758	9,429
Liabilities			
Derivatives used for hedging	–	7,329	–
Total liabilities	–	7,329	–

The Group's assets and liabilities measured at fair value as at December 31, 2012

Assets	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
– Unlisted shareholdings	–	–	8,287
– Capital insurance	–	12,196	–
– Non-current bank deposits	–	2,729	–
Derivatives used for hedging	–	3,017	–
Total assets	–	17,942	8,287
Liabilities			
Derivatives used for hedging	–	2,560	–
Total liabilities	–	2,560	–

No transfers have taken place during the period between the different levels of the fair value hierarchy.

The fair value of financial instruments, traded in active markets, is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices from a stock exchange, broker, industrial group, pricing service or supervisory authority are easily and regularly available, and these prices represent actual and regularly occurring market transactions at arm's length. The Group does not currently hold such assets or liabilities.

Fair value of financial instruments not traded on an active market (for example OTC derivatives) is established using valuation techniques. These techniques use market information as far as possible when this is available, while company-specific information is used as little as possible. If all material inputs required for fair value measurement of an instrument are observable the instrument is found at level 2.

In the cases where one or more material inputs are not based on observable market information the instrument concerned is classified at level 3. Specific valuation techniques used to measure financial instruments include:

- Quoted market prices or brokers' quotations for similar instruments.
- The fair value of interest swaps is calculated as the present value of estimated future cash flows based on observable yield curves.
- The fair value of forward exchange contracts is determined using quoted forward exchange rates at the balance sheet date, where the resulting value discounted to present value.
- Other techniques, such as estimating discounted cash flows, are used to determine the fair value of remaining financial instruments.

The Group's policy is to report transfers into and out of levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfer. The valuation techniques have not been changed during the period.

Changes for instruments at level 3 in 2013

	Level 3
Opening balance	8,287
Acquisitions of shares	–
Gains recognized in the income statement	1,142
Closing balance	9,429
Change in unrealized gains and losses for the period included in the income statement (in the items Other operating income and Other operating liabilities) relating to assets still held at the close of the period	165

The Group's share in holdings of various insurance companies in the nuclear power industry is found at level 3. The value of the Group's share is adjusted once a year and then increases or decreases according to the company's percentage participation in the insurance companies' profit or loss for the previous year. The Group's holding in the insurance companies is denominated in EUR and therefore converted to the valid closing day price each month.

Fair value of the Group's borrowings

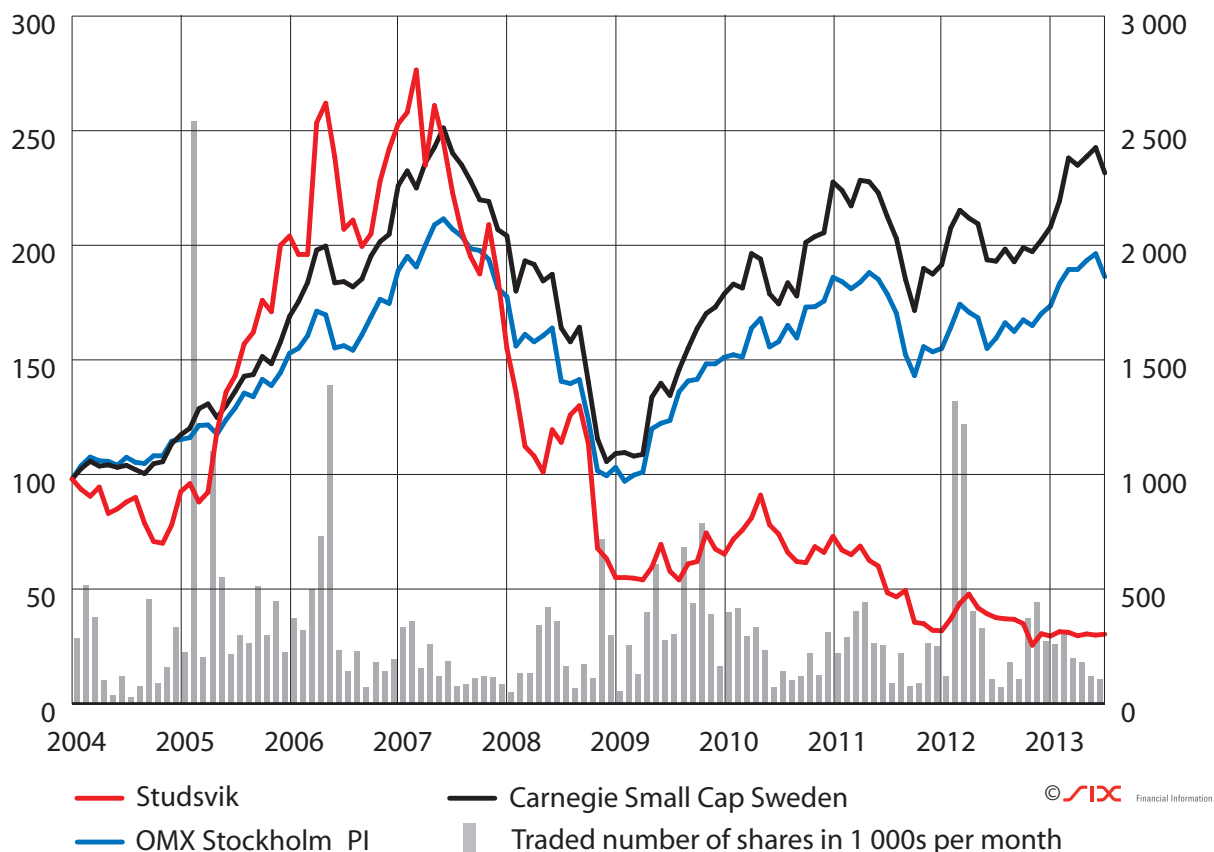
	June 30, 2013	December 31, 2012
Non-current loans	315.6	131.0
Current loans	50.5	99.3
Total loans	366.1	230.3

Major shareholders, June 30, 2013

	Number of shares	Share, %
The Karinen family	1,769,552	21.5
Briban Invest AB	1,283,492	15.6
Credit Agricole Suisse SA	348,098	4.2
Avanza Pensionsförsäkring AB	232,733	2.8
Malte Edenius	230,000	2.8
Invus Investment AB	224,800	2.7
SIX SIS AG	211,385	2.6
Nordnet Pensionsförsäkring AB	199,593	2.4
Leif Lundin	177,000	2.2
Eikos AB	163,147	2.0
Total ten largest shareholders – holdings	4,839,800	58.8
Other shareholders	3,378,811	41.2
Total	8,218,611	100.0

The Studsvik share

In the second quarter the share price varied between a high of SEK 31.50 on May 22 and a low of SEK 27.80 on May 7, 2013. The price was SEK 29.40 at the beginning of the year and the closing price on June 30 was SEK 29.70. In the second quarter 0.41 million shares were traded and during January–June 1.17 million shares were traded.



Facts about Studsvik

Studsvik offers a range of advanced technical services to the international nuclear power industry in such areas as waste treatment, decommissioning, engineering & services, and operating efficiency. The company has more than 60 years experience of nuclear technology and radiological services. Studsvik is a leading supplier on a rapidly expanding market. The business is conducted through five segments: Sweden, United Kingdom, Germany, USA and Global Services. Studsvik has 1,100 employees in 7 countries and the company's shares are listed on the NASDAQ OMX Stockholm.

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