

# Studsvik

Year-end Report  
January-December 2008



- Operating profit in 2008 was SEK 12.7 million (62.1). Adjusted for non-recurring items, profit was SEK 25.3 million (49.3).
- Continued stoppage at the Erwin facility and costs of discontinuing a project in the United Kingdom reduced earnings in the fourth quarter by SEK 28 million.
- Good performance in other segments.
- Operations at the Erwin facility will resume during the first quarter.
- The Board of Directors proposes a dividend of SEK 1.00 per share.

	<b>October- December 2008</b>	<b>October- December 2007</b>	<b>Full year 2008</b>	<b>Full year 2007</b>
Net sales, SEK million	321.1	370.6	1,285.9	1,314.7
Operating profit, SEK million	-8.0	15.3	12.7	62.1
Profit after tax, SEK million	-7.3	13.0	1.1	47.2
Profit per share after tax, SEK	-0.73	1.58	-0.05	5.65
Equity per share, SEK	74.32	69.58	74.32	69.58
Equity-assets ratio, %	40.4	42.5	40.4	42.5



**Net sales**

Net sales for the fourth quarter amounted to SEK 321.1 million (370.6) and for the period January–December, to SEK 1,285.9 million (1,314.7).

The decrease is mainly attributable to the USA and the Erwin operations. The temporary stoppage at the Erwin facility continued in the fourth quarter. For the period January–December, sales in the USA fell by 26 per cent compared with the previous year. Other segments reported overall organic growth in 2008 of 6 per cent in local currency. In the fourth quarter the trend was particularly good in Germany, where sales rose by 30 per cent.

**Profit**

The operating profit for the fourth quarter amounted to SEK –8.0 million (15.3) and for January–December, to SEK 12.7 million (62.1). The Group reports a loss in the fourth quarter in the USA and the UK. The loss in the USA is mainly a consequence of the continued stoppage at the Erwin facility. The loss in the United Kingdom is attributable to the costs for discontinuing a major project at Sellafield. The project was discontinued in the fourth quarter after recurrent delays. With an operating margin of 20.4 per cent in the fourth quarter Sweden reached its 20 per cent operating margin target for 2008. Germany more than doubled its operating profit for the fourth quarter, to SEK 8.9 million (4.1).

Non-recurring items are included in the operating profits reported for the period January to December in 2007 and 2008 as in the table below.

	2008	2007
Reported operating profit	12.7	62.1
Capital gain	-	-23.3
Costs of discontinued acquisition process	-	10.5
Restructuring costs, USA	12.6	-
<b>Adjusted operating profit</b>	<b>25.3</b>	<b>49.3</b>

Foreign exchange effects in connection with the translation of foreign subsidiaries' operating profit amounted to SEK –1.8 million for the fourth quarter and SEK 2.1 million for January–December.

**Sweden**

Net sales for the fourth quarter amounted to SEK 42.6 million (43.6) and for the period January–December, to SEK 152.4 million (135.4). The operating profit for the fourth quarter amounted to SEK 8.7 million (13.5) and for January–December, to SEK 30.7 million (28.2).

Operations performed well, although in the fourth quarter they did not achieve the exceptionally high level of 2007. The incineration facility ran at full capacity and the facility for treatment of metallic material also had good capacity utilization, as did the production line for treatment of large components. The order books provide the basis for continued high capacity utilization.

**United Kingdom**

Net sales for the fourth quarter amounted to SEK 34.7 million (38.9) and for the period January–December, to SEK 148.6 million (129.1). Operating profit for the fourth quarter amounted to SEK –5.2 million (0.9) and for January–December, to SEK –3.2 million (3.0).

The loss in the fourth quarter, as for the full year, is entirely attributable to the Decommissioning operations and more specifically two major projects at Sellafield. The projects were affected by recurring delays, partly as a result of changed conditions. Studsvik decided to call off one project and renegotiate the conditions for the other. The measures reduce earnings for the fourth quarter by SEK 6 million, which also includes staff

reductions. Waste Treatment operations, which include Studsvik's associated company Nuclear Waste Management (NWM), performed well with organic growth and satisfactory profitability. The reported result for the fourth quarter includes the share in earnings from NWM of SEK 1.4 million (0) and for the period January–December, of SEK 2.9 million (0).

The discontinuation of the projects at Sellafield resulted in a reduction in the order books. However, market activity in both Waste Treatment and Decommissioning continues to be high and several contracts are being negotiated.

The treatment facility for metallic waste under construction in Workington will be brought into operation in the second quarter of 2009. The total investment cost is SEK 50 million, of which SEK 20.3 million was generated in 2008.

**Germany**

Net sales for the fourth quarter amounted to SEK 110.4 million (84.6) and for the period January–December, to SEK 387.9 million (341.3). Operating profit for the fourth quarter amounted to SEK 8.9 million (4.1) and for January–December, to SEK 23.3 million (25.3).

The operations report a strong fourth quarter with good capacity utilization in the consulting operations and service and maintenance. Market demand for consulting services is high; consequently there are good opportunities for continued growth with good profitability. Decommissioning also reported a strong fourth quarter. Decommissioning work at the Obrigheim power plant started after the customer, with a delay of over a year, had received the necessary licensing. During the year component manufacturing increased in scope, but with unsatisfactory profitability. The management organization and work processes were changed in the fourth quarter. An office has been opened in France, where a small consulting organization has been established. The order books provide the basis for continued high capacity utilization.

**USA**

Net sales for the fourth quarter amounted to SEK 45.1 million (94.3) and for the period January–December, to SEK 317.1 million (427.7). Operating profit for the fourth quarter amounted to SEK –17.2 million (–4.6) and for January–December, to SEK –22.4 million (6.3). The profit for 2008 includes restructuring costs for the Memphis-based operations of SEK 12.6 million. The profit includes the share in earnings from Studsvik's joint venture TTT of SEK 5.6 million (0) for the fourth quarter and the equivalent amount for the full year.

As a result of the closure of the repository for medium-level waste in Barnwell, South Carolina, at the end of June, deliveries of material to Studsvik's Erwin facility ceased. Consequently Studsvik closed the facility temporarily. Operations were closed down in the second half of the year. The operating profit in the Erwin-based operations was SEK 22 million lower in the fourth quarter than in the corresponding period in the previous year.

Studsvik has developed a new business model for treatment of medium-level waste, which means that Studsvik treats waste at the Erwin facility as before, and thereafter takes responsibility for storage and final disposal through cooperation with Waste Control Specialists (WCS). Three power companies have signed agreements under the new model and talks are in progress with several potential customers. Operations at the Erwin facility will resume during the first quarter.

Waste volumes at the Memphis facility fell in the fourth quarter as a result of customers putting off deliveries to reduce their costs and expenditure in the short term. The efficiency program implemented earlier in the year has been effective and, despite the tough market situation, earnings in the fourth quarter improved in comparison with the same period last year.

The capacity reductions made in the logistics operations earlier in the year proved insufficient to compensate for the fall in demand, which meant that the operations reported a loss in the fourth quarter. Profitability is also under pressure from high fuel costs. Further measures were taken to improve efficiency.

In December Studsvik acquired a minority holding (10 per cent) in the Erwin facility.

Operations in THOR Treatment Technologies (TTT) performed well and showed positive earnings and cash flow in 2008.

### Global Services

Net sales for the fourth quarter amounted to SEK 62.4 million (52.8) and for the period January–December, to SEK 196.0 million (178.8). Operating profit for the fourth quarter amounted to SEK 5.4 million (8.8) and for January–December, to SEK 13.0 million (14.4).

The materials technology operations reported a continued positive trend in the fourth quarter. Sales and operating profit improved compared with the corresponding period in 2007. The order books are healthy and the volume of tenders is high. The consulting operations are growing successively and ALARA Holding, which was acquired during the quarter, has performed well.

New sales of fuel optimization software did not reach the 2007 level and consequently both fourth quarter and full year earnings were lower than the previous year. Variations between years are normal for the business, and tender activity in the software area is very high. After the reporting period an order was signed with a Japanese customer for delivery of Studsvik's Gardel core monitoring system for a contract value of about SEK 7 million.

### Investments

Investments for the Group in the fourth quarter amounted to SEK 48.1 million (25.4) and for January–December, to SEK 108.4 million (127.3). The investments for the fourth quarter include expansion investments of SEK 22.7 million, mainly in waste management in the United Kingdom.

### Cash flow

Cash flow from operating activities before working capital changes in the fourth quarter was SEK 6.3 million (39.7) and SEK 61.9 million (76.7) for the period January–December. Working capital decreased in the fourth quarter by SEK 38.1 million (13.4) but increased in the period of January–December by SEK 32.4 million (37.7). The decrease in the fourth quarter is a result of strong focus on working capital in all units. The increase in the period of January–December is mainly attributable to payment of a current liability for final disposal of spent fuel from the company's shut-down R2 reactor.

Cash flow from operating activities after investments in the fourth quarter was SEK 2.2 million (28.9) and SEK –68.9 million (–36.4) for the period January–December.

### Financial position and liquidity

Cash and cash equivalents, including current investments, amounted to SEK 147.7 million (176.9).

Equity amounted to SEK 610.8 million (571.8).

The equity-assets ratio was 40.4 per cent (42.5). Interest-bearing liabilities amounted to SEK 388.3 million (318.7).

The Group's total borrowing was conducted entirely in foreign currencies through investments and business acquisitions in the USA, Germany and the UK. After renegotiation in the fourth quarter the average maturity of the loan portfolio was extended to 4 years. Interest margins have increased, but falling market interest rates mean that the average interest rate for loans is unchanged.

### Personnel

The average number of employees was 1,130 (1,141).

### Parent company

Parent company operations comprise the co-ordination of tasks for the Group and assets mainly consist of shares in subsidiaries. The parent company's net sales in the fourth quarter amounted to SEK 2.7 million (1.5) and for the period January–December, to SEK 10.8 million (5.6). Operating profit for the fourth quarter amounted to SEK –8.6 million (–8.1) and for January–December, to SEK –28.7 million (–38.3). Profit after financial items for the period of January–December was SEK –25.8 million (–2.6).

The profit for the previous year includes a capital gain of SEK 35.0 million from the sale of Studsvik Stensand AB in the first quarter and costs of a discontinued acquisition process in the UK of SEK –10.5 million in the second quarter.

The parent company's investments amounted to SEK 0.2 million (0.5). Cash and cash equivalents amounted to SEK 84.1 million (91.2) and interest-bearing liabilities to SEK 221.2 million (154.2).

### Dividend, Annual General Meeting and Annual Report

The Board of Directors proposes a dividend of SEK 1.00 (2.00) per share. The Annual General Meeting will be held on Wednesday, April 22, 2009 at 4 p.m. at the World Trade Center, Klara-bergsviadukten 70/Kungsbron 1, Stockholm. The Annual Report will be distributed and be available on the company's website in week 14, 2009.

### 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 individual 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, which may result in shifts in delivery and production plans.

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 restrict Studsvik's scope of business action. Studsvik works consistently to maintain a high level of public confidence. Its approach to the world around is characterized by dialogue and the principle of the greatest possible transparency.

Financial risks and uncertainties mainly include fluctuations in exchange rates and interest rates, and the company's ability to uphold financial key ratios (covenants) that regulate borrowing. The financial risks also include counterparty risk, i.e. that the Group can be exposed to losses due to counterparty insolvency.

The responsibility for assessing risk lies with the respective subsidiary, but is examined and followed up at Group level. An overall analysis of the Group's risks and how they are dealt with is given in the Annual Report for 2007, which is also available on the company's website.

Apart from these risks, no further significant risks are estimated to have arisen.

## Outlook

Modernization and upgrading programs are underway in several of the countries where Studsvik operates. Decommissioning of nuclear facilities is expected to continue at least at the present rate in 2009. Demand for the services of the type Studsvik offers, including waste treatment, materials testing and consulting services is strong.

Studsvik's operations are only marginally affected by fluctuations in the economic cycle. With the exception of parts of the US operations the financial turbulence has not affected Studsvik's operations.

## Accounting policies

This interim report was prepared in accordance with IAS 34 and the Swedish Financial Reporting Board recommendation RFR 2.1. The new recommendations that apply as of January 1, 2008 have not affected the Group's financial performance or position.

Nyköping, February 12, 2009

On behalf of the Board of Directors

Magnus Groth  
President

## Review report

We have reviewed this report for the period January 1, 2008 to December 31, 2008 for Studsvik AB (publ). The Board of Directors and the president are responsible for the preparation and presentation of this financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this financial information based on our review.

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Financial Information 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 has a different focus and a substantially lesser scope than an audit conducted in accordance with Standards on Auditing in Sweden, RS, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain such a level of assurance as to make us aware of all significant matters that might be identified in an audit. Accordingly, a conclusion stated on the basis of a review does not provide the same level of assurance as a conclusion based on an audit.

Based on our review, nothing has come to our attention that causes us to believe that the financial information has not been prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act.

Stockholm, February 12, 2009

PricewaterhouseCoopers AB

Magnus Brändström                      Göran Tidström  
Authorized public accountant      Authorized public accountant  
Auditor in charge

## Time schedule for financial information

Interim Report January-March 2009	April 22, 2009
Interim Report January-June 2009	July 21, 2009
Interim Report January-September 2009	November 2, 2009

## For further information contact

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The year-end report will be presented at a conference call to be held in English, on February 12 at 3:30 p.m. CET.

See also [www.studsvik.se](http://www.studsvik.se)

## Consolidated income statement

Amounts in SEK million

	October- December 2008	October- December 2007	Full year 2008	Full year 2007
Net sales	321.1	370.6	1,285.9	1,314.7
Cost of services sold	-250.8	-283.1	-986.3	-1,000.1
<b>Gross profit</b>	<b>70.3</b>	<b>87.5</b>	<b>299.6</b>	<b>314.6</b>
Other operating income	1.0	-6.8	2.8	25.1
Selling and marketing expenses	-12.8	-9.0	-52.1	-53.8
Administrative expenses	-53.9	-48.8	-194.8	-180.4
Research and development costs	-17.5	-13.3	-44.8	-41.8
Share in earnings from associated companies	7.1	-	8.5	-
Other operating expenses	-2.2	5.7	-6.5	-1.6
<b>Operating profit</b>	<b>-8.0</b>	<b>15.3</b>	<b>12.7</b>	<b>62.1</b>
Financial income	3.3	1.2	7.4	8.7
Financial expenses	-3.9	-6.5	-19.4	-24.8
<b>Profit after financial items</b>	<b>-8.6</b>	<b>10.0</b>	<b>0.7</b>	<b>46.0</b>
Income tax	1.3	3.0	0.4	1.2
<b>Profit for the period</b>	<b>-7.3</b>	<b>13.0</b>	<b>1.1</b>	<b>47.2</b>
Attributable to				
– Parent company's shareholders	-6.0	12.4	-0.4	46.5
– Minority interest	-1.3	0.6	1.5	0.7
Earnings per share, SEK				
– Before dilution	-0.73	1.58	-0.05	5.65
– After dilution	-0.73	1.58	-0.05	5.65

## Condensed consolidated balance sheet

Amounts in SEK million

	December 2008	December 2007
<b>Assets</b>		
Goodwill	363.0	311.7
Other intangible fixed assets	56.4	57.0
Property, plant and equipment	503.7	406.6
Financial fixed assets	101.4	67.3
<b>Total fixed assets</b>	<b>1,024.5</b>	<b>842.6</b>
Inventories	28.8	22.5
Trade receivables	201.7	206.0
Other current receivables	108.1	98.0
Cash and cash equivalents	147.7	176.9
<b>Total current assets</b>	<b>486.3</b>	<b>503.4</b>
<b>Total assets</b>	<b>1,510.8</b>	<b>1,346.0</b>
<b>Equity and liabilities</b>		
Equity attributable to parent company's shareholders	610.5	568.4
Minority interest	0.3	3.4
Borrowings	350.5	196.4
Provisions	126.6	102.2
Other non-current liabilities	10.4	8.0
<b>Total non-current liabilities</b>	<b>487.5</b>	<b>306.6</b>
Trade payables	97.4	63.3
Borrowings	37.7	122.2
Other current liabilities	277.4	282.1
<b>Total current liabilities</b>	<b>412.5</b>	<b>467.6</b>
<b>Total equity and liabilities</b>	<b>1,510.8</b>	<b>1,346.0</b>
Pledged assets	224.2	181.5
Contingent liabilities	63.2	93.3

## Changes in equity

Amounts in SEK million

	December 2008	December 2007
Equity at the beginning of the period	571.8	558.7
Dividend to shareholders	-16.4	-16.4
Net profit for the period	1.1	47.2
Change in translation differences	59.9	-17.7
Acquisition of minority equity interest	-5.6	-
<b>Equity at the end of the period</b>	<b>610.8</b>	<b>571.8</b>

## Condensed consolidated cash flow statement

Amounts in SEK million

	October- December 2008	October- December 2007	Full year 2008	Full year 2007
<b>Operating activities</b>				
Operating profit	-8.0	15.3	12.7	62.1
Depreciation	19.3	14.0	67.2	60.1
Adjustment for non-cash items	-7.2	1.9	-6.2	-22.6
	<b>4.1</b>	<b>31.2</b>	<b>73.7</b>	<b>99.6</b>
Financial items, net	-1.6	-5.2	-13.0	-16.1
Income tax paid	3.8	13.7	1.2	-6.8
<b>Cash flow from operating activities before changes in working capital</b>	<b>6.3</b>	<b>39.7</b>	<b>61.9</b>	<b>76.7</b>
Changes in working capital	38.1	13.4	-32.4	-37.7
<b>Cash flow from operating activities</b>	<b>44.4</b>	<b>53.1</b>	<b>29.5</b>	<b>39.0</b>
<b>Investing activities</b>				
Investments	-43.0	-25.4	-103.3	-122.4
Other changes from investing activities	0.8	1.2	4.9	47.0
<b>Cash flow from investing activities</b>	<b>-42.2</b>	<b>-24.2</b>	<b>-98.4</b>	<b>-75.4</b>
<b>Cash flow from operating activities after investments and other changes from investing activities</b>	<b>2.2</b>	<b>28.9</b>	<b>-68.9</b>	<b>-36.4</b>
<b>Financing activities</b>				
Change in borrowings	13.9	-3.2	46.6	-19.1
Dividend to shareholders	-	-	-16.4	-16.4
<b>Cash flow from financing activities</b>	<b>13.9</b>	<b>-3.2</b>	<b>30.2</b>	<b>-35.5</b>
Changes in cash and cash equivalents	16.1	25.7	-38.7	-71.9
Cash and cash equivalents at the beginning of the year	124.3	150.6	176.9	247.6
Translation difference in cash and cash equivalents	7.3	0.6	9.5	1.2
<b>Cash and cash equivalents at the end of the period</b>	<b>147.7</b>	<b>176.9</b>	<b>147.7</b>	<b>176.9</b>

## Company acquisitions

### Acquisitions in 2008

### Date

- ALARA Holding i Skultuna AB, 100 % October 13, 2008
- Minority share (10 %) in Studsvik Processing Facility Erwin, LLC December 18, 2008

### Acquired net assets and goodwill

Amounts in SEK million

Purchase price	
• Cash paid	6.8
• Liability to seller	3.8
• Direct costs in connection with acquisition	0.6
<b>Total purchase price</b>	<b>11.2</b>
Fair value of net assets acquired	7.7
Goodwill	3.5
Intangible assets	0.9
Deferred tax	0.2

Goodwill is attributable to the market position of the acquired operations and synergy effects expected to arise on integration with Studsvik's other companies after the acquisition.

## Acquisitions (cont.)

ALARA Holding contributed with net sales of SEK 2.3 million and an operating profit of SEK 0.1 million for the period October 13 up to and including December 31, 2008. If the acquisition had taken place on January 1 the Group's net sales would have been SEK 1,289.6 million and the operating profit for the year SEK 13.2 million.

Studsvik Processing Facility Erwin is consolidated in the Group and therefore acquisition of the minority share would not have affected net sales and the operating profit if the acquisition had taken place on January 1.

## Financial ratios for the Group

Amounts in SEK million

	Full year 2008	Full year 2007
<b>Operating profit</b>		
Operating profit before depreciation	79.9	122.2
<b>Margins</b>		
Operating margin before depreciation, %	6.2	9.3
Operating margin, %	1.0	4.7
Profit margin, %	0.1	3.5
<b>Profitability</b>		
Return on operating capital, %	1.6	9.0
Return on capital employed, %	2.1	7.9
Return on equity, %	0.2	8.2
<b>Capital structure</b>		
Operating capital	851.3	713.6
Capital employed	999.0	890.5
Equity	610.8	571.8
Interest-bearing net debt	240.5	141.8
Net debt-equity ratio	0.4	0.2
Interest cover ratio	1.0	2.9
Equity-assets ratio, %	40.4	42.5
<b>Cash flow</b>		
Self financing ratio	0.2	0.3
Investments	108.4	127.3
<b>Employees</b>		
Average number of employees	1,130	1,141
Net sales per employee	1.1	1.2

## Data per share

	October- December 2008	October- December 2007	Full year 2008	Full year 2007
Number of shares at the end of the period	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
Earnings per share before dilution, SEK	-0.73	1.58	-0.05	5.65
Earnings per share after dilution, SEK	-0.73	1.58	-0.05	5.65
Equity per share, SEK	74.32	69.58	74.32	69.58

## Net sales per geographical segment

Amounts in SEK million

	October- December 2008	October- December 2007	Full year 2008	Full year 2007
Sweden	74.9	132.6	226.4	258.7
Europe, excluding Sweden	184.3	138.4	678.4	564.3
North America	64.3	92.4	369.0	463.6
Asia	-2.4	7.2	11.9	25.9
Other markets	0.0	0.0	0.2	2.2
<b>Total</b>	<b>321.1</b>	<b>370.6</b>	<b>1,285.9</b>	<b>1,314.7</b>



**Financial data per segment**

Amounts in SEK million

	October- December 2008	October- December 2007	Full year 2008	Full year 2007
<b>Sweden</b>				
Net sales	42.6	43.6	152.4	135.4
Operating profit	8.7	13.5	30.7	28.2
Assets	133.9	121.1	133.9	121.1
Liabilities	78.8	58.8	78.8	58.8
Investments	0.9	6.3	7.8	33.9
Depreciation and amortization	2.2	1.5	8.2	5.8
Average number of employees	80	80	78	78
<b>United Kingdom</b>				
Net sales	34.7	38.9	148.6	129.1
Operating profit	-5.2	0.9	-3.2	3.0
Assets	133.1	89.9	133.1	89.9
Liabilities	98.7	47.8	98.7	47.8
Investments	21.8	2.9	38.3	42.4
Depreciation and amortization	0.9	1.5	3.9	2.4
Average number of employees	90	88	86	65
<b>Germany</b>				
Net sales	110.4	84.6	387.9	341.3
Operating profit	8.9	4.1	23.3	25.3
Assets	301.4	244.4	301.4	244.4
Liabilities	211.6	179.1	211.6	179.1
Investments	2.3	2.9	7.8	17.6
Depreciation and amortization	2.3	1.0	8.8	5.2
Average number of employees	607	587	594	564
<b>USA</b>				
Net sales	45.1	94.3	317.1	427.7
Operating profit	-17.2	-4.6	-22.4	6.3
Assets	658.6	624.6	658.6	624.6
Liabilities	365.3	326.3	365.3	326.3
Investments	9.9	9.4	26.4	21.4
Depreciation and amortization	10.8	7.2	35.4	35.5
Average number of employees	128	218	156	234
<b>Global Services</b>				
Net sales	62.4	52.8	196.0	178.8
Operating profit	5.4	8.8	13.0	14.4
Assets	147.6	183.3	147.6	183.3
Liabilities	120.4	158.7	120.4	158.7
Investments	8.9	1.0	14.4	5.3
Depreciation and amortization	2.0	2.0	7.0	8.1
Average number of employees	134	120	129	118
<b>Other<sup>1)</sup></b>				
Net sales	38.8	72.5	128.3	159.1
Operating profit	-8.6	-7.4	-28.7	-38.3
Assets	434.3	389.5	434.3	389.5
Liabilities	323.3	285.0	323.3	285.0
Investments	4.3	2.9	13.7	6.7
Depreciation and amortization	1.1	0.8	3.9	3.1
Average number of employees	87	83	87	82
<b>Group eliminations</b>				
Net sales	-12.9	-16.1	-44.4	-56.7
Operating profit	-	-	-	23.2 <sup>2)</sup>
Assets	-298.1	-306.8	-298.1	-306.8
Liabilities	-298.1	-281.6	-298.1	-281.6
Investments	-	-	-	-
Depreciation and amortization	-	-	-	-

<sup>1)</sup> Other operations mainly refer to the Parent Company and AB SVAFO. AB SVAFO is responsible for management of older state-owned research waste and decommissioning of facilities related to previous state-owned operations. The costs of the operations are covered by the Nuclear Waste Fund.

<sup>2)</sup> Operating profit includes the capital gain on the sale of the shares in Studsvik Stensand AB amounting to SEK 23.3 million.

## Quarterly review

Amounts in SEK million

	2006				2007				2008			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	251.6	317.5	321.3	329.2	273.2	345.8	325.1	370.6	320.0	370.6	274.2	321.1
Operating expenses	-251.2	-290.8	-298.3	-308.0	-251.0	-330.0	-316.3	-355.3	-327.0	-338.5	-278.6	-329.1
<b>Operating profit</b>	<b>0.4</b>	<b>26.7</b>	<b>23.0</b>	<b>21.2</b>	<b>22.2</b>	<b>15.8</b>	<b>8.8</b>	<b>15.3</b>	<b>-7.0</b>	<b>32.1</b>	<b>-4.4</b>	<b>-8.0</b>
Financial items, net	-5.2	-6.4	-5.7	3.0	-3.7	-3.0	-4.2	-5.3	-3.5	-4.8	-3.1	-0.6
<b>Profit after financial items</b>	<b>-4.8</b>	<b>20.3</b>	<b>17.3</b>	<b>24.2</b>	<b>18.5</b>	<b>12.8</b>	<b>4.6</b>	<b>10.0</b>	<b>-10.5</b>	<b>27.3</b>	<b>-7.5</b>	<b>-8.6</b>

## Parent company income statement

Amounts in SEK million

	October- December 2008	October- December 2007	Full year 2008	Full year 2007
Net sales	2.7	1.5	10.8	5.6
Cost of services sold	-3.2	-1.7	-7.9	-5.4
<b>Gross profit</b>	<b>-0.5</b>	<b>-0.2</b>	<b>2.9</b>	<b>0.2</b>
Other operating costs	-8.1	-7.9	-31.6	-38.5
<b>Operating profit</b>	<b>-8.6</b>	<b>-8.1</b>	<b>-28.7</b>	<b>-38.3</b>
Financial net	2.3	-0.2	2.9	35.7
<b>Profit before tax</b>	<b>-6.3</b>	<b>-8.3</b>	<b>-25.8</b>	<b>-2.6</b>
Appropriations	4.3	0.3	4.3	0.3
Income tax	0.5	1.1	7.0	10.5
<b>Profit for the period</b>	<b>-1.5</b>	<b>-6.9</b>	<b>-14.5</b>	<b>8.2</b>

## Parent company balance sheet

Amounts in SEK million

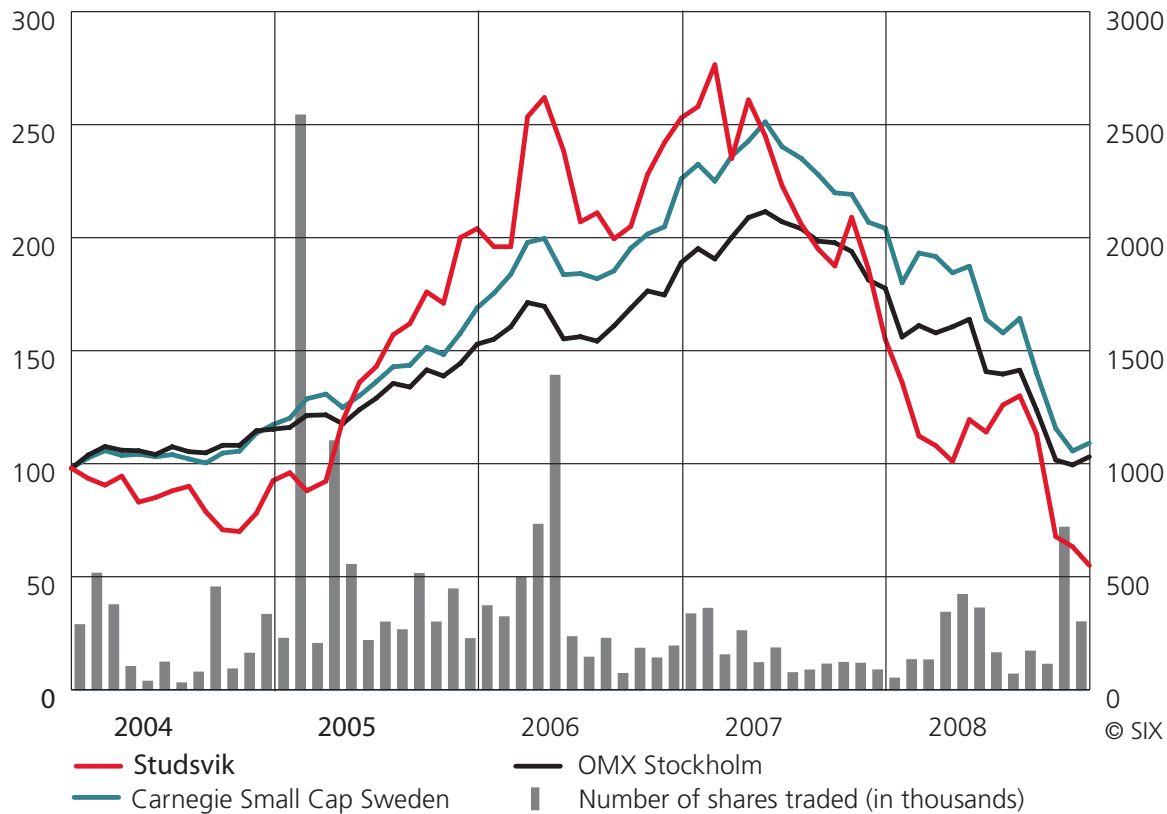
	December 2008	December 2007
<b>Assets</b>		
Property, plant and equipment	0.7	1.7
Financial fixed assets	1,015.2	947.1
<b>Total fixed assets</b>	<b>1,015.9</b>	<b>948.8</b>
Current assets	40.2	56.1
Cash and cash equivalents	84.1	91.2
<b>Total current assets</b>	<b>124.3</b>	<b>147.3</b>
<b>Total assets</b>	<b>1,140.2</b>	<b>1,096.1</b>
<b>Equity and liabilities</b>		
Equity	824.8	833.1
Untaxed reserves	2.5	6.9
Non-current liabilities	249.2	193.2
Current liabilities	63.7	62.9
<b>Total liabilities</b>	<b>312.9</b>	<b>256.1</b>
<b>Total equity and liabilities</b>	<b>1,140.2</b>	<b>1,096.1</b>

### Major shareholders, December 31, 2008

	Number of shares	Share, %
The Karinen family	1,703,552	20.7
Briban Invest AB	1,283,492	15.6
Allianz Global Inv	714,561	8.7
Bank of New York, London	441,413	5.4
Goldman Sachs International Ltd	351,146	4.3
Lannebo Fonder	333,091	4.1
State Street Bank, Boston	267,552	3.3
Invus Investment AB	199,800	2.4
JP Morgan Chase Bank, England	184,450	2.2
Citibank NA, London	154,868	1.9
<b>Total ten largest shareholders - holdings</b>	<b>5,633,925</b>	<b>68.6</b>
Other shareholders	2,584,686	31.4
<b>Total</b>	<b>8,218,611</b>	<b>100.0</b>

### The Studsvik share

In the fourth quarter the share price varied between a high of SEK 114 on October 1 and a low of SEK 47 on November 21. The opening price was SEK 155 at the beginning of the year and the closing price on December 31 was SEK 55. In the fourth quarter 0.3 million shares were traded and in 2008 2.96 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 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 1,200 employees in 8 countries and the company's shares are listed on the NASDAQ OMX Stockholm.

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# Studsvik

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