



Interim report January-June 2013

Västerås, July 16, 2013

SINCE THE DAWN OF TIME, IT HAS BEEN  
**INNOVATIVE IDEAS**  
THAT HAVE DEVELOPED THE WORLD.  
IN A GLOBAL SOCIETY, THE PACE OF  
INNOVATION MUST BE FASTER  
THAN EVER TO ENSURE GROWTH.  
SINCE ITS FOUNDING IN 1985,  
PREVAS' MISSION HAS BEEN  
TO UTILIZE A HIGH LEVEL  
OF TECHNICAL EXPERTISE AND  
INNOVATIVE SOLUTIONS TO CREATE  
GROWTH FOR ITS CUSTOMERS.

## JANUARY-JUNE

- Net sales SEK 357.4 (336.7) million
- Operating profit EBIT SEK –5.0 (13.1) million
- Operating margin (EBIT) –1.4% (3.9)
- Net income SEK –5.6 (8.9) million
- Earnings per share SEK –0.54 (0.84)
- Cash equivalents SEK 15.8 (14.3) million

## APRIL-JUNE

- Net sales SEK 185.4 (163.4) million
- Operating profit EBIT SEK –4.6 (1.0) million
- Operating margin EBIT –2.5% (0.6)
- Net income SEK –4.2 (0.1) million
- Earnings per share SEK –0.41 (0.00)

## A word from the CEO

Prevas has continued to focus on profitability, the integration of previous acquisitions and consolidation. The results for the quarter are weak, which is primarily due to low capacity utilization, costs related to staff reductions and provisions for anticipated bad debt losses.

During the quarter we made some internal adjustments to better fit into a market that is characterized by restraint. The investment in Management Consulting has not developed as quickly as expected and this has resulted in a reduction in our operations in Gothenburg. In the future our operations in Stockholm and Malmö will form the basis for our investment in Management Consulting, as part of which we offer our customers strategic, operations-related improvement work.

The market for technical consultancy services is still unstable and characterized by uncertainty about where the global economy is headed. We are working actively to raise our capacity utilization. These efforts consist of both intensified sales activities and staff reductions in areas where we do not have acceptable profitability. However, we are happy to report that we have renewed our framework agreements and partnerships with customers such as ABB and Sandvik, and we are holding interesting discussions about different types of collaborations with several large companies with which we have had solid relationships for a long time. We are also seeing careful signs of a recovery, in that our customers are keeping the door open for additional business during the second half of the year.

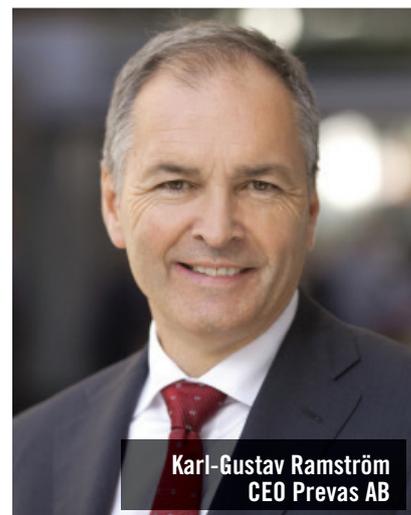
The acquisition of Psiam during the quarter strongly complements our previous offering within industrial IT, and it has already borne fruit. Through opportunities that Psiam had in its pipeline, Prevas signed a cooperation agreement with Technip, a global supplier to the oil and gas industry. This provides Prevas with a golden opportunity to show what a Scandinavian team of senior consultants from one of Prevas's Centers of Excellence (Enterprise Asset Management, EAM) can achieve in important basic industries. It also clearly shows that we have an attractive business offering and we are a strategic partner for our customers.

Prevas has been a development partner for Scandinavian industry for many years. We are now investing in more of a presence in Finland, where we have been helping large industrial customers for many years with interesting assignments, for example within energy and the environment. We see possibilities here to further strengthen our relationships with existing customers and even expand the operations and reach new customers. Together with an established Finnish partner, we are now in the start-up phase of establishing a company.

Swedish and Nordic industry is well-known throughout the world for its successful innovation and technology, which makes it even more important for the industry to continue to have the proper economic conditions for increased competition and growth even in the future. Prevas, which has a reputation as being one of the strongest technology consultants, will also face opportunities for growth and to be an important development partner for its customers.

Few other consultancy firms have as many customer references in so many different industries and areas of technology. We have now gathered some of these projects on our website, [www.prevas.se](http://www.prevas.se). Drop by for a visit! There we clearly demonstrate what we mean by our motto, "Innovation for Growth".

Karl-Gustav Ramström, CEO Prevas AB



**Karl-Gustav Ramström**  
CEO Prevas AB

# Product Development / EMBEDDED SYSTEMS

As the market leader in embedded systems, Prevas contributes by providing innovations that create growth. In order to successfully launch new smart products, it is necessary to have a strong focus on product quality, costs and time-to-market.

PRODUCT DEVELOPMENT	2013	2013	2012	2012	2012	2012	2011	2011	2011	2011
RESULTS	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Income, SEK thousands	102,100	109,807	118,711	90,698	115,398	121,918	127,300	88,319	112,084	109,004
Operating profit/loss, SEK thousands	-2,521	-2,505	-10,831	1,379	756	9,133	8,342	4,133	7,072	10,048
Operating margin, %	-2.5	-2.3	-9.1	1.5	0.7	7.5	6.6	4.7	6.3	9.2
Average number of employees	357	359	355	346	345	336	319	307	302	283

Prevas' Product Development business area is a leader in software, electronics and mechatronics for embedded systems and advanced technical consultancy services for leading Scandinavian companies. Embedded systems are found everywhere in today's society, in everything from cell phones, cars, trains, medical equipment, industrial robots and modern appliances. The common denominator is that they are all controlled by more or less advanced computer systems housed in the products.

The Product Development business area is reporting a negative result even for the second quarter, mainly due to provisions for anticipated bad debt losses and a capacity utilization level that is much too low. During the period we gradually increased the capacity utilization level and also implemented savings measures in areas where demand has been weak.

Market development is still hard to assess. We are seeing that several of Prevas' major customers have an increasing demand for technical consultancy services and services within embedded systems, which means that we are carefully optimistic and believe that demand will be slightly better during the second half of the year.

There continues to be a clear, general trend of placing a growing number of embedded systems in industrial and commercial products. Because we are the Nordic leader for embedded systems, we continue to believe that Prevas has a positive outlook for the future.

## IMPORTANT EVENTS DURING THE PERIOD

### Another city on the operational map, Jönköping/Sweden

Prevas' Industrial Systems business area has been represented in Jönköping since February 2012. An increasing number of customers are interested in our platforms, modules and technical expertise, which is why the Product Development business area has also been represented in Jönköping since the second quarter of 2013. Through continued expansion in this interesting region, Prevas can strengthen its relationships with existing customers while at the same time improving opportunities to develop new customers.

### With the customer in focus

Prevas' broad expertise within software, electronics and mechatronics and its ability to deliver projects on time and with a high level of quality are the factors behind its success. We also have extensive expertise within several of our customers' operational areas, which is important to be able to turn our customers' ideas into functional products.

The Product Development business area's largest customers during the period were Saab Aerosystems, Axis Communication and Maquet Critical Care.

# Industrial Systems / INDUSTRIAL IT

As the market leader in industrial IT, Prevas contributes by providing innovations that create growth. Our job is to increase efficiency in our customers' manufacturing processes. We work in close collaboration with our customers to define each step of the way towards cost-effective and highly-productive production facilities.

INDUSTRIAL SYSTEMS	2013	2013	2012	2012	2012	2012	2011	2011	2011	2011
RESULTS	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Income, SEK thousands	72,801	53,539	49,040	42,284	47,959	51,398	45,967	42,015	44,070	46,410
Operating profit/loss, SEK thousands	4,305	5,170	2,829	2,829	969	2,993	3,574	3,088	5,474	5,353
Operating margin, %	5.9	9.7	5.8	6.7	2.0	5.8	7.8	7.3	12.4	11.5
Average number of employees	175	159	151	152	155	160	137	134	135	133

Prevas' Industrial Systems business area is a leader in helping companies increase their production efficiency. Its focus is on intelligent IT solutions within automated production control and production planning (MES), decision support for production follow-up (EMI), maintenance systems (EAM) and logistics and automation. These solutions have a major impact on the industry's productivity and, thereby, competitiveness.

Maintenance systems (EAM) are a new business area for Prevas. With its acquisition of Psiam, Prevas is expanding its portfolio within productivity solutions. Several business synergies are already being realized thanks to the acquisition, not in the least in terms of customers.

Sales for Prevas' Industrial Systems business area rose by 52 percent during the second quarter compared to the same period last year. Profit during the second quarter quadrupled compared to the same period in 2012.

Prevas believes that the development on the market continues to be cautious, even if there is an increasing number of requests and projects on the market for production-related IT. We are seeing considerable potential in the collaboration between production and maintenance at our customers, and this is one of the areas Prevas would like to develop. Interest in mapping and streamlining energy consumption in the industry is another interesting area where activity is increasing. In general, the hunt for productivity is what drives customers to intelligent and modern IT solutions in production.

## IMPORTANT EVENTS DURING THE PERIOD

### Acquisition of PSIAM, a company focusing on IT solutions for maintenance, from April 2013

On April 4, 100% of the shares in PSIAM, a company focusing on IT solutions for maintenance, were acquired. The company has 7 employees in Oslo and 7 employees in Karlstad and builds its operations around assignments from customers in Europe. The company specializes in IT solutions for maintenance. Its customers include Coca-Cola, GE Healthcare, NIBE and Norway Post.

The fixed cash consideration was SEK 14.0 million and an additional SEK 5.8 million was paid in cash remuneration. Earnout, based on the company's performance up to the end of March 2016, may also be added to the purchase price at a maximum of SEK 3.0 million. Based on preliminary estimates, the value of the acquired assets and liabilities is made up of estimated goodwill at SEK 15.1 million, other intangible fixed assets at SEK 8.2 million and deferred tax at SEK -1.7 million. Other acquired operating assets and liabilities are included in the table on page 11. The resulting goodwill is attributable to synergy effects and staff. The acquired company will become part of the Prevas Group and is expected to attain an operating margin of approximately 15 percent and sales of SEK 15.0 million for the remainder of 2013. Estimated annual sales are SEK 30 million. The unit will be fully included in Prevas' Consolidated Financial Statements. No transaction costs impacted the income during the period.

### Global cooperation

Prevas has signed a cooperation agreement with Technip, a global supplier to the oil and gas industry, regarding its operations in Scotland.

Technips in Norway has already been using Infor EAM (Enterprise Asset Management), which is one of the world's leading maintenance systems. Infor EAM is a flexible maintenance system that is adapted to the strict requirements on quality and functionality that exist in the offshore industry. When the Technip Group wanted to use the Infor EAM solution outside of Norway, it turned to Prevas for help. The project has just begun and a team of senior consultants from Prevas Center of Excellence EAM from Norway, Sweden and Denmark are on location in Scotland.



Business Area

## Management Consulting

Strategic counseling is built on passionate and brave innovation rooted in an understanding of the industry. Prevas Management Consulting fills a gap in industry-specific strategic counseling.

MANAGEMENT CONSULTING	2013	2013	2012	2012	2012	
RESULTS	Q2	Q1	Q4	Q3	Q2	<i>Start of business area May 2012</i>
Income, SEK thousands	10,500	8,702	6,193	1,993	16	
Operating profit/loss, SEK thousands	-6,405	-3,057	-4,250	-2,857	-772	
Operating margin, %	-61.0	-	-	-	-	
Average number of employees	35	32	29	5	2	

Prevas' Management Consulting business area helps companies that are located in change-intensive industries. The work can include the development of new business models or creating new possibilities in the gray zone between IT and operations. Prevas' vast, solid industrial expertise is a strength that also enhances the competitiveness of our customers.

The business area is in a start-up phase, where focus is on creating profitable growth among existing and new customers and cooperating with Prevas's other business areas. Prevas' brand is known for a high level of expertise, quality and customer satisfaction among its existing customers. Adding a new offering, which to be sure has been in demand, has taken longer than expected since the market has demonstrated restraint, but also due to difficulties finding employees with the right skills.

The business area has built up its operations and offering in a number of prioritized areas and industries. Consolidation of the business area with Prevas' other operations in order to maximize the value of the offering and give customers comprehensive support is one of the keys for success that will be secured. Therefore, during the second half of 2013 the main focus will be on developing Prevas' existing customers, together with the other business areas. We are also seeing opportunities to develop the offering within infrastructure, which is an important issue for Nordic industry.

### IMPORTANT EVENTS DURING THE PERIOD

#### Consolidation of operations

A shrinking market and altered behavior at a number of customers means that Prevas needs to reorganize to better adapt to these changes. Prevas is therefore opting to terminate its investment in the Management Consulting business area in the Gothenburg region. This was implemented during the second quarter and will have an effect at the beginning of the third quarter of 2013.

In close dialogue with customers and as a result of analyses of market trends, the business area will continue to build, package and clarify its offering in a number of selected areas. Prevas sees opportunities in these areas and can very much be active in finding solutions via our specialist advisors.

#### Collaboration within the energy industry

Prevas renewed contracts with a number of the largest actors in Sweden's energy sector and will be responsible for, for example, project management and CRM issues. During the period we signed an agreement with Fortum for the delivery of technical consultancy services.

Several of the business area's largest customers during the period were E.ON, Forsmark, Fortum, OKG and the Swedish Transport Administration.

# Financial information

## SALES

### January-June

Net sales for the year totaled SEK 357.4 (336.7) million – an increase of more than six percent. The total number of working days was 122 (123). The units acquired in 2012 and 2013 represent 10 percent of net sales.

Net sales per employee were SEK 610 (643) thousand.

### April-June

Net sales for the year totaled SEK 185.4 (163.4) million – an increase of more than 13 percent. The total number of working days was 60 (59). Organic growth was 2.3 percent and the acquired units represent 11.2 percent of net sales.

Net sales per employee was SEK 312 (308) thousand.

## RESULTS

### January-June

Operating profit (EBIT), excl. restructuring cost and anticipated bad debt losses, was SEK –0.2 (13.1) million, with a corresponding operating margin of –0.0 (3.9) percent. Earnings (EBIT), incl. restructuring cost and anticipated bad debt losses, were SEK –5.0 million, with a corresponding profit margin of –1.4 percent. Profit before depreciation and amortization (EBITDA), excluding other income of SEK 7.0 million (which is a change in the value of applicable earnout), was SEK 1.7 (17.4) million, with a corresponding profit margin before depreciation and amortization of 0.5 (5.2) percent.

Net income was SEK –5.6 (8.9) million.

The decline in earnings is attributable to anticipated bad debt losses of SEK 1.3 million, restructuring costs for the Product Development business area of SEK 1.7 million and the Management Consulting business area of SEK 1.8 million and lower capacity utilization within the Product Development business area.

### April-June

Operating profit (EBIT), excl. restructuring cost and anticipated bad debt losses, was SEK –0.8 (1.0) million, with a corresponding operating margin of –0.4 (0.6) percent. Earnings (EBIT), incl. restructuring cost and anticipated bad debt losses, were SEK –4.6 million, with a corresponding profit margin of –2.5 percent. Profit before depreciation and amortization (EBITDA), excluding other income of SEK 7.0 million (which is a change in the value of applicable earnout), was SEK –1.0 (3.3) million, with a corresponding profit margin before depreciation and amortization of –0.5 (2.0) percent.

Net income was SEK –4.2 (0.1) million.

The decline in earnings is attributable to anticipated bad debt losses of SEK 1.3 million, restructuring costs for the Product Development Sweden business area of SEK 0.7 million and the Management Consulting business area of SEK 1.8 million and lower capacity utilization within the Product Development business area.

## CASH FLOW AND CASH EQUIVALENTS

Cash flow from operating activities during the period was SEK 18.6 (–8.0) million. At the end of the period, cash equivalents equaled SEK 15.8

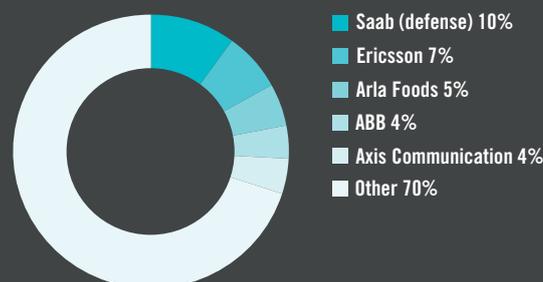
(14.3) million and bank overdraft facilities were utilized for SEK 31.0 million.

## FINANCIAL POSITION

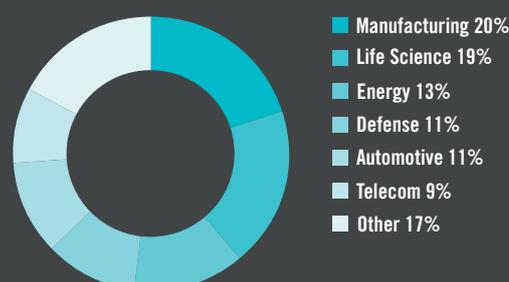
Equity was SEK 151.9 (172.7) at the end of the period, with a corresponding equity ratio of 37 (46) percent.

Equity per share was SEK 14.80 (16.80).

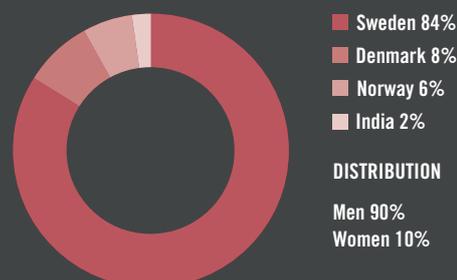
THE LARGEST CUSTOMERS Q2 2013



INDUSTRY BREAKDOWN Q2 2013

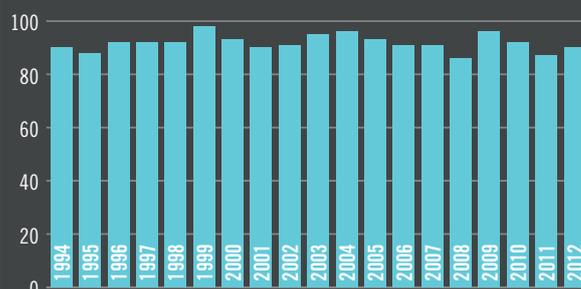


TOTAL 631 EMPLOYEES 6-30-2013



**DISTRIBUTION**  
Men 90%  
Women 10%

DELIVERY RELIABILITY, %



CUSTOMER RATING, SCALE 1 TO 10



## EMPLOYEES

During the period, the average number of employees was 586 (524), of which 359 (336) work in the Product Development business area, 167 (160) work in the Industrial Systems business area and 33 (0) work in the Management Consulting business area. In addition, there were 27 (21) employees in senior management and administrative positions.

The total number of employees at the end of the period was 631 (575), of which 10 percent were women.

## INVESTMENTS

The company made investments in fixed assets worth SEK 1.4 (2.4) million during the period. Of the total amount, SEK 1.1 (1.0) million was for machinery and equipment, while SEK 0.4 (1.3) million was for product development and intangible assets. There were also investments via company acquisition.

## STRONG BUSINESS FINANCIAL INDICATORS – ON-TIME DELIVERY OF PROJECTS

As a part of the company's quality assurance system, we constantly measure customer satisfaction, delivery reliability and warranty work. Since it was founded in 1985, Prevas' high quality has resulted in a very high number of satisfied and returning customers as well as unique quality indicators for delivery reliability and warranty. 90 percent of our projects are delivered on time – a figure that is significantly higher than the industry average. That, in combination with a customer satisfaction level of 8.5 (on a scale of 1 to 10), makes Prevas highly valued by its customers.

## KEY INDICATORS PER QUARTER

	2013	2013	2012	2012	2012	2012	2011	2011	2011	2011
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales, SEK million	185.4	172.0	173.9	135.0	163.4	173.3	173.3	130.3	156.2	155.4
Operating profit/loss, SEK million	-4.6	-0.4	-12.3	1.3	1.0	12.1	11.9	7.2	12.5	15.4
Operating margin, %	-2.5	-0.2	-7.0	1.0	0.6	7.0	6.9	5.5	8.0	9.9
Number of working days	60	62	62	65	59	64	64	66	60	63
Number of employees at the end of the period	631	607	590	589	577	575	567	518	502	501
Average number of employees	595	576	560	527	531	517	494	461	467	435
Net sales/employee, SEK thousands	312	299	311	260	308	335	351	283	333	357
Equity ratio, %	37	41	40	46	46	49	55	58	54	52
Earnings per share, SEK	-0.41	-0.13	-0.87	0.10	0.00	0.84	0.80	0.48	0.84	1.05
Equity per share, SEK	14.80	15.49	15.93	16.73	16.80	16.82	18.04	17.57	17.00	15.86

## PARENT COMPANY SALES

### January-June

Sales were SEK 264.2 (259.8) million and profit after financial items was SEK 4.8 (11.8) million.

### April-June

Sales were SEK 130.9 (125.0) million and profit after financial items was SEK 0.6 (1.5) million.

## RISKS AND UNCERTAINTIES

The Prevas Group, including the Parent Company, relies on certain guiding principles when it comes to managing risks in various parts of its business. Successful risk management is a continuous process conducted within the framework for operations management. It is an integral part of the everyday follow-up of the business. Examples of business and market-related risks include competition and downward pressure on prices, how our customers' businesses develop, bad debt losses, risks associated with the state of the market and fluctuations in exchange/interest rates. Another risk involves the competition for skilled employees. Because Prevas is the market leader for Embedded Systems and Industrial IT and is in the process of building up its new business area, Management Consulting, it is important that the company is able to attract and recruit the very best talent in the labor market.

## TRANSACTIONS WITH RELATED PARTIES

These types of transactions are reported in Note 25 of the annual report. They are primarily related to purchases and sales between Group companies. The transactions take place in accordance with market conditions.

## ACCOUNTING PRINCIPLES

This Interim Report was prepared in accordance with IAS 34, Interim Financial Reporting. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Commission for application within the EU, as well as the Swedish Annual Accounts Act, where applicable.

The Parent Company's financial statements have been prepared in accordance with the Annual Accounts Act and recommendation RFR 2 Accounting for Legal Entities.

IFRS 13 Fair Value Measurement has been applied starting from 2013. This is a new standard for measuring fair value that entails improved disclosure requirements. Other changes as regards new or modified IFRS or interpretations have not significantly affected the financial statements.

In other aspects, the Group and Parent Company apply the same accounting principles and bases of calculation as described in the 2012 Annual Report.

Västerås, July 16, 2013  
Prevas AB (publ)

Karl-Gustav Ramström, CEO Prevas AB

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The Board of Directors and CEO assert that these interim financial statements provide a true and fair view of the Parent Company's and Group's business, financial position and profits. Any significant risks or uncertainties faced by the company or any of its subsidiaries have been disclosed.

Stockholm, July 16, 2013  
Prevas AB (publ)

Göran Lundin  
Chairman of the Board

Karl-Gustav Ramström  
President and CEO Prevas AB

Claes Dinkelspiel  
Board Member

Ulrika Grönberg  
Board Member

Bengt-Erik Lindgren  
Board Member

Stieg Westin  
Vice Chairman

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Employee Representative

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**This interim report has not been examined by the Company's auditors.**

Published on 7-16-2013, 8:30 CET. This is information that Prevas AB (publ) must make available to the public in accordance with the Swedish Securities Market Act (2007:528) and/or the Swedish Financial Instruments Trading Act.

This is a translation of an original document in Sweden. In case of dispute, the original document should be taken as authoritative (delårsrapport jan-juni 2013 at [www.prevas.se](http://www.prevas.se)). Or contact the company direct.

## UPCOMING REPORTS

- Interim Report January-September 2013, October 29, 2013
- Year-end Report for 2013, February 11, 2014

# Consolidated Financial Statements

SUMMARY INCOME STATEMENTS, SEK thousands	2013 Q1-Q2	2012 Q1-Q2	2013 Q2	2012 Q2	2012 Full year
<b>Net sales</b>	<b>357,449</b>	<b>336,689</b>	<b>185,401</b>	<b>163,373</b>	<b>645,608</b>
Other operating income	7,000 *	–	7,000 *	–	–
Capitalized work	646	511	301	297	1,290
Other external costs	–92,736	–89,021	–50,722	–43,295	–181,956
Personnel costs	–263,637	–230,788	–135,943	–117,072	–447,554
Profit/loss before depreciation and amortization	8,722	17,391	6,037	3,303	17,388
Amortization/impairment of intangible assets	–10,611 **	–1,851	–9,077 **	–1,065	–9,966
Depreciation of property, plant and equipment	–3,123	–2,462	–1,580	–1,286	–5,248
Operating profit/loss	–5,012	13,078	–4,620	952	2,174
Net financial items	–1,629	–817	–397	–633	–1,771
Profit/loss after financial items	–6,641	12,261	–5,017	319	403
Taxes	1,065	–3,364	853	–187	88
Profit/loss for the period	–5,576	8,897	–4,164	132	491
<b>Profit/loss for the period attributable to Parent Company's owners</b>	<b>–5,424</b>	<b>8,491</b>	<b>–4,161</b>	<b>31</b>	<b>679</b>
<b>Profit/loss for the period attributable to holdings without a controlling influence</b>	<b>–152</b>	<b>406</b>	<b>–3</b>	<b>101</b>	<b>–188</b>
Basic and diluted earnings per share, SEK	–0.54	0.84	–0.41	0.00	0.07

\* Change in value of earnout.

\*\* Impairment of goodwill has been made for SEK 7 million.

SUMMARY STATEMENT OF COMPREHENSIVE INCOME, SEK thousands	2013 Q1-Q2	2012 Q1-Q2	2013 Q2	2012 Q2	2012 Full year
<b>Profit/loss for the period</b>	<b>–5,576</b>	<b>8,897</b>	<b>–4,164</b>	<b>132</b>	<b>491</b>
<b>Items that may later be transferred to profit/loss for the period:</b>					
Translation differences attributable to foreign operations	–218	–438	185	–165	–1,181
Net comprehensive income for the period	–5,794	8,459	–3,979	–33	–690
<b>Comprehensive income for the period attributable to the Parent Company's owner</b>	<b>–5,642</b>	<b>8,053</b>	<b>–3,976</b>	<b>–134</b>	<b>–502</b>
<b>Comprehensive income for the period attributable to holdings without a controlling influence</b>	<b>–152</b>	<b>406</b>	<b>–3</b>	<b>101</b>	<b>–188</b>

BUSINESS UNIT PERFORMANCE	2013 Q1-Q2	2012 Q1-Q2	2013 Q2	2012 Q2	2012 Full year
<b>NET SALES, SEK thousands</b>					
Product Development	211,907	237,316	102,100	115,398	446,725
Industrial Systems	126,340	99,357	72,801	47,959	190,681
Management Consulting	19,202	16	10,500	16	8,202
Total	357,449	336,689	185,401	163,373	645,608
<b>OPERATING PROFIT/LOSS, SEK thousands</b>					
Product Development	–5,026	9,889	–2,521	756	435
Industrial Systems	9,475	3,962	4,305	969	9,619
Management Consulting	–9,462	–772	–6,405	–772	–7,880
Total	–5,012	13,078	–4,620	952	2,174
<b>OPERATING MARGIN, %</b>					
Product Development		4.2	–2.5	0.7	0.1
Industrial Systems	7.5	4.0	5.9	2.0	5.0
Management Consulting	–49.3	–	–61.0	–	–96.1
Total	–1.4	3.9	–2.5	0.6	0.3

# Consolidated Financial Statements (cont.)

SUMMARY BALANCE SHEET, SEK thousands	2013	2012	2012
	June 30	June 30	Dec 31
Goodwill	149,049	123,959	141,075
Other intangible assets	28,396	12,839	23,033
Property, plant and equipment	21,176	15,490	21,012
Deferred tax assets	4,805	1,736	4,132
Total fixed assets	203,426	154,024	189,252
Current receivables	190,568	206,114	206,733
Cash equivalents	15,850	14,251	13,728
Total current assets	206,418	220,365	220,461
<b>TOTAL ASSETS</b>	<b>409,844</b>	<b>374,389</b>	<b>409,713</b>
Equity attributable to Parent Company's owner	149,489	169,745	160,962
Equity attributable to holdings without a controlling influence	2,428	2,946	2,580
Equity	151,917	172,691	163,542
Deferred tax liability	14,994	12,381	13,200
Long-term provisions*	15,510	–	20,300
Long-term interest-bearing liabilities	72,908	55,037	69,824
Total long-term liabilities	103,412	67,418	103,324
Current provisions*	4,608	1,389	5,802
Current interest-bearing liabilities	11,020	6,366	10,463
Other current liabilities	138,887	126,525	126,582
Total current liabilities	154,515	134,280	142,847
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>409,844</b>	<b>374,389</b>	<b>409,713</b>

\* Conditional earnouts are included in the amount of SEK 19 million. The value decreased by SEK 5 million during the period. They are measured at fair value according to Level 3 and the most significant parameter for the measurement is assessed earning in acquired operations. Final earnouts may fall within the range SEK 0-19 million.

SUMMARY OF CHANGES IN EQUITY, SEK thousands	2013	2012	2012
	June 30	June 30	Dec 31
Opening balance	163,542	184,844	184,844
Total comprehensive income for the period attributable to the Parent Company's owner	–5,642	8,053	–502
Total comprehensive income for the period attributable to holdings without a controlling influence	–152	406	–188
Change in holdings without controlling influence	–2,800	–407	–407
Dividends	–3,031	–20,205	–20,205
Closing balance	151,917	172,691	163,542
<b>Equity attributable to Parent Company's owner</b>	<b>149,489</b>	<b>169,745</b>	<b>160,962</b>
<b>Equity attributable to holdings without a controlling influence</b>	<b>2,428</b>	<b>2,946</b>	<b>2,580</b>

# Consolidated Financial Statements (cont.)

SUMMARY STATEMENT OF CASH FLOW, SEK thousands	2013 Q1-Q2	2012 Q1-Q2	2013 Q2	2012 Q2	2012 Full year
<b>OPERATING ACTIVITIES</b>					
Profit/loss before tax	-6,641	12,261	-5,017	319	403
Adjustments for non-cash items	6,986	3,987	4,054	2,491	14,506
Income tax paid	-1,209	-12,035	-1,094	-2,217	-13,401
Cash flow from operating activities before working capital changes	-864	4,213	-2,057	593	1,508
<b>CASH FLOW FROM CHANGES IN WORKING CAPITAL</b>					
Changes in operating receivables	22,669	-20,152	-58	2,981	-18,253
Changes in operating liabilities	-3,244	7,968	4,622	-2,681	10,715
Cash flow from operating activities	18,561	-7,971	2,507	893	-6,030
<b>INVESTING ACTIVITIES</b>					
Acquisition of businesses and shares, excl. cash equivalents *	-15,171	-12,953	-12,371	-12,269	-26,046
Investments in intangible fixed assets	-345	-1,256	-	-791	-2,770
Investments in property, plant and equipment	-1,066	-1,043	-657	-613	-1,743
Cash flow from investing activities	-16,582	-15,252	-13,028	-13,673	-30,559
<b>FINANCING ACTIVITIES</b>					
New loans	4,900	10,000	4,900	10,000	23,000
Loan amortization	-500	-1,050	-	-1,050	-4,350
Change in bank overdraft facility	-1,145	29,033	9,844	29,033	32,173
New issue	-	277	-	277	277
Dividends paid	-3,031	-20,205	-3,031	-20,205	-20,205
Cash flow from financing activities	224	18,055	11,713	18,055	30,895
<b>Cash flow for the period</b>	<b>2,203</b>	<b>-5,168</b>	<b>1,192</b>	<b>5,275</b>	<b>-5,694</b>
Cash equivalents at the beginning of the period	13,728	19,271	14,577	8,994	19,271
Translation difference on cash equivalents	-81	148	81	-18	151
Cash equivalents at the end of the period	15,850	14,251	15,850	14,251	13,728

* ACQUIRED COMPANY'S NET ASSETS AT TIME OF ACQUISITION, SEK million	Preliminary 2013 Acc June	2012 Acc June
Intangible fixed assets	1.2	-
Property, plant and equipment	0.2	0.2
Deferred tax assets	0.2	-
Accounts receivable and other receivables	7.0	5.5
Cash equivalents	7.5	3.7
Accounts payable and other liabilities	-13.6	-3.9
Net assets and liabilities	2.5	5.5
Fair value adjustment of intangible assets	22.1	16.2
Fair value adjustment of long-term provisions	-1.7	-1.2
Transferred remuneration, including estimated earnout	22.9	20.5
Less:		
Cash acquired	-7.5	-3.7
Estimated earnout	-3.0	-4.5
Net cash flow acquired units	12.4	12.3
Earnout paid during the period	2.8	0.7
Net cash flow	15.2	13.0

## Consolidated Financial Statements (cont.)

KEY INDICATORS, SEK thousands	2013 Q1-Q2	2012 Q1-Q2	2013 Q2	2012 Q2	2012 Full year
Profit margin before depreciation and amortization/EBITDA	0.5%	5.2%	-0.5%	2.0%	2.7%
Operating margin/EBIT	-1.4%	3.9%	-2.5%	0.6%	0.3%
Profit margin	-1.9%	3.6%	-2.7%	0.2%	0.1%
<i>Number of outstanding shares at the end of the reporting period, in thousands</i>					
basic and diluted	10,102	10,102	10,102	10,102	10,102
<i>Average number of outstanding shares, in thousands</i>					
basic and diluted	10,102	10,102	10,102	10,102	10,102
Basic and diluted earnings per share, SEK	-0.54	0.84	-0.41	0.00	0.07
Equity per share, basic and diluted, SEK	14.80	16.80			15.93
Equity ratio	37%	46%			40%
Return on capital employed, %	-2.0%	6.0%			1.1%
Return on equity, %	-3.5%	5.0%			0.3%
Average number of employees	586	524	595	531	531
Number of working days	122	123	60	59	250
Sales per employee, SEK thousands	610	643	312	308	1,216

Definitions of key indicators, see page 35 of Prevas' 2012 Annual Report.

# Parent Company Financial Statements

SUMMARY INCOME STATEMENTS, SEK thousands	2013 Q1-Q2	2012 Q1-Q2	2013 Q2	2012 Q2	2012 Full year
<b>Net sales</b>	<b>264,241</b>	<b>259,838</b>	<b>130,947</b>	<b>124,961</b>	<b>492,238</b>
Capitalized work	445	331	135	175	949
Other external costs	-81,314	-81,021	-41,133	-39,443	-159,507
Personnel costs	-171,138	-164,552	-86,981	-82,654	-311,206
Amortization/impairment of intangible assets	-2,699	-1,374	-1,822	-691	-2,465
Depreciation of property, plant and equipment	-679	-913	-317	-454	-1,863
<b>Operating profit/loss</b>	<b>8,856</b>	<b>12,309</b>	<b>829</b>	<b>1,894</b>	<b>18,146</b>
Profit/loss from participations in Group companies	-2,800	–	–	–	-6,162
Interest income and similar profit/loss items	176	69	168	11	349
Interest expenses and similar items	-1,405	-542	-360	-437	-1,500
<b>Profit/loss after financial items</b>	<b>4,827</b>	<b>11,836</b>	<b>637</b>	<b>1,468</b>	<b>10,878</b>
Appropriations	–	–	–	–	-2,830
Taxes	-2,131	-3,226	-563	-447	-4,024
<b>Profit/loss for the period</b>	<b>2,696</b>	<b>8,610</b>	<b>74</b>	<b>1,021</b>	<b>4,024</b>

SUMMARY BALANCE SHEET, SEK thousands	2013 June 30	2012 June 30	2012 Dec 31
Intangible fixed assets	19,604	4,484	21,760
Property, plant and equipment	2,104	2,892	2,371
Financial assets	82,260	52,251	59,430
Current receivables	153,849	169,303	183,388
Cash and bank balances	297	782	331
<b>Total assets</b>	<b>258,114</b>	<b>229,712</b>	<b>267,280</b>
Equity	79,598	84,485	79,933
Untaxed reserves	2,830	–	2,830
Provisions *	16,479	1,196	14,678
Long-term interest-bearing liabilities	59,790	46,433	56,673
Current interest-bearing liabilities	6,938	4,200	6,800
Other current liabilities	92,479	93,398	106,366
<b>Total liabilities and equity</b>	<b>258,114</b>	<b>229,712</b>	<b>267,280</b>
Pledged assets	109,704	65,000	89,875
Contingent liabilities	8,249	3,739	2,295

\* Including conditional earnouts in the amount of SEK 14 million.



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*Innovation for Growth*

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With cutting edge expertise in embedded systems and industrial IT, Prevas contributes by providing innovative solutions that create growth. Prevas was founded in 1985, and the company is the main supplier and development partner to leading companies in industries such as life science, telecommunications, automotive, defense, energy and engineering. Offices are located in Sweden, Denmark, Norway and India. The company has approximately 600 employees.

Prevas has been listed on the NASDAQ OMX Nordic Exchange in Stockholm since 1998.

For more information, see [www.prevas.com](http://www.prevas.com).