

**SAAB**

PRESS INFORMATION

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THE 2002 REPORT

- Order bookings amounted to SEK 20 billion, of which SEK 4 billion in the fourth quarter. Order backlog amounted thereby to SEK 43 billion.
- Sales SEK 16,538 m. (15,689), an increase of 5%.
- Operating income SEK 1,220 m. (944 m., excluding capital gains) and income after financial items SEK 993 m.
- Earnings per share SEK 6.87.
- Proposed dividend per share: SEK 3.50 (3.25).
- European decision to develop the air-to-air missile Meteor.
- Finnish orders for a combat training center.
- Hungary upgrades the 14 leased Gripen fighters.

Statement by the CEO

"In 2002 Saab continued to produce good financial results, and the order backlog grew to its highest level ever. Saab's defense businesses developed well. Operating income and the operating margin, excluding capital gains, continued to rise in accordance with our forecast.

For defense operations, 2002 was another year of good order bookings and a number of strategic breakthroughs, particularly in missiles. Order bookings in the latter area were higher than ever, entirely due to international successes. In defense electronics, simulation systems from Training Systems continued to defend a market-leading position. Saab was also selected to develop the tactical command system for the Nordic standard helicopter, a major order not only in monetary terms but also in that it demonstrates the value of our ability to develop and integrate advanced systems and gives us the opportunity to build contacts and expertise in the helicopter field.

Last week Hungary amended its lease agreement for 14 Gripen fighters with the Swedish state. A number of new modifications, including air-to-air refueling capacity and onboard oxygen generation, will ensure that Hungary is one of the few NATO members with a fourth-generation, fully NATO-interoperable aircraft system.

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The development of the core business through complementary acquisitions and a streamlining of the Group through divestments continued during the year. In addition, the organization has been strengthened in part through the merger of our operations in command and control systems, electronic warfare and avionics, and through further steps being taken to better manage projects across business areas. We have also formed Saab International to further strengthen the coordination of our international marketing.

We focus on growing market segments, primarily systems integration, advanced defense electronics and high-technology services. We have a product portfolio that is both modern and competitive, and we compete with world-leading products for contracts in growing markets. Our service businesses offer growth potential, particularly when it comes to managing and securing large advanced systems for customers who are responsible for security, complex infrastructures, etc. Furthermore, we have a balance sheet that gives us great flexibility, which is important in an industry that has undergone extensive consolidation and will continue to do so. From a position of strength, we can actively seek out new opportunities for structural deals and cooperations.

For the full-year 2003 we expect continued growth and improvement in our operating income and operating margin. Due to the normal variation in income during the year, I expect a relatively weak start to the year and a strong finish. On the whole, my opinion is that we are well prepared to continue on development in terms of market position, growth and profitability."

Major events and structural changes

Bengt Halse has announced his decision to exercise his right to retire as President and CEO of Saab AB at age 60. Åke Svensson, currently head of business area Saab Aerospace, has been appointed new President and CEO effective July 14, 2003 after presentation of the company's interim report for the second quarter. Following this date Bengt Halse will continue to be involved in Saab activities, including the position as chairman of Saab's Strategic Advisory Board.

During the year the Board of Directors have decided to appoint an Audit Committee consisting of three members from within the Board who are not employed by the company. Current committee members include Anders Scharp, Peter Nygård and Björn Svedberg.

As part of the streamlining process of the Group, Saab Xperientia has been sold and Applied Composites AB has been divested to Chelton Ltd of the UK during the fourth quarter. In addition, a decision was made to dissolve Saab MicroTech AB and SaabTech's operations in Härnösand. Negotiations are in progress on divesting further non-core operations. Discussions are being held with SNPE of France on a structural solution involving Nexplo.

During the autumn of 2002 and effective January 1, 2003 the Group's operations in command and control systems, electronic warfare and avionics were brought together in a single company, SaabTech, through the merger of SaabTech Systems, Saab Avionics and Saab Facilities. Earlier this year, BAE SYSTEMS' signature management operations in the U.S. and the remaining 35 percent in Combitech Systems were acquired and AerotechTelub



Information & Media AB was divested to Sörman Information. Effective January 1, Saab Nyge Aero has been transferred from Saab Technical Support and Services to Saab Aerospace.

The acquisition of the U.S. signature management business doubled Saab Barracuda's sales but had a relatively little effect on the Group's total sales. The acquisition of the minority share in Combitech Systems has not affected the Group's sales. The year's divestments and closedowns have had a minor though positive effect on the Group's income and net liquidity.

Operations

Saab is one of the world's leading high-technology companies, with its main activities focusing on aerospace and defense. The operations cover clearly defined areas within defense electronics, missile systems and space electronics as well as military and civil aviation. Saab also focuses on high technology services and maintenance. Saab comprises the business areas **Saab Systems and Electronics, Saab Aerospace, Saab Technical Support and Services, Saab Bofors Dynamics, Saab Ericsson Space and Saab Aviation Services**. For a brief description of the business areas, see the end of the report.

Sales, income and orders

Sales

Group sales rose by 5 percent to SEK 16,538 m. (15,689). The increase was the result of organic growth. Sales rose for all defense-related operations, while space and commercial aircraft operations were adversely affected by current market conditions. As a whole, the year's acquisitions and divestments only marginally affected sales. Seventy-six percent (70) of sales were defense-related and 41 percent (40) of total sales were to foreign markets.

Sales for all operations in *Saab Systems and Electronics*, with the exception of Combitech Systems, rose from the previous year. The increase in *Saab Aerospace* is related to military operations and the internal takeover of Nyge Aero. Sales include 20 (18) Gripen. Sales for Commercial Programs declined slightly mainly because of lower spare part volumes for Saab 340 and Saab 2000 and lower deliveries to Boeing. The decrease for business area *Saab Technical Support and Services* is due to the fact that Nyge Aero is not longer included and to lower volumes for aircraft maintenance in Saab Aviocomp, while sales in AerotechTelub rose on the other hand due to organic growth mainly in defense-related operations. The sales increase in *Saab Bofors Dynamics* is mainly attributable to higher sales of anti-tank weapons, MBT LAW and the Taurus project. The sales decrease in *Saab Ericsson Space* is mainly due to the situation in the commercial telecom market, though also to lower public funding for space research.



The sales decrease in *Saab Aviation Services* is attributable to customer support and slow market for passenger traffic. The sales decrease in *Other operations* is due to divestments and structural changes.

Income and profitability

Operating income amounted to SEK 1,220 m. (1,594), corresponding to an operating margin of 7.4 percent (10.2). Last year's income included a capital gain of SEK 650 m. on the divestment of Saab Marine Electronics. Operating income excluding capital gains was SEK 1,220 m. (944), an increase of 29 percent, raising the margin to 7.4 percent (6.0). During the year SEK 263 m. (0) in development expenditures was capitalized. Income from defense-related operations improved significantly from the previous year.

Operating income for *Saab Systems and Electronics* increased and the operating margin improved, mainly due to higher volumes and a change in project mix in defense-related companies. Income for Combitech Systems was lower than the previous year due to the weak market for consulting services. Operating income for *Saab Aerospace* improved thanks to volume gains and capitalization of product development expenditures. The operating margin excluding the capitalization was slightly lower than in 2001 due to conservative revenue recognition on the delivery of the latest version of Gripen – caused by a slightly higher risk level – and negative income in Nyge Aero. Operating income for *Saab Technical Support and Services* was in line with the previous year but with an improved margin due to higher capacity utilization, cost cuts and a more favorable project mix. The income improvement for *Saab Bofors Dynamics* is mainly due to volume increases and a more favorable product mix compared with the previous year as well as the effects of structural changes. Operating income for *Saab Ericsson Space* deteriorated due to major cost overruns mainly in the multimedia program as well as a provision of SEK 40 m. allocated in early 2002 for structural changes and write-down of shares. Lower volumes negatively affected *Saab Aviation Services*. At the same time, however, operating income was affected positively by expired contracts. Due to efficiency improvements, the operating margin excluding expired contracts was maintained at the same level as the full year 2001. Operating income for *Corporate/Other operations* improved as a result of restructuring.

The gross margin declined slightly from the previous year mainly due to conservative revenue recognition on the delivery of the latest version of Gripen – caused by a slightly higher risk level – and some projects with little or no margin mainly in Space. Operating expenses decreased mainly as a result of capitalization of development expenditures, though also due to continued cost cuts. Other operating income consists mainly of reversal of structural reserves, capital gains, trading income in Treasury, exchange rate gains and income from secondary activities such as insurance business, property rentals and sales of machines, and in 2001 of a capital gain of SEK 650 m. Other operating expenses consist mainly of provisions for structural reserves for Space and Nexplo, capital losses and exchange rate losses. Project interest on non-utilized advance payments reduced the financial net by SEK 200 m. (168) and is reported in gross income.



Net financial income and expenses amounted to SEK -227 m. (-40), of which Saab Aircraft Leasing accounted for SEK 85 m. (80). The decrease is mainly attributable to a higher interest rate on pension debt, lower return on liquid funds and write-down of financial fixed assets. The average return on external investments was 4.84 percent (5.32) and average liquidity was SEK 3,069 m. (3,066). Income after financial items amounted to SEK 993 m. (1.554). Current and deferred taxes amounted to SEK -273 m. (-379). Minority interest in income contributed positively during the year due to the loss in Saab Ericsson Space and the acquisition of the outstanding minority interest in Combitech Systems.

Net income for the year was SEK 732 m., against SEK 1,127 m. in 2001, which included a capital gain on the sale of Saab Marine Electronics. This corresponds to earnings per share of SEK 6.87 (10.59). The pre-tax return on capital employed was 11.6 percent (15.5). The after-tax return on shareholders' equity was 10.8 percent (18.3).

Orders

Group order bookings amounted to SEK 19,521 m. (15,274), of which SEK 3,807 m. (4,820) in the fourth quarter. Of order bookings, 72 percent came from customers outside Sweden and 78 percent came from the defense-related business. Order bookings during the fourth quarter included combat training center for Finland, warner and countermeasure systems for the Swedish Armed Forces' NH90 helicopters, separate orders and spare parts for Gripen, maintenance equipment for Gripen aircraft in the Swedish Air force, camouflage systems for the U.S. army, orders within the A380 program, data handling systems for ESA's two scientific satellites Herschel/Planck and ammunition for the Carl-Gustaf system to several countries. The order backlog at the end of the year amounted to SEK 43,082 m. (40,034), and includes defense orders worth SEK 40,692 m.

Liquidity, finance and investments

Balance sheet

Of goodwill, SEK 1.2 bn is attributable to the acquisition of Celsius. The remainder relates primarily to Saab Avionics, Combitech Systems and AerotechTelub. All goodwill is allocated to the business areas. The increase in the goodwill and intangible assets item compared with the previous year relates to the capitalization of product development, goodwill from the acquisition of the outstanding minority interest in Combitech Systems and the reclassification of development work from inventories. Property, plant and equipment are used mainly in the core business. Lease assets relate mainly to the regional aircraft leasing portfolio. Long-term interest-bearing receivables consist of an oil platform on lease to Petrobras, among other things. Shares and participations consist of, among others, the shares in Nammo, Grintron, Kitron and b-business partners. The decrease is mainly due to the write-down in the shares in Raufoss. Receivables for deferred taxes are reported net after deduction of deferred tax in untaxed reserves and relate mainly to unutilized tax deductions for previous provisions and unutilized tax loss carryforwards. Inventories are reported net after deduction of utilized advance payments of SEK 3.0 bn. The decrease in current interest-bearing receivables relates to the utilization of insurance refunds from Alecta (SPP). Just over half of other receivables consist of accounts receivable; the remainder includes VAT receivables and interim items. Liquid funds decreased mainly due to amortization of liabilities to credit institutions and pension liabilities, utilization of previous provisions and paid dividends.



The minority interest in subsidiaries decreased due to acquisitions of the outstanding minority interest in Combitech Systems and consists thereafter mainly of the minority interests in Saab Ericsson Space, Nexplo and Hawker Pacific. Provisions for pensions decreased through amortization during the year. Other provisions consist mainly of the phase-out reserve for Regional Aircraft, provisions for the leasing portfolio and restructuring and project reserves in connection with the acquisition of Celsius. The convertible debenture loan is issued to personnel. Lease obligations refer to the leasing portfolio of regional aircraft. Other liabilities include supplier and VAT liabilities and accrued costs.

Finance and liquidity

Liquid funds less liabilities to credit institutions decreased by SEK 800 m. to SEK 3,763 m. (4,563). The decrease is mainly due to utilization of advances, utilization of structural reserves, paid dividends and amortization of pension liabilities. The Group's net liquidity after deduction of provisions for pensions decreased to SEK 352 m. (885). The Group's equity/assets ratio amounted to 24.3 percent, against 22.3 percent at the beginning of the year. The interest coverage ratio was 3.6 (5.5). Shareholders' equity amounted to SEK 6,833 m. (6,679), corresponding to SEK 64.17 (62.74) per share.

Cash flow

Operating cash flow was positive and amounted to SEK 92 m. (1,642). The Group's cash flow from operating activities remained good. Working capital continued to develop negatively due mainly to payments for previous provisions and high utilization of project advances at the end of the year. Cash flow from investing activities was affected by, among other things, capitalization of product development. Operating cash flow of SEK 92 m. is distributed between cash flow from operating activities of SEK 236 m. (566), acquisitions and divestments of SEK -80 m. (2,336) and regional aircraft operations of SEK -64 m. (-1,260).

Capital expenditures

The year's capital expenditures in property, plant and equipment, excluding lease assets, amounted to SEK 623 m. (532). Net investments including lease assets and intangible fixed assets amounted to SEK -1,002 m. (-331), of which lease assets amounted to SEK -97 m. (-120).

Research and development

In order to maintain a leading position in its business areas, the Group allocates considerable resources to research and development, where nearly 3,000 persons are employed. Investments in research and development are made primarily for customers in the business areas Saab Systems and Electronics, Saab Aerospace and Saab Bofors Dynamics. The year's total expenditures for research and development amounted to SEK 4,138 m. (3,819), of which SEK 3,287 m. (3,101) relates to customer-funded development.

Internally financed development related mainly to the export version of the Gripen, but also further development of combat training centers, electronic warfare and missile systems, and technical development in telecommunications for space applications. From 2002 part of the company-funded development expenditures are capitalized in the balance sheet due to a change in accounting principles. Of the year's development expenditures, a total of SEK 263 m. (0) was carried forward and SEK 457 m. (718) was charged against income for the year. If



these rules had applied in the previous year, SEK 195 m. would have been capitalized in the balance sheet. After reclassification from inventories of SEK 131 m., of which SEK 92 m. regarding 2002, the closing balance of capitalized product development amounted to SEK 394 m.

Personnel

At year-end 2002 the Group had 14,036 employees, compared with 14,028 at the beginning of the year.

Parent Company**Sales and income**

Sales of the Parent Company amounted to SEK 4,788 m. (4,097). Operating income was SEK 418 m. (421). Net financial income and expenses amounted to SEK 221 m. (930) and income after financial items was SEK 639 m. (1,351). Of the financial net, SEK 547 m. (954) consists of Group contributions and dividends. After appropriations of SEK -23 m. (-6) and paid and deferred tax of SEK -154 m. (-102), net income for the year amounted to SEK 462 m. (1,243).

Liquidity, finance and investments

Liquid funds less liabilities to credit institutions amounted to SEK 775 m. (1,617). The year's capital expenditures in property, plant and equipment amounted to SEK 278 m. (134). At year-end the Parent Company had 4,308 employees, compared with 4,237 at the beginning of the year.

Proposed dividend and repurchase of own shares

For 2002, the Board of Directors and the President propose to distribute to the shareholders SEK 3.50 (3.25) per share or a total of SEK 373 m. (346), corresponding to 51 percent (31) of the Group's net income. April 10, 2003 has been proposed as the record date and the dividend is expected to be distributed, April 15, 2003.

Further, the Board of Directors will as the previous year propose the Annual General Meeting an authorization for the Board to decide on repurchase of the company's shares up to 10 percent of the total shares outstanding. The mandate is proposed to be valid until the next Annual General Meeting. The purpose of the empowerment is to provide the Board with increased scope for action in working with the company's capital structure and to enable acquisitions to be made where considered appropriate. Such repurchases may be effected over the stock exchange or through offerings to shareholders. It is also proposed that the Board's mandate includes the possibility to transfer repurchased shares in accordance with current legislation.

Annual General Meeting

The Annual General Meeting will be held at Saab, Linköping on Monday, April 7, 2003 at 18.00. Saab's revised annual report will be available at the company's office in Linköping. The printed Annual Report will be distributed upon request to shareholders from March 3, 2003.

**Ownership**

Saab's principal owners are BAE SYSTEMS, Investor AB, the Wallenberg foundations, Robur funds, AMF, Eikos fund, GMO International Funds, the AP funds, Skandia, SEB funds, FPG/AMFK and several U.S. and U.K funds.

Accounting Principles

The Group follows all the recommendations of the Swedish Financial Accounting Standards Council, which are applicable to 2002. This means that from 2002 onwards, the new accounting principles will be applied also in regard to intangible assets, allocations and depreciation, etc. Only the recommendation on intangible assets, RR 15, has been of material significance for the Group's income and financial position. Previous years have not been revised according to the new principles. Sales and operating income by business area for the year 2001 has not been adjusted for the internal re-organization regarding Saab Nyge Aero. The pro forma figures for 1999 refer to the Saab Group including Celsius, i.e. as if Celsius had already been included in the Group from January 1, 1999.

Linköping, February 14 2003

Bengt Halse
President and Chief Executive Officer

Dates for financial information:

Interim Report for January – March 2003 will be published on April 14, 2003.

Interim Report for January – June 2003 will be published on July 9, 2003.

Interim Report for January – September 2003 will be published on October 8, 2003.

For further information, please contact:

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Press conference with CEO Bengt Halse:

Today Friday February 14, 14.00, World Trade Center, Stockholm

Telephone interview with CEO Bengt Halse:

Today Friday February 14.

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Contact Anders Stålhammar, Press Officer

International teleconference:

Today Friday February 14, 15.15 (CET).

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Contact Marita Sidén for registration and further information

The 2002 report can also be accessed on the Internet www.saab.se

Income statement

SEK m.	2002	2001	4 th Q 2002	4 th Q 2001
Sales	16,538	15,689	4,830	5,084
Cost of goods sold	-12,496	-11,697	-3,522	-3,942
Gross margin	4,042	3,992	1,308	1,142
<i>Margin</i>	24.4%	25.4%	27.1%	22.5%
Marketing expenses	-1,325	-1,385	-335	-380
Administrative expenses	-1,043	-1,062	-267	-237
Research and development costs	-457	-718	-148	-172
Other operating income	282	827	172	39
Other operating expenses	-274	-94	-173	-55
Share in income of assoc. comp.	-5	34	-15	27
Operating income ¹⁾	1,220	1,594	542	364
<i>Margin</i>	7.4%	10.2%	11.2%	7.2%
Result from financial investments	-227	-40	-142	-7
Income after financial items	993	1,554	400	357
Taxes	-273	-379	-80	-112
Minority interest	12	-48	2	-
Net income	732	1,127	322	245
Earnings per share, SEK ²⁾	6,87	10,59	3,02	2,31
after full conversion, SEK ³⁾	6,70	10,32	2,95	2,25

¹⁾ Includes depreciation of	-1,168	-1,180	-274	-348
of which depr. on leasing assets	-528	-519	-128	-135
of which goodwill amortization	-176	-162	-46	-46

²⁾ Average number of shares 2002: 106,487,407; 2001: 106,459,675

³⁾ Number of shares after full conversion: 109,247,175

Sales by business area

SEK m.	2002	2001	Change	4 th Q 2002	4 th Q 2001
Saab Systems & Electronics	4,499	3,964	14%	1,482	1,402
Saab Aerospace	4,782	4,097	17%	1,217	1,476
Saab Tech Support & Services	2,922	3,144	-7%	906	957
Saab Bofors Dynamics	2,825	2,493	13%	887	796
Saab Ericsson Space	605	800	-24%	198	190
Saab Aviation Services	1,328	1,539	-14%	309	382
Corporate/Other	493	615	-20%	137	203
Internal sales	-916	-963		-306	-322
Saab Group	16,538	15,689	5%	4,830	5,084

Operating income by business area

SEK m.	2002	% of sales	2001	% of sales	4 th Q 2002	% of sales	4 th Q 2001	% of sales
Saab Systems & Electr	406	9.0%	331	8.4%	209	14.1%	158	11.3%
Saab Aerospace	588	12.3%	351	8.6%	164	13.5%	119	8.1%
Saab Techn Supp & Serv	243	8.3%	241	7.7%	77	8.5%	82	8.6%
Saab Bofors Dynamics	131	4.6%	85	3.4%	48	5.4%	38	4.8%
Saab Ericsson Space	-61	-10.1%	30	3.8%	-2	-1.0%	-14	-7.4%
Saab Aviation Services	137	10.3%	140	9.1%	53	17.2%	8	2.1%
Corporate/Other	-49	N/a	-72	N/a	38	N/a	19	N/a
	1,395	8.4%	1,106	7.0%	587	12.2%	410	8.1%
Goodwill amortization	-175		-162		-45		-46	
Capital gains	-		650		-		-	
Saab Group	1,220	7.4%	1,594	10.2%	542	11.2%	364	7.2%

Quarterly information

	January - March				April - June			
SEK m.	2002		2001		2002		2001	
Sales								
Saab Systems & Electr	893		831		1,245		936	
Saab Aerospace	1,086		659		1,502		1,141	
Saab Techn Supp & Serv	671		777		795		819	
Saab Bofors Dynamics	580		572		777		649	
Saab Ericsson Space	135		204		165		221	
Saab Aviation Services	362		392		336		397	
Corporate/Other	136		161		127		152	
Internal sales	-333		-234		-193		-219	
	3,530		3,362		4,754		4,096	
Operating income								
Saab Systems & Electr	57	6.4%	57	6.9%	96	7.7%	64	6.8%
Saab Aerospace	136	12.5%	64	9.7%	175	11.7%	100	8.8%
Saab Techn Supp & Serv	50	7.5%	55	7.1%	63	7.9%	54	6.6%
Saab Bofors Dynamics	2	0.3%	14	2.4%	25	3.2%	18	2.8%
Saab Ericsson Space	-42	neg	14	6.9%	2	1.2%	20	9.0%
Saab Aviation Services	29	8.0%	52	13.3%	32	9.5%	55	13.9%
Corporate/Other	-42	N/a	-65	N/a	-22	N/a	-13	N/a
	190	5.4%	191	5.7%	371	7.8%	298	7.3%
Goodwill amortization	-44		-38		-43		-42	
Capital gains	-		650		-		-	
	146	4.1%	803	23.9%	328	6.9%	256	6.3%
Net financial income	-48		-1		-52		-7	
Income after financial net	98		802		276		249	
Net income	78		631		185		164	
Earnings per share ¹⁾	0.73		5.93		1.74		1.54	

¹⁾ Average number of shares 2002: 106,487,407; 2001: 106,459,675


Quarterly information, cont.

SEK m.	July - September		October - December	
	2002	2001	2002	2001
Sales				
Saab Systems & Electr	879	795	1,482	1,402
Saab Aerospace	977	821	1,217	1,476
Saab Techn Supp & Serv	550	591	906	957
Saab Bofors Dynamics	581	476	887	796
Saab Ericsson Space	107	185	198	190
Saab Aviation Services	321	368	309	382
Corporate/Other	93	92	137	203
Internal sales	-84	-181	-306	-322
	3,424	3,147	4,830	5,084
Operating income				
Saab Systems & Electr	44	52	209	158
Saab Aerospace	113	68	164	119
Saab Techn Supp & Serv	53	50	77	82
Saab Bofors Dynamics	56	15	48	38
Saab Ericsson Space	-19	10	-2	-14
Saab Aviation Services	23	25	53	8
Corporate/Other	-23	-13	38	19
	247	207	587	410
Goodwill amortization	-43	-36	-45	-46
Capital gains	-	-	-	-
	204	171	542	364
Net financial income	15	-25	-142	-7
Income after financial net	219	146	400	357
Net income	147	87	322	245
Earnings per share ¹⁾	1.38	0.81	3.02	2.31

¹⁾ Average number of shares 2002: 106,487,407; 2001: 106,459,675

Goodwill amortization by business area

SEK m.	2002	2001	4 th Q	4 th Q
			2002	2001
Saab Systems & Electronics	95	70	24	18
Saab Aerospace	10	-	3	-
Saab Technical Support & Services	36	46	9	17
Saab Bofors Dynamics	29	-	7	-
Saab Ericsson Space	1	1	-	-
Saab Aviation Services	1	3	1	-
Corporate/Other	4	42	2	11
Saab Group	176	162	46	46

Sales by market

SEK m.	2002	2001	Change
Sweden	9,707	9,376	4%
Rest of EU	3,280	2,773	18%
Rest of Europe	616	597	3%
Total Europe	13,603	12,746	7%
North America	1,267	1,250	1%
Latin America	185	168	10%
Asia	536	761	-30%
Australia, etc.	937	750	25%
Other	10	14	-29%
Saab Group	16,538	15,689	5%

Balance sheet

SEK m.	Dec. 31, 2002	Dec. 31, 2001
Assets		
Goodwill and other intangible assets	2,297	1,978
Property, plant and equipment, etc.	4,325	4,369
Lease assets	5,672	6,103
Long-term interest bearing receivables	1,053	1,296
Shares, etc.	413	466
Deferred tax receivables	1,279	1,521
Inventories, etc.	3,745	3,729
Short-term interest bearing receivables	55	332
Other receivables	5,413	5,401
Cash and marketable securities	3,857	4,706
Total assets	28,109	29,901
Shareholders' equity and liabilities		
Shareholders' equity	6,833	6,679
Minority interest in subsidiaries	110	168
Provision for pensions	3,411	3,678
Other provisions	2,600	2,983
Liabilities to credit institutions	972	1,539
Convertible debenture loan	230	232
Lease obligations	2,926	3,121
Advance payments from customers, net	3,775	4,194
Other liabilities	7,252	7,307
Total shareholders' equity and liabilities	28,109	29,901


Subdivided summary of balance sheet, December 31, 2002

SEK m.	Saab	Saab Aircraft Leasing	Elimi- nations	Saab Group
Assets				
Goodwill and other intangible assets	2,297			2,297
Property, plant and equipment, etc.	4,323	2		4,325
Lease assets		5,672		5,672
Long-term interest bearing receivables	1,053			1,053
Shares, etc.	1,913		-1,500	413
Deferred tax receivables	1,576		-297	1,279
Inventories, etc.	3,745			3,745
Short-term interest bearing receivables	55			55
Other receivables	4,452	961		5,413
Cash and marketable securities	3,826	31		3,857
Total assets	23,240	6,666	-1,797	28,109
Shareholders' equity and liabilities				
Shareholders' equity	6,513	1,820	-1,500	6,833
Minority interest in subsidiaries	117	-7		110
Provision for pensions	3,411			3,411
Other provisions	2,088	809	-297	2,600
Liabilities to credit institutions	972			972
Convertible debenture loan	230			230
Lease obligations		2,926		2,926
Advance payments from customers, net	3,775			3,775
Other liabilities	6,134	1,118		7,252
Total shareholders' equity and liabilities	23,240	6,666	-1,797	28,109

Shareholders' equity

Equity in the Group has changed as follows during the year:

SEK m.	Total
At the beginning of the year	6,679
Net income for the period	732
Dividend	-346
Translation differences etc.	-232
Total at the end of the year	6,833

Personnel by business area

Number	Dec. 31, 2002	Dec. 31, 2001	Change
Saab Systems & Electronics	3,026	2,744	282
Saab Aerospace	4,379	4,121	258
Saab Technical Supp & Serv	2,760	3,061	-301
Saab Bofors Dynamics	1,904	1,903	1
Saab Ericsson Space	634	678	-44
Saab Aviation Services	815	842	-27
Corporate/Other operations	518	679	-161
Saab Group	14,036	14,028	8

Summary of cash flow statement

SEK m.	2002	2001
Cash flow from operating activities		
Income after financial items, excl share in income of associated companies	998	1,520
Depreciation and write-down charged to income	1,176	1,227
Taxes	-18	-95
Cash flow from operating activities before changes in working capital	2,156	2,652
Working capital		
Inventories etc.	-16	-45
Receivables	6	671
Advance payments from customers, net	-419	575
Other liabilities	-55	-247
Lease obligations	-195	-795
Provisions	-383	-838
Change in working capital	-1,062	-679
Cash flow from operating activities	1,094	1,973
Investments in intangible fixed assets	-508	-568
Investments in shares etc.	36	506
Investments in tangible fixed assets	-415	-156
Investments in lease assets	-97	-120
Change in long-term receivables	-18	7
Cash flow from investments	-1,002	-331
Operating cash flow	92	1,642

Order bookings and order backlog by business area

SEK m.	Order bookings				Order backlog	
	2002	2001	4 th Q 2002	4 th Q 2001	Dec. 31, 2002	Dec. 31, 2001
Saab Systems & Electr	5,327	4,262	1,410	1,478	9,703	8,591
Saab Aerospace	3,139	4,122	670	1,793	24,675	27,122
Saab Tech Supp & Serv	2,946	3,096	656	782	1,006	1,046
Saab Bofors Dynamics	7,000	2,280	812	408	8,300	4,088
Saab Ericsson Space	641	757	279	137	736	772
Saab Aviation Services	1,423	1,454	410	325	210	139
Corporate/Other	369	479	119	166	224	398
Internal	-1,324	-1,176	-549	-269	-1,772	-2,122
Saab Group	19,521	15,274	3,807	4,820	43,082	40,034

Five-year overview

SEK m., unless otherwise stated	2002	2001	2000	Proforma		
				1999	1999	1998
Order bookings	19,521	15,274	28,141	15,267	6,849	5,797
Order backlog at year-end	43,082	40,034	41,091	29,891	23,637	23,132
Sales	16,538	15,689	17,840	18,018	9,053	8,248
Foreign market sales, %	41	40	48	48	38	41
Operating income	1,220	1,594	1,533	1,125	1,104	875
Operating margin, %	7.4	10.2	8.6	6.2	12.2	10.6
Operating margin before depr., %	11.2	14.7	13.5	10.7	17.1	14.7
Operating income excl capital gains	1,220	944	895	870	849	875
Operating margin excl capital gains, %	7.4	6.0	5.0	4.8	9.4	10.6
Income after financial items	993	1,554	1,448	1,116	1,377	1,218
Net income	732	1,127	1,038	735	939	912
Total assets	28,109	29,901	31,119	36,641	28,079	29,680
Operating cash flow	92	1,642	-1,908	N/a	-2,368	-1,105
Pre-tax return on capital employed, %	11.6	15.5	14.6	N/a	21.3	21.4
After-tax return on equity, %	10.8	18.3	20.0	N/a	21.5	25.6
Equity/assets ratio, %	24.3	22.3	18.2	12.8	16.8	13.6
Earnings per share, SEK ²⁾	6.87	10.59	9.75	6.90	8.82	8.55
after full conversion, SEK ³⁾	6.70	10.32	9.50	6.73	8.60	8.35
before goodwill amortization, SEK ²⁾	8.52	12.11	11.47	8.62	9.36	8.70
Dividend per share, SEK ⁴⁾	3.50	3.25	3.00	N/a	2.50	2.00
Equity per share, SEK ¹⁾	64,17	62,74	53,26	44,15	44,23	37,90
Number of employees at year-end	14,036	14,028	15,453	16,665	8,031	7,891

Aside from the pro forma figures for 1999, the figures have not been revised and match those in the published information for each year.

¹⁾ Number of shares as of December 31, 2002: 106,510,374 1998-2001: 106,459,675

³⁾ Number of shares after full conversion:

109,247,175

²⁾ Average number of shares 2002: 106,487,407. 1998-,2001:106,459,675

⁴⁾ 2002 proposed dividend.

Business areas

Saab Systems and Electronics focuses on command and control systems, simulation systems, avionics, electronic warfare and signature management, as well as commercial operations of IT.

Saab Aerospace, which has the overall system integration capability required for building complete aircraft and defense systems, develops and manufactures military aircraft systems and act as a partner in subsystems to manufacturers of large commercial aircraft.

Saab Technical Support and Services focuses on the growing market for high technology services in aviation, command and control, information, communications and sensors.

Saab Bofors Dynamics, gathers Saab's operations in precision engagement, develops and produces missile systems, portable anti-armor systems and underwater systems.

Saab Ericsson Space develops and produces computers, antennas, microwave electronics and mechanical systems for the space industry.

Saab Aviation Services core consists of Saab's leasing and customer support operation in regional aviation. The commercial risk in the leasing portfolio was eliminated in the year 2000 through an insurance solution.