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Extract from CEO Bengt Halse's Address to Saab's Annual General Meeting, April 7, 2003

Saab's President and CEO Bengt Halse gave in his address to Saab's Annual General Meeting in Linköping today his perspective on Saab from the time the company again became independent in 1995 and the challenges facing the company. Åke Svensson, appointed new CEO effective July 14 this year, gave his view of Saab's strategy and future development.

2002 a good year

"We continued to produce good financial results and our order backlog grew to the highest level ever. For our defence operations, it was another year of strong orders", said President and CEO Bengt Halse at the Saab Annual General Meeting in Linköping today.

The numbers for 2002 confirm this. Operating income and the operating margin – excluding capital gains – continued to improve. The operating margin, adjusted for capital gains, has improved from 5.0 to 7.4 percent in two years. Organic growth was five percent and sales amounted to SEK 16.5 billion in 2002. Order bookings totaled SEK 20 billion and the order backlog at year-end was SEK 43 billion. Earnings per share amounted to SEK 6.87.

"We have also continued to improve our earnings and now have an order backlog a good bit over two and a half times annual sales. This year we expect operating income and the operating margin to improve significantly, although our margin probably will not reach our long-term 10-percent objective before 2004", Bengt Halse said.

Bengt Halse looked back upon his years at Saab and said that he was fortunate to play a part in leading a company undergoing strong change in a market and an operating environment also undergoing strong change.

Saab 1995 - 2002

"When we acquired Celsius in 2000, we took the lead in the structural transformation of the Swedish defence industry", Bengt Halse said. "In one fell swoop, we doubled our size and, more importantly, became a more complete company."

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Bengt Halse also claimed that the re-listing on the Stockholm Exchange on June 18, 1998 was a huge change for Saab. Saab's transformed from a wholly owned subsidiary to a company of 40,000 shareholders, sales doubled, and the export share of aviation and defence operations increased. Operating income, excluding capital gains, has improved every year since 1998 and shareholders' equity has increased by 2.8 billion kronor, at the same time that SEK 1.5 billion has been distributed in dividends to Saab's shareholders.

Strategy

Åke Svensson, appointed new President and CEO of Saab effective July 14 this year, described the strategy set by the Board has for Saab for the years ahead.

"The first is to further increase efforts to export existing products and systems, the second is to continue to develop future systems in partnership or on our own, and thirdly, we will continue to focus on acquisitions and divestments", Åke Svensson said.

"We want to be a company that takes part in the continued restructuring of the defence industry. We have the financial and organizational strength to acquire big or small businesses in Sweden and abroad. Saab has the opportunity to continue to develop as one of the most exciting high-technology companies in our part of the world. We have a number of systems that could further strengthen our position internationally and we have integration competence at the systems level that few companies can compete with."