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Press release from the Annual Meeting of Shareholders in Saab AB, 10 April 2000

The Annual Meeting approved the proposed dividend to the shareholders of SEK 2.50 per share. Thursday, 13 April 2000, was approved as record day. The dividend is expected to be sent out Tuesday, 18 April 2000.

The Board's proposal for changes in the Articles of Association was adopted. The changes were made necessary as a result of the integration of Celsius.

Board members Anders Scharp, Bengt Halse, Erik Belfrage, Tony Rice, George Rose, Björn Svedberg and Marcus Wallenberg were re-elected.

Peter Nygårds and Michael Rouse were elected as new members of the Board.

At a Board Meeting following the Annual Meeting of Shareholders, Anders Scharp was re-elected Chairman of Saab AB. Lars G. Josefsson was appointed Executive Vice President.

The Board of Directors

Saab AB

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Extract from speech by CEO Bengt Halse, at Saab's annual general meeting

"We are large enough and strong enough to be among the leading companies in the areas we focus. We shall not only be Northern Europe's leading high technology company – we will continue to be an innovative, growth oriented and profitable company."

In his speech at Saab's Annual General Meeting on Monday, CEO Bengt Halse elaborated on the acquisition of Celsius and how Saab is positioned in the defense market, and the civilian markets focused by the company.

The acquisition of Celsius is a step in Saab's growth strategy. It more than doubles the size of the company, and gives it a unique breadth of competencies.

"We have the ability to perform systems integration, to connect several complex technologies, into comprehensive systems of systems – such as Gripen." Bengt Halse put the acquisition of Celsius and Saab's breadth of competencies, in relation to the shift – from invasion to information defense – currently taking place all over the Western world.

"The expression "Revolution in Military Affairs", describes the combined effect of the technological development in mainly three areas: information, command & control and precision engagement. The structure of the defense transforms, from being platform-centered to network-centered.

Today Saab holds a strong position in each of these areas. And we furthermore have the ability to build systems of systems, and hence integrating these three functions into complete systems."

Bengt Halse stressed that this is a growth market, also in Sweden.

"In Sweden, the information defense will – in a decreased overall budget – be given a larger portion."

In his exposition of the new organization, Bengt Halse displayed the margins of the new business areas, and pointed out the areas where the demands for improvement in profitability are substantial. Halse particularly stressed the efforts to reach the potential costs and market synergies in the Dynamics business area.

"With our acquisition of Celsius an important restructuring of Swedish missiles industry will be carried out. This has been an important desire on behalf of our major customer, the Swedish defense. In 1999 Dynamics made a loss and it is the area where a forceful integration effort and realization of cost synergies have the highest priority"

Bengt Halse also stated the commitment of Saab's management to continue the refining of Saab and to complete the divestment program currently going on.

"We have some engagements where we actively look for other owners. Some – as Traffic Systems and the shipyards in Landskrona and Gothenburg - have already been divested in 2000. It's our ambition to liberate capital as well as management resources, by further divestments."

With the acquisition of Celsius, Saab has fallen below the financial goals the company successfully has pursued during the last couple of years. Bengt Halse repeated that Saab not only is still committed the financial goals, but that they should be achieved in about three years.

"Our objective is to - within the new constellation - in about three years once again reach our goals of 15 percent operating margin before depreciation, 10 percent operating margin after depreciation, 15 percent return on share holders' equity, and a equity/assets ratio (excluding regional aircraft) of 30 percent. These are tough goals, but I believe we have shown our ability to make the decisions necessary to reach also tough goals."

The integration is under way, and Bengt Halse pointed out the strong support for the merger.

"Our co-workers see how we get stronger together and how we can design systems that integrate know-how in the areas where there is a demand from our customers. They also see opportunities to develop new business outside the defense sector, from solutions generated in the defense market."