



SAAB

YEAR-END REPORT

2007

RESULTS AND SUMMARY FULL YEAR

- Sales MSEK 23,021 (21,063)
- Net income for the year MSEK 1,941 (1,347)
- Earnings per share SEK 17.60 (11.91)
- Proposed dividend per share SEK 4.50 (4.25)
- Order bookings MSEK 20,846 (27,575),
order backlog SEK 47 billion (50)
- Operating income MSEK 2,607 (1,745), corresponding
to an operating margin of 11.3 percent (8.3)
- Operating income adjusted for non-recurring
items MSEK 2,154 (2,290), corresponding to an operating margin
of 9.4 percent (10.9)

CONTINUED INTERNATIONALIZATION AND **EFFICIENCIES**

STATEMENT BY THE CEO:

“We can proudly look back at a very eventful year. 2007 was distinguished by a steady inflow of orders and continued sales growth. At the same time, the company must continue to improve efficiencies.

Saab's order bookings in 2007 were nearly SEK 21 billion (27.6). The lower order bookings were due to the major order from Pakistan for an airborne surveillance system in 2006. Order bookings for the year were stable and consistent in all business segments. The fourth quarter increase was notable, SEK 8.6 billion (7.4), with several important orders.

These orders demonstrate Saab's continued internationalization. The international part of the order backlog amounted to 78 percent (79).

Sales and income essentially reached our forecasts. Sales rose by 9 percent to slightly over SEK 23 billion (21), an increase largely attributable to the acquisition of Saab Microwave Systems. Operating income improved by 49 percent to MSEK 2,607 (1,745). The improvement mainly relates to the acquisition of Saab Microwave Systems, higher sales, and capital gains and other non-recurring items.

The operating margin amounted to 11.3 percent for the full year, but it should be noted that the adjusted margin after non-recurring revenue and expenses was 9.4 percent.

SEK 1 billion 2008–2010

Saab's market situation is rapidly changing. Although the business will still involve customer-financed development, Saab will have to finance a greater portion of product and service development itself, as well as increase the marketing of products and services in the international market. In order to achieve this while at the same time reaching and maintaining a level of profitability that meets the long-term objective of a 10 percent operating margin, a savings program was launched in connection with the release of the interim report for the third quarter that will sustainably reduce the company's expenses through 2010 by SEK 1 billion on an annual basis (for further information page 13).

Major step for Gripen

Gripen's long-term development took a major step forward during the year when the Swedish government decided to upgrade 31 aircraft to the latest standard and invest in a demonstrator program, laying the foundation for new technology for future generations of the aircraft. The program at the same time strengthens our industrial partnerships.

The market's interest in Gripen is growing and has never been as great as it is now. Sweden signed a contract with Thailand in February 2008, thereby ensuring another export order for Gripen. Work is under way to prepare binding tenders for several other countries.

Continued focus on civil security

Our long-term emphasis on civil security resulted in several important projects such as surveillance systems for Arlanda

Airport and Stockholm harbor and, in early 2008, the nuclear power plant in Ringhals. During the year, Saab became a part-owner of Aker Holding AS in Norway, which could lead to its participation in the protection of important infrastructure in the Arctic Ocean.

Public-private cooperation

The public-private cooperation has proven successful in Sweden for many years and it is important that it continues, especially now that the Swedish defence's resources are shrinking and the defence industry faces major changes. There has been a debate whether the military should buy defence equipment "off the shelf" or carry out its own development projects. We want to be part of a further dialogue on this issue. The facts show that the development of advanced defence systems often offers the best financial alternative over the life of

a system. This is in addition to the positive economic impact for society of a domestic high-tech industry. Continued cooperation between the public and private sectors is always crucial to international collaborations and large system deliveries.

In 2007, Saab was accused of irregularities in connection with the lease of Gripen to the Czech Republic and Hungary. The Swedish prosecutor is investigating the allegations. Our rules are clear. Saab conducts its business using only legal methods. Bribes have never been, and will never be, permitted at Saab.

Outlook 2008

For 2008 we expect development in line with Saab's long-term financial objectives: 5 percent organic sales growth and an operating margin of 10 percent excluding non-recurring items.

IMPORTANT EVENTS JANUARY – SEPTEMBER 2007

- Saab sold an air defence system to Finland (MSEK 600).
- Saab Aerotech received an order from the Nordic Battle Group for the development of a resource management system and support solution for a field hospital (MSEK 105).
- Estonia ordered an air defence system from Saab Microwave Systems and MBDA (MEUR 60).
- Saab Training Systems received an order for a Mobile Battalion Combat Training Centre from the Royal Netherlands Army (MSEK 350).
- Saab expanded to Switzerland through the acquisition of RUAG's Warhead Division.
- The acquisition of Seaeeye Holdings of the UK strengthened Saab's position in underwater vehicles.
- Saab acquired 7.5 percent of the Norwegian company Aker Holding AS, which in turn owns 40.1 percent of the listed company Aker Kvaerner ASA. The agreement was approved by the Norwegian parliament in December.

IMPORTANT EVENTS OCTOBER – DECEMBER 2007

- The Defence Materiel Administration, FMV, ordered an upgrade of Sweden's Gripen aircraft to the latest version (MSEK 3,100) and a demonstrator program that will serve as the foundation for new technology for future aircraft generations.
- The Royal Australian Navy ordered the design and development of a combat management system (MSEK 600).
- Saab received two export orders for the ARTHUR artillery locating radar and the BILL 2 anti-tank missile system (MSEK 1,000).
- Finland ordered the Next Generation Light Anti-tank Weapon, NLAW (MSEK 360).
- Thailand selected Sweden and Gripen for final negotiations on six Gripen systems, including two Saab 340 aircraft, one of which will be equipped with Saab's Erieye radar. The agreement between the Defence Materiel Administration and Saab was signed on February 11, 2008.
- Saab Space was put up for sale.
- The Veddesta property was sold (MSEK 669).
- Further order bookings from Airbus and Boeing (MSEK 600 during the fourth quarter and MSEK 2,200 for the full year).
- Tender requests for Gripen from India (126 aircraft), Denmark and Norway (48 aircraft). In January 2008, tender requests were received from Switzerland.

GROUP

MSEK	2007	2006	Change	Q4 2007	Q4 2006	Change
Order bookings	20,846	27,575	-24%	8,561	7,448	15%
Order backlog, December 31	47,316	50,445	-6%	597 ²⁾	-953 ²⁾	-
Sales	23,021	21,063	9%	7,358	7,347	0%
Gross income	6,172	5,288	17%	2,063	1,745	18%
Gross margin, %	26.8	25.1	-	28.0	23.8	-
Operating income before depreciation/amortization (EBITDA) ¹⁾	3,685	2,519	46%	1,654	793	109%
Margin, %	16.0	12.0	-	22.5	10.8	-
Operating income (EBIT) ¹⁾	2,607	1,745	49%	1,245	423	194%
Operating margin, %	11.3	8.3	-	16.9	5.8	-
Adjusted operating margin, %	9.4	10.9	-	13.0	12.7	-
Income before tax (EBT) ¹⁾	2,449	1,693	45%	1,180	400	195%
Net income	1,941	1,347	44%	1,008	368	174%
Earnings per share after dilution	17.60	11.91	48%	9.24	3.18	191%
Operating cash flow	-1,603	-1,900	-	-1,253	442	-
Net liquidity/debt, December 31	-1,627	605	-	-1,269 ²⁾	583 ²⁾	-
¹⁾ OF WHICH, RESULT FROM DIVESTMENTS	362	180	-	195	0	-
NON-RECURRING INCOME/EXPENSES	91	-725	-	91	-513	-
²⁾ REFERS TO QUARTERLY CHANGE						

Saab's business units are divided into the three business segments Defence and Security Solutions, Systems and Products, and Aeronautics for control and reporting purposes.

In addition, Corporate comprises Group staff and departments and peripheral operations. It also includes the leasing fleet of Saab 340 and Saab 2000 aircraft.

SALES, INCOME AND ORDERS

Fourth quarter 2007

Order bookings for the fourth quarter amounted to MSEK 8,561 (7,448). One of the major order came from the Swedish Defence Materiel Administration to upgrade Sweden's Gripen aircraft to the latest version (MSEK 3,100). An order was received from the Royal Australian Navy to design and develop combat management systems (MSEK 600). Saab received two export orders for the ARTHUR artillery locating radar and the BILL 2 anti-tank missile system (MSEK 1,000), as well as an order for the NLAW anti-tank weapon from Finland (MSEK 360).

Sales in the fourth quarter amounted to MSEK 7,358 (7,347). Sales by quarter and business segment are shown on page 23.

Gross income amounted to MSEK 2,063 (1,745), corresponding to a gross margin of 28.0 percent (23.8).

Operating income before depreciation and amortization (EBITDA) increased to MSEK 1,654 (793). The margin improved to 22.5 percent (10.8). Operating income (EBIT) for the fourth quarter amounted to MSEK 1,245 (423), equal to a margin of 16.9 percent (5.8). Income and the operating margin for the fourth quarter were positively affected by capital gains on business divestments and non-recurring income of

MSEK 286 (-513); adjusted for non-recurring income and expenses, the operating margin was 13.0 percent (12.7).

Operating cash flow amounted to MSEK -1,253 (442) and was distributed between cash flow from core operating activities of MSEK -1,691 (381), acquisitions of MSEK -252 (-30), divestments of subsidiaries and associated companies of MSEK 662 (0) and the regional aircraft business, MSEK 28 (91).

Net liquidity decreased by MSEK 1,269 during the fourth quarter due to negative operating cash flow caused by higher receivables and lower advances from customers.

January–December 2007 Orders

Order bookings for the full-year 2007 amounted to MSEK 20,846 (27,575). Major orders are listed in the section “Important orders.” Order bookings were reduced by SEK 1.35 billion after the renegotiation of the contract with Pakistan for an airborne surveillance system.

Sixty-two percent (72) of new orders came from customers outside Sweden and 72 percent (77) of order bookings were attributable to defence-related operations.

The order backlog at the end of the year was MSEK 47,316 (50,445). Foreign orders accounted for 78 percent (79) of the backlog.

THE ORDER BACKLOG PRIMARILY INCLUDES:

- Gripen to Sweden and on export
- Airborne early warning systems
- Active and passive countermeasure systems
- Missile systems for air, sea and land
- Structures and subsystems for the aircraft producers Airbus and Boeing
- Anti-tank systems
- Command and control, avionics and fire control systems
- Radar systems

Sales

Sales in 2007 amounted to MSEK 23,021 (21,063), an increase of 9 percent. Organic growth was 4 percent adjusted for the acquisition of Saab Microwave Systems on September 1, 2006. Fluctuations in exchange rates negatively affected year-to-year sales by more than MSEK 300, or about 2 percent, due to the translation of foreign subsidiaries from local currency to Swedish krona, which is largely attributable to South Africa.

Of sales, 81 percent (79) related to the defence market. Sales in foreign markets amounted to MSEK 15,015 (13,714), corresponding to 65 percent (65) of total sales. Total sales in the EU, excluding Sweden, were MSEK 6,527 (6,080).

Income, margin and profitability

Gross income amounted to MSEK 6,172 (5,288), corresponding to a gross margin of 26.8 percent (25.1).

Other operating income, MSEK 785 (330), includes capital gains on the sale of properties and operations of MSEK 362 (180). A tax court ruling in early October positively affected operating income by MSEK 139 in the fourth quarter, as the recoverable amount of a financial receivable had been conditional on the outcome of this dispute. Cash flow was positively affected by MSEK 285 in early 2008. Also included in other operating income are currency gains and results from secondary activities.

Marketing expenses increased by MSEK 79 to MSEK 1,725 and administrative expenses increased by MSEK 96 to MSEK 1,375, mainly due to the acquisition of Saab Microwave Systems.

Internally funded investments in research and development amounted to MSEK 1,396 (981), of which a total of MSEK 658 (463) has been capitalized. Operating income for the year has been charged with MSEK 1,253 (805), which includes depreciation, amortization and impairments of MSEK 515 (287).

Other operating expenses, MSEK -49 (-165), consist of exchange rate differences.

The share of income in associated companies, MSEK 52 (22), primarily relates to net income in Taurus GmbH.

Operating income before depreciation and amortization (EBITDA) amounted to MSEK 3,685 (2,519). The EBITDA margin was 16.0 percent (12.0). Operating income (EBIT) amounted to MSEK 2,607 (1,745). The operating margin was 11.3 percent (8.3). Adjusted operating income amounted to MSEK 2,154 (2,290) and the adjusted operating margin was 9.4 percent (10.9).

Net financial income and expenses amounted to MSEK -158 (-52), of which the share in income of associated companies held as financial assets amounted to MSEK -40 (-28). Project interest from unutilized advance payments has reduced the financial net by MSEK 142 (101) and has reduced the cost of goods sold correspondingly. Income before taxes amounted to MSEK 2,449 (1,693).

Current and deferred taxes amounted to MSEK -508 (-346), or an effective tax rate of 21 percent (20). The low effective tax rate is due to tax-exempt revenue and in the previous year to the utilization of previously uncapitalized tax loss carryforwards as well. The effective tax rate in the fourth quarter 2007 was 15 percent and is also due to tax-exempt revenue from earlier periods which was charged withtaxed.

Net income for the year was MSEK 1,941 (1,347), of which the minority interest amounts to MSEK 20 (47). Earnings per share for the Parent Company’s shareholders’ interest amounted to SEK 17.60 (11.91) after full dilution.

The pre-tax return on capital employed was 19.4 percent (14.5) and the after-tax return on equity was 18.5 percent (13.8).

ACQUISITIONS AND DIVESTMENTS DURING THE YEAR

In February, Saab decided to sell its signal operations for rail traffic to Balfour Beatty Rail, resulting in a gain of MSEK 30.

Saab and Caran agreed to streamline their consultancy operations in April, whereby Saab acquired Caran's 50 percent interest in Caran Saab Engineering at the same time that Caran acquired Saab's 40 percent stake in A2 Acoustics. Moreover, Caran acquired Saab's automotive consulting business. The overall impact on Saab's liquidity was MSEK -1. The changes have a marginal effect on future sales and income.

In May, a property in Växjö was sold for MSEK 162 with a gain of MSEK 60.

In May, Saab reached agreement to take over the Warhead Division from RUAG of Switzerland. The purchase price was approximately MSEK 37. The acquisition has little effect on future sales and income.

In May, Saab acquired the UK underwater vehicle company Seaeeye Holdings Ltd. The purchase price was MSEK 194. Seaeeye has a turnover of approximately MGBP 15 and around 65 employees.

In June, the associated company Boforsen was divested for MSEK 75 with a gain of MSEK 45.

Following an invitation from the Norwegian government and Norwegian industry, Saab has decided to join as an owner of a new holding company, Aker Holding AS, which in turn owns 40.1 percent of the listed company Aker Kvaerner ASA. Saab's interest amounts to 7.5 percent of the capital and votes. The purchase price of the shares is approximately NOK 1.2 billion, of which about 80 percent is financed with loans. The risk in the loan-financed portion has been reduced through an agreement that hedges this portion of the invested capital but limits the potential return. Saab has the right at specific intervals to sell its investment. The acquisition was approved by the Norwegian parliament in December.

In July, Saab acquired 60 percent of the shares in PerformIT. The preliminary purchase price was MSEK 8, generating a surplus value of MSEK 4. The effect on the Groups' sales and income is minimal.

In July, Saab acquired 50 percent of the shares in the South African company Cybersim. Through the South African subsidiary Saab Grintek, Saab had previously owned 25 percent of Cybersim. The remaining 25 percent were acquired in the autumn. The preliminary purchase price totals MSEK 22, resulting in a surplus value of MSEK 21. The effect on future sales and income is minimal.

In June 2006, Saab and Denel of South Africa reached an agreement whereby Saab would acquire 20 percent of a new aerospace structures company. Saab invested MSEK 64 in the new company in August 2007. The majority owner will contribute enough capital to ensure that the new company remains profitable during its initial build-up stage. The acquisition is reported according to the equity method.

In November, Saab acquired the remaining shares in the South African company Saab Grintek. Saab had previously owned 77 percent. The remaining shares were purchased for MZAR 250 in cash and 12.65 percent of the shares in the subsidiary Grintek Ewation. The acquisition generates a surplus value of MZAR 112.

In December, Fastighets AB Veddesta was sold for MSEK 669 with a gain of MSEK 156. The effect on cash flow after loan repayments of MSEK 524 was MSEK 145.

FINANCIAL POSITION AND LIQUIDITY

Balance sheet

Intangible fixed assets amount to MSEK 7,940 (7,821). Goodwill amounts to MSEK 3,404 (3,294) and is largely attributable to the acquisitions of Celsius in 2000 and Saab Microwave Systems on September 1, 2006. Remaining goodwill primarily relates to the acquisitions of Grintek, Saab Avitronics and Combitech. As of 2004, goodwill is no longer amortized and it is instead tested annually for impairment. In 2007, no impairment write-off were identified. Other intangible fixed assets consist of acquired product development/technology and customer relations as well as capitalized development expenses for the export version of Gripen, radar jamming systems and missile systems. Other intangible fixed assets are amortized over their estimated periods of use with the exception of capitalized development expenses and acquired product development, which are amortized over the estimated sales volume or estimated periods of use. Other intangible fixed assets amount to MSEK 4,536 (4,527), of which capitalized development expenses amount to MSEK 3,732 (3,561). Amortization and impairment write-offs on intangible fixed assets amounted to MSEK 674 (394) for the year, of which amortization of capitalized product development amounted to MSEK 407 (204). In 2007, impairment write-offs totaled MSEK 108 (80).

Tangible fixed assets amount to MSEK 3,932 (4,591) and refer to property, plant and equipment used in core operations. Investment properties refer to properties leased to outside parties and valued at estimated fair value. Lease assets amount to MSEK 1,822 (2,417) and primarily relate to the leasing fleet of regional aircraft. During the year, 14 aircraft were sold. Depreciation for the year on tangible fixed assets amounted to MSEK 404 (377), while depreciation on the leasing fleet amounted to MSEK 180 (282).

Shares in associated companies include the shares in Hawker Pacific, Grintek Ewation and Denel Saab Aerostructures.

Inventories are recognized after deducting utilized advances. Other receivables primarily relate to receivables from customers (after deducting utilized advances).

Assets held for sale refer to Saab Space and Saab Grintek Technologies.

Shareholders' equity related to the Parent Company's shareholders amounted to MSEK 10,981, compared with MSEK 9,802 at the beginning of the year, or SEK 100.60 per share (89.80) on a fully diluted basis. The equity/assets ratio was 32.6 percent, against 30.6 percent at the beginning of the year.

Provisions for pensions amounted to MSEK 101, compared with MSEK 412 on December 31, 2006. During the year, the Saab Pension Fund was capitalized with a total of MSEK 260, of which MSEK 43 relates to a business unit that joined the pension fund. The purpose of the fund is to secure defined-benefit pension plans. The market value of the Saab Pension Fund was MSEK 3,304 at the end of the year, compared with an obligation of MSEK 4,074 according to IAS 19. The solvency margin was 81 percent. In a comparison with the obligation according to the FPG/PRI system, the solvency margin was 96 percent.

Deferred tax refers to temporary differences between the carrying value of assets and liabilities and their value for tax purposes. Other provisions chiefly relate to obligations and anticipated deficits attributable to regional aircraft.

Liquidity and finance

The Group's net debt refers to interest-bearing liabilities and provisions for pensions less cash and marketable securities, short-term investments and interest-bearing receivables. During the year, the Group went from net cash to net debt. Liquidity decreased by MSEK 2,232, resulting in a net debt of MSEK 1,627 at year-end. At the beginning of the year, the Group had net liquidity of MSEK 605.

Cash flow

Operating cash flow amounted to MSEK -1,603 (-1,900) during the year and was distributed between cash flow from core operating activities of MSEK -2,350 (765), acquisitions of MSEK -515 (-3,403), divestments of subsidiaries and associated companies of MSEK 970 (620) and the regional aircraft business, MSEK 292 (118). During the year, a net of 14 Saab 340 was sold, due to which working capital increased and cash flow from investing activities was positively affected.

CAPITAL EXPENDITURES, PERSONNEL, RESEARCH AND DEVELOPMENT

Capital expenditures

Gross capital expenditures in property, plant and equipment, excluding lease assets, amounted to MSEK 395 (433).

Personnel

At the end of the year, the Group had 13,757 employees, compared with 13,577 at the beginning of the year, an increase of 180.

Research and development

To maintain a leading position in its businesses, Saab devotes considerable resources to research and development, where some 3,000 people are employed. Investments in research and development are primarily made for customers in the business segments Systems and Products and Aeronautics. Total research and development costs for the year amounted to MSEK 4,523 (3,537), of which MSEK 3,127 (2,556) relates to customer-funded development.

RISKS AND UNCERTAINTIES

Saab's operations primarily involve the development, production and supply of technologically advanced hardware and software to customers around the world. The international part of the business is growing. Projects generally entail significant amounts of money, long periods of time and the technological development or refinement of the product. In addition to customer and supplier relations, international operations involve joint ventures and collaborations with other industries as well as the establishment of operations abroad.

Operations entail significant risk-taking in various respects. The key risk areas are political, operating and financial risks. Various policies and instructions govern the management of significant risks.

Saab conducts significant development projects and manages the associated risks. Saab applies the percentage-of-completion method to recognize revenue from long-term customer projects. An estimation of total costs is critical to this method, and the outcome of technical and commercial risks may affect income.

SHARE REPURCHASE

The mandate from the Annual General Meeting to repurchase 1 million shares for the Group's share matching plan, corresponding to 0.9 percent of the capital and 0.6 percent of the votes, was utilized. The repurchased shares are kept as treasury stock.

IMPORTANT EVENTS AFTER THE BALANCE SHEET DATE

On January 25, the Swedish government approved a contract for aircraft and a command and control system negotiated with Thailand. Thailand will purchase six Gripen systems and two Saab 340 aircraft, one of which will be equipped with Saab's Erieye radar. The agreement between the Defence Materiel Administration and Saab was signed on February 11, 2008.

DEFENCE AND SECURITY SOLUTIONS

MSEK	2007	2006	Change	Q4 2007	Q4 2006	Change
Order bookings	7,259	16,415	-56%	2,612	2,743	-5%
Order backlog, December 31	10,764	13,654	-21%	-1,061 ²⁾	304 ²⁾	-
Sales	9,300	8,028	16%	2,914	2,443	19%
Operating income before depreciation/amortization (EBITDA) ¹⁾	1,104	1,006	10%	396	404	-2%
Margin, %	11.9	12.5	-	13.6	16.5	-
Operating income (EBIT) ¹⁾	934	875	7%	353	332	6%
Operating margin, %	10.0	10.9	-	12.1	13.6	-
Adjusted operating margin, %	9.5	11.6	-	11.9	14.6	-
Operating cash flow	380	619	-	-307	42	-
No. of employees, December 31	5,031	4,843	-	-	-	-
1) OF WHICH, RESULT FROM DIVESTMENTS	53	0	-	6	0	-
NON-RECURRING INCOME/EXPENSES	0	-58	-	0	-24	-
2) REFERS TO QUARTERLY CHANGE						

The Defence and Security Solutions business segment brings together Saab's capabilities in the development and integration of high-technology systems for reconnaissance, surveillance, command and control and communication. In the international market, tactical command and combat systems for land, sea and airborne forces are among the areas where Saab has an especially strong position.

The segment also offers a wide range of life-cycle support solutions. Consulting services in systems development, systems integration, and information and system security for customers in the defence, automotive and telecommunication industries as well as government agencies with responsibility for infrastructure are part of the portfolio as well.

The market for civil security systems continues to develop, creating new opportunities. Saab can supply robust systems for crisis management and protection of infrastructure.

SALES, INCOME AND ORDERS

Orders

Order bookings for Defence and Security Solutions decreased to MSEK 7,259 (16,415). The decrease is directly attributable to the order received from Pakistan in the second quarter of 2006 for an airborne surveillance system of approximately SEK 8.3 billion, which was reduced in the second quarter 2007 by SEK 1.35 billion. During the year, an order was received to upgrade the combat management system on the Australian Royal Navy's ANZAC class frigates (MSEK 580). During the fourth quarter, an order worth MSEK 600 was received from Australia to design and develop the combat management system for a new amphibious class of ships.

Sales

Sales for Defence and Security Solutions rose to MSEK 9,300 (8,028), an increase of 16 percent mainly due to the new business unit Saab Surveillance Systems, which has the airborne surveillance system contract from Pakistan. The business segment was negatively affected by approximately MSEK 200 by exchange rate fluctuations on the translation of Grintek's sales in South African rand, corresponding to 2 percent of sales. Sales for other business units within Defence and Security Solutions, excluding Grintek, rose or remained in line with the previous year. Foreign markets accounted for 55 percent (55) of sales.

Income and margin

Operating income for Defence and Security Solutions amounted to MSEK 934 (875) with a margin of 10.0 percent (10.9). The income trend was positive for the new business unit Saab Surveillance Systems as well as for Combitech and Saab Aerotech. Income includes a capital gain of MSEK 53 on the sale of businesses.

Operating cash flow

Operating cash flow amounted to MSEK 380 (619) and is mainly attributable to Saab Surveillance Systems.

Acquisitions and divestments

In February, Saab agreed to sell the signal operations for traffic infrastructure to Balfour Beatty Rail. Saab and Caran agreed to streamline their consultancy operations in April, whereby Saab acquired Caran's interest in Caran Saab Engineering and Caran acquired Saab's stake in A2 Acoustics and Combitech's automotive consulting business. Other acquisitions during the year were relatively small in scope and included the outstanding 75 percent interest in Cybersim.

SYSTEMS AND PRODUCTS

MSEK	2007	2006	Change	Q4 2007	Q4 2006	Change
Order bookings	8,470	7,691	10%	3,038	3,887	-22%
Order backlog, December 31	17,830	18,296	-3%	288 ²⁾	-851 ²⁾	-
Sales	9,091	8,580	6%	2,950	3,802	-22%
Operating income before depreciation/amortization (EBITDA) ¹⁾	1,367	1,023	34%	516	353	46%
Margin, %	15.0	11.9	-	17.5	9.3	-
Operating income (EBIT) ¹⁾	756	631	20%	253	143	77%
Operating margin, %	8.3	7.4	-	8.6	3.8	-
Adjusted operating margin, %	9.0	11.1	-	12.2	11.9	-
Operating cash flow	-1,287	-33	-	-372	207	-
No. of employees, December 31	5,213	5,197	-	-	-	-
1) OF WHICH, RESULT FROM DIVESTMENTS	45	0	-	0	0	-
NON-RECURRING INCOME/EXPENSES	-108	-325	-	-108	-311	-
2) REFERS TO QUARTERLY CHANGE						

Customers in the Systems and Products business segment mainly consist of defence authorities and other defence contractors around the world. Saab has a broad-based portfolio of products and systems that in many cases are world leaders.

In avionics (aeronautical electronics), Saab is a leading supplier to both military and civil aviation manufacturers.

In weapon systems, Saab's portfolio ranges from man-portable weapons such as the Carl-Gustaf anti-armor weapon and its successors AT4 and NLAW to the missile systems RBS 15, RBS 70 and Bamse.

Electronic warfare – warning, jamming and protection against detection and weapons – is another area where Saab has developed world-leading products for a large number of combat vehicles, aircraft, helicopters, submarines and surface vessels around the world.

The radar and sensor operations contribute vital components to Saab's major systems solutions such as the Bamse missile platform, the Gripen combat fighter and Saab's airborne surveillance system. But they also include products that command a leading position in the global market. The weapon detecting radar ARTHUR and the search radar GIRAFFE are two examples.

Signature management, camouflage which prevents detection by even the most advanced technical equipment, is another area where Saab has a world-leading position.

Saab also has a strong position in advanced training systems for land-based forces and now lists special police units among its customers.

Underwater technology for shallow water and harbours is another area where Saab has leading expertise. Significant potential exists in autonomous, unmanned underwater vehicles for both military and commercial applications.

Saab is also Europe's leading independent supplier of advanced equipment for the space industry.

SALES, INCOME AND ORDERS

Orders

Order bookings for Systems and Products rose to MSEK 8,470 (7,691). Major orders received during the year included the Mobile Battalion Combat Training Center for the Royal Netherlands Army (MSEK 350) and the RBS 70 air defence missile system for the Finnish Army (MSEK 600). The increase is partly attributable to the acquisition of Saab Microwave Systems. Among other business units, order bookings rose for Saab Bofors Dynamics and Saab Training Systems, but decreased for Saab Avitronics and Saab Space. Major orders during the fourth quarter included export orders for the ARTHUR artillery locating radar and the BILL 2 anti-tank missile system totaling SEK 1 billion and an order from Finland on the Next Generation Light Anti-tank Weapon, NLAW, valued at MSEK 360.

Sales

Sales for Systems and Products rose to MSEK 9,091 (8,580), up 6 percent. The acquisition of Saab Microwave Systems on September 1, 2006 raised sales for the segment by 17 percent. Sales decreased for Saab Barracuda, due to lower revenue in the U.S., and for Saab Bofors Dynamics, due to temporary slower activity in certain programs. Sales rose for other business units. Sales were negatively affected by MSEK 113, or 1 percent, by exchange rate fluctuations in the translation of foreign subsidiaries. Foreign markets accounted for 71 percent (70) of sales.

Income and margin

Operating income for Systems and Products improved to MSEK 756 (631) with an operating margin of 8.3 percent (7.4). Income increased through the acquisition of Saab Microwave Systems, which was included for the full-year 2007 compared with four months in 2006. The margin was adversely affected by higher amortization of development expenditures attributable to Saab Microwave Systems and amortization of capitalized product development of MSEK 108 (80). In the previous year, the margin was also affected by structural costs in connection with the takeover of Saab Microwave. Income was positively affected by MSEK 45 through a property sale.

Operating cash flow

Operating cash flow amounted to MSEK -1,287 (-33). The negative cash flow is mainly due to delayed projects at Saab Bofors Dynamics.

Acquisitions and divestments

In May, Saab acquired the Warhead Division from RUAG of Switzerland. The operations will be integrated into Saab Bofors Dynamics.

In May, Saab acquired the UK underwater vehicle company Seaeeye, which will be an important complement to the underwater operations of Saab Underwater Systems.

In June, the associated company Booforsen was sold.

AERONAUTICS

MSEK	2007	2006	Change	Q4 2007	Q4 2006	Change
Order bookings	7,516	4,956	52%	3,883	1,446	169%
Order backlog, December 31	21,158	20,440	4%	1,584 ²⁾	-265 ²⁾	-
Sales	6,510	6,010	8%	2,227	1,652	35%
Operating income before depreciation/amortization (EBITDA) ¹⁾	617	318	94%	266	18	-
Margin, %	9.5	5.3	-	11.9	1.1	-
Operating income (EBIT) ¹⁾	454	190	139%	198	-22	-
Operating margin, %	7.0	3.2	-	8.9	-1.3	-
Adjusted operating margin, %	7.0	6.3	-	8.9	6.5	-
Operating cash flow	-773	-71	-	-641	20	-
No. of employees, December 31	2,911	2,904	-	-	-	-
1) OF WHICH, RESULT FROM DIVESTMENTS	0	0	-	0	0	-
NON-RECURRING INCOME/EXPENSES	0	-191	-	0	-129	-
2) REFERS TO QUARTERLY CHANGE						

Saab's aeronautics operations are dominated by the Gripen program. Gripen, the world's most modern fighter aircraft in operational service, is currently used in Sweden and the NATO members Czech Republic and Hungary. South Africa will place Gripen in operational service in 2008. Export potential is high, and Saab is working actively in a number of markets to win new contracts. The Gripen program includes significant sales of modifications, training and maintenance.

Saab is also a leader in the development of unmanned aerial vehicles, UAVs. In-house products are blended with participation in international development programs. Saab has primary responsibility for key subsystems in the Neuron program, a European project to develop an unmanned combat air vehicle and next-generation fighter aircraft.

In its role as a subsystem supplier, Saab develops complex structural units and subsystems for commercial and military aircraft manufacturers.

SALES, INCOME AND ORDERS

Orders

Order bookings for Aeronautics amounted to MSEK 7,516 (4,956). Among major orders was a contract with the Swedish Defence Materiel Administration worth SEK 3.1 billion to upgrade 31 Swedish Gripen aircraft and a new helmet mounted display (HMD) system for Gripen (MSEK 345). Order bookings for Saab Aerostructures increased by 26 percent mainly due to good order bookings for the Boeing 787.

Sales

Aeronautics' sales increased to MSEK 6,510 (6,010). Saab Aerosystems' sales rose slightly, while Saab Aerostructures' decreased

slightly mainly due to customer delays in the Airbus A380 project. Of total sales, 47 percent (47) relates to the Swedish market, including deliveries of Gripen in batch 3.

Income and margin

Operating income for Aeronautics improved to MSEK 454 (190). The operating margin of 7.0 percent (3.2) remains under pressure from low margins on certain Gripen contracts as well as low capacity utilization in civil programs.

Operating cash flow

Operating cash flow amounted to MSEK -773 (-71). Cash flow has been negatively affected by increased inventories in Saab Aerostructures, due to delays by Airbus. Lower advances from customers reduced also cash flow for Saab Aerosystems.

CORPORATE

Corporate reported operating income of MSEK 463 (49). Income was positively affected by a gain of MSEK 264 (180) on the sale of a subsidiary and other non-recurring items, MSEK 199 (-100).

SEK 1 BILLION 2008-2010

Saab's market situation is rapidly changing. Although the business will still involve customer-financed development, Saab will have to finance a greater portion of product and service development itself, as well as increase the marketing of products and services in the international market. In order to achieve this while at the same time reaching and maintaining a level of profitability that meets the long-term objective of a 10 percent operating margin, a savings program was launched in connection with the release of the interim report for the third quarter that will sustainably reduce the company's expenses through 2010 by SEK 1 billion on an annual basis.

Around 75 percent of the savings will come from lower cost of goods sold (purchasing, production, development and project implementation) and thereby positively affect gross margin. The rest will be generated through reduced operating expenses, mainly in administration. The program is expected to reduce the company's cost level by MSEK 250 in 2008, another MSEK 350 in 2009 and MSEK 400 in 2010. In other words, by the end of 2010 (all else being equal) the level will be SEK 1 billion lower than at the start of 2008. The cost to implement the program, which is taken into account in the above figures, is estimated at MSEK 250.

Although the program is focused on improved purchasing terms, processes and methods, layoffs cannot be ruled out.

PARENT COMPANY**Sales and income**

The Parent Company includes the business units Saab Aerosystems, Saab Aerostructures and the Swedish units within Saab Systems, Saab Avionics, Saab Aerotech, Saab Microwave Systems and Saab Communication. Group staff and Group support are included as well.

The Parent Company's sales amounted to MSEK 14,779 (10,940). Operating income was MSEK 864 (571).

Net financial income and expenses amounted to MSEK 1,116 (697). Of the financial net, MSEK 992 (513) consists of Group contributions, dividends and write-downs of shares in subsidiaries. After appropriations of MSEK -25 (11) and income tax of MSEK -311 (-259), net income for the year amounted to MSEK 1,644 (1,020).

Liquidity, finance, capital expenditures and number of employees

The Parent Company's net debt amounted to MSEK 6,242 (3,963). Gross capital expenditures in property, plant and equipment amounted to MSEK 261 (260). At year-end, the Parent Company had 8,256 employees, compared with 6,918 in the previous year. The increase is due to the inclusion of another business unit in the Parent Company as of January 1, 2007.

Proposed dividend and share repurchase

The Board of Directors proposes that shareholders receive a dividend of SEK 4.50 (4.25) per share, or a total of MSEK 491 (464), corresponding to 25 percent (36) of the Group's net income in 2007. April 18 has been proposed as the record day for the dividend, which is expected to be paid on April 23, 2008.

The Board of Directors will propose that the Annual General Meeting give the Board a mandate to repurchase up to 10 percent of the shares outstanding. The purpose of the authorization is to provide the Board with greater scope in working with the company's capital structure and enable acquisitions when considered appropriate. As proposed, the mandate would apply until the next Annual General Meeting. Repurchases may be effected over the stock exchange or through offerings to share-

holders. It is also proposed that the Board's mandate includes the possibility to transfer repurchased shares as allowed by law.

In addition to the above mandate to repurchase shares, the Board intends to propose that the Annual General Meeting give the Board a mandate to repurchase up to 1.2 percent to secure the Group's share matching plan.

Annual General Meeting

The Annual General Meeting will be held at Gamla Tryckeriet, Alvik, Stockholm on Thursday, April 15, 2008 at 6:00 p.m. (CET). The annual report will be available at the Saab's office in Linköping. The printed annual report will be distributed to shareholders upon request around March 12, 2008.

Owners and nomination committee

Saab's largest shareholders are BAE Systems, Investor AB, the Wallenberg foundations, AMF Pension funds, Odin funds, Swedbank Robur funds, Nordea funds, JP Morgan, Öresund, Orkla ASA, SEB funds, Nordea Bank Finland, Eikos fund, the First National Pension Fund and SHB/SPP funds.

Four shareholder representatives have been selected to work with Chairman Marcus Wallenberg to draft a proposal for the Board of Directors to be presented to the Annual General Meeting. The representatives are Petra Hedengran (Investor), Peter Wallenberg Jr (Knut and Alice Wallenberg Foundation), Mats Lagerqvist (Swedbank Robur funds) and Nils Petter Hollekim (Odin funds, Norway).

LINKÖPING, FEBRUARY 14, 2008

ÅKE SVENSSON

PRESIDENT AND CHIEF EXECUTIVE OFFICER

Saab AB discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 12.20 on February 14, 2008.

REVIEW REPORT

Introduction

We have reviewed the year-end report for 2007 for Saab AB (publ) for the period January 1, 2007 to December 31, 2007. The Board of Directors and the President are responsible for the preparation and presentation of this year-end report by application of to the regulations for interim reporting in IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this year end-report based on our review.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as issued by FAR. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing in Sweden RS and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the year-end report, in all material respects, is not prepared for the Group in accordance with IAS 34 and the Annual Accounts Act and for the Parent Company in accordance with the Annual Accounts Act.

STOCKHOLM, FEBRUARY 14, 2008

ERNST & YOUNG AB

ERIK ÅSTRÖM
 AUTHORIZED
 PUBLIC ACCOUNTANT

DELOITTE AB

TOMMY MÅRTENSSON
 AUTHORIZED
 PUBLIC ACCOUNTANT

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Press conference with CEO Åke Svensson and CFO Lars Granlöf, today, Thursday, February 14, 2008, 2:00 p.m. (CET), World Trade Center, Stockholm
 Contact Peter Larsson, Press Secretary, Tel. +46-734-18 00 18

International teleconference:
 Today, Thursday, February 14, 2008, 4:00 p.m. (CET), Contact Annika Widell to register and for further information
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ANNUAL GENERAL MEETING: **APRIL 15, 2008, 6:00 P.M. (CET)**

ANNUAL REPORT 2007	PUBLISHED AROUND MARCH 12, 2008
INTERIM REPORT JANUARY–MARCH 2008	PUBLISHED APRIL 23, 2008
INTERIM REPORT JANUARY–JUNE 2008	PUBLISHED JULY 18, 2008
INTERIM REPORT JANUARY–SEPTEMBER 2008	PUBLISHED OCTOBER 17, 2008

CONSOLIDATED INCOME STATEMENT

MSEK	Note	2007	2006
Sales	3	23,021	21,063
Cost of goods sold		-16,849	-15,775
Gross income		6,172	5,288
Gross margin		26.8%	25.1%
Other operating income		785	330
Marketing expenses		-1,725	-1,646
Administrative expenses		-1,375	-1,279
Research and development costs		-1,253	-805
Other operating expenses		-49	-165
Share in income of associated companies		52	22
Operating income ¹⁾	3	2,607	1,745
Operating margin		11.3%	8.3%
Share in income of associated companies		-40	-28
Financial income		4	114
Financial expenses		-122	-138
Net financial items		-158	-52
Income before taxes		2,449	1,693
Taxes	4	-508	-346
Net income for the year		1,941	1,347
of which Parent Company shareholders' interest		1,921	1,300
of which minority interest		20	47
Earnings per share after dilution, SEK ²⁾		17.60	11.91
Earnings per share before dilution, SEK ³⁾		17.68	11.91
¹⁾ INCLUDES DEPRECIATION/AMORTIZATION AND IMPAIRMENT		-1,258	-1,056
OF WHICH DEPRECIATION OF LEASE ASSETS		-180	-282
²⁾ AVERAGE NUMBER OF SHARES AFTER DILUTION		109,150,344	109,150,344
³⁾ AVERAGE NUMBER OF SHARES BEFORE DILUTION		108,668,700	109,150,344

QUARTERLY INCOME STATEMENT

MSEK	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006
Sales	7,358	4,811	5,935	4,917	7,347	4,260	5,145	4,311
Cost of goods sold	-5,295	-3,516	-4,471	-3,567	-5,602	-3,067	-3,909	-3,197
Gross income	2,063	1,295	1,464	1,350	1,745	1,193	1,236	1,114
Gross margin	28.0%	26.9%	24.7%	27.5%	23.8%	28.0%	24.0%	25.8%
Other operating income	521	46	178	40	68	23	54	185
Marketing expenses	-479	-429	-434	-383	-585	-368	-358	-335
Administrative expenses	-330	-344	-349	-352	-370	-330	-299	-280
Research and development costs	-520	-262	-239	-232	-404	-152	-130	-119
Other operating expenses	-18	-8	-14	-9	-47	5	-102	-21
Share in income of associated companies	8	20	24	-	16	-2	3	5
Operating income ¹⁾	1,245	318	630	414	423	369	404	549
Operating margin	16.9%	6.6%	10.6%	8.4%	5.8%	8.7%	7.9%	12.7%
Share in income of associated companies	-10	-8	1	-23	-13	-2	-12	-1
Financial income	-37	-6	17	30	-23	39	39	59
Financial expenses	-18	13	-76	-41	13	-49	-28	-74
Net financial items	-65	-1	-58	-34	-23	-12	-1	-16
Income before taxes	1,180	317	572	380	400	357	403	533
Taxes	-172	-92	-134	-110	-32	-107	-102	-105
Net income for the period	1,008	225	438	270	368	250	301	428
of which Parent Company's shareholders' interest	1,008	218	434	261	347	237	293	423
of which minority interest	-	7	4	9	21	13	8	5
Earnings per share after dilution, SEK ²⁾	9.24	1.99	3.98	2.39	3.18	2.17	2.68	3.88
Earnings per share before dilution, SEK ³⁾	9.29	2.02	3.98	2.39	3.18	2.17	2.68	3.88
¹⁾ INCLUDES DEPRECIATION/AMORTIZATION AND IMPAIRMENT	-449	-256	-294	-259	-435	-235	-191	-195
OF WHICH DEPRECIATION OF LEASE ASSETS	-40	-44	-45	-51	-65	-67	-71	-79
²⁾ AVERAGE NUMBER OF SHARES AFTER DILUTION	109,150,344	109,150,344	109,150,344	109,150,344	109,150,344	109,150,344	109,150,344	109,150,344
³⁾ AVERAGE NUMBER OF SHARES BEFORE DILUTION	108,150,344	108,667,722	109,075,944	109,150,344	109,150,344	109,150,344	109,150,344	109,150,344

CONSOLIDATED BALANCE SHEET

MSEK	Note	12/31/2007	12/31/2006
ASSETS			
Fixed assets			
Intangible fixed assets		7,940	7,821
Tangible fixed assets		3,619	4,295
Lease assets		1,822	2,417
Biological assets		241	230
Investment properties		72	66
Shares in associated companies		318	270
Financial investments		233	122
Long-term receivables		960	991
Deferred tax assets		542	362
Total fixed assets		15,747	16,574
Current assets			
Inventories		5,383	4,957
Derivatives		479	538
Tax receivables		122	146
Accounts receivable		3,724	3,324
Prepaid expenses and accrued income		556	652
Other receivables		5,862	5,053
Cash and marketable securities	6	858	1,393
Total current assets		16,984	16,063
Assets held for sale	7	1,070	134
Total assets	12	33,801	32,771

CONSOLIDATED BALANCE SHEET (CONT.)

MSEK	Note	12/31/2007	12/31/2006
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Parent Company's shareholders' interest		10,981	9,802
Minority interest		27	223
Total shareholders' equity		11,008	10,025
Long-term liabilities			
Long-term interest-bearing liabilities		25	590
Lease obligations		-	245
Other liabilities		284	342
Provisions for pensions	9	101	412
Other provisions		1,979	1,961
Deferred tax liabilities		1,263	789
Total long-term liabilities		3,652	4,339
Current liabilities			
Short-term interest-bearing liabilities		3,635	1,064
Advance payments from customers		2,558	3,642
Accounts payable		1,229	1,422
Lease obligations		204	212
Derivatives		414	172
Tax liabilities		368	298
Other liabilities		806	1,115
Accrued expenses and deferred income		8,788	9,371
Provisions		752	1,109
Total current liabilities		18,754	18,405
Liabilities attributable to assets held for sale	7	387	2
Total liabilities		22 793	22,746
Total shareholders' equity and liabilities	12	33,801	32,771

CHANGES IN SHAREHOLDERS' EQUITY

MSEK	Equity attributable to Parent Company's shareholders					TOTAL	MINORITY INTEREST	TOTAL SHAREHOLDERS' EQUITY
	CAPITAL STOCK	OTHER CAPITAL CONTRIBUTIONS	NET GAIN ON CASH FLOW HEDGES	TRANSLATION RESERVE	RETAINED EARNINGS			
Opening balance, January 1, 2007	1,746	543	72	-8	7,449	9,802	223	10,025
Items reported directly in shareholders' equity:								
Translation differences for the year	-	-	-	-102	-	-102	-4	-106
Net gain on cash flow hedges	-	-	8	-	-	8	-	8
Other changes in shareholders' equity:								
Net income for the year	-	-	-	-	1,921	1,921	20	1,941
Transactions with owners:								
Dividend	-	-	-	-	-464	-464	-2	-466
Share repurchase	-	-	-	-	-184	-184	-	-184
Acquisition and sale of operations	-	-	-	-	-	-	-210	-210
Closing balance, December 31, 2007	1,746	543	80	-110	8,722	10,981	27	11,008
Opening balance, January 1, 2006	1,746	543	6	298	6,586	9,179	314	9,493
Items reported directly in shareholders' equity:								
Translation differences for the year	-	-	-	-306	-	-306	-59	-365
Net gain on cash flow hedges	-	-	66	-	-	66	-	66
Other changes in shareholders' equity:								
Net income for the year	-	-	-	-	1,300	1,300	47	1,347
Transactions with owners:								
Dividend	-	-	-	-	-437	-437	-4	-441
Acquisition and sales of operations	-	-	-	-	-	-	-75	-75
Closing balance, December 31, 2006	1,746	543	72	-8	7,449	9,802	223	10,025

STATEMENT OF CASH FLOWS

MSEK	Note	2007	2006
Operating activities			
Income after financial items		2,449	1,693
Transferred to and formation of pension fund		-283	-2,566
Adjustments for items not affecting cash flow		867	1,454
Income tax paid		-216	-115
Cash flow from operating activities before changes in working capital		2,817	466
Cash flow from changes in working capital			
Increase(-)/Decrease(+) in inventories		-644	-767
Increase(-)/Decrease(+) in current receivables		-1,605	-1,700
Increase(+)/Decrease(-) in advance payments from customers		-934	-853
Increase(+)/Decrease(-) in lease obligations		-251	-832
Increase(+)/Decrease(-) in other current liabilities		-287	2,290
Increase(+)/Decrease(-) in provisions		-443	-201
Cash flow from operating activities		-1,347	-1,597
Investing activities			
Investments in intangible fixed assets		-8	-67
Capitalized development costs		-658	-463
Investments in tangible fixed assets		-395	-433
Sale of tangible fixed assets		45	31
Sale of lease assets		325	823
Investments in and sale of financial assets		-310	4,606
Investments in subsidiaries and ass. comp, net effect on liquidity	8	-515	-3,403
Sale of subsidiaries, net effect on liquidity	8	970	219
Cash flow from investing activities		-546	1,313
Financing activities			
Loans raised		2,017	630
Share repurchase		-184	-
Dividend paid to Parent Company's shareholders		-464	-437
Dividend paid to minority interest		-2	-4
Cash flow from financing activities		1,367	189
Cash flow for the year	6	-526	-95
Liquid assets at beginning of year		1,389	1,557
Exchange rate difference in liquid assets		-5	-73
Liquid assets at end of year	6	858	1,389

MSEK	QUARTERLY INFORMATION ¹⁾				JANUARY-MARCH		APRIL-JUNE	
	2007	2006	2007	2006	2007	2006	2007	2006
Sales								
Defence and Security Solutions	2,053	1,738	2,264	1,934				
Systems and Products	1,885	1,482	2,417	1,879				
Aeronautics	1,383	1,591	1,621	1,534				
Corporate	20	69	11	49				
Internal sales	-424	-569	-378	-251				
Total	4,917	4,311	5,935	5,145				
Operating income								
Defence and Security Solutions	230	11.2%	192	11.0%	216	9.5%	152	7.9%
Systems and Products	158	8.4%	143	9.6%	245	10.1%	239	12.7%
Aeronautics	67	4.8%	72	4.5%	121	7.5%	101	6.6%
Corporate	-41		142		48		-88	
Total	414	8.4%	549	12.7%	630	10.6%	404	7.9%
Net financial items	-34		-16		-58		-1	
Income before taxes	380		533		572		403	
Net income for the period	270		428		438		301	
Attributable to Parent Company's shareholders	261		423		434		293	
Earnings per share after dilution	2.39		3.88		3.98		2.68	
No. of shares after dilution, thousands	109,150		109,150		109,150		109,150	
		JULY-SEPTEMBER				OCTOBER-DECEMBER		
MSEK	2007	2006	2007	2006	2007	2006	2007	2006
Sales								
Defence and Security Solutions	2,069	1,913	2,914	2,443				
Systems and Products	1,839	1,417	2,950	3,802				
Aeronautics	1,279	1,233	2,227	1,652				
Corporate	9	49	11	37				
Internal sales	-385	-352	-744	-587				
Total	4,811	4,260	7,358	7,347				
Operating income								
Defence and Security Solutions	135	6.5%	199	10.4%	353	12.1%	332	13.6%
Systems and Products	100	5.4%	106	7.5%	253	8.6%	143	3.8%
Aeronautics	68	5.3%	39	3.2%	198	8.9%	-22	-1.3%
Corporate	15		25		441		-30	
Total	318	6.6%	369	8.7%	1,245	16.9%	423	5.8%
Net financial items	-1		-12		-65		-23	
Income before taxes	317		357		1,180		400	
Net income for the period	225		250		1,008		368	
Attributable to Parent Company's shareholders	218		237		1,008		347	
Earnings per share after dilution	1.99		2.17		9.24		3.18	
No. of shares after dilution, thousands	109,150		109,150		109,150		109,150	

¹⁾ FOR INFORMATION ON THE BUSINESS SEGMENTS, SEE NOTE 3 ON PAGE 25-26.

FIVE-YEAR OVERVIEW

MSEK unless otherwise stated	2007	2006	2005	2004 ⁵⁾	2003
Order bookings	20,846	27,575	17,512	16,444	19,606
Order backlog at Dec. 31	47,316	50,445	42,198	43,162	45,636
Sales	23,021	21,063	19,314	17,848	17,250
Foreign market sales, %	65	65	56	48	46
Operating income	2,607	1,745	1,652	1,853	1,293
Operating margin, %	11.3	8.3	8.6	10.4	7.5
Operating margin before depreciation/amortization and impairments, excluding leasing, %	16.0	12.0	11.3	13.1	11.1
Income after financial items	2,449	1,693	1,551	1,712	1,073
Net income for the year	1,941	1,347	1,199	1,310	746
Total assets	33,801	32,771	30,594	27,509	28,704
Operating cash flow	-1,603	-1,900	2,645	325	545
Return on capital employed, %	19.4	14.5	14.6	17.3	12.7
Return on equity, %	18.5	13.8	13.5	16.7	10.8
Equity/assets ratio, %	32.6	30.6	31.0	29.9	24.4
Earnings per share, SEK ^{2) 4)}	17.68	11.91	10.89	11.78	7.00
after dilution, SEK ^{3) 4)}	17.60	11.91	10.89	11.78	6.91
Dividend per share, SEK	4.50	4.25	4.00	3.75	3.50
Equity per share, SEK ¹⁾	101.53	89.80	84.10	74.89	65.75
Number of employees at year-end	13,757	13,577	12,830	11,936	13,414

¹⁾NUMBER OF SHARES AS OF DECEMBER 31, 2007: 108 150 344; 2006/2005/2004: 109,150,344 AND 2003: 106,517,563

²⁾AVERAGE NUMBER OF SHARES 2007: 108 668 700; 2006/2005: 109,150,344; 2004: 108,234,126 AND 2003: 106,513,969

³⁾AVERAGE NUMBER OF SHARES 2007/2006/2005: 109,150,344; 2004: 108,234,126 AND AFTER DILUTION 2003: 109,247,175. CONVERSION OF THE DEBENTURE LOAN CONCLUDED ON JULY 15, 2004.

⁴⁾NET INCOME FOR THE YEAR LESS MINORITY INTEREST DIVIDED BY THE AVERAGE NUMBER OF SHARES.

⁵⁾RESTATEMENT ACCORDING TO IFRS, PREVIOUS YEARS ARE NOT RESTATEMENT

KEY RATIOS AND TARGETS

Percent	target	2007	2006	2005
Operating margin before depreciation/amortization and impairments excluding leasing, %	15.0	16.0	12.0	11.3
Operating margin, %	10.0	11.3	8.3	8.6
Earnings per share after dilution, SEK ¹⁾		17.60	11.91	10.89
Return on capital employed before tax, %		19.4	14.5	14.6
Return on equity after tax, %	15.0	18.5	13.8	13.5
Equity/assets ratio, %	30.0	32.6	30.6	31.0
Equity per share after dilution, SEK ¹⁾		100.60	89.80	84.10

¹⁾AVERAGE NUMBER OF SHARES AFTER DILUTION 109,150,344

PARENT COMPANY INCOME STATEMENT

MSEK	2007	2006	Q4 2007	Q4 2006
Sales	14,779	10,940	5,121	3,252
Cost of goods sold	-11,430	-8,505	-4,008	-2,638
Gross income	3 349	2,435	1,113	614
Gross margin	22.7%	22.3%	21.7%	18.9%
Marketing expenses	-1,024	-784	-304	-316
Administrative expenses	-747	-601	-175	-131
Research and development costs	-864	-483	-268	-227
Other operating income	173	59	111	-10
Other operating expenses	-23	-55	-9	-10
Operating income	864	571	468	-80
Operating margin	5.8%	5.2%	9.1%	-2.5%
Financial income and expenses:				
Result from securities and receivables held as fixed assets	1,352	765	972	413
Other interest income and similar items	88	144	-2	20
Interest expenses and similar items	-324	-212	-129	46
Income after financial items	1,980	1,268	1,309	399
Appropriations	-25	11	-25	11
Income before taxes	1,955	1,279	1,284	410
Taxes	-311	-259	-183	-123
Net income for the year	1,644	1,020	1,101	287

PARENT COMPANY BALANCE SHEET

MSEK	Note	2007	2006
ASSETS			
Fixed assets			
Intangible fixed assets		55	63
Tangible fixed assets		2,506	2,309
Participations in Group companies		11,964	12,038
Receivables from Group companies		166	301
Participations in associated companies and joint ventures		204	392
Receivables from associated companies and joint ventures		25	15
Other long-term securities holdings		1,514	59
Other long-term receivables		45	63
Deferred tax assets		487	537
Total fixed assets		16,966	15,777
Current assets			
Inventories, etc		4,524	4,010
Receivables from Group companies		3,461	2,869
Receivables from associated companies and joint ventures		349	196
Other receivables		6,274	2,907
Cash and bank balances		387	701
Total current assets		14,995	10,683
TOTAL ASSETS		31,961	26,460
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity			
Shareholders' equity		5,599	5,557
Net income for the period		1,644	1,020
Total shareholders' equity		7,243	6,577
Untaxed reserves		463	352
Provisions			
Provisions for pensions and similar commitments		270	160
Other provisions		1,463	1,526
Total provisions		1,733	1,686
Liabilities			
Interest-bearing liabilities		3,658	118
Liabilities to Group companies		8,229	9,088
Advance payments from customers		3,164	2,152
Liabilities to associated companies and joint ventures		80	80
Other liabilities		7,391	6,407
Total liabilities		22,522	17,845
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		31,961	26,460

NOTES

TO THE FINANCIAL STATEMENTS

NOTE 1

CORPORATE INFORMATION

Saab AB (publ), corporate identity no. 556036-0793, with registered office in Linköping, Sweden. The address of the company's head office is Kungsbron 1, Stockholm, with the mailing address Box 70 363, SE-107 24 Stockholm, Sweden, and the telephone number +46-8-463 00 00. Saab has been listed on OMX Nordic Exchange in Stockholm since 1998 and on the large cap list from October 2006. The company's operations, including subsidiaries and associated companies, are described in the annual report for 2007.

The Board of Directors and the President approved this interim report for the period January 1 –December 31, 2007 for publication on February 14, 2008.

NOTE 2

ACCOUNTING PRINCIPLES

This year end report is prepared applied to the regulation for the interim reporting in the Annual Accounts Act and IAS 34.

The same accounting principles have been applied during the year as in 2006, as described in the annual report 2006. The report does not contain all the information and disclosures available in the annual report, and the report should be read together with the annual report for 2007.

NOTE 3

SEGMENT REPORTING

Saab is one of the world's leading high-technology companies, with its main operations in defence, aviation and space. Operations are primarily focused on well-defined areas in defence electronics, missile systems and space electronics as well as military and commercial aviation. Saab is also active in technical services and maintenance.

While Europe is its main market, Saab has growing markets in Australia, South Africa and the U.S.

For a description of the business segments, see previous section.

SALES AND ORDER INFORMATION

Sales by business segment

MSEK	2007	2006	Change	Q4 2007	Q4 2006
Defence and Security Solutions	9,300	8,028	16%	2,914	2,443
Systems and Products	9,091	8,580	6%	2,950	3,802
Aeronautics	6,510	6,010	8%	2,227	1,652
Corporate	51	204		11	37
Internal sales	- 1,931	-1,759		-744	-587
Total	23,021	21,063	9%	7,358	7,347

Sales by geographic market

MSEK	2007	% of sales	2006	% of sales
Sweden	8,006	35%	7,349	35%
Rest of EU	6,527	28%	6,080	29%
Rest of Europe	297	1%	292	1%
Total, Europe	14,830	64%	13,721	65%
North America	1,534	7%	1,746	8%
Latin America	85	0%	57	0%
Asia	2,203	10%	1,757	8%
Australia, etc.	848	4%	975	5%
Africa	3,521	15%	2,807	14%
Total	23,021	100%	21,063	100%

NOTE 3 CONTINUED

Order bookings by business segment

MSEK	2007	2006	Q4 2007	Q4 2006
Defence and Security Solutions	7,259	16,415	2,612	2,743
Systems and Products	8,470	7,691	3,038	3,887
Aeronautics	7,516	4,956	3,883	1,446
Corporate	46	53	11	9
Internal	-2,445	-1,540	-983	-637
Total	20,846	27,575	8,561	7,448

Order backlog by business segment

MSEK	Dec. 31, 2007	Dec. 31, 2006
Defence and Security Solutions	10,764	13,654
Systems and Products	17,830	18,296
Aeronautics	21,158	20,440
Corporate	-	12
Internal	-2,436	-1,957
Total	47,316	50,445

OPERATING INCOME

Operating income by business segment

MSEK	2007	% of sales	2006	% of sales	Q4 2007	% of sales	Q4 2006	% of sales
Defence and Security Solutions	934	10.0%	875	10.9%	353	12.1%	332	13.6%
Systems and Products	756	8.3%	631	7.4%	253	8.6%	143	3.8%
Aeronautics	454	7.0%	190	3.2%	198	8.9%	-22	-1.3%
Corporate	463		49		441		-30	
Total	2,607	11.3%	1,745	8.3%	1,245	16.9%	423	5.8%

Depreciation/amortization and impairments by business segment

MSEK	2007	2006	Q4 2007	Q4 2006
Defence and Security Solutions	170	131	43	72
Systems and Products	611	392	263	210
Aeronautics	163	128	68	40
Corporate - lease assets	180	282	40	65
Corporate - other	134	123	35	48
Total	1,258	1,056	449	435

OPERATING CASH FLOW AND CAPITAL EMPLOYED

Cash flow by business segment

MSEK	2007	2006	Q4 2007	Q4 2006
Defence and Security Solutions	380	619	-307	42
Systems and Products	-1,287	-33	-372	207
Aeronautics	-773	-71	-641	20
Corporate	77	-2,415	67	173
Total	-1,603	-1,900	-1,253	442

Capital employed by business segment

MSEK	Dec. 31, 2007	Dec. 31, 2006
Defence and Security Solutions	4,417	4,663
Systems and Products	9,115	7,523
Aeronautics	4,202	2,158
Corporate	-2,965	-2,253
Total	14,769	12,091

PERSONNEL

Personnel by business segment

Number at end of year	Dec. 31, 2007	Dec. 31, 2006	Change
Defence and Security Solutions	5,031	4,843	188
Systems and Products	5,213	5,197	16
Aeronautics	2,911	2,904	7
Corporate	602	633	-31
Total	13,757	13,577	180

NOTE 4

TAXES

MSEK	2007	2006
Current tax	-245	-303
Deferred tax	-263	-43
Total	-508	-346

NOTE 5

DIVIDEND TO PARENT COMPANY'S SHAREHOLDERS

At its meeting on February 14, 2008, the Board of Directors decided to propose to the Annual General Meeting that the Parent Company's shareholders receive a dividend of SEK 4.50 per share, totaling MSEK 491.

NOTE 6

SUPPLEMENTAL INFORMATION ON STATEMENT OF CASH FLOWS

Liquid assets at end of year

MSEK	Dec. 31, 2007	Dec. 31, 2006
The following components are included in liquid assets:		
Cash and bank balances (incl. available overdraft facilities)	825	1,290
Deposits	33	103
Total according to balance sheet	858	1,393
Immediately cancelable overdraft facilities	-	-4
Total according to statement of cash flows	858	1,389

Operating cash flow vs. statement of cash flows

MSEK	2007	2006
Operating cash flow	-1,603	-1,900
Investing activities – interest-bearing:		
Short-term investments	-	4,868
Financial investments and receivables	-247	-686
Financing activities:		
Loans raised	2,017	630
Establishment of pension fund	-43	-2,566
Share repurchase	-184	-
Dividend paid to the Parent Company's shareholders	-464	-437
Dividend paid to minority interest	-2	-4
Cash flow for the year	-526	-95

Specification of operating cash flow 2007

MSEK	Saab excl. acquisitions/ divestments and SAL	Acquisitions and divestments	Saab Aircraft Leasing	Total Group
Cash flow from operating activities before changes in working capital excluding pension fund	2,386	-	474	2,860

CASH FLOW FROM CHANGES IN WORKING CAPITAL

Inventories	-655	-	11	-644
Receivables	-1,805	-	200	-1,605
Advance payments from customers	-934	-	-	-934
Lease obligations	-	-	-251	-251
Other liabilities	-4	-	-283	-287
Provisions	-259	-	-184	-443
Change in working capital	-3,657	-	-507	-4,164

Cash flow from operating activities excluding pension fund

	-1,271	-	-33	-1,304
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INVESTING ACTIVITIES

Investments in intangible fixed assets	-666	-	-	-666
Investments in tangible fixed assets	-395	-	-	-395
Sale of tangible fixed assets	45	-	-	45
Sale of lease assets	-	-	325	325
Sale of and investment in shares, etc.	-63	-	-	-63
Investments in subsidiaries, net effect on liquidity	-	-515	-	-515
Sale of subsidiaries, net effect on liquidity	-	970	-	970

Cash flow from investing activities excluding change in interest bearing financial assets

	-1,079	455	325	-299
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OPERATING CASH FLOW

	-2,350	455	292	-1,603
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NOTE 7

ASSETS AND LIABILITIES HELD FOR SALE

Assets and liabilities held for sale refer to Saab Space and Saab Grintek Technologies.

NOTE 8

ACQUISITIONS AND DIVESTMENTS

On September 1, 2006, Saab acquired all the shares (100 percent) in Ericsson Microwave Systems AB and Maersk Data Defence A/S. On May 23, 2007, all shares (100 percent) in Seaye Holdings Ltd was acquired by Saab.

The acquisitions of Ericsson Microwave Systems AB, Maersk Data Defence A/S and Seaye Holdings Ltd have the following effects on the Group' assets and liabilities:

Ericsson Microwave Systems AB (definitive)

MSEK	Reported value at acquisition	Fair value reported in Group
Intangible fixed assets	2,000	2,852
Tangible fixed assets	223	223
Financial fixed assets	87	87
Deferred tax assets	173	173
Inventories	171	171
Other receivables	1,653	1,653
Liquid assets	616	616
Provisions	-280	-280
Deferred tax liabilities	-615	-854
Advance payments from customers	-1,482	-1,482
Accounts payable and other liabilities	-936	-936
Net identified assets and liabilities	1,610	2,223
Goodwill		1,537
Purchase price		3,760
Liquid assets (acquired)		-616
Net cash outflow		3,144

The acquisition analysis is definitive, since the final purchase price has been determined to MSEK 3,760.

The first preliminary acquisition analysis was presented in the interim report for the third quarter of 2006.

Description of identified intangible assets

Intangible assets primarily consist of expenditures for product development/technology and customer relations. The estimated amortization schedule is 5 to 15 years.

Maersk Data Defence A/S (definitive)

MSEK	Reported value at acquisition	Fair value reported in Group
Intangible fixed asset	15	15
Tangible fixed assets	2	2
Deferred tax assets	16	16
Inventories	19	19
Other receivables	23	23
Liquid assets	25	25
Provisions	-11	-11
Deferred tax liabilities	-4	-4
Interest-bearing liabilities	-12	-12
Accounts payable and other liabilities	-61	-61
Net identified assets and liabilities	12	12
Goodwill		-
Purchase price		12
Liquid assets (acquired)		-25
Net cash inflow		13

The acquisition analysis is now definitive after the final purchase price was set at MSEK 12.

The first preliminary acquisition analysis was presented in the interim report for the third quarter of 2006.

Description of identified intangible assets

Product development/technology primarily consists of investments in a number of key technologies, the most prominent of which is the DACCIS command and control system. The amortization schedule is estimated to 10 years.

Seaye Holdings Ltd (definitive)

MSEK	Reported value at acquisition	Fair value reported in Group
Intangible fixed asset	58	92
Tangible fixed assets	5	5
Inventories	36	36
Other receivables	49	49
Liquid assets	3	3
Deferred tax liabilities	-10	-20
Accounts payable and other liabilities	-57	-57
Net identified assets and liabilities	84	108
Goodwill		86
Purchase price		194
Liquid assets (acquired)		-3
Net cash outflow		191

Description of identified intangible assets

Intangible assets primarily consist of expenditures for product development/technology and customer relations. The estimated amortization schedule is 10 years.

Other acquisitions		
MSEK	Reported value at acquisition	Fair value reported in Group
Intangible fixed asset	37	43
Net assets and liabilities	24	24
Net identified assets and liabilities	61	67
Goodwill		6
Purchase price		73
Liquid assets (acquired)		-3
Net cash outflow		70

Acquisitions and divestments during the year

In February, Saab decided to sell its signal operations for rail traffic to Balfour Beatty Rail for a gain of MSEK 30.

Saab and Caran agreed to streamline their consultancy operations in April, whereby Saab acquired Caran's 50 percent interest in Caran Saab Engineering at the same time that Caran acquired Saab's 40 percent share in A2 Acoustics. Moreover, Caran acquired Saab's automotive consulting business. The overall impact on Saab's liquidity was MSEK -1. The changes have a marginal effect on future sales and income.

In May, a property in Växjö was sold for MSEK 162, with a gain of MSEK 60.

In May, Saab reached an agreement to take over the Warhead Division of RUAG of Switzerland. The purchase price was MSEK 37, and the acquisition has little impact on future sales and income.

In May, Saab acquired the UK underwater vehicle company Seaeve Holdings Ltd. The price is MSEK 194. Seaeve has a turnover of approximately MGBP 15 and around 65 employees.

In June, the associated company Booforsen was divested for MSEK 75, with a gain of MSEK 45.

Following an invitation from the Norwegian government and Norwegian industry, Saab has decided to join as an owner of a new holding company, Aker Holding AS, which in turn owns 40.1 percent of the listed company Aker Kvaerner ASA. Saab's interest will amount to 7.5 percent of the capital and votes. The purchase price of the shares is approximately NOK 1.2 billion, of which about 80 percent is financed with loans. The risk in the loan-financed portion has been reduced through an agreement that hedges this portion of the invested capital but limits the potential return. Saab has the right at specific intervals to sell its investment. The acquisition was approved by the Norwegian parliament in December.

In July, Saab acquired 60 percent of the shares in PerformIT. The preliminary purchase price is MSEK 8, generating a surplus value of MSEK 4. The acquisition has a marginal effect on future sales and income.

In July, Saab acquired 50 percent of the shares in the South African company Cybersim. Through the South African subsidiary Saab Grintek, Saab had previously owned 25 percent of Cybersim. The remaining 25 percent were acquired in the autumn. The preliminary purchase price is MSEK 22, resulting in a surplus value of MSEK 21. The acquisition has a marginal effect on future sales and income.

In June 2006, Saab and Denel of South Africa reached an agreement whereby Saab would acquire 20 percent of a new aerospace company. Saab invested MSEK 64 in the new company in August 2007. The majority owner will contribute enough capital to ensure that the new company remains profitable during its initial build-up stage. The acquisition will be reported according to the equity method.

In November, Saab acquired the remaining shares in the South African company Saab Grintek. Saab had previously owned 77 percent. The remaining shares were purchased for MZAR 250 in cash and 12.65 percent of the shares in the subsidiary Grintek Ewation. The acquisition generates a surplus value of MZAR 112.

In December, Fastighets AB Veddesta was sold for MSEK 669 with a gain of MSEK 156. The effect on cash flow after loan repayments of MSEK 524 was MSEK 145.

Recognized goodwill from the acquisition of 50 percent of Caran Saab Engineering AB

MSEK	
Purchase price paid	60
Less acquired net assets April 1, 2007	-19
Goodwill	41

Recognized goodwill from the acquisition of 23 percent of Saab Grintek

MSEK	
Purchase price paid	243
Less acquired net assets November 1, 2007	-134
Goodwill	109

The impact on the Group's liquidity as of December 31, 2007 was as follows:

MSEK	
Purchase price paid Ericsson Microwave Systems (adjusted 2007)	-3
Purchase price paid Maersk Data Defence (adjusted 2007)	-46
Purchase price paid Seaeve Holdings Ltd	194
Purchase price paid Caran Saab Engineering	60
Purchase price paid Saab Grintek	243
Purchase price paid Denel Saab Aerostructures	64
Purchase price paid other acquisitions	73
Cash and marketable securities Ericsson Microwave Systems (adjusted 2007)	-34
Cash and marketable securities Seaeve Holdings Ltd	-3
Cash and marketable securities Caran Saab Engineering	-30
Cash and marketable securities other acquisitions	-3
Decrease of the Group's net liquidity	515

Effects if the acquisition had taken place on January 1, 2007

MSEK

Revenue

Revenue January 1 -May 22, 2007 Seaeeye Holdings Ltd	61
Revenue January 1 -March 31, 2007 Caran Saab Engineering	50
Revenue other acquisitions	6
Total	117

Net income

Income January 1 -May 22, 2007 Seaeeye Holdings Ltd	4
Income January 1 -March 31, 2007 Caran Saab Engineering	7
Income other acquisitions	-2
Total	9

NOTE 9

DEFINED-BENEFIT PLANS

Saab has defined-benefit pension plans where post-employment compensation is based on a percentage of the recipient's salary. The predominant plan is the ITP plan, which is secured through a pension fund. The Saab Pension Fund had assets of MSEK 3,304 as of December 31, 2007.

NOTE 10

CONTINGENT LIABILITIES

No additional obligations were added during the period.

NOTE 11

TRANSACTIONS WITH RELATED PARTIES

No significant transactions have occurred during the year.

Related parties with which the Group has transactions are described in the annual report for 2007, note 43.

NOTE 12

CONDENSED SUBDIVIDED BALANCE SHEET AS OF DECEMBER 31, 2007

MSEK	Saab	Saab Aircraft Leasing	Eliminations	Saab Group
ASSETS				
Intangible fixed assets	7,940			7,940
Tangible fixed assets	3,932			3,932
Lease assets		1,822		1,822
Long-term interest-bearing receivables	397			397
Shares, etc.	1,945	72	-1,500	517
Deferred tax assets	380	162		542
Inventories	5,372	11		5,383
Short-term interest-bearing receivables	365	514		879
Other receivables	10,729	802		11,531
Cash and marketable securities	826	32		858
Total assets	31,886	3,415	-1,500	33,801

SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' equity	10,726	1,782	-1,500	11,008
Provisions for pensions	101			101
Deferred tax liabilities	1,263			1,263
Other provisions	1,872	859		2,731
Interest-bearing liabilities	3,660			3,660
Lease obligations		204		204
Advance payments from customers	2,558			2,558
Other liabilities	11,706	570		12,276
Total shareholders' equity and liabilities	31,886	3,415	-1,500	33,801

NOTE 13

FORECAST 2008

For 2008 we expect a development in line with Saabs long-term financial objectives; 5 percent organic growth and an operating margin of 10 percent, excluding non recurring items.